

**Regional Spatial Strategy Review**

**Advice from Peterborough City Council under section 4/4 of  
the Planning and Compulsory Purchase Act 2004**

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# 1. Introduction and the Brief

- 1.1 This report contains advice from Peterborough City Council (PCC) as required by Section 4(4) of the 2004 Planning and Compulsory Purchase Act, to assist in the review of the East of England Plan (The Regional Spatial Strategy (RSS)).
- 1.2 The current East of England Plan was published by the Government on 12th May 2008 and sets out regional planning policy to 2021. Policy IMP3 in the adopted plan, 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 further increase the house building trajectory. This will enable long-term decisions to be made about housing, transport and other supporting infrastructure such as health and education services.
- 1.3 The brief from East of England Regional Assembly (EERA) requires the following:
  - “Auditable consultation and facilitation with relevant authorities, sub-regions and stakeholders. Auditable in this case means the Strategic Authorities (SA) are satisfied they can readily find evidence to support any policy stance. The relevance of bodies to be consulted needs to be determined by the SA’s but would include all districts/boroughs in town tier areas.”
  - “Assessment and advice on EERA’s Call for Proposals (the purpose of the Call for Proposals was to assist in identifying what potential exists for new small scale sustainable communities). SA’s will receive responses from all applicants to the above call. EERA would like information on how this call has assisted district level allocations.”
  - “EERA’s commission for Regional Scale Settlements will be presented to SA fora and SA’s will be able to respond to any proposals affecting their interests. SA’s can reflect this in their initial advice to EERA, in the development of options and on-going through the review and monitoring of the RSS.”
  - “District distribution of housing and job figures up to 2031 with determination of whether this provision is district wide or tied to Key Centres of Development and Change (KCDCs).”
  - “Testing the ranges of housing as required by Government and the employment range provided through EERA and EEDA.”
  - “Consideration if rolling forward any existing policy(s) unchanged is credible.”
- 1.4 EERA issued the formal request for advice in late September 2008. The original timescale for this advice to be delivered was by 7<sup>th</sup> January 2009. EERA have been advised that they will receive Peterborough City Council’s response after 30 March 2009 Cabinet meeting.
- 1.5 The review timetable from January 2009 is for EERA to:
  - **January to July 2009**  
Prepare development scenarios and consult on options and revise generic policies.

- **August to December 2009**  
Prepare draft regional spatial strategy and submit this to the department for Communities and Local Government (CLG).
- **CLG Stages**  
Testing the draft Plan – consultation on draft regional strategy and Examination in Public  
  
Publish Proposed Changes for consultation
- **By the end of 2010**  
Publication of Regional Strategy

#### 1.6 Recent Economic Events

Current market conditions will undoubtedly have wide ranging implications on growth and the performance of development in the East of England. As part of PCC's advice, this report seeks to outline possible implications of the downturn on Peterborough.

#### 1.7 Policy Background

##### 1.8 National

1.9 The Government's Sustainable Communities Plan 2003 (Sustainable Communities: Building for the future) sets out a long-term programme of action for delivering sustainable communities, with a particular focus on tackling housing supply issues. Subsequently, Peterborough was added as a suitable location for sustainable growth within a London – Stansted – Cambridge – Peterborough growth corridor (LSCP).

1.10 The Planning and Compulsory Purchase Act 2004 sets out the national policy background. At the national level a set of Planning Policy Statements (PPS) set out further broad guidance.

##### 1.11 Regional

1.12 The Regional Spatial Strategy (RSS) provides the regional framework to inform the preparation of the local development documents (LDDs).

1.13 The adopted RSS for the East of England (also known as the East of England Plan) sets out the regional housing provision 2001 – 2021. In accordance with policy H1 of the RSS, Peterborough is required to build 25,000 minimum dwellings and make provision for at least 20,000 additional jobs over the period April 2001 - March 2021.

1.14 The Sub-Regional Review is likely to be completed before the adoption of the revised RSS. There is some way to go before the arrangements are finalised, but it is likely that the Regional Economic Strategy (RES) and the RSS will be replaced by one all encompassing document. In the meantime, EERA have advised that the review will continue to follow the agreed programme.

##### 1.15 Local

### 1.16 **Sustainable Community Strategy (SCS)**

1.17 The Vision for Peterborough is set out in the Sustainable Community Strategy (SCS). The SCS is produced by the Greater Peterborough Partnership, the Local Strategic Partnership for the area, and is shared by all key stakeholders including Opportunity Peterborough (OP) and Peterborough City Council (PCC).

1.18 The Vision is set out below;

- “A bigger better Peterborough that grows the right way – and through truly sustainable development and growth:
- Improves the quality of life of all its people and communities, and ensures that all communities benefit from growth and the opportunities it brings.
- Creates a truly sustainable Peterborough, the urban centre of a thriving sub-regional community of villages and market towns, a healthy, safe and exciting place to live, work and visit, famous as the environment capital of the UK.

1.19 To achieve this vision, the strategy focuses upon four key areas which include cross cutting themes.

1.20 Creating opportunities – tackling inequalities

- The identified outcomes of these themes are: improving health, supporting vulnerable people, Regenerating Neighbourhoods and improving skills and education

1.21 Creating strong and supportive communities

- The identified outcomes of these themes are: Empowering local communities, Making Peterborough safer, Building community cohesion and Building pride in Peterborough

1.22 Creating the UK’s environment capital

- The identified outcomes of these themes are: Making Peterborough cleaner and greener, conserving natural resources, Growing our environmental business sector and increasing use of sustainable transport.

1.23 Delivering substantial and truly sustainable growth

- The identified outcomes of these themes are: Creating a safe, vibrant city centre and sustainable neighbourhood centres, increasing economic prosperity, building the sustainable infrastructure of the future and creating better places to live.”

1.24 **Local Development Framework/Core Strategy**

1.25 An important tool for the delivery of the Community Strategy is the Local Development Framework (LDF). The LDF is a portfolio of separate documents. The documents in the LDF are statutory.

- 1.26 The Core Strategy sets out the Spatial Vision for growth in Peterborough. It includes a housing trajectory illustrating the expected rate of delivery of new dwellings, including those already completed, for each year between 2001 and 2021. It demonstrates how the RSS requirement to deliver at least 25,000 additional dwellings could be achieved.
- 1.27 The Core Strategy covers the period to 2021 with provision for delivery of housing beyond to 2026. The adopted RSS requires Peterborough to make provision for a minimum net increase of 25,000 dwellings between April 2001 and March 2021. To meet the RSS target, an average of 1,250 additional dwellings a year was required for the period 2001 – 2021. However, to take account of the shortfall of completions during the first 5 years of this period, the RSS policy H1 now requires the provision of an average of 1,420 dwellings a year from 2006 onwards. As the Core Strategy must identify a 15 year supply, in accordance with the guidance set out in Planning Policy Statement 3 (PPS3), it covers the period up to 2026, rolling forward the H1 target an additional 5 years, planning for an overall total of 27,600 dwellings.
- 1.28 In order to understand the implications of the additional 27,600 dwellings, the development of the Core Strategy has been supported by considerable evidence gathering and sustainability appraisal consultation.
- 1.29 The Core Strategy has been through Preferred Option consultation in the summer, where many stakeholders indicated their support for the spatial strategy. The next stage is submission for examination, with adoption scheduled for late 2010.
- 1.30 The Core Strategy contains five main elements:
- I. An overall vision (often referred to as a spatial vision) setting out how the area is expected to change over the plan period
  - II. A set of strategic objectives outlining the main policy directions that need to be pursued in order to realise the vision.
  - III. A spatial strategy and a series of core policies for addressing the vision and objectives; these will provide the basic structure for promoting development in some places, restricting it in others, informing and co-ordinating investment, and establishing the framework for detailed policies and proposals to be developed in subsequent documents of the LDF.
  - IV. A key diagram, showing diagrammatically how different elements of the Core Strategy will apply to different locations
  - V. An outline of the means of implementing the Core Strategy policies, together with a set of indicators and targets to provide a basis for monitoring that implementation.
- 1.31 The Core Strategy will be delivered by three additional documents. These documents are being developed simultaneously, with adoption scheduled for spring 2011.
- 1.32 Planning Policies DPD

The Planning Policies DPD will contain policies which set out the criteria against which planning applications for the development of land and buildings will be considered. These policies will ensure that development is inline with the spatial vision and objectives set out in the Core Strategy.

#### 1.33 City Centre Area Action Plan

The City Centre Area Action Plan (CCAAP) is being prepared by Peterborough City Council and Opportunity Peterborough as part of the Local Development Framework for Peterborough. The CCAAP will guide the development of the city centre, ensuring that a modern, vibrant and sustainable city centre is developed to support growth and accommodate a range of new uses.

#### 1.34 Site Allocations DPD

The Site Allocations DPD will support the policies set out in the Core Strategy and will allocate land for specific types of development. The role of the Site Allocations DPD is to determine the exact sites that will deliver the overall strategy and to identify them on a map (called the Proposals Map).

## **2. Appraisal of available evidence**

2.1 This section provides a summary setting out the technical work and studies on a comprehensive city wide level, on specific topic areas and for those that are underway. Peterborough City Council understands that developing a credible and robust evidence base is fundamental to understanding the implications of development. Through the development of evidence to support the Core Strategy, Peterborough is in a good position to understand the implications of additional growth. Throughout the development of the Core Strategy, where gaps in understanding have been identified, studies have been undertaken to fill these.

2.2 In response to Peterborough's inclusion in the LSCP growth corridor, two studies were completed to develop spatial options and understand the impact of growth, the Peterborough Growth Area Study and the Integrated Growth Study (IGS).

### **2.3 Comprehensive Growth Studies**

#### **2.4 Peterborough Growth Area Study (Llewelyn Davies and Roger Tym and Partners August 2004)**

2.5 The purpose of this study was to substantiate the appropriate scale of growth to be achieved within the Peterborough Growth area and to investigate the general spatial options for growth.

2.6 The study used a sifting exercise using the known constraints to illustrate land availability. Areas of land that were not subject to some form of constraint or designation, and which immediately abutted the urban area, were subject to further assessment. However, the sieve mapping exercise highlighted very few areas that were not subject to at least one of the identified constraints. Further consideration of the suitability for each option was completed through site visits and discussions with a steering group.

2.7 The assessment identified a large area of land to the south of Peterborough with the potential to accommodate development. It identified other smaller development opportunity areas to the north and east. These options were revisited through the IGS process and now form part of the spatial strategy in the Core Strategy.

#### **2.8 Growth Period**

The plan sought to provide for the additional growth anticipated by the Sustainable Communities Plan up to 2016 (in light of the Government's extension of the London-Stansted-Cambridge Growth Corridor to include Peterborough) and the growth required by Regional Planning Guidance for the East of England (RPG14) to 2021.

#### **2.9 Summary for section 4 (4) advice**

2.10 The report is useful for understanding spatial relationships and many of the proposed sites have been included within the current Core Strategy.

## 2.11 **Integrated growth study (Arup 2008)**

- 2.12 The integrated growth study (IGS) was commissioned by PCC and OP to inform the Core Strategy by developing an overarching framework and specific spatial options to meet the RSS housing and employment targets allocated to Peterborough. The final version was published February 2008.
- 2.13 The IGS preparation process was carried out in consultation with stakeholders and the public. The process involved the collection of evidence, identification of key issues and drafting of a spatial vision and objectives.
- 2.14 Extensive assessment was undertaken to analyse the potential growth options for Peterborough, including a sifting exercise using absolute and non absolute constraints. Following criteria based appraisal and consultation, the recommended option was chosen. This option proposes the expansion of the urban area, by means of two urban extensions – although emphasis is placed on stimulating development and regeneration in the city centre, district and local centres and the remainder of the urban area as a priority. Growth in the villages reflects the desire to maintain their vitality and address existing community needs whilst respecting the character of the rural areas.
- 2.15 The IGS revealed that the economic activity in Peterborough, in comparison to the region, has a lower employment and economic activity rate, and a higher unemployment rate.
- 2.16 As part of the IGS, five alternative scenarios were developed as potential frameworks for managing economic development in the district. As a result of a series of consultations, the third scenarios (Environment Plus) received the greatest support as consultees recognised the need to promote Peterborough as an Environment Capital City.
- 2.17 Development of the Recommended Option and the development of spatial options were based upon a combination of inputs:



- National, regional and local planning policy, including the RSS growth targets for employment and housing
- Vision and objectives from the Community Strategy
- Preferred Economic Scenario – ‘Environment Plus’. An economic scenario that promotes the development of a knowledge economy based around environmental services.
- Integrated Resource Management
- Identification of growth availability areas and their capacity to accommodate development
- Comments received during stakeholder and public consultation, in particular feedback on the Consultation Options and Spatial Options
- Spatial Options Evaluation Results
- Principles of good practice in urban design and sustainable development

#### 2.18 **Growth Period**

2.19 In accordance with Planning Policy Statement 3 (Housing), the Core Strategy must identify a 15 year supply of housing from the date of adoption. As the Core Strategy is due to be adopted in 2010, in terms of housing provision, the IGS was extended beyond the plan period up to 2026.

#### 2.20 **Knowledge gaps**

2.21 An objective of the IGS was to understand if there were any gaps in knowledge. Where the need for further information was identified studies have been commenced to provide this additional information. However, as the IGS covers the plan period until 2026 for housing and 2021 for other areas, further information will be required to fully understand the implications of further growth to 2031.

#### 2.22 **Summary for section 4 (4) advice**

The IGS utilises the best available information to identify spatial options for further growth. These spatial options have been used to inform the Core Strategy and detail the strategic needs required to accommodate the growth.

#### 2.23 **Topic based evidence**

In addition to the comprehensive growth studies, a number of topic based studies have been completed to support the Core Strategy. These are set out below

#### 2.24 **Economic**

The Employment Land Review (ELR) was completed in 2008. The purpose of the review was to assess the relationship between the potential supply of employment land, the property market and the likely demand for land up to

2021 and beyond. It also aimed to establish if there is, or will be, enough suitable employment land to meet the employment requirements of the RSS.

2.25 The review of the employment market demonstrates that development of all types of employment use (B1, B2 & B8) is likely to be viable on the fringes of Peterborough, including on previously developed land. The review concluded that the combination of existing approved sites, allocations and the favourable potential employment sites is sufficient to meet the land requirements of the 'Environment Plus' scenario, across each of the B use classes. However, there remains a requirement for the detailed assessment of each site.

#### 2.26 **Housing**

A Strategic Housing Market Assessment (SHMA) has been completed to inform appropriate policy responses to housing need and demand. The regional context for the SHMA is complex as it lies across the boundary of two Government Regions which have different policies covering the targets for new house building. The SHMA findings suggest that there is a relatively low demand (in terms of the overall HMA) in Peterborough. The SHMA concludes that since market demand is low relative to the new build target, some policy action will be called for if the targets are to be met. This policy action is detailed in the Core Strategy.

#### 2.27 **Protection of natural resources**

The protection of natural resources has been considered through the concept of the 'Green Grid'. The Green Grid is based on the RSS policy SS8 which requires the provision of networks of green spaces linking the urban area with the countryside. The Green Grid Strategy translates these provisions on a local spatial level. It is intended that the Peterborough Green Grid Strategy will be implemented through the LDF. Any further growth would need to be consistent with the principles as set out in the Green Grid.

2.28 The Green Grid strategy includes a Growth Opportunity Analysis. Using environmental and green space constraints, this analysis sought to establish whether there were any fundamental environment objections to development and, if there were not, to suggest possible solutions for development form for each site in order to meet landscape, environment and greenspace objectives.

2.29 The Peterborough area is rich in a network of internationally, nationally and locally protected sites, as well as those without formal designations. The current RSS places a requirement on LPAs to pay appropriate attention to biodiversity and earth heritage issues through proposed policy ENV3.

#### 2.30 **Transport**

The current transport plan is the second Local Transport Plan (LTP2), published in March 2006 covering the period 2006 to 2011. The LTP2 details future strategy development proposals, local transport priorities and a programme of improvements for the Peterborough area. The plan replaced the original created in 2000. It takes into account the proposals for developing and enhancing the City Centre and the increase of urban growth caused by the inclusion of Peterborough in the L-S-C-P Growth Corridor as a part of the Government's Sustainable Communities Plan.

#### 2.31 **Infrastructure Provision**

The IGS revealed that substantial infrastructure is required to support and enhance the growth in Peterborough. This has led to the Council, together with its partners, producing an Integrated Development Programme (IDP). The IDP gathers detailed information on the funding, timing and nature of the infrastructure necessary to support the growth of the city. This information will be incorporated into the implementation section of the Core Strategy.

2.32 The Planning Obligations Implementation Scheme 2008 sets out PCC's approach to the negotiation of planning obligations for new planning permissions. The City Council has set standard levels of contribution towards neighbourhood and strategic infrastructure for most common forms of development. The figures have been informed by local development finance studies and advice from property consultants GVA Grimley and Drivers Jonas. It is recognised that Planning Obligations will only provide a proportion of the funds necessary for new infrastructure, the City Council will need to seek to use a range of other approaches such as 'prudential borrowing', or contributions from other private or public bodies or funds, to ensure delivery of the infrastructure.

2.33 **Emerging evidence**

In addition to the evidence undertaken above, there are a number of studies that will not be available until later in the year.

2.34 **Energy Study**

In keeping with Peterborough's Environment Capital aspirations to explore and promote resource efficiency methods, it is understood that in order to minimise the requirement for new infrastructure, Peterborough must be more efficient with the resources that it uses. With increased demand and technological advances, it may be possible to include stricter resource efficiency measures. It is therefore proposed to include resource efficiency in the Core Strategy, including demand management. The energy study has been commissioned to develop this concept and to understand what approach is suitable to the local area. The findings of this study should be available in Spring 2009.

2.35 **Water Cycle Study:**

An outline water cycle study (OWCS) is being undertaken by Hyder Consulting. When completed, the OWCS will provide an understanding of water infrastructure requirements. This information will then be incorporated into the Core Strategy. It is envisaged that the outline findings will be available in Spring 2009.

2.36 **Strategic Flood Risk Assessment**

A strategic flood risk assessment (SFRA) was initially completed in 2005. To reflect the revision of PPS25, an updated SFRA was undertaken and completed in early 2008. This has been used to inform the growth options for the current RSS targets. A further Stage 2 SFRA is in the process of being commissioned to provide detailed information on specific areas, initially concentrating on the city centre areas and the urban extensions. This partial report is also due Spring 2009. Coverage of additional sites will be completed at a later stage or as necessary to support the Core Strategy.

2.37 **Retail**

The last comprehensive retail study was completed in 2004. Many changes have occurred since this study, notably increasing use of the internet, the

requirements for floorspace and customer preferences. A retail study that takes into account these changes will help PCC to accurately plan for the projected increase in retail floorspace in locations that would best serve the needs of existing and future communities. The final study is expected to be available in Spring 2009.

#### **2.38 Surface Water management plan:**

In response to the findings of the Pitt Review, a Surface Water Management plan (SWMP) has been commissioned. The SWMP is in the early stages of development, however it is envisaged this plan will form part of the Water Cycle Study or the SFRA and inform the Core Strategy.

#### **2.39 Transport Study**

The city council has begun work on the Peterborough Long Term Transport strategy (LTTS). The LTTS will review the current and future problems, issues and opportunities facing Peterborough up to 2031 and examine a range of measures and policies to develop a transport strategy to meet the rising demand from future urban growth across the city. The LTTS will provide an overarching framework for the development of the third Local Transport Plan which is due to be published in 2011 and will ensure alignment with local, regional and national policy

#### **2.40 Summary**

Extensive evidence has been developed to inform the Core Strategy and to understand the implications of delivering 27,600 dwellings to 2026. In addition, there are a number of studies being undertaken that will be able to inform the strategy further. Whilst this puts PCC in a good position to understand the implications of any additional growth, further information on areas such as Climate change, Habitats, Information technology and long term living and working patterns and International Migration will be required.

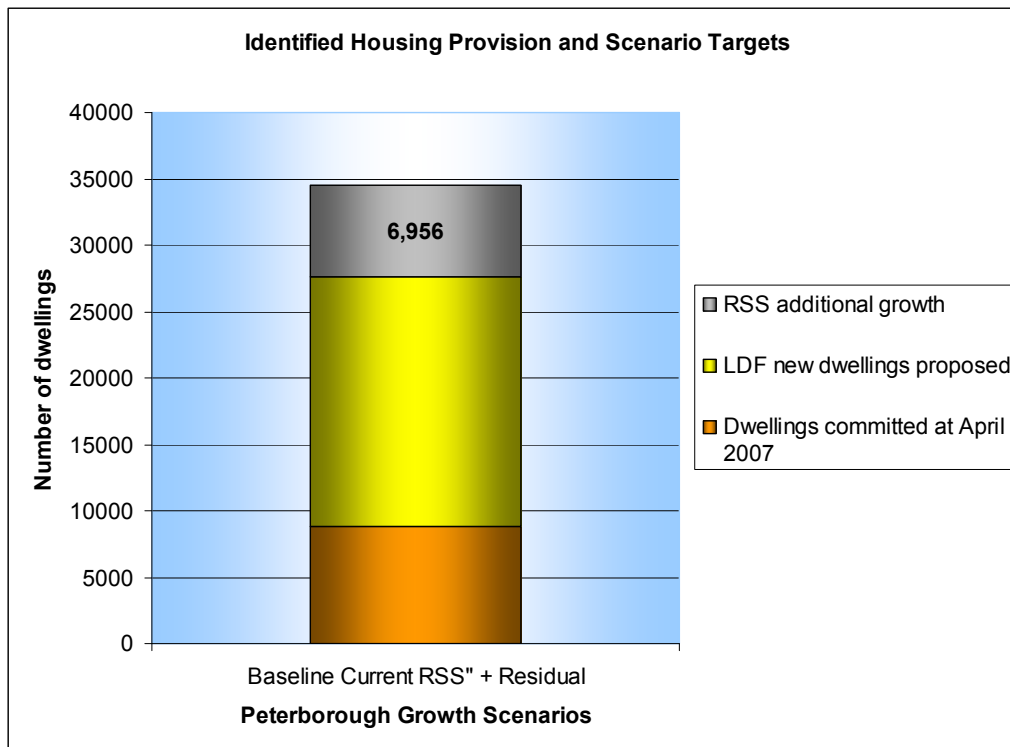
### 3. Growth scenarios

- 3.1 The brief requires PCC to test four growth scenarios. The first is a continuation of current RSS Residual growth rates beyond 2026-2031. Two 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 scenario is linked to GVA growth as set out in the Regional Economic Strategy (RES).
- 3.2 This report does not seek to challenge the assumptions and inputs for the national level modeling, particularly relevant given the economic downturn, as this will be completed at a regional level.
- 3.3 The scenarios cover a broad range, with the upper NHPAU representing a 31% increase from the current RSS + residual figure for Peterborough.
- 3.4 As the emerging Core Strategy for Peterborough has set out a total of 27,600 dwellings from 2007-2026, subtracting this 'planned' figure leaves a residual 'to find' figure to 2031.
- 3.5 Table 1: Growth Scenarios

	Scenario	Regional average annual net additions 2007-2031	Peterborough apportioned average annual net additions 2007-2031	Total net additions 2007-2031	RSS & LDF provision 2007-2026	Residual 'to find' figure to 2031	Jobs 2007 - 2031 Growth pa Total in ( )
Scenario 1	"Baseline Current RSS" + Residual	26,998	1,440	34,556	27,600	6,956	1,047 (25,128)
Scenario 2	Lower End NHPAU figure	30,648	1,560	37,433	27,600	9,833	1,170 (28,080)
Scenario 3	Higher End NHPAU figure	39,100	1,865	44,761	27,600	17,161	1,486 (35,664)
Scenario 4	GVA growth	33,169	675	16,206	27,600	-11,394	551 (13,224)

#### 3.6 Scenario 1 – 'Baseline RSS Current RSS + Residual'

- 3.7 The first scenario takes the policy H1 residual target of 1420 dwellings per annum 2007-2031 and applies the advice to plan for housing provision post-2021 based on the 2001-2021 annual net additions rate or the 2006-2021 rate, whichever is higher.
- 3.8 For Peterborough, this scenario requires an additional 6,956 dwellings beyond the emerging LDF, producing an annual rate of 1440 dwellings per annum from 2007-2031.



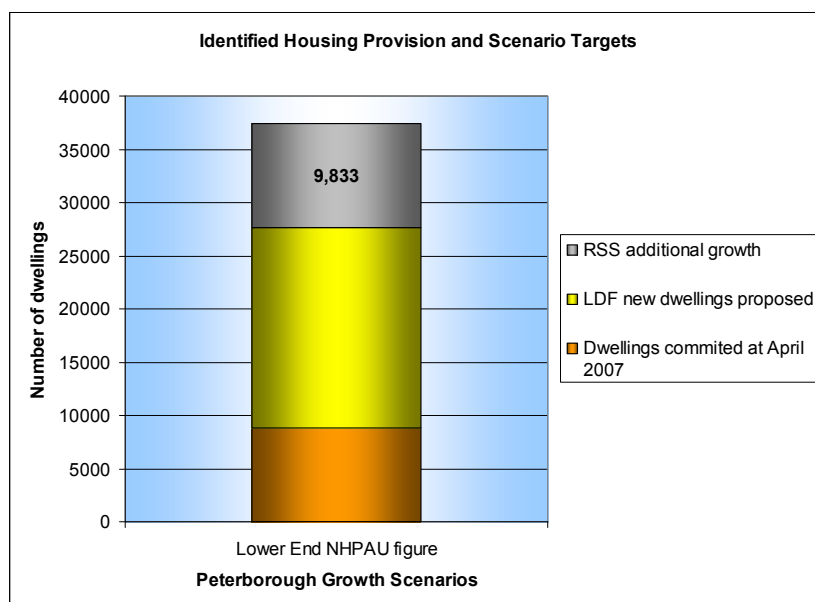
**3.9 Current RSS plus residual Scenario (2007 – 2031)**

- 1440 dwellings per annum (total 34,560 dwellings ) (47% increase in dwelling stock)
- Population 227,200 (mid-2031)
- Dwelling stock 108,180 (2031)
- Approx. 27,700 jobs (2007 – 2031)

**3.10 Scenario 2 - NHPAU Lower**

3.11 This scenario aims to meet Government targets, as set out in the Housing Green Paper of July 2007, to supply 3 million new homes by 2020 (240,000 net additions per year by 2016). Once this target has been reached, the model continues the level of growth forward to 2031.

3.12 For Peterborough, this scenario produces a target of 1,560 dwellings per annum from 2007- 2031. Taking into account the 'planned' number of dwellings, this produces a 'to find' figure of 9,883 dwellings to 2031.



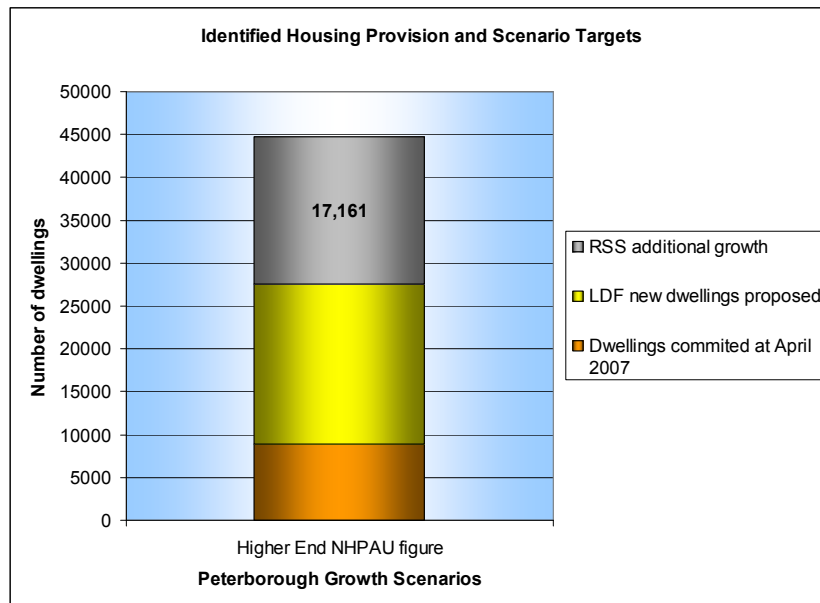
**4. Lower End NHPAU Scenario (2007 – 2031)**

- 1560 dwellings per annum (total 37,440 dwellings ) (51% increase in dwelling stock)
- Population 233,300 (mid-2031)
- Dwelling stock 111,060 (2031)
- Approx. 30,000 jobs (2007 – 2031)

**4.1 Scenario 3 - NHPAU Upper**

4.2 This scenario is based on the NHPAU’s advice on the number of average annual net additions required to stabilise the national lower quartile house price to earnings ratio at 2007 of 7.82.

4.3 This produces the highest figure to test, with a target of 1865 dwellings per annum from 2007-2031. Taking into account the ‘planned’ growth, this produces a ‘to find’ figure of 17,161.



#### 4.4 Higher End NHPAU Scenario (2007 – 2031)

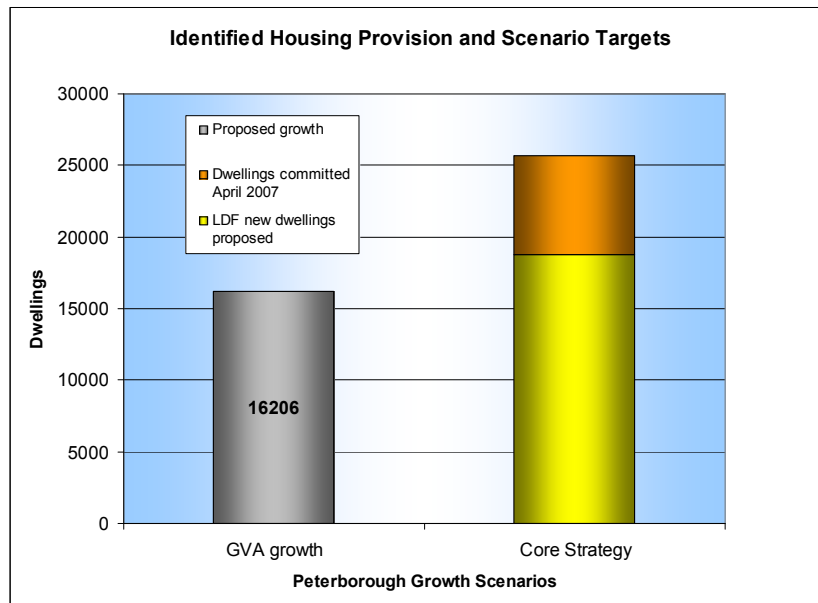
- 1865 dwellings per annum (total 44,760 dwellings ) (61% increase in dwelling stock)
- Population 248,600 (mid-2031)
- Dwelling stock 118,380 (2031)
- Approx. 36,000 jobs (2007 – 2031)

#### 4.5 Scenario 4 - GVA Growth

4.6 The GVA growth scenario projects the impact on employment rates, population growth and housing demand of levels of productivity growth consistent with Regional Economic Strategy targets (2.3% GVA per head and 2.1% GVA per employee per annum growth. The targets in the RES were agreed regionally and were the levels of productivity growth that were consistent with the housing targets set out in the RSS.

4.7 This scenario is particularly significant because it produces a lower housing target than has been adopted in the current RSS. This produces 675 dwellings per annum from 2007-2031. Taking into account the 'planned' growth, this would lead to a 'planned' **excess** of 11,394.





#### 4.8 GVA Growth Scenario (2007 – 2031)

- 675 dwellings per annum (total 16,200 dwellings ) (22% increase in dwelling stock)
- Population 188,700 (mid-2031)
- Dwelling stock 89,830 (2031)
- Approx. 13,000 jobs (2007 – 2031)

#### 4.9 Summary

The four scenarios cover a considerable range, with the highest NHPAU figure being nearly three times more than the lowest – the GVA scenario. This range clearly demonstrates that policy interventions in Peterborough have a significant role to play.

## 5. Conclusions and Section 4(4) advice

5.1 The four scenarios cover a considerable range with the highest NHPAU figure being nearly three times more than the lowest – the GVA scenario. Neither of the extremes is considered either desirable or feasible as the basis for the future planning of Peterborough. The best solution lies with an alternative intermediate scenario. Conclusions on each scenario are discussed in turn below.

### 5.2 The GVA Scenario

This scenario implies the completion of an average of 675 additional dwellings each year. This is unambitious; would perpetuate existing difficulties; and would not make best use of the economic and environmental opportunities offered by the city. It is less than half the requirement set out in the existing RSS and Core Strategy. A key objective of PCC and its partners is to achieve a step change in Peterborough's social, economic and environmental well being. To do this, both regeneration and growth are required. The GVA scenario is a perpetuation of current economic weaknesses and does not take into account policy aspirations.

### 5.3 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. The higher NHPAU scenario ignores these issues. It assumes a local economy of unprecedented buoyancy throughout the 24 year planning period, requiring the completions of 1,865 dwellings every year from 2007 to 2031. Intervention to achieve lower growth levels will be challenging but there is little prospect of delivering this, the highest scenario.

### 5.4 The Lower NHPAU Scenario

This raises similar issues to the higher NHPAU figures but to a lesser degree of severity. Trends indicate that Peterborough has only achieved the required annual figure of 1,560 houses and 1,170 jobs (appendix 1) during the period when the Development Corporation was in operation. The ability to achieve higher annual figures will occur more often in the future as strategic policies begin to become effective, but this will not be for some years, especially given the current economic downturn. Furthermore, current guidance requires any annual shortfall in housing completions to be made up in subsequent years. Alternative mechanisms to 'kick start' house building at large quantities could be introduced to enable an annual figure of this level to be met.

### 5.5 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.

2.1 Building upon this work, the annual figures implied by this RSS plus Residual 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.

### 5.6 Peterborough recommended Growth Scenario

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.

2.2 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 illustrated in figure 1. As policy intervention and strategic mechanisms become effective, the RSS Residual annual average delivery figure of 1440 (as a minimum) would be reached.

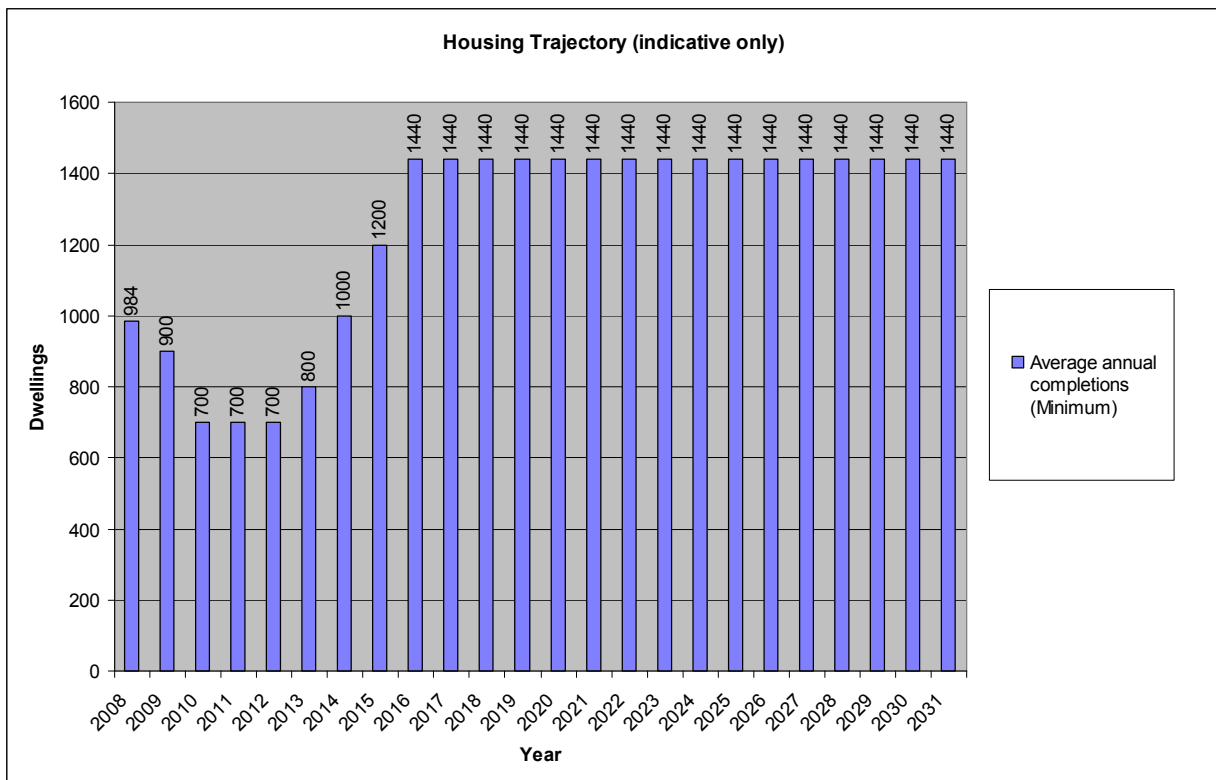


Figure 1

- 2.3 During the period 2009 – 2015 it will be of upmost importance to ensure that any barriers to growth are understood and overcome so that Peterborough will be an accessible and attractive location when the upturn begins.
- 2.4 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.
- 2.5 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.

## 5.7 Growth Requirements and Delivery Mechanisms

### 5.8 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 the benchmark for this aspiration.

### 5.9 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 brownfield 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.

### 5.10 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.

- 5.11 The IGS identified the need for major improvements to public transport. These are currently being developed in the long term transport study (LTTS). The IGS made an initial cost estimate £50m for this provision but its analysis was restricted to Peterborough alone. Given the growth possibilities particularly in the East Midlands a wider approach would be desirable.
- 5.12 Investment in road transport would also need to be significant. This applies to various schemes throughout the sub-region. Typically, these are needed to open up areas for regeneration but inevitably involve complex proposals and procedures in existing developed areas.
- 5.13 Peterborough is a railway junction and further improvements to the railway system will improve its growth prospects. Links to Felixstowe and Nuneaton are of significant importance to the city. The key local project is the redevelopment of the station and the surrounding area, another example of a vital regeneration project. Other rail improvements are being investigated
- 5.14 Energy production and use is an area of considerable debate and change. With its aspirations to be the environment capital Peterborough needs to be in the forefront of national practice. The Core Strategy addresses this issue but further work is needed and research has been commissioned to provide a long term energy strategy. It is already apparent that significant planning and investment will be required in this sector.
- 5.15 Climate change is another aspect that is the subject of long term research. The Core Strategy and potential additional growth is believed to be attainable without incurring unacceptable levels of flood risk although further detailed work is expected shortly. Risk analysis of long term regional aspects is also needed to better inform infrastructure requirements.
- 2.6 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.
- 5.16 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.
- 2.7 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.

- 5.17 Further work is required to establish how a larger Peterborough could attract better services, facilities and opportunities for existing residents and businesses.
- 5.18 **Employment led**  
To support additional growth there is a need to attract a large number of additional jobs, particularly in the high quality sector. Peterborough is seeking a step change in its economy. At present it is characterised by low skills and low wages which provide only limited opportunities for sustainable long term growth and well being. Life long learning is vital to improvement in this respect and in the case of Peterborough the establishment of a university is critical. Plans for this are now well advanced with Anglia Ruskin setting up local courses in the very near future. In time this will develop into a separate university, possibly with its own campus, and will form the basis of the economic step change necessary. Such a strategy will need long term investment and support from all local partners.
- 5.19 As part of a growth area Peterborough has benefited from the establishment of its own local delivery vehicle. Opportunity Peterborough is now in place as an urban regeneration company to drive the implementation of the city's growth. This will be particularly valuable with regard to the complex negotiations that must take place to regenerate and increase the capacity of the city centre.
- 5.20 Other measures are also being put in place to make maximum use of funds introduced to combat the recession and to ensure the necessary infrastructure is in place to take early advantage of an upturn in the economy. In this respect, both Opportunity Peterborough and the City Council have put in place measures whereby they can introduce special purpose vehicles to guide key opportunities be they site specific or generic. In addition, the Council is also investigating the establishing of a housing company, again with a view to making maximum use of all available funds during the downturn. Peterborough has a history of being able to attract and deliver growth. Through the Development Corporation it was able to deliver in excess of 2400 annual additional dwellings in some years. The Peterborough Development Corporation not only built houses and employment properties, it also provided the necessary infrastructure upfront in most cases. This along with successful advert campaign 'The Peterborough Effect' helped the city to grow considerably. The use of a similar delivery vehicle should be investigated to enable PCC to achieve its future growth aspirations.

## 5.21 **Regional Scale Settlement Study**

EERA commissioned ARUP to carry out a study to investigate the merits of developing a new regional scale settlement and identify the most appropriate location(s) within 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.

5.22 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.

### 5.23 **Further Work**

The advice in this report should be regarded as initial advice only. Work is currently underway in the sub region regarding

- Long term transport proposals
- Energy
- Water cycle and flood risk
- Migration

5.24 Further work will be needed in particular with regard to;

- Climate change
- Habitats
- Information technology and long term living and working patterns
- International migration

5.25 Finally, there are concerns as regards the validity of the modelling that produced the four scenarios. These are believed to have been undertaken in the summer of 2008 when the first effects of the economic downturn were just being felt. The situation has changed considerably since then. As they are fundamental to the RSS review it is suggested that they be rerun.

### 5.26 **Summary of Conclusions**

The following is a summary of the main points of PCC's advice

- The low (GVA) growth scenario is unacceptable as it does not meet the city's policy aspirations for growth.
- Concerns that the NHPAU's scenarios would be challenging to achieve under current mechanisms.
- A Peterborough recommended Scenario should be considered through the review as it meets the aspiration of additional growth, but remains deliverable.
- Given the current economic conditions, considerable investment will be required in the sub region to ensure that growth and regeneration can be delivered. This means maximising all sources of funds; establishing fit for purpose delivery vehicles and investing in the skills of local people.
- Further work is necessary for the review particularly with regard to revised economic modelling.

# Appendix 1

## Peterborough District: Completions Mid 1970 – March 2008

