

**SOUTH EAST ENGLAND REGIONAL ASSEMBLY
REGIONAL PLANNING COMMITTEE**

Date: 23 June 2005

Subject: **Initial Responses by Sub-Regional Groups and Key Issues**

Report of : Director of Planning and Transport

Recommendation:

That the Committee:

1. Note the advice received from the principal authorities leading the sub-regional work;
2. Request all sub regional groups as part of the ongoing work for 9 December to:-
 - a) include sub regional targets for affordable housing in their draft strategies;
 - b) provide further advice on the broad scale and nature of employment change;
 - c) critically review their proposed sub-regional policies with the Assembly officers, to ensure appropriateness in the light of guidance.

1. Purpose of Report

- 1.1 To consider the advice received from the principal authorities leading the work on the sub- regional strategies which have been submitted in response to the brief agreed by this Committee and to comment on the main issues arising.

2. Background

- 2.1 On 23 March 2005 the Committee agreed a supplementary brief for the provision of sub-regional advice and district housing figures. The brief requested outstanding advice from the principal authorities by 6 June on the following matters:

- i) Affordable Housing

The scale and type of affordable housing required in the sub-region based on local evidence, including an indication of the proportion of the total provision that should be for social rented accommodation and other forms of affordable housing.

- ii) Employment
 - a) a critical examination of the employment forecasts prepared for the Assembly by Experian Business Strategies and initial advice on employment growth.
 - b) Strategic criteria for the provision of employment land and floorspace building on the draft region-wide policy RE4.

- iii) Policy Development

Amendments required to sub-regional policies in the light of the draft sustainability appraisal from ERM, ongoing technical work and comments received during the consultation period.

- iv) Spatial distribution and sustainability appraisal

- Initial spatial preferences for distributing for distributing growth in the sub-regions where this has not already been provided.
- Completed pro-formas supplied by the Assembly identifying the relevant sustainability issues that need to be taken into consideration in distributing growth in the sub-region

2.2 Responses have been received from all sub-regions, but advice is still awaited from the Isle of Wight Council in relation to the Special Policy Area for the Island. To date sustainability appraisal pro-formas have not been received from South Hampshire and Western Corridor and Blackwater Valley.

3. Summary of Advice and Issues Arising

3.1 Affordable housing

3.1.1 All sub-regions apart from the Western Corridor/Blackwater Valley, Thames Gateway and East Kent /Ashford have given an indication of the proportion of the total housing provision that should be affordable. These proportions vary from 30 to 50% and are based on evidence from a variety of sources, including local housing needs studies (which in many cases have not been undertaken on a consistent basis) and indicators such as house prices and average incomes. In South Hampshire separate work was commissioned from consultants. Some sub regions have indicated that further work is needed to refine their initial advice in parallel with the work on distributing the agreed sub-regional housing figures. In the Sussex Coast, for example a comprehensive round of new housing need surveys is underway on a consistent basis.

3.1.2 In most areas the percentages of affordable housing suggested are at or above the figures agreed by the Committee on 13 June for the region as a whole in Policy H4. Sussex Coast and South Hampshire have specifically included an allowance for the 'backlog' of housing need. However, many of

the higher figures seem to be aspirational and not supported by analysis or evidence that they can realistically be delivered. In some areas the current delivery of affordable housing needs to increase three-fold. All sub regions refer to the need for substantially more resources for affordable housing, including those areas, which are not identified at present as priorities by the Regional Housing Board.

3.1.3 Neither Kent County Council, who lead the work on the Kent Thames Gateway and East Kent/Ashford, nor the Western Corridor/ Blackwater Valley Sub Regional Group wish to see targets in the South East Plan. They consider that these should be the responsibility of local planning authorities. However, Kent mention that a number of their districts are seeking 25-35% affordable housing and the Western Corridor/ Blackwater Valley estimate that there is a need for over 7,500 homes per annum, well above the overall housing levels put forward in the consultation draft Plan for the sub-region.

3.1.4 The need to increase substantially the provision of affordable housing has been identified as a key regional objective by the Assembly, by many respondents to the draft South East Plan, and in the Regional Economic (RES) and Housing Strategies (RHS). It has also been identified as a priority in all sub-regional strategies. It is important therefore that a strong policy base is established in each sub regional strategy to provide a clear framework for the preparation of local development documents, while allowing scope for local flexibility. This principle has already been debated and agreed by the Government for the Milton Keynes and Ashford sub-regional Growth Areas. Each sub- regional strategy should contain an overall target for the provision of affordable housing as defined in the South East Plan, based upon up-to-date assessments of need.

3.2 Employment Forecasts

3.2.1 While it is not intended that precise sub–regional employment targets should be included in the South East Plan we do need to indicate the broad scale and nature of employment change. As part of this process the principal authorities were asked to comment on the employment forecasts prepared by Experian Business Strategies and to give their initial advice on future employment growth in each sub-region.

3.2.2 Most sub-regions have commented that the Experian forecasts do not provide a robust basis for drawing up employment targets and employment land provisions, although some recognise they provide the starting point for assessing future change. Reasons given include:

- forecasts based largely on past trends do not reflect policy initiatives and local changes in economic structure
- local factors are not adequately reflected, including the level of housing and infrastructure provision and constraints on labour supply.

3.2.3 Regrettably very few sub regions have been able to comment on how either the Experian or any alternative forecasts relate to their understanding of local economic trends and future changes. In South Hampshire consultants have been commissioned to prepare independent forecasts, which reflect the growth potential within the sub-regional economy and the aspirations of the Partnership for Urban South Hampshire.

3.2.4 As reported to Committee on 13 June it is considered that the Experian forecasts, taken together with the supporting work by Cambridge Econometrics provide a robust indication of broad long-term trends and reflect the best available estimates of changing behaviour and activity in different economic sectors. The uncertainties of long-term forecasting have been recognised, and taken into account, including the impact of competition from outside the region, changes in industrial structure and relationships with the availability of labour. The forecasts provide the starting point for considering future change in each sub-region, but further local inputs are still required by early December.

3.3 Policy Development

3.3.1 On 13 June the Committee resolved to recommend to the Assembly that Part I of the South East Plan should be submitted to the Government as work in progress ahead of the completion of the sub regional policy sections of the Plan. It is therefore not appropriate to finalise at this stage the sub regional policies on which further advice has been received from most sub –regions. A number of the sub regions have stated that the policies would in any case have to be revisited during the completion of the outstanding sub regional work during the autumn. This initial advice on sub-regional policies indicates significant areas of duplication and overlap with the core regional policies. Government guidance is quite explicit that such duplication should be avoided and that sub regional policies should concentrate on those policy issues, which reflect the distinctive need of the sub-region and complement regional policy. The sub-regional Groups therefore need to critically review and edit their draft policies during the Autumn. The Assembly team will be engaging with the Groups to assist them in this.

4. Conclusion

4.1 The principal authorities leading the work in all sub regions have submitted advice on issues requested by the Assembly by 6 June. The key issues arising which need to be addressed during the completion of the outstanding sub regional work by 9 December are the need to:

- develop in all sub regions affordable housing policies which include targets for the proportion of the total provision which should be affordable housing
- finalise advice on the broad scale and nature of employment change in each sub–region.

- edit for consistency and appropriateness, the working draft sub-regional policies.

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