



Item No.

10

## Joint Strategic Planning Committee

Joint Planning Unit  
Manager:

Date: 21 October 2008

Report Title	East Midlands Regional Plan (Regional Spatial Strategy) – Secretary of State’s Proposed Changes Consultation
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### 1. Recommendation:

That the Committee agrees the officer response to the Proposed Changes that has been submitted to the Secretary of State and that is set out in **bold** font in the body of this report.

### 2. Summary:

2.1 The purpose of this report is to inform the Committee of pertinent changes to the East Midlands Regional Plan (Regional Spatial Strategy) as a result of the Secretary of State’s Proposed Changes that have been published for consultation.

2.2 The report also sets out the officer response to the Proposed Changes and seeks the Committee’s approval of that response.

### 3. Background:

#### The Status and Scope of the East Midlands Regional Plan

3.1 Following the enactment of the Planning and Compulsory Purchase Act 2004 Regional Planning Guidance became part of the statutory development plan and was renamed Regional Spatial Strategy (also known as a Regional Plan). In March 2005 the Government issued the Regional Spatial Strategy for the East Midlands (RSS8) incorporating the Milton Keynes and South Midlands Sub-Regional Strategy covering Northamptonshire.

3.2 In 2005 the East Midlands Regional Assembly (EMRA) began the review of RSS8. Once completed the East Midlands Regional Plan will replace RSS8. As part of the Development Plan it will influence the emerging West Northamptonshire Local Development Framework and the determination of planning applications in West Northamptonshire. It will also replace policies in the adopted Northamptonshire Structure Plan.

3.3 The Regional Plan will provide the broad development strategy for the East Midlands up to 2026. It will identify the scale and distribution of new housing and priorities for the environment, transport, infrastructure, economic development, agriculture, energy, minerals and waste treatment and disposal. The Plan will also provide the longer term planning framework for the Regional Economic Strategy, prepared by the East Midlands Development Agency. The Plan will also be used to inform the development of relevant non land-use strategies and programmes in the Region.

#### The Regional Plan Preparation Process to Date

3.4 The Secretary of State's Proposed Changes build on the foundations of the draft Regional Plan consulted upon in 2006. They take account of the recommendations of the independent Panel appointed to conduct the Examination in Public held in 2007. The consultation relates to the Proposed Changes rather than those parts of the draft Plan that are unchanged since it was consulted upon in 2006. The consultation period on the Proposed Changes closed on 17 October 2008. After considering the responses, the Secretary of State will publish the final version of the East Midlands Regional Plan.

3.5 The Joint Steering Group did not make any representations on the formulation of the draft Regional Plan itself. Instead, the County Council and each Borough and District Council in West Northamptonshire made its own representations. Now that the West Northamptonshire Joint Strategic Planning Committee has been established as the Development Plan Authority for West Northamptonshire it is appropriate that the Committee considers the Proposed Changes and how they may affect the emerging Joint Core Strategy.

3.6 Due to the fact that the inaugural meeting of the Joint Strategic Planning Committee has fallen after the closing date of the Proposed Changes consultation, the West Northamptonshire Joint LDF Programme Board agreed that the Joint Planning Unit Manager submit officer comments to the Secretary of State by the closing date and that those officer comments then be considered for approval at this meeting of the Committee.

#### Key Proposed Changes Relevant to West Northamptonshire

3.7 The Government has accepted many of the independent Panel's recommendations. The key Proposed Changes to the draft Regional Plan that are relevant to West Northamptonshire are:

- No change to growth area plans in Northamptonshire, which were set out in the Milton Keynes and South Midlands Sub-Regional Strategy in 2005, though the plan period for the area is extended to 2026;
- A new policy relating to affordable housing in rural areas has been added;
- Affordable housing targets as figures rather than percentages have been included and the tenure split has been removed;
- Detailed pitch requirements for gypsies and travellers have been included; and
- A new policy on strategic distribution has been included.

3.8 The policies to which these key Proposed Changes relate are set out in Appendix 1 of this report.

#### Policy 2 – Better Design

3.9 The Secretary of State has proposed a new Policy 2 (Design). Whilst deletion of draft Policy 2 is supported the replacement of the requirement for urban extensions to be carbon neutral with a requirement to achieve the highest viable levels of

sustainability is not. The Panel concluded that the requirement for carbon neutrality was aspirational but not unreasonable. **It is recommended that the Committee object to Policy 2 on the basis that the proposed new wording is too vague and recommends that the original wording of the relevant bullet point in draft Policy 2 was of greater benefit.**

- 3.10 It should also be noted that the schedule of structure plan policies for replacement by the adopted RSS highlights that Policy 2 will replace Northamptonshire Structure Plan Policy GS5. However, Policy GS5 is a policy that promotes good design generally whereas revised Policy 2 now only addresses design in relation to reducing CO2 emissions and providing resilience to future climate change. This means that there would now be a development plan policy gap in addressing design matters. **It is recommended that the Committee object to Policy 2 and recommends that the first sentence of the new revised Policy 2 is deleted and replaced with a new first sentence and two new bullet points to lead the remaining 9 bullet points:**

**“To ensure high quality and sustainable design and layout the following principles should be applied in relation to new development:**

- **encouraging designs and layouts that reduce CO2 emissions;**
- **providing resilience to future climate change; ...”**

#### Policy 3 – Concentrating Development in Urban Areas

- 3.11 The Secretary of State has proposed the deletion of draft Policies 2 and 5 (Regional Approach to Selecting Land for Development and Regional Priorities for Development in Rural Areas) and is suggesting changes to Policy 3 (Concentrating Development in Urban Areas). The new wording in Policy 3 sets out criteria against which development in rural areas will be judged. It also includes reference to economic development and the need to strengthen rural enterprise in respect of the rural areas. **It is recommended that the Committee support Policy 3 on the basis that it forms a useful framework for development in the rural areas.**

#### Policy 13 – Regional Housing Provision and Policy MKSM Northamptonshire SRS 1

- 3.12 The Secretary of State has accepted the Panel recommendation that the Milton Keynes and South Midlands Regional Spatial Strategy is relatively up to date and no changes are required to the growth plans for West Northamptonshire.

- 3.13 The housing provision figure included in the RSS8 for the Northampton Implementation Area (NIA) up to 2021 was quashed in the High Court in January 2006. As a result of the quashing there was no housing figure to form the basis of the strategic planning work relating to Northampton’s growth. As a result of this quashing, together Daventry District, Northampton Borough and South Northamptonshire Councils and Northamptonshire County Council strongly encouraged the Regional Assembly to undertake the work required to provide a replacement figure within this review of RSS8 in order that strategic planning would not be held up. The Regional Assembly subsequently commissioned consultants to undertake this work and a replacement NIA figure, covering the period to 2026, was subject to separate consultation in December 2006.

- 3.14 The draft Regional Plan also rolled forward the housing provision figures for Daventry and South Northamptonshire up to 2026. South Northamptonshire Council made no objection to its figure, whilst Daventry District Council did object to their figure.

- 3.15 The Secretary of State has proposed no changes to the housing figures for Daventry and South Northamptonshire from those submitted in the draft Regional Plan in 2006. Therefore, it is not legally possible to raise any further representations, either of support or objection to those figures.
- 3.16 The Secretary of State has identified new housing targets for the Northampton Implementation Area. These targets are relatively consistent with the housing provision figures identified in the December 2006 consultation. Overall for the NIA (a figure that includes homes to be built inside and outside Northampton Borough related to the growth of Northampton), it is proposed to make a very minor increase in the number of new homes that it is expected will be built (an increase of 25 homes to 2026 over that previously identified). This is shown in Table 1. There have been minor changes to the anticipated completion rates in the period after 2016 and a minor decrease from 2011-2016 compared to previously. Needless to say, even pre-credit crunch these numbers would have been challenging to attain. Ensuring high quality and sustainable job growth is also increasingly challenging. Furthermore, there are increasing concerns over whether the infrastructure needed to support the area's housing provision will come forward. These are matters that will require close scrutiny as part of the development of the West Northamptonshire Core Strategy and through the review of the Regional Spatial Strategy (see Paragraphs 3.35 - 3.37 of this report). **However, given the Councils' previous positions with regards to the anticipated growth of the town, it is recommended that the Committee raise no objection to the minor alteration of dwellings proposed.**

Table 1

Comparison of number of dwellings now proposed compared to those previously consulted upon.

Years	2001-06	2006-11	2011-16	2016-21	Total 2001-21	2021-26	Total 2001- 26
EMRA (Dec 06): Annual Build Rates & Totals	6,500	7,250	8,875	8,875	31,500	8,875	40,375
Proposed Changes (July 08): Annual Build Rates & Totals	6,500	7,250	8,850	8,900	31,500	8,900	40,400

- 3.17 Policy 13 has also been amended to contain a paragraph and bullet points regarding the redistribution of the housing provision figures. It now states "A redistribution of District and County apportionments to meet the Housing Market Area minima via sound Joint Core Strategies will be acceptable, provided that the policy of Urban Concentration for the Principal Urban Areas as summarised below is achieved .....Northampton HMA: 65% within or adjoining Northampton PUA (Principal Urban Area)". The Secretary of State has taken further a recommendation from the Examination Panel related to Nottingham. There is not a clear justification from the Secretary of State how the 65% has been derived. It could be interpreted that this addition to the Policy implies that up to 35% of the dwellings previously anticipated to be built in relation to the growth of Northampton could be redistributed anywhere within Daventry, South Northamptonshire or

Wellingborough districts as long as it is within the boundary of the area identified within the West Northamptonshire Housing Market Area – either in the form of small developments or one large free standing settlement.

- 3.18 Given that the Joint Core Strategy Issues and Options put forward options based on the principle of Urban Concentration for the Principal Urban Area (Northampton), this could potentially raise a complication in the next stages of taking the Joint Core Strategy towards adoption. An option that looks at the potential of providing up to 35% of the homes elsewhere within the area has not explicitly been put forward in the options for consultation. The potential change in policy context could provide a complication that could have an adverse effect in the sense that it causes delay in the Plan adoption process, and ultimately undermines a major aim of the Strategy of increasing house-building rates. The previous policy context provided sufficient flexibility for determining which locations were appropriate for housing development and will provide enough possibilities for ensuring delivery of the required number of homes. In this context, it is not considered that the Proposed Change to the Policy would either be helpful or desirable. **On this basis, it is recommended that the Committee object to this new paragraph and the bullet points, and recommends that they should be deleted from Policy 13.**
- 3.19 In response to the draft Regional Plan the Borough and District Councils raised concerns that the draft Plan did not provide for potential growth of Northampton into the adjoining Borough of Wellingborough. This coincided with the Northampton Longer Term Growth Options Study that was underway to identify potential growth directions for the town. This Study has now been completed and identifies eastward expansion, into Wellingborough district, as one of four potential growth scenarios. It is considered that the Regional Plan should be explicit and provide the necessary strategic context for this matter to be fully explored through the Core Strategies for West and North Northamptonshire and thereby ensure that the growth directions are chosen on the basis of which performs most highly on sustainability grounds rather than administrative boundaries. As drafted it is considered too vague as to whether this is the case. **It is recommended that the Committee object to Policy 13 and request that the footnote to Policy 13 is amended to include the words shown underlined below: “Figures for Lincoln, Corby and Northampton include any provision made in urban extensions which may need to extend across local authority and housing market area boundaries, or be located on the edge of the existing built up areas related to these local authorities, including sites which may be wholly located within adjacent authorities.”**
- 3.20 The Secretary of State has also added a second footnote to Policy 13 stating that all the housing provision figures are “minima”, with the exception of those for East Lindsey, Boston and South Holland which are maxima pending the agreement of a Lincolnshire Coast Strategy. No specific justification is given in the Schedule of Proposed Changes for the inclusion of the reference to minima and the Panel made no comments or recommendations that the reference to minima should be included. The use of minima housing figures is likely to lead to uncertainty in terms of: undertaking sustainability appraisals and strategic environmental assessments at the regional and sub-regional levels; identifying infrastructure requirements; identifying funding and integrating funding programmes; and ensuring delivery. National Planning Policy Statement 3 – Housing (2006) does not include any reference to the use of minimum housing targets. **It is recommended that the Committee object to Policy 13 and request that the second footnote is deleted.**

### Policy 14 - Regional Priorities for Affordable Housing

- 3.21 Policy 14 deals with affordable housing. It states that affordable housing targets should be based upon the most up to date Housing Market Assessment (HMA). The Secretary of State has accepted the Panel's recommendation that the tenure split, i.e. the distinction between social rented and intermediate affordable housing, was not justified, as the figures were not derived from a fully robust and credible evidence base. The Secretary of State also accepted the recommendation that the Policy should include figures rather than percentages, and that these figures should be an interim target for monitoring purposes. Policy 14 now includes an indicative target for monitoring purposes of 21,800 affordable dwellings for West Northamptonshire. Compared to the total housing requirement of 62,150 dwellings over the plan period the total affordable housing requirement represents an average of 35% across West Northamptonshire. This is comparable with the West Northamptonshire SHMA. This is also consistent with the previous draft Policy 14's overall affordable housing requirement when it was expressed as a percentage.
- 3.22 Using figures as opposed to percentages of affordable houses affords some advantages. A total figure would not be skewed by minimum thresholds (which exclude smaller sites) and should not result in disproportionate changes if the housing numbers are amended following reviews of the Plan. However, it is important that the number takes account of the existing site thresholds. These thresholds set the minimum site size for providing affordable housing. Current thresholds, particularly in the rural areas but also in the towns, as well as the proportion of sites above these thresholds and economic viability are all factors that are likely to make it difficult for the target of 35% to be met. Therefore, this blanket target is considered unrealistic and unachievable. However, Policy 14 does state that it is an indicative target for monitoring purposes and that as part of their LDFs local planning authorities should adopt affordable housing targets in line with the conclusions of the most up to date housing market assessments for their area.
- 3.23 With regard to the issue of tenure split, there are pros and cons of each approach. The identification of preferred proportions of tenure types gives a 'heads up' to developers and landowners about the likely level of affordable housing by tenure that will be required. An overall figure target is unlikely to date as quickly as a tenure split, but does not necessarily give an easy indication of the proportion of affordable housing required. Nevertheless, in a rapidly changing market, policies that identify preferred tenure have the likelihood of becoming dated quickly. Therefore, it is considered more appropriate for local authorities through their LDFs, housing strategies and investment plans to identify the appropriate tenure split in line with the most up to date housing market area assessments.
- 3.24 In summary, the use of an affordable housing figure as opposed to a target is supported but it is considered that the requirement for the equivalent of 35% affordable housing across the whole of the West Northamptonshire Housing Market Area fails to recognise the difficulties of implementation and the variations within the market area between rural and urban areas, and between the different urban areas themselves. The deletion of the tenure split is also supported as the split is likely to quickly become updated and would be better identified at the local level. **As Policy 14 states that it is an indicative target for monitoring purposes and that as part of their LDFs local planning authorities should adopt affordable housing targets in line with the conclusions of the most up to date Housing Market Assessments for their area it is recommended that the Committee raises no objection to Policy 14.**

#### Policy 15 – Regional Priorities for Affordable Rural Housing

- 3.25 The Secretary of State has proposed the inclusion of a new policy concerning the provision of affordable housing in rural areas. The policy encourages policy mechanisms such as: setting appropriate 'thresholds' above which affordable houses are required; allocating sites for affordable housing; using rural exceptions policies and other financial/ management approaches. **It is recommended that the Committee support Policy 15 on the basis that it provides a policy framework to support the provision of affordable housing in rural areas subject to sustainability and other planning concerns not being undermined.**

#### Policy 16 – Regional Priorities for Provision for Gypsies and Travellers

- 3.26 Policy 16 deals with the issue of planning for gypsy and traveller accommodation needs. It has been amended to make reference to the minimum amount of pitches that should be provided. These figures have been derived from up to date Gypsy and Traveller Accommodation Assessments (GTAA's). The additional pitch requirements for West Northamptonshire are:

- Daventry: 9 pitches and 3 transit pitches, and 2 plots for showpeople
- Northampton: 32 pitches and 5 transit pitches
- South Northamptonshire: 10 pitches and 2 transit pitches, and 2 plots for showpeople

- 3.27 These pitch requirements are consistent with the Northamptonshire GTAA that was undertaken and reported on earlier in the year. **It is recommended that the Committee support Policy 16 as it reflects the conclusions of the Northamptonshire GTAA.**

#### Policy 21 – Strategic Distribution

- 3.28 The Secretary of State has proposed a new policy for inclusion in the Regional Plan that requires local authorities to work with EMDA, the Highways Agency, Network Rail and private sector partners to bring forward sites for strategic distribution of at least 50 hectares. West Northamptonshire is identified as a broad location for such sites.

- 3.29 Undoubtedly, strategic distribution from the economic perspective has been one of the more recent success stories of West Northamptonshire. There is potentially significantly more demand from occupiers. However, there is the issue of the extent to which it sits with the aspiration to see the economy of West Northamptonshire broaden and in particular attract higher skilled and better-paid jobs in the future. For most uses 50 hectares would be a significant amount of land, for strategic distribution it could potentially only represent a few years' supply. From an aspirational perspective of thinking where West Northamptonshire wants to be, it is difficult to support the policy approach of identifying the area as one that is desirable for further strategic distribution.

- 3.30 If further strategic distribution is still considered desirable by the Secretary of State, then given its impact on the road network and the desirability from an environmental perspective of moving freight off the roads stronger emphasis should be placed within the Policy on ensuring that strategic distribution has good rail access. It is suggested that in assessing a site's suitability for strategic distribution it should be a prerequisite for it to be served by rail freight and operate as an inter-modal terminal, rather than good rail access being one of a number of other criteria.

3.31 Therefore, the Secretary of State should give additional consideration to whether there is a need for further strategic distribution centres in the West Northamptonshire Housing Market Area and the capacity of the rail network to accommodate such centres before Policy 21 is included in the Regional Plan.

3.32 If rail access is accepted as key to the location of new strategic distribution centres than account should be taken of Network Rail's Freight Route Utilisation Strategy (March 2007). This indicates that there is a capacity problem for freight on the West Coast Main Line between London and Rugby. The medium to long term solution to this is to improve the Felixstowe to Nuneaton freight route by increasing the gauge to allow larger containers to be carried and improving capacity in the system. This will mean increases in freight traffic from Felixstowe will not travel via London. Therefore the location of future strategic distribution centres should be related to the increase in capacity in the rail system.

3.33 It should also be noted there is currently a planning permission for an extension to Daventry International Rail Freight Terminal which will provide an additional 180,000 square metres of floorspace which may absorb the existing rail capacity on the Northampton Loop of the West Coast Main Line.

3.34 **It is recommended that the Committee object to Policy 21. If is still considered by the Secretary of State that such a policy should remain in the Regional Plan then it should be made clear that when assessing a site's suitability for strategic distribution it should be a prerequisite for it to be served by rail freight and operate as an inter-modal terminal.**

#### Proposed Partial Review

3.35 The Schedule of Proposed Changes to the RSS states that the Secretary of State considers that an immediate partial review of the RSS will be necessary to respond to both changes in national policy as well as some recommendations made by the Panel. The review should cover the period 2006-2031 and will need to consider, amongst other things:

- Increased levels of housing provision responding to the new targets set by the Government in the Housing Green Paper, the latest household projections, and advice from the National Housing and Planning Advice Unit;
- Revised provision for affordable housing responding to updated information following the completion of Housing Market Assessments in all parts of the region;
- Revision of housing provision figures in Northamptonshire;
- Consideration of any eco-town proposals for which the Government has indicated provisional acceptance;
- A revision of the Regional Transport Strategy; and
- A review of renewable energy targets.

3.36 The Secretary of State has indicated that the review should be completed quickly and that the Regional Planning Body (the East Midlands Regional Assembly) should commence work as soon as possible on the evidence base so that a draft Project Plan can be published for consultation as soon as the RSS review has been completed.

3.37 Whilst an immediate review of the RSS including the housing provision figures in Northamptonshire is supported, housing provision should not be considered in isolation. This review should also include all of the matters covered by the Milton Keynes and South Midlands Sub-Regional Strategy, particularly economic matters,



such as the scale and type of jobs, and infrastructure. **It is recommended that the Committee urges the Secretary of State to widen the proposed partial review to cover all matters related to West Northamptonshire.**

#### **4. Options:**

- 4.1 Bearing in mind the fact that officer comments have already been submitted to the Secretary of State because the Joint Strategic Planning Committee meeting date has fallen after the closing date for comments the following options are available to the Committee. It could either:
- Agree to withdraw the officer comments, and make no response to the consultation; or
  - Agree the officer comments without changes; or
  - Agree to amend the officer comments, responding in a way that the Committee considers is appropriate taking into account this report and their interpretation of the proposed revised Strategy.
- 4.2 Given that this report highlighted the potential adverse implications of the proposed amendments to the Strategy, it is considered that to withdraw the officer comments and make no response to the consultation is not desirable. It is suggested that the Committee agree the officer comments that have already been submitted to the Secretary of State and that are highlighted in bold in this report. It is however appreciated that the Committee may have their own views on the policy changes identified and through having read the revised Strategy as a whole recommend variations to the comments already made, or add their own areas for comment.

#### **5. Consultees:**

<b>External:</b>	Daventry District Council, Northampton Borough Council, South Northamptonshire Council, Northamptonshire County Council.
<b>Internal:</b>	Not relevant.

#### **6. Representations:**

- 6.1 Not relevant.

#### **7. Conclusions:**


- 7.1 The Committee is asked to note the pertinent changes to the East Midlands Regional Plan (Regional Spatial Strategy) as a result of the Secretary of State's Proposed Changes that have been published for consultation and to approve the officer response to those Proposed Changes.

#### **8. Legal Implications:**

- 8.1 Following the enactment of the Planning and Compulsory Purchase Act 2004 Regional Planning Guidance became part of the statutory development plan and was renamed Regional Spatial Strategy (also known as a Regional Plan). In March 2005 the Government issued the Regional Spatial Strategy for the East Midlands (RSS8) incorporating the Milton Keynes and South Midlands Sub-Regional Strategy covering Northamptonshire. Once completed the East Midlands Regional Plan will replace RSS8. As part of the Development Plan it will influence the emerging Local Development Framework and the determination of planning applications in West Northamptonshire.

**9. Background Papers:**

- East Midlands Regional Plan - Proposed Changes (July 2008)
- East Midlands Regional Plan - Report of the Examination in Public Panel (November 2007)
- Additional Consultation on a Replacement Housing Provision Figure for the Northampton Implementation Area (December 2006)
- East Midlands Regional Plan - Consultation Draft (October 2006)
- Review of the East Midlands Regional Plan – Options for Change Consultation (October 2005)
- Planning Policy Statement 3 – Housing (2006)

<b>Position:</b>	<b>Name/Signature:</b>	<b>Date:</b>
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