

Report of The Head of Built Environment.**EAST MIDLANDS REGIONAL PLAN: PARTIAL REVIEW – OPTIONS CONSULTATION.****1 Purpose of Report**

- 1.1 To agree a response to the current consultation upon the partial review of the Regional Plan.

2 Executive Summary

The Regional Assembly is currently seeking views on a range of options and issues for the partial review of the Regional Plan which will cover the period to 2031 with particular emphasis on 2021 -2031. A number of recommendations in response to this are made in relation to Housing, Affordable Housing, Spatial Development Options and Renewable and Low Carbon Energy Generation.

3 Appendices: none**4 Proposed Action:**

- 4.1 The committee is invited to recommend that the responses proposed in paragraphs 6.5, 6.9, 6.10, 6.12, 6.14, 6.21, 6.24, and 6.28 are made to the current Options Consultation upon the Partial Review of the East Midlands Regional Plan**

5 Background

- 5.1 The Regional Plan (Regional Spatial Strategy for the East Midlands) is part of the development plan for the Borough. It sets out a broad long term development strategy for the Region. It identifies the scale and distribution of new housing and priorities for the environment, transport, infrastructure, economic development, agriculture, energy, minerals, waste treatment and disposal. Local development documents must be consistent with a regional plan. The present Regional Plan was published in March this year. The Government, however, has requested the Regional Assembly to undertake a further partial review focusing on housing, transport and climate change.
- 5.2 Proposals for the scope of the partial review were consulted on in October 2008 and as a consequence the Regional Assembly agreed that the review should focus primarily on the post 2021 period (2021 to 2031) thereby allowing the Region to plan for economic recovery and longer term housing growth with

minimal impact upon local authorities' Local Development Framework preparation. (The relevant local development documents for this Borough are: the adopted North Northants Core Spatial Strategy for the period to 2021, now being reviewed and rolled forward to 2026; the recently adopted Town Centre Area Action Plan; and the Site Specific Plan, now in the course of preparation. Both the latter plans cover the period to 2021.)

- 5.3 Some modifications to the details of the timetable for the Regional Plan have also been made but the target for submission of the Plan remains as March 2010. The current stage of consultation has a deadline for response of 6th October.
- 5.4 This consultation sets out a range of options and questions on a number of important issues. These include:
- An assessment of the latest national household projections and advice upon affordable housing (2006 – 2031)
 - Alternative approaches to setting affordable housing targets by Housing Market Area (HMA) (2021 - 2031)
 - Options for future development in Housing Market Areas including both the North Northants and West Northants HMAs
 - An approach to reviewing Milton Keynes and South Midlands (MKSM) "Part A" policies (2006 – 2031)
 - Emerging Regional Transport Objectives (2006 – 2031)
 - Renewable energy generation and HMA based carbon reduction targets (2006 – 2031)
 - Apportionment of aggregates extraction between county areas (2016 - 2021).

6 Discussion

- 6.1 After each section of the Options Report a number of questions are posed, seeking either whether respondents have any further evidence for the Regional Assembly to consider or the views of respondents on alternative approaches to the issues identified. Only those questions which are of particular relevance to this Borough and to which informed responses can be given are included in recommendations (underlined) in the following paragraphs.

Housing

- 6.2 The current Regional Plan provides for 21,500 new homes per year to 2026. These figures are based upon the 2004 Household Projections. They are distributed across the region on the basis of a strategy of urban concentration and regeneration. The plan also takes account of the influence of growth and regeneration in neighbouring regions, including the Milton Keynes and South Midlands Sub Regional Strategy.
- 6.3 Options for new housing provision must take account of the most recent household projections, the 2006 based projections issued by the Government in March 2009. These indicate that the Region should be planning to provide 28,000 new homes per year. They show that the East Midlands will be the fastest growing region in England. Of individual parts of the East Midlands, the scale of growth is projected to be greatest in Northamptonshire, Lincolnshire and Rutland.

The components of this growth are declining household size (single persons making up a higher proportion of households due mainly to the effects of an ageing population) and population growth. Of the latter, approximately one third will be due to natural change (excess of births over deaths) and the remaining two thirds arises from net inward migration, divided roughly equally between migration from elsewhere in the UK and from beyond the UK.

- 6.4 It is important to note that the Household Projections are an indication of likely change if present trends continue. They are not an assessment of housing need and do not take account of future policies or the capacity of the development industry to deliver. A slightly lower estimate of housing supply (23,400 to 24,600 to address supply and stabilise affordability) has been produced by the National Housing and Planning Advice Unit. The Regional Assembly is required also to test these figures. Nevertheless, whatever the final level of housing provision is determined, it seems clear that the number of households will continue to grow and as a consequence it will be necessary to test whether the current strategy of urban concentration and regeneration will remain effective. The main challenges and options for each Housing Market Area are examined in subsequent parts of the Options Report. The implications for North Northamptonshire and to some extent West Northamptonshire are discussed from paragraph 6.12 below.
- 6.5 Questions are raised at this point regarding whether further evidence can be provided regarding demographic and migration issues or affordability. At this stage local evidence is not available to inform this issue. There is, however, anecdotal evidence that in-migration from outside the UK has fallen and probably reversed following the recent economic problems. Although the Regional Plan is looking forward to 2031 it is surely questionable whether this in-migration will return to levels seen in previous years when a number of countries had recently been incorporated into the EC. Because the projections are very sensitive to changes in assumptions about migration, the Regional Assembly have commissioned an independent analysis of the projections, including migration. It is recommended that this review is welcomed and that the results should be made available as soon as possible.

Affordable Housing

- 6.6 The Regional Plan is required to set out the regional approach to addressing affordable housing needs including targets for Housing Market Areas. Research commissioned by the Assembly shows that:
- Regional affordable housing delivery to date has met only half the annual average target
 - Half of affordable housing is publicly funded and half privately funded via planning permission based S106 agreements
 - Current economic conditions will reduce provision even further because of viability
 - Affordable housing need is actually significantly higher than existing targets
 - The study also showed that rural provision was particularly problematic.
- 6.7 The Options Report also raises the separate issue of whether the Plan should address how an ageing population in the region should be housed. The over 65

age group is projected to increase by 50% between 2008 and 2025. Over the same period the numbers over 85 are expected to increase by 80%.

- 6.8 Questions posed in this section include which option should be used as the basis for setting targets for affordable housing in the period 2021- 2031. Three options are put forward:
- extend the current approach (updated indicative targets consistent with current plan);
 - apply a theoretical needs based approach (measuring for example the affordable housing requirement per 1000 households); or
 - evidence based approach.
- 6.9 The latter approach which allows local planning authorities to develop shorter term targets in line with the conclusions of the most up to date Housing Market Area Assessments, other relevant economic assessments and viability studies for their areas would appear to be the best option. Current experience in the Borough – and presumably elsewhere in the region – is that viability has now become a critical issue and that unless S106 requirements including affordable housing are modified (at least initially) developers will hold back from any development. Clearly a methodology which will allow local authorities to monitor the viability of potential developments and respond to local conditions has the potential to maintain continuity of development and maximise provision of affordable housing according to the prevailing economic conditions. It is therefore recommended that a preference for option 3 is submitted.
- 6.10 A further question posed is whether the Regional Plan should provide guidance on the provision of specialist housing for older people. Whilst this is an interesting concept, it is recommended that, because such requirements are likely to be so varied with potentially significant differences in existing housing stock and the continued health of the older population between differing local areas, it is likely that regional guidance will not be helpful.
- Milton Keynes and South Midlands Sub Region*
- 6.11 Northamptonshire forms part of the MKSM Growth Area which also covers parts of the East of England and the South East. As a result, decisions about North and West Northamptonshire have to be made in the context of the wider MKSM policy. The three Regional Planning Authorities have agreed to jointly review the policies applying to the whole of the Growth Area up to 2031. In so doing they propose to focus only on those elements which require an inter-regional dimension, allowing each region to take forward detailed policies as appropriate. At the same time they propose that full use be made of joint working across the MKSM area. Accordingly it is proposed to restructure the existing policies to reflect this. For example, the housing policy would set out provision at a strategic level and broad locational guidance but district provision would be left for individual regions to determine. Similarly an environmental infrastructure policy would only highlight strategic proposals (such as the Nene Valley Regional Park) and requirements, such as further water cycle studies.
- 6.12 It is recommended that the Borough Council support this approach.

Spatial Development Options

- 6.13 The Options Report sets out a range of potential spatial development options by Housing Market Area to elicit views on how future development 2021 -2031 might be distributed across each. The aim is to allow the growing population to be housed, have access to jobs and enjoy high quality of life. Development will also need to be sustainable, well integrated with transport and other infrastructure considerations and be located and implemented in ways that address the challenges of climate change. Housing Market Areas consists of groups of local authority areas and reflect how particular housing markets and economies operate. The Borough is part of the North Northamptonshire HMA. Northamptonshire as a whole is divided into the North Northamptonshire and West Northamptonshire HMAs.
- 6.14 Since questions have been posed of which spatial development options for individual HMAs are preferred, it is considered advisable to make a response. It is apparent, however, that these options have been formulated without being tested in depth. It may well be that other options emerge as a result of testing – for example, levels of development post 2021 might be curtailed in North Northamptonshire. The review of the Core Spatial Strategy will be deriving a range of options and levels of development based upon robust local evidence. It is therefore considered that the response to the Regional Plan should be caveated to the effect that the main mechanism for developing and testing spatial options should be through the review of the CSS and, notwithstanding this authority's currently expressed response to these questions, the Regional Plan should allow sufficient flexibility for this.

North Northamptonshire HMA

- 6.15 It should perhaps be noted that in relation to the actual questions asked the scale of growth to be provided for must be considered in relation to those factors discussed in paragraphs 6.2 - 6.5 above. As a consequence any responses to the spatial development options must focus on how best to accommodate continued growth rather than whether this growth should be directed elsewhere. Since housing supply nationally is failing to keep pace with demand, the issue of how to meet the pent up demand will remain whatever Government is in power. It seems very unlikely that present plans for the distribution of growth will change radically for the time being.
- 6.16 Four spatial development options are put forward:
- Continue with the current strategy of focusing development and regeneration at the Growth Towns of Corby, Kettering and Wellingborough
 - Focus most new development and regeneration at one or two of the Growth Towns of Corby, Kettering and Wellingborough
 - Focus additional development into the areas between the Growth Towns of Corby, Kettering and Wellingborough to create a North Northamptonshire city region
 - Focus development more evenly across the area in a more dispersed pattern of development.
- 6.17 The third option of concentrating development between the Growth Towns would give the potential for very significant additional development. It would ultimately

lead to coalescence of settlements and loss of identity of individual towns. The retention of individual identity and avoidance of coalescence has been one of the main tenets of this Council's response to the Milton Keynes and South Midlands growth proposals. Accordingly it is considered that this option should be firmly rejected.

- 6.18 Option 4 (greater dispersal of development) continues growth in the three Growth Towns but allows for higher levels of growth in the smaller towns throughout the area. It would seem likely, however, that housing growth in the smaller settlements will not be matched by equivalent employment provision within them. Similarly the provision of retailing and services will tend to remain in the larger centres. As a consequence this option could create greater travel demands and /or greater costs of provision for travel. By spreading growth more widely, overall infrastructure costs are likely to rise. In view of the current problems of matching infrastructure to growth it is not recommended that this is the preferred option. Nevertheless, limited additional growth in the smaller towns would relieve some of the pressure on Corby, Kettering and Wellingborough and therefore should not be discounted in its entirety. It should be noted that any enhanced growth in Rushden and Irthlingborough should be carefully controlled to prelude increasing potential coalescence with the planned eastward expansion of Wellingborough (WEAST and East of WEAST as provided for in the Core Spatial Strategy).
- 6.19 Continuation of growth at one or more of the Growth Towns (options 1 and 2) has the advantage of supporting the present focus of maximising the benefits of transport and infrastructure funding. Were the present strategy to be modified to concentrate longer term housing development at one or two of the three Growth Towns, there is a danger that the remaining Growth Town(s) might no longer be able to attract / retain sufficient employment, supporting services and infrastructure. This would engender a greater need to travel to the expanding towns – or further afield. It is also possible that the present strategy of urban regeneration and of conserving the separate identity of each of the towns might be compromised. It is likely that the town centre(s) of the town(s) that are no longer expanding would face significant decline since all the centres of North Northamptonshire are already pressured by competition from nearby higher order towns. The suggestion that allowing one of the three Growth Towns to be the principal focus for growth and thereby establish its town centre as a local alternative to Northampton or other higher order centres is unlikely to succeed. The retail hierarchy is such that the most realistic aspiration for any of the three Growth towns would be that each can more successfully retain / increase its local catchment.
- 6.20 It is recognised that at the present time Corby has developed ahead of Kettering and Wellingborough in town centre regeneration. Accordingly there may be some merit in slightly enhancing the relative growth of Kettering and Wellingborough in the longer term to offset this and ensure a balanced development in North Northamptonshire between the Growth Towns. What should be avoided is that excessive growth is directed to either town resulting in development beyond its capacity.
- 6.21 It is therefore recommended that a preference should be indicated for Option 1

(continuation of the present focus on the three Growth Towns) but with a slightly greater emphasis on the regeneration of Wellingborough's and Kettering's town centres and also distributing some additional development to the smaller towns. In relation to the latter, attention should be paid to avoid coalescence between the eastern expansion of Wellingborough and any further growth at Rushden or Irthlingborough.

West Northamptonshire HMA

6.22 Again four options are postulated: continue with the present strategy of concentrating development at Northampton and Daventry; focus significant additional development at Northampton to create a much larger urban area of city scale; more dispersed development with continued growth at Northampton and Daventry but additional growth at Brackley and Towcester; or more dispersed development as option 3 but with growth also in larger villages.

6.23 From the point of view of this Borough the second option is of greatest concern. Were Northampton to be significantly expanded it could divert development, regeneration and investment resources from Wellingborough and the other North Northamptonshire towns. Already North Northamptonshire is underproviding employment, a proportion of which is diverted to Northampton. Also to accommodate substantial growth at Northampton would necessitate significant greenfield development. Although the emerging West Northamptonshire core spatial strategy covering the period to 2026 does not propose extending development into this Borough, it does propose development areas close to the Borough boundary around Moulton (the West Northamptonshire Core Spatial Strategy will be the subject of a separate report to Members). There would clearly be a possibility with substantial further growth that development would begin to extend further eastwards and result in creeping coalescence along the A4500 corridor or around Sywell.

6.24 It is therefore recommended that Option 2 for West Northamptonshire should be opposed.

Transport

6.25 The Regional Transport Strategy is an integral part of the Regional Plan. Work is ongoing for the Regional Assembly and emda to provide advice to the Government on strategic outcome priorities and to set a programme of work that will identify solutions to key challenges. Work has yet to emerge upon applying regional outcomes and challenges to the particular circumstances of individual HMAs. Consequently no recommendations are made here to respond to the transport element of the Plan.

Renewable and Low Carbon Energy Generation

6.26 Recent research commissioned by the Regional Assembly has identified a range of activities that will deliver against carbon saving and renewable energy targets in the East Midlands:

- on shore wind is expected to make the biggest contribution to increasing capacity (160 to 310 additional turbines in the region by 2031);
- biomass is likely to make the second largest contribution;
- "on site" technologies will make a contribution, mostly by biomass but also

- small scale solar hot water and “photo voltaic cells;
 - large contributions to low carbon energy generation are expected from non regional technologies such as off shore wind;
 - energy efficiency savings in buildings will need to deliver reductions in demand between 17% and 25% by 2031.
- 6.27 It is not proposed to set sub regional targets for each technology as this has proved too inflexible in the past. Rather it is intended to set out regional renewable and low carbon energy targets along with a carbon reduction target for each HMA and guidance on the most appropriate mix of technologies. The research noted above has therefore also included an analysis of the opportunities for each HMA. This includes a “low” and “high” uptake scenario (the “low” being current and expected policy including the code for sustainable homes, the “high” being the promotion of additional measures to increase renewable energy development). For the North Northamptonshire HMA this analysis indicates on the “low” scenario by 2031 a 4% carbon dioxide saving from regional scale renewables (wind/ biomass), 2% saving from on site renewables (including solar water heating, photo voltaics, small scale wind turbines, biomass, ground or air source heat) in or near new development and only a small saving from heat networks (combined heat and power, which is most effective in denser development areas). For the high scenario the figures are 5%, 3.5% and 2% respectively.
- 6.28 The question is asked “what is the most appropriate strategy for carbon emissions reductions in the HMA?” With the scale of growth envisaged for North Northants there is clearly considerable potential to incorporate combined heat and power as an integral part of the sustainable urban extensions and to encourage other on site renewables to be incorporated with other new development, particularly employment sites. It is recognised, however, that existing buildings will still comprise the bulk of development in the HMA and therefore retro-fitting of energy efficiency measures must continue to play an important role. In terms of the provision of regional scale renewables such as wind farms, it is considered that such development would be most appropriately directed to areas beyond the central urban spine of the HMA (Wellingborough, Rushden, Kettering , Corby) and the internationally important Upper Nene Gravel Pits area.
- Aggregates*
- 6.29 The geology of the East Midlands means it is the biggest supplier of land-won aggregates in England. Northamptonshire, however, now ranks below the other counties of the region in the apportionment of sand and gravel and below the other counties except Nottinghamshire in the apportionment of limestone and dolomite. Revised regional guidelines for Aggregates Provision in England and Wales have been delayed. Questions asked chiefly relate to whether the region should plan for reductions in land won minerals from the Peak District National Park and the Lincolnshire Wolds Area of Outstanding Natural Beauty. Any revised sub regional apportionment in the draft revised Regional Plan will be subject to full consultation and it is considered that any comments which the Council may wish to make should await this consultation.

7 Legal Powers

7.1 Planning and Compulsory Purchase Act 2004

8 Financial and Value For Money Implications: none.

9 Risk Analysis

N/A

Nature of risk	Consequences if realised	Likelihood of occurrence	Control measures

10 Implications for Resources: none

11 Implications for Stronger and Safer Communities: N/A

12 Implications for Equalities: N/A

13 Author and Contact Officer

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14 Consultees

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15 Background Papers: none unpublished

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