

DRAFT SOUTH EAST PLAN EIP REPORT OF PANEL 29th August 2007 HBF SUMMARY

i. INTRODUCTION

- i.1 What follows is a summary of the key points raised by the panel in its report on the South East Plan EIP which have implications for the house building industry. It is not a complete chapter by chapter summary (for such a summary please see the summary produced by SEERA which has previously been circulated to Members).
- i.2 The summary largely comprises direct extracts from the report along with some HBF comment in italics.
- i.3 Please note that the odd numbering sequence in the Chapter headings and sub-headings which follow relate to paragraph numbers in the report.
- i.4 This summary should be read alongside the report itself and the policies set out in the submitted draft South East Plan.
- i.5 It should also be viewed in the context of HBF's press release (previously circulated) in response to the publication of the report in which we expressed our dissatisfaction with the inadequate increase in the overall level of housing proposed by the Panel.
- 1.6 It should also be viewed in the context of the letter published in the Financial Times on 30th August from Iain Wright MP, Parliamentary Under Secretary of State, Department for Communities and Local Government, which explains the relationship between the Panels recommendations and more recent and emerging Government policy. In other words:
 - that this is a report of an independent Panel on a draft plan
 - that the draft plan was prepared by SEERA (not Government)
 - that the report is not binding on Government
 - and that Government's responsibility is to produce modifications to the South East Plan which take on board not only the Panel's deliberations and recommendations but objections submitted on the draft plan, more recent and emerging Government policy and other material considerations
- i.7 Therefore, while the report is interesting in its own right, the key determinant of future planning policy (and so housing delivery) in the region will come with the

publication of the Secretary of State's (SoS) proposed modifications to the draft plan towards the end of the year and, ultimately, once the final version is adopted in Autumn 2008.

1. CHAPTER 1 - OVERVIEW

In effect this chapter is an executive summary of the key points arising from the whole report. For that reason it is summarised below in more detail than subsequent chapters of the report.

Growth Levels

- 1.2 The panel identified a major weakness in the plan in that it tries to face in more than one direction. The words in one part of the plan lead the reader to believe that a national objective is supported but subsequent policies or text demonstrate this is not the case. The plan aims to accommodate a “reasonable” level of development. The panel do not consider this to be a sufficient response to the scale of housing need evident in the region. The panel praises the Regional Assembly (RA) for the amount of preparatory work it has undertaken to inform the plan. Elsewhere the report cites the usual platitudes about the RA having a difficult task in seeking to reconciling competing and often conflicting interests. However, notably, the panel consider that much of the preparatory work since November 2004 appears to have been used to justify a pre-selected regional housing level.
- 1.4 The panel take the view that, in justification of its stance, the RA has placed too much weight on the results of consultation with existing residents (the One Voice campaign and various MORI polls) and not paid sufficient regard to the un-represented voice of the next generation who will be seeking homes within the plan period and no voice to those who may need or wish to move to this region to take up job opportunities (*my emphasis*).
- 1.5 Furthermore, the panel deemed the plan to have given insufficient weight to demographic and economic factors. The panel stated that the plan should take account of the best available forecasts at this point in time (*interesting that they hold this view in relation to the way they have treated the most recent household projections*). They shared SEEDA’s concerns (South East England Development Agency) that the growth in labour supply associated with the draft plan’s housing levels would be insufficient to meet the needs of the economy, even allowing for the concept of ‘smart growth’.
- 1.6 Taking all these factors into account the panel recommend an increase in housing provision of 10% over and above the plan’s figure for the period 2006 to 2026. This equates to 32,000 dpa compared to the draft plan’s target of 28,900. (*Note, however, that it is 10% over the plan’s target rather than 10% over the enhanced RPG9 target – see chapter 7*). The panel note that this is right at the bottom end of what its analysis of the strategic factors would suggest. It is below the Government’s latest household projections. It is below the actually rate of house building currently being achieved and below that anticipated in the trajectory for the next few years. However, “it is precisely because we accept the strength of the Assembly’s arguments and much of its background work, that we do not go higher”, say the panel.
- 1.8 The panel state that it is inevitable that this higher requirement will mean greenfield land will have to be found and they do not consider it appropriate that

all land needs to be identified before the plan's housing provision levels can be confirmed.

- 1.10 Furthermore, "the most sustainable solutions in some sub-regions will be for this new land to be found through a selective Green Belt release".

Spatial Strategy

- 1.12 The plan claims to provide a new spatial framework for the region based on a 'sharper focus' which concentrates 85% of new growth in nine sub-regions and a network of regional hubs. Despite being claimed as a radical departure from past approaches, the panel found that, in reality, the plan, in many ways, simply continues the pattern of growth set in RPG9 as supplemented by the Sustainable Communities Plan (SCP).
- 1.13 Ironically, in the context of more recent Government announcements, the panel firmly believe that this plan, as one of the first under the new RSS process, should present a bold strategy "one that will endure for many years and not require an early review".
- 1.14 The panel see their recommended changes to the plan as making it more locationally specific. Their recommendations give a stronger profile to areas to the south-west of London, the Thames Valley and Oxford in particular reflecting their economic importance. The report recommends six SDAs (Strategic Development Areas) – *growth areas in old money* – 3 or 4 of which are additional to the 2 or 3 (depending how they are defined) already identified in the draft plan.

Employment Land

- 1.15 The panel conclude that a major deficiency in the plan is a lack of a clear spatial framework for economic development and employment land in the region. Too much reliance has been placed by the RA on the 'smart growth' concept without thinking through the mechanisms necessary to facilitate its delivery. The panel recommend an early partial review of the plan on this topic (*cross refer to paragraph 1.13 above !*)

Infrastructure

- 1.17 On the Implementation Plan the panel consider this should be considered a living document and be regularly updated rather than formally adopted as part of the RSS.
- 1.18 The panel take the view that the role of RSS is to provide a firm basis for planning; hence its recommended housing provision figures are intended to be targets. This should also provide a clear steer to infrastructure providers about the scale and timing of new infrastructure required.
- 1.19 An important point is made in this paragraph when the panel state that they "do not consider that housing levels in any sub-region or the region as a whole can be made contingent upon the delivery of particular pieces of infrastructure" as it would produce a stop-go climate unhelpful to investment. This is repeated throughout the sub-regional chapters.

Environmental Uncertainties

- 1.20 Turning finally to environmental issues, where the panel has suggested additional housing levels in areas subject to flood risk or in close proximity to Natura 2000 sites, they have judged that local authorities have sufficient flexibility to distribute developments in such a way to either avoid or allow mitigation of any adverse impacts.
- 1.21 On the Thames Basin Heaths SPA (TBHSPA) the panel recommend an increase in housing provision in some of the SPA authorities over and above the levels set out in the draft plan. This goes beyond what was considered prudent by the independent assessor Mr Burley who conducted a separate in-depth examination of issues related to the SPA.
- 1.22 The panel recognises that, should the SoS be minded to accept their recommendations, further SA/SEA and AA (Sustainability Appraisal/Strategic Environmental Assessment and Appropriate Assessment) work would be required before any proposed changes are subject to consultation.

This point is interesting in that, if further work is required to even pursue the modest uplift in housing numbers proposed by the panel then there is nothing to stop Government (other than resources and a political willingness), if it has to do this work anyway, to similarly test or assess any scale of uplift in housing numbers. That may be something which can be inferred from the Iain Wright letter of 30th August referred to in paragraph i.6 above.

2. CHAPTER 2 – CONTEXT & SOUNDNESS

Here the panel consider the issues which set the context for its more detailed conclusions and recommendations in subsequent chapters of the report. The panel also gives its assessment of the soundness of the draft plan as they recommend it should be amended.

Appropriate Assessment

- 2.15 The panel concluded that the AA process was guided by an appropriately constituted steering group and seems to have been thorough, scientific, informed by the best available advice and as comprehensive as was reasonably achievable in the circumstances. The panel reject any suggestion from certain environmental interests that the plan should be delayed while more detailed AA is conducted at the sub-regional scale.

Soundness

- 2.20 A Spatial Plan – The panel consider that the draft plan does take RPG9 well beyond a traditional land use plan. However, they found that it is not as locationally specific as many participants would like it to be and its overall spatial strategy is far from clear.
- 2.22 National Planning Policy – In terms of broad aspects of national policy which should be addressed by RSS the panel consider the draft plan to be generally sound. The key exception to this, where the panel find the plan unsound, is in regard to housing levels. This is despite whether it is measured against the thrust of Government advice in PPG3, the draft PPS3 or PPS3 in its final form.
- 2.23 Consistency with Other Strategies - The panel raise concern at the jobs/housing alignment in the draft plan which causes tensions with the Regional Economic Strategy (RES).
- 2.24 Internal Consistency – The panel raise a number of concerns about the draft plan's internal inconsistency but feel their recommended changes address all of them.
- 2.25 Robust & Credible Evidence Base – The panel identified that, relying on SEERA evidence alone there would have been a major gap on the implications of higher growth levels. However, it noted that it was fortunate that this gap was anticipated and plugged by work commissioned by GOSE (the Roger Tym study) before the EIP began. The panel experienced difficulty in unravelling the evidence under-pinning the sub-regional elements of the draft plan. They still have a few concerns that insufficient work was done on assessing alternative spatial options.
- 2.26 Community Involvement & Partnership Working – *It was a major concern expressed throughout the plan preparation process that the industry had been effectively sidelined in all the preparatory consultation work. This view was put to the panel but it was not an issue discussed at any length at the EIP.* The panel concluded that it was probably inevitable that not all participants were entirely

satisfied with the process due to the scale and complexity of the task. Ultimately they conclude that this work was sound.

- 2.28 Robustness to Changing Circumstances – The panel express some reservations about the RA's scenario testing work and conclude that the plan sets out a high risk strategy as it is founded on forecasts at the low end of the available range.
- 2.29 Sustainability Appraisal – the SA was generally endorsed which is not to say that the plan is sustainable or satisfactory in every respect. The panel's conclusions and recommendations clearly indicate otherwise. In particular the panel take a different view to the RA on the overall sustainability of options involving selective review of the Green Belt.
- 2.13 Overall, the panel consider the draft plan to be sound.

3. VISION & OBJECTIVES

This chapter examines the performance of RPG9, suggests an amended vision for the draft plan to embrace social and sustainable development elements, recommends that the plan be based on providing a ‘sufficient’ level of housing (rather than a ‘reasonable’ amount) and sustaining economic growth and recommends amended objectives.

Performance Against RPG9

- 3.3 A key objective of the plan is to increase the level of provision of affordable housing. A source of debate throughout the EIP was whether increasing the level of market housing provision would assist delivery in the affordable sector. It was noted that the average completion rate for all types of housing over the last 6 years has now met the RPG9 target *(conveniently forgetting about earlier shortfalls totalling many thousands of dwellings which have been swept under the carpet at every opportunity by the RA, county councils and local authorities !)*.
- 3.4 Other sources of under-performance against RPG9, however, include the failure of new infrastructure provision in association with new development.

Vision

- 3.6 The panel agreed with those participants who found the vision in the draft plan confusing.
- 3.9 In particular, the concept of a sustained improvement in the quality of life is open to interpretation. Those who are comfortably settled argued for a lower scale of new development in order to preserve their quality of life whereas the reverse was true of those without adequate housing.
- 3.11 The panel recommended a revised vision as follows:
“The Plan’s vision for 2026 is for a healthier region for its citizens and of the environment, a more sustainable pattern of development and a dynamic and robust economy, the benefits of which are more widely shared.”

Objectives

- 3.13 The panel found the draft plan very unclear in terms of its objectives due to the inclusion of several sets of overlapping lists in early sections of the plan.
- 3.16 The panel was particularly concerned that the plan sought to plan for a “reasonable” level of both economic growth and housing development. Whilst this was supported by the local authorities on the basis of uncertainty about long-term economic projections the Panel was not convinced and stated that “merely rolling forward existing development plans is the antithesis of long-term planning”.
- 3.17 Accordingly, the panel recommended the deletion of the word “reasonable” and its replacement with “sufficient” in the housing delivery objective.

4. SPATIAL STRATEGY

This chapter first reviews the building blocks that lie behind the draft spatial strategy. It then gives the panel's assessment of the key influences which should drive the strategy at the regional level. It makes the case for a stronger spatial strategy, key elements of which would be sub-regions for growth and regeneration, identified growth points largely corresponding to regional hubs and locations for selective Green Belt review.

Introduction

- 4.1 The panel felt that the spatial strategy of the plan was, to a large extent, hidden. This situation is not helped by the fact that the key diagram largely illustrates the current situation, rather than depicting future proposals *(to which it could be suggested that this is because SEERA's spatial strategy is, in effect, the current situation and the proposed continuation of that status quo!)*
- 4.2 The panel consider the plan lacks a strong spatial vision. They note that it is impossible to tell, without reaching for a calculator, which parts of the region are intended to accommodate higher levels of growth than the average or higher than their past rates *(again, one wonders why and whether this was not deliberate to mask the lack of any real growth strategy)*.
- 4.3 It goes on to note that there are very few attempts to indicate preferred locations for major new development with the consequence that the degree of locational guidance for LDFs is very thin.
- 4.4 The panel acknowledge that the strategy should be driven by a combination of top-down and bottom-up influences. They believe the top-down 'sharper focus' strategy to be valid. However, they suggest that the bottom-up perspective appears to have been too dominant in framing the overall strategy which has resulted, amongst other things, in an over-reliance on urban potential estimates to determine future housing provision levels in certain parts of the region.

Sub-Regions

- 4.6 The panel note that the nine sub-regions are intended to be the linchpin of the spatial strategy as 85% of all new residential development is proposed to be located within them.

Urban Focus

- 4.8 The spatial strategy is also predicated on an urban focus and the panel fully endorse this. However, they caution that the laudable aim of maximising the use of existing commitments and projected future urban potential should not override other strategic considerations. Unfortunately this has happened in some parts of the region and the panel agree with the developer representatives at the EIP that inadequate attention has been paid to the possibility of major new development areas. Similarly, that there was inadequate evaluation of new settlement options during the preparation of the plan.

Regional Hubs

- 4.9 The 21 regional hubs are also intended to be another linchpin of the spatial strategy.
- 4.10 However, the panel note that, in very few instances do the hub authorities see their hub status as implying that they should accommodate a greater proportion of residential development.
- 4.11 & 13 There are overlaps between the regional hubs and the eight Diamonds for Investment and Growth identified by SEEDA in the RES (Regional Economic Strategy) with 11 of the hubs being associated with these Diamonds. Similarly seven of the hubs are also wholly or partly within the so-called New Growth Points (NGPs). All the NGPs are also hubs with the exception of Didcot. The panel recommend that these growth locations should be identified on the key diagram.

Green Belt

- 4.14 Green Belts are seen as critical to the spatial strategy. They have been treated by SEERA as inviolate. The panel view this as an indication of how unchallenging the chosen housing provision levels are and that the guidance in PPG3 had not been properly addressed. The panel later recommend selective Green Belt review associated with at least two regional hubs (Oxford and Guildford) and possibly at Woking. This is termed a 'selective' review rather than a 'strategic' review as the direction of review is already set in existing structure plans. The panel also recommend strategic development of at least one major developed site in terms of PPG2 within the Metropolitan Green Belt (MGB). Elsewhere in the MGB the recommended increases in housing provision may require minor adjustments to boundaries which they term 'small scale local reviews'.

Other Key Regional Influences

- 4.17 On economic influences the panel quote an extract from the Polynet Study (2005) that:
"Much of the wealth generation of the region comes from the highly networked information-rich knowledge economy centred in the Western Arc and it would be dangerous to inhibit its natural growth".
- 4.18 On inter-regional disparities, the panel expressed a scepticism about suggestions that constraining economic growth in the more buoyant areas will lead to some form of diversion of investment to the regeneration areas. Their view was that constraining such growth was more likely to result in diversion of investment outside of the region including overseas.
- 4.20 The particular concentrations of unmet housing need in the older and larger urban areas of Oxford, Reading, Slough, Southampton, Portsmouth and Brighton & Hove were noted. Policy responses to address this are set out in the sub-regional chapters.

- 4.21 Transport constraints in East Kent were seen as limiting that area's scope to accommodate significantly more residential development without the risk of creating new dormitory settlements
- 4.24 Water was only seen as a constraint in so far as influencing the local distribution of district housing targets between settlements rather than influencing the regional level distribution. The same applied to climate change issues, habitats directive requirements and landscape designations (paras 4.27-30)
- 4.26 Work by the Environment Agency (EA) carried out in conjunction with the water companies suggested that, as long as accompanied by demand management and water efficiency measures, the provision of water supply should not have a major constraining influence over the scale or distribution of housing development that could be accommodated within the region.

Evaluation of Strategic Options

- 4.31 The panel considered that SEERA's strategy which arose from all of those policy influences was largely merely a roll-forward of RPG9.
- 4.32 The panel note that PPS11 (para 2.34) requires RPBs to evaluate strategic options in formulating their spatial strategy. Developer representatives were very critical of the RA for not giving serious consideration to more radical options.
- 4.33 While the panel considered SEERA were right not to waste time testing options which would be contrary to national policy, they conclude that much more work could have been usefully done on undertaking testing of a strategic option which focussed a greater proportion of development to support the more economically buoyant parts of the region. This could have taken the lead from the Polynet study and the report of the Hetherington Commission which proposed a 'Golden Arc' running from Bournemouth/Poole through the Western Crescent (between the M3 & M40) and extending north to include the Oxford to Cambridge Arc.
- 4.34 The panel considered the Golden Arc concept to have much merit.

A Revised Spatial Strategy

- 4.39 The panel's recommended alternative spatial strategy maintains all of the existing sub-regions as areas of growth or regeneration. It would also highlight those hubs or other growth points intended to support significant residential development. In recommending a higher regional housing target the panel see the hubs as the logical place for much of this additional growth to be accommodated.
- 4.40 In addition the panel identify six SDAs. Three are already identified (two in South Hampshire and one adjacent to Milton Keynes). The panel recommend that the Milton Keynes SDA actually comprise two separate major urban extensions in two directions to the south-west and south-east. Two new SDAs are proposed within the Western Crescent identified in the Polynet study to the south of Reading and the south of Oxford to complement Milton Keynes in the Golden Arc concept. All 6 should be identified on the key diagram.

- 4.42 The panel used a threshold of 4-5,000 dwellings as comprising an SDA. Smaller developments should not be identified in the RSS but should be matters for the LDF process.

5. CROSS-CUTTING POLICIES

This chapter examines and broadly endorses those policies dealing with over-arching themes, but recommends the deletion of one dealing with process, and the addition of a new policy on green infrastructure. It examines and recommends significant amendments to key spatial policies in line with the panel's conclusions on the spatial strategy, and discusses the relationship between the cross-cutting policy and one in the economic section of the draft plan both labelled intra-regional disparities. It recommends a significant amendment to the policy on infrastructure and implementation by removing the so-called 'conditional' approach but strengthens it in other ways.

Climate Change - Policy CC2

- 5.14 The panel agree that there is limited scope for the plan to influence climate change as much of the required action must take place at national and international levels, particularly in driving behavioural change.
- 5.19 Similarly, in terms of the targets for reductions in CO2 emissions, the panel recognise that this is a rapidly moving field of knowledge and that much will depend on actions that are outside the control of the RA or LPAs. Nonetheless, they agree with SEERA that the reduction of CO2 emissions is a vital part of a more sustainable future for the region and that the setting of targets provides a context and direction for policy action.

Resource Use - Policy CC3

- 5.24 The panel concluded that the concept of an 'ecological footprint' (EF) was a useful one but that the concept should be more clearly explained and defined in the plan. The targets set in CC3 (to stabilise the region's EF by 2016 and seek to reduce it thereafter) should be regarded as aspirational. Not least because the plan can only contribute towards the drive to reduce the EF and, in some respects, implementation of the plan will actually serve to increase it (eg through additional housing development)

Sustainable Construction - Policy CC4

- 5.27 The Panel endorses the plan's approach and consider it appropriate to raise expectations about standards for sustainable construction (the policy refers to exceeding current building regs).
- 5.28 The panel recommend that both the policy and supporting text should be updated to refer to the Code for Sustainable Homes (C4SH) and should seek the highest possible sustainability rating in accordance with the Code, subject to economic viability *(my emphasis)* *Disappointingly, the only caveat refers to economic viability. There is no reference to the impact of requiring high levels of the code on housing delivery.*
- 5.30 The panel also express support for the way in which the RA has previously amended policy EN1 of RPG9 to encourage a percentage of a development's energy demand to be met by on-site renewables. The panel note that the RA

claim that they have commissioned research and evidence which proves the feasibility and viability of the “at least 10% target”. However, the panel conclude that, since energy issues were not examined in detail at the EIP, they leave it to Government to decide how this policy should be strengthened to reflect PPS22 !

Inter-Regional Issues - Policy CC7

- 5.31 The panel shared the view of many participants at the EIP that the plan does not give sufficient weight to inter-regional relationships.
- 5.32 They do not consider the plan’s reference to ‘joint research’ to be an adequate response.
- 5.35 Since the policy is largely about process, the panel recommend its deletion

Ageing Population - Policy CC11

- 5.39 The panel accepted the case made by HBF’s Retirement Homes Group (RHG) that it is important to provide a choice of housing options for older people.
- 5.40 They were persuaded that, if real options were made available, some may choose to move out of the family home if it becomes too big for them thereby improving their own well-being and freeing up stock for younger people. Hence the panel recommend that the supporting text (D1, para 1.40) should refer to the importance of providing a wider choice of housing options, including sheltered housing and extra care housing and residential care homes as well as a supply of smaller units and bungalows.

Urban Focus - Policy CC8a

- 5.46 The panel note that a wide range of views were expressed in response to their question of whether a 60% PDL/recycling target was sufficiently challenging. There was general acceptance that the greater the housing requirement, the harder it would be to achieve the 60% target. The pressures that might force unsustainable losses of employment land to residential uses, and lead to town cramming and loss of open spaces were among the reasons adduced for not seeking to increase the overall target.
- 5.48 On balance the panel decided not to increase the target as the current 60% target does not prevent higher rates of re-use being achieved in certain areas.

Regional Hubs - Policy CC8b

- 5.49-50 This was largely addressed above whereby the panel did not consider the plan was clear enough about the role of regional hubs in accommodating additional development. They recommend an additional criterion be added to the policy to clarify their thinking on this:
“focussing new housing development in locations close to or accessible by public transport to the hubs”

Green Belts Policy - CC10a

- 5.60 As set out in chapter 4 Green Belts have been seen as critical to the spatial strategy yet have been treated as inviolate. This cannot be consistent with Government policy which makes clear that RPBs may need to review existing policy constraints when considering options for the distribution of new housing development in areas where need and demand are high. The panel conclude that, from all the evidence available to them at the EIP, it is abundantly clear that these are precisely the circumstances in the south east.
- 5.61 As the panel note elsewhere, there are particular tensions for the hubs in the Green Belt in fulfilling a development role. The plan does not make it clear how such tensions should be resolved. Moreover, since the panel recommend that significantly more residential development be directed to some of the hubs, including Guildford and Oxford, and to a lesser extent to Redhill, Reigate and Woking, which are all tightly constrained by Green Belt, the plan cannot remain silent on the issue.
- 5.63 For these reasons the panel have concluded that Policy CC10a is inadequate and requires amendment. It should provide for the protection for the general extent of the Green Belt in the region while identifying those broad locations where selective reviews of the boundaries are required to accommodate regional development needs. It should also enable more local reviews and reviews of major developed sites in the Green Belt where the release of land for development can be demonstrated to be the most sustainable option for meeting future development needs.
- 5.65 Where boundaries are reviewed, the intention should be to avoid the need for further review before at least 2031.

Strategic Gaps - Policy CC10b

- 5.67 The panel agree with those participants who warned that gap policies are too often used in an inflexible way and in order to impose long term restraint on opportunities for sustainable development in urban fringe locations. The panel consider that existing gap policies in West Sussex and Hampshire are in particular need of review.
- 5.68 The need to accommodate development in the most sustainable locations will require critical appraisal of all potential opportunities, including those on the edge of settlements. Therefore, it should be made clear that strategic gap designations will be reviewed regularly. It will not be appropriate, as required by the current Hampshire County Structure Plan, to define boundaries of strategic gaps that would only be reviewed in exceptional circumstances.
- 5.69 So far as the minimum width of gaps is concerned, the panel did not accept the need for a five mile minimum gap and recommended, instead, that the policy refer to two miles.

Implementation & Infrastructure - Policy CC5

- 5.82 The panel considered that it was inappropriate that this policy should tie the delivery of infrastructure so closely with new development that it could be used to stop or delay development if infrastructure was not provided. Whilst they note that this is of course possible at the local level, at the strategic level, such 'conditionality' is neither sound in concept nor realistic in practice.
- 5.83 Accordingly, they recommend the deletion of criterion (iii) of CC5 which imposed such a restriction
- 5.85 Turning to delivery vehicles and funding, the panel express some sympathy with the Surrey approach of adopting a pooled approach to s106 funding across several authority areas to deal with the issue of incremental development.
- 5.86 In the major growth areas the panel recommend that consideration should be given to the establishment of Special Delivery Vehicles (SDVs) and they recommend that CC5 should include reference to a more proactive and joint approach to the pooling of contributions, tariffs and LDVs (Local Delivery Vehicles).
- 5.89 They also recommend that CC5 should make explicit reference to demand management as it should not always be automatically assumed that new development will always require additional infrastructure capacity. That can be avoided by a twin-track 'manage and invest' approach.

6 THE ECONOMY

This chapter considers the influence of globalisation and the relationship of the draft plan to the RES. It finds internal inconsistencies in the draft plan between its job estimates, labour supply assumptions and GVA growth expectations. While supporting the concept of 'SMART' growth, and recommending that it is the subject of a new policy, it argues that the plan should seek a better match between new jobs and new labour supply through an increased housing provision. It suggests a strengthened policy on employment and land provision emphasising the importance of joint working on employment land reviews, supported by a set of job targets in the sub-regions for regeneration and growth and monitoring estimates elsewhere.

Background Influences

- 6.2 The panel note that the health of the region's economy is crucial to the performance of the national economy. Unfortunately, this is not translated into the plan's spatial strategy or subsequent provisions.
- 6.3 The panel is particularly concerned since the RES identifies complacency as one of the biggest dangers facing the region.
- 6.4 As a result largely of the local authorities distrust of employment projections the plan relies heavily on the concept of 'smart' growth.
- 6.5 As a consequence there is little quantification of the future needs of the economy in the draft plan and hence, it is difficult to understand how these have influenced the housing figures. In particular, the panel note, there is virtually no consideration of the situation post-2016.
- 6.6 In turn, this provides little guidance to LDFs.
- 6.8 Most non-local authority participants at the EIP considered that the plan takes inadequate account of global forces and the full impact of international competition. In that regard it compares unfavourable with RPG9.

Relationship with RES

- 6.12 The panel are conscious of the warning in PPS11 (para 2.11) that a region's ability to deliver will be compromised if the RSS and RES do not support one another and the key objectives and vision are not aligned. The panel's recommendations throughout the plan seek to improve the consistency between the two documents.

Employment Projections

- 6.32 The panel's view was that there was a large degree of post hoc justification in the way the RA considered employment projections. The panel do not believe that employment demand should be constrained to the extent it has been by the RA's preferred housing provision levels.

Alignment between Labour Supply and Demand

- 6.38 There is currently a surplus of around 100,000 jobs over workforce in the region (2006)
- 6.40 Like many participants, the panel consider it is still good practice to plan for broadly similar numbers of new homes to the number of new jobs expected over parts of the region which have distinctive, albeit interlocking, labour market characteristics. Giving residents the opportunity to work locally is still a fundamental tenet of national policy (PPG13, para 30).
- 6.41 The panel came to the conclusion that the draft plan broadly achieves this in the east and south of the region but not elsewhere. The largest misalignment is within the WCBV (Western Corridor Blackwater Valley) with 90,000 more jobs than labour supply expected 2006-2026.
- 6.42 The panel found no good reason why the plan should not seek a closer match between labour demand and supply on the west side of the region.

Smart Growth

- 6.43 The RA and local authorities relied on the concept of smart growth as the panacea to the economic problems identified above and elsewhere in this chapter. The panel was not so convinced and highlighted a number of problems with the concept; not least that it is open to differing interpretation, does not form part of any policy in the draft plan and there is a lack of commitment to the mechanisms of achieving / implementing smart growth.

Productivity Improvements

- 6.56 The panel came to the view that, while they agreed that productivity improvements will be an important economic driver in the region, the baseline assumptions are already ambitious and they were very sceptical of suggestions that higher productivity levels still could be achieved.

Economic Activity Rates

- 6.59 Similarly the panel considered that existing assumptions about economic activity rates were already high in the region at 83% and assumed to increase to 85%.
- 6.63 Overall the panel came to the conclusion that the concept of smart growth does not avoid the need to plan properly for the economy on the basis of the best available forecasts. They declared that the RA's approach gave too little weight to the output of normal projection methods.
- 6.64 The panel consider that their recommended increase in housing provision of 3,100 dwellings per year would go some way to closing the gap between the projected increase in new labour demand and supply.

Employment Land Provision - Policy RE2

- 6.71 As above the panel was surprised and concerned that there was little quantification of the amount of new employment space that might be required within the draft plan despite good practice guidance that employment land forecasts should be prepared by RPBs.
- 6.73 Of particular concern was the lack of guidance this gave to LDFs.
- 6.78 Despite this major deficiency in the plan it was not one the panel could address until further work has been completed.
- 6.80 & 81 Similarly the panel expressed regret that greater impetus had not been given in the draft plan to employment land issues nor a stronger steer given at the regional level to ensure strategic needs are identified. They considered the plan deficient by not providing and strategic content on the type of employment opportunities which may be sought in different parts of the region.

7. HOUSING PROVISION LEVELS

This chapter discusses the factors that influence the selection of the housing level, first from a top-down regional perspective and then from consideration of sub-regional influences. It then sets out the overall level of housing provision that the panel recommend should be included in the plan for the region and its main subdivisions and how this might translate into district housing levels in Policy H1.

Introduction on Housing Levels

- 7.2 Recent history in the south east has been for regional plans to set housing levels at below the level suggested by national household projections and even then to fail to meet those targets. However, housing rates have been increasing in recent years and in 2005/6 33,333 net completions were recorded.
- 7.3 The draft plan proposes an annual housing rate of 28,900 dpa. There is no explicit basis for this very precise figure other than the sum of the unitary/district components within Policy H1. The RA justify this figure as the 'best fit' taking account of the best available information covering a wide range of factors (*robust and credible evidence !!*). Great weight is also attributed to an apparent swathe of public opinion, concerns about deliverability and the need for additional infrastructure which all support this figure.
- 7.5 The panel note that no account is taken of the Sustainable Communities Plan (SCP) and the growth area allocations to Milton Keynes, Ashford and the Thames Gateway which took the previous RPG9 target figure up to 29,550 dpa.
- 7.6 The panel note that SEERA's own officers advised its Members that a housing level below the existing RPG9 level could not be justified. Yet the options included in the consultation draft plan in 2005 sought comment on three levels; 25,500, 28,000 and 32,000dpa.

Factors Influencing the Scale of Housing

- 7.9 On the Government's household projections the panel considered them to be one of the important starting points, not least because they give a consistent view across the English regions and are controlled to a national total. The panel considered that proposed housing levels which differ significantly from these projections should be explicitly justified both at the regional and sub-regional level.
- 7.11 At the time of the EIP the most up to date projection set a figure of 34,500 households pa for the region. This was lower than earlier projections due to re-allocations of international in-migrants back to London which, it was felt, had been incorrectly allocated to the south east in the previous projections due to errors in the International Passenger Survey.
- 7.12 HBF and other developer representatives sought to convert these household projections into dwelling requirements by adding in allowances for vacancies, sharing rates, eliminating the backlog etc which gave various dwelling estimates around the 40,000 dwellings mark.

- 7.18 The panel consider the plan's housing levels untenable in that they are set below the long-term net migration levels, let alone the short term levels. The panel consider it would be unrealistic for the south east not to accommodate continued out-migration flows from London.
- 7.19 Given the volatility of migration patterns, the panel came to the view that the most robust strategy would be to be guided by long-term (10 year) migration trends which equated to the 32,000 dpa figure in the 2005 consultation draft plan.

Current Need / Housing Backlog

- 7.27 There was considerable discussion about the scale of the existing affordable housing backlog which the RA identified with no proper explanation or justification at 29,000 dwellings. The panel took the view that there was little merit in seeking to try to identify a more precise estimate of the backlog in the absence of any explicit mechanisms the plan could offer to meet it. The panel expressed concern that there was logical inconsistency in the RA's position in this regard, particularly in respect of it being met in the first 10 years of the plan period.
- 7.31 The panel's recommendation for an increased regional housing level is, in part, designed to give greater flexibility to assist in meeting the backlog.

Housing Provision & Affordability

- 7.33 The question for the panel here was whether the regional housing level should be increased in an attempt to stabilise or even improve affordability levels
- 7.34 There was considerable discussion about the University of Reading's model which, the Government (through the newly created National Housing and Planning Advice Unit) claimed demonstrates that increasing housing supply can beneficially affect affordability and that those effects are permanent.
- 7.37 Despite support from developer representatives there was objection from the RA and other local government partners and the panel came to the view that they were cautious about relying on supply side solutions given the complexity of influences on housing affordability. A range of demand factors such as interest rates, the availability of credit and taxation are also capable of being influenced to stem price rises and improve affordability.
- 7.39 As HBF stated, however, and the panel accepted was that to set a regional target of 28,900 dpa while at the same time seeking to increase the proportion of affordable housing implies a reduction in market housing in the region compared to previous plan levels. Common sense would suggest that a constraint on market housing of this magnitude could only worsen affordability.

Economic Growth Forecasts

- 7.45 In terms of the influence of economic forecasts on housing provision rates the panel were persuaded by SEEDA's prognosis that, with the draft plan housing levels there is a risk that either:

- The economy will not achieve its potential within the economically buoyant part of the region hence resulting in a significant loss of gross value added to the region and country as a whole; or
- Economic growth will continue but there will be further deterioration of housing affordability and growth of long-distance commuting (which the panel note in the previous para is not something which should be planned for)

Housing Land Availability

- 7.50 The panel noted a point put by HBF and other developer representatives that, for nearly 30 of the 67 districts in the regions, they have enough capacity within their urban potential estimates to meet the whole or well over 90% of their housing provisions in draft Policy H1. A few districts even have an excess over this level.

This must be a key point in terms of the Government's future housing delivery objectives in that, even a 10% increase proposed by the panel will not require most districts to do a great deal in terms of identifying additional land to meet their housing requirements. As HBF has consistently set out in recent statements, if the industry is to deliver the Government's ambitious housing targets Government must force the local authorities to release more implementable land. This plan, even with a 10% increase in housing requirements, will do little to achieve this.

- 7.51 The panel also expressed concern when they learned that some districts use their urban potential estimates as an indication of the acceptable maximum housing level their area could accommodate.

Windfalls

- 7.54 The panel expressed some support for SEERA's position on the treatment of windfalls in housing supply estimates. This was not explicitly an issue up for debate at the EIP yet the panel say they share local authority concern about the uncertainty caused by para 59 of PPS3. They even go so far as to state that they anticipate that "quite a few local authorities in this region will be able to provide robust evidence of genuine local circumstances that prevents specific sites being identified and will be able to demonstrate expected future trends in windfall delivery rates."

Quite what evidence the panel has to make this assertion is not clear and it is doubtful that they could have such detailed evidence before them at the EIP in order to allow them to reasonably come to this conclusion. It would appear little more than a personal view no doubt brought on by the unending barrage of whingeing from SEERA on this issue.

Infrastructure

- 7.56 The panel note that the RA and local authorities support for the housing levels proposed in the plan was "conditional" on the timely provision of the necessary infrastructure. The panel, as stated elsewhere, do not think it reasonable for an RSS to proceed on this basis

- 7.57 Not least because persuasive evidence was not presented that a fixed figure of 28,900 dpa and only that figure, could be accommodated.

Roger Tym Study commissioned by GOSE

- 7.63 The panel did pay considerable regard to the issue of sustainability and SA of the plan. In justifying their conclusions they stated that they were informed by the findings of the Tym appraisal of the sustainability implications of higher levels of housing growth (33, 37 and 44,000dpa)
- 7.64 They found the work, despite local authority criticism, to provide a “useful broad brush view of the challenges to be faced”.

Sub-Regions

- 7.69 **South Hampshire** – the plan’s figure of 80,000 dwellings (4,000dpa) is **supported**.
- 7.71 **Sussex Coast** – the plan’s figure of 54,000 (2,700dpa) is on the **low** side
- 7.73 **East Kent & Ashford** – the plan’s figure of 48,000 (2,400dpa) is **too low**.
- 7.75 **Kent Thames Gateway** – the plan’s figure of 48,000 (2,400dpa) is **supported**
- 7.77 **London Fringe (LF)** – the plan’s figure of 37,360 (1,868dpa) is **significantly too low** because demographic and economic factors have been given insufficient weight while too much weight has been given to urban potential and avoiding any adjustments to the Green Belt. Boundaries may need to be adjusted.
- 7.79 **Western Corridor Blackwater Valley (WCBV)** – the plan’s figure of 89,520 (4,476dpa) is **significantly too low** – as LF
- 7.84 **Thames Basin Heaths** (*not strictly a sub-region in its own right*) – the panel’s judgement taking on board all material factors is that this part of the region **can accommodate additional housing growth**.
- 7.85 Whilst the panel is aware they are departing from the advice of the technical assessor they take the view that, since the assessor’s conclusion was that the draft plan’s housing level would only be likely to lead to a small increase in visits to the SPA, the same applies to the modest increase (of 6,000 dwellings) they are now proposing
- 7.86 Provided this additional land provides sufficient SANGS of the necessary quality and quantity the panel is satisfied that this level of housing would not have an adverse impact on the integrity of the SPA.
- 7.90 **Milton Keynes & Aylesbury Vale** - the plan’s figure of 70,000 (3,500dpa) is **broadly supported**
- 7.92 **Central Oxfordshire** – the plan’s figure of 34,000 (1,700dpa) is **significantly too low** – as LF

- 7.94 **Gatwick Area** – the plan’s housing figure of 33,000 (1,650dpa) is **marginally too low**.
- 7.96 **Rest of County Areas and Isle of Wight** – the panel consider there is a case for the majority of these areas to accommodate an **uplift in housing levels** to reflect regional needs but without changing the strategic balance of the plan.

Summary on Housing Supply

As a consequence of all of these factors and considerations the panel settle on a region-wide figure of 32,000 dpa which is split by district as indicated in the table at the end of this summary.

- 7.102 The panel note that this represents an overall increase of 10% which is at the low end of what seems appropriate from their assessment of top-down factors.
- 7.106 The panel has no doubt that it will be very challenging for some local authorities to know how to accommodate this additional growth. Nonetheless, new land will have to be found and the panel does not think it an appropriate yardstick that all land needs to have been identified before RSSs housing provision levels can be confirmed.
- 7.115 The panel state that their recommended housing provision figures are intended to be targets for LDFs. They also qualify this by saying that:
“these RSS housing levels should not be treated as ceilings, nor should there be any attempt to ration planning permissions to avoid outperforming this RSS”.

8. AFFORDABLE HOUSING & OTHER HOUSING POLICIES

This chapter considers the mechanisms of affordable housing provision and the role of the planning system in it, and recommends a stronger steer towards joint working on strategic housing market assessments. It recommends that the affordable housing policy gives explicit encouragement for LDDs to set lower site thresholds where appropriate and endorses the 35% affordable housing target. It recommends expansion of the important policy on the type and size of new housing to give more guidance for LDDs. It endorses the housing density target of 40dpa (*I hope they mean dph !!*) but recommends giving more emphasis to design in the policy covering this, and that the text exemplifies where higher or lower densities may be appropriate.

The Role of the Planning System

- 8.7 The panel acknowledge that the planning system has only a limited and partial role to plan in delivering a step change in affordable housing provision.
- 8.8 The panel agree with the HBF that the proportionate targets are only sensible if there is a link with more market housing and they agree with developer interests who argue that affordable housing cannot be decoupled from overall housing levels. Although this weighs in favour of an increase in the overall housing levels in the draft plan, the panel has not used this as a primary justification since they consider it is not a case of building a way out of the problem.

Small Site Thresholds

- 8.12 The panel note that the 2005 consultation draft plan indicated in Policy H4 that the size of site on which an affordable housing contribution would be required would be set locally, and that this was omitted from the 2006 draft version. The panel recommend this text be reintroduced to the policy.

Regional Affordable Housing Target

- 8.16 The panel consider that Policy H4 (and the 35% target) successfully provides a steer for local planning authorities about the broad scale of affordable housing provision that should be sought through LDF policy and DC negotiations.
- 8.17 They note that, as suggested by some participants, in order to achieve 35% overall, substantially higher provision will need to be sought on qualifying sites. The panel agree and suggest that the stronger support they recommend for a local lowering of site size thresholds (*below the national indicative level of 15 dwellings*) will provide some limited assistance in this matter.
- 8.20 Overall they conclude that the proposed targets are a reasoned, balanced response to need and funding considerations and that the particular circumstances at a local level will be best addressed through the development of policies in LDDs which are informed by SHMAs (Strategic Housing Market Assessments).

Type & Size of New Housing - Policy H6

- 8.26 Despite acknowledging that this is a fairly bland policy the panel nonetheless consider it serves a useful purpose.
- 8.27 They acknowledge that there is a limit to how specific such a policy can be in an RSS as this is primarily an issue for LDFs informed by the results of SHMAs.
- 8.32 Helpfully the panel recommend that the final sentence of the policy requires significant amendment (as suggested by HBF and others) and they specifically refer to **leaving proposals about the likely profile of household types requiring market housing and how this should be best met to developers.**

Housing Densities - Policy H5

- 8.36 The panel support a regional density target as it would serve a useful monitoring function as well as being in accordance with PPS3.
- 8.37 They also support the proposed target of 40dph as presenting the "right degree of challenge". The fact that the target is already being met is not a strong driver for setting a higher target.
- 8.38 Not least because it is important than any RSS policy does not put too much weight on the pursuit of a particular density level at the expense of other planning objectives.
- 8.40 They recommend that the supporting text should explain that the regional 40dph average does not mean that every local authority need set a 40dph target and that some may be lower because of their geographical characteristics and some higher
- 8.42 They recommend it should be expressed and monitored in terms of net developable area.

10. NATURAL RESOURCE MANAGEMENT

Note that Chapter 9 dealt with Transport and did not raise any particular issues relevant to the house building industry.

This chapter examines the issue of water resources where the panel recommend greater clarity on demand management and a supportive planning framework for strategic infrastructure. It seeks clearer messages on waste water treatment and river quality. It then considers the extent to which flood risk has influenced the strategy and the need to reflect PPS25. The chapter assesses whether the draft plan provides sufficient guidance on the protection and enhancement of biodiversity. It examines whether the policy framework for the protection and management of the Thames Basin Heaths and the adequacy of guidance on coastal management.

Twin Track Approach – Policy NRM1

- 10.8 The water resource modelling work by the EA shows that the only scenario under which much of the region will be in deficit by 2026 assumes demand increases due to growth in housing but no new resources are developed beyond those already committed by 2010. The panel agree that this is an unlikely scenario. The scenario with an 7% efficiency saving (which should be achievable following the recent strengthening of building regs) and continued development of water resources (*this is the twin-track approach*) by the water companies shows that with the draft plan housing levels all water resource zones with the exception of Milton Keynes will experience approximate supply-demand balance or a small surplus at 2016 and 2026.
- 10.11 The panel concur with most participants that RAs have little impact on water efficiency and that their role is limited to one of influence and lobbying.

Strategic Water Resources Development – Policy NRM2

- 10.14 The panel note that water supply schemes have lead-in times of up to 20-25 years from conception to operation. For that reason they recommend that the policy be amended to provide a firmer steer to LDDs to facilitate the delivery of strategic infrastructure that can be shown to be necessary.

Maintaining Water Quality from WWT Upgrades – Policy NRM1

- 10.21 EA's initial analysis identified seven locations where water quality constraints meant that a limit should be placed on additional housing. Of most relevance to the sub-regional strategies are constraints on the works near Eastleigh, at Hailsham and Horsham
- 10.22 A further nine locations require more detailed study, three of which relate to growth areas in the plan at Aylesbury, Basingstoke and Crawley
- 10.23 In addition the EA and others identified a further large number of works where investment is needed to improve the standard of treatment.

10.24 However, the panel noted that the region faces potential challenges in meeting higher water quality standards as discharge consents are reviewed irrespective of the scale of new housing development.

10.26 Consequently, the panel recommend a new policy covering River Water Quality Management which would separate out those aspects on which local authorities can influence from those on which the authorities, water companies and the EA need to collaborate

Flood Risk – Policy NRM3

10.29 The panel note that GOSE took the view that the draft plan achieves broad compliance with PPS25 and they agree.

10.30 Consequently they concluded that there is insufficient reason at this stage to question the district level allocations on the basis of flood risk.

Appropriate Assessment

10.37 The panel conclude that it is not possible to consider all the detailed implications that could be raised by AA and that some degree of pragmatism is required. They note that AA is a rapidly developing decision making tool and questions and uncertainties will arise in the early stages of applying AA to plans but this is not a reason to halt the plan-making process

Regional Biodiversity Targets

10.41 The panel were at pains to point out that, in order for the targets to be meaningful and monitored effectively, Natural England will need to fulfil its role in establishing what constitutes favourable conservation status for the internationally important sites. There is also a need for more research on the spatial distribution of species in order to assess the effects of plans and proposals on the integrity of habitats.

Thames Basin Heaths

10.48 The panel agree that, in view of the technical assessor's conclusions, there is no longer a need to refer in the policy to the possibility of reviewing the scale and distribution of housing within the SPA area from first principles.

As a general comment the panel comment on very little of the detail raised by the assessor's report. They recommend urgent progress on the ISDP. They also support the production of a joint LDD though recognise they cannot require authorities to produce one. They recognise the plan should not be seen in isolation and must be supported by other measures to support management of habitats and access. But they do make some interesting points.

10.52 The panel appear to be endorsing the exception for small sites as they see no reason to depart from the assessor's conclusions in this respect. Especially since the assessor further elaborated on his thinking behind making this suggestion.

10.56 The panel also endorse the SEERA amendment which requires the policy to apply to all development, not just housing. The panel consider this is necessary to comply with the Habitats Regulations.

12. COUNTRYSIDE & LANDSCAPE MANAGEMENT

Note that Chapter 11 dealt with Waste & Minerals which included nothing of particular relevance to house building.

This chapter first assesses the soundness of the draft plan's strategy for rural areas. It then considers the approach to countryside and landscape management and the policies relating to National Parks and AsONB. It suggests grouping and strengthening policy elements dealing with land management in the wider countryside and in the rural-urban fringe. Consideration is then given to the issue of access to the countryside, whether there is a need for a countryside quality indicator, and whether there should be a specific new policy on the River Thames.

National Parks – Policies C1a & C1b

- 12.11 The New Forest Park Authority argued that the area immediately outside the Park should receive some further degree of protection from development to conserve the setting of the Park. The panel agree this is important and recommend an addition to the policy to acknowledge that the setting is to be a material factor in planning decisions.

13. SMALL TOWNS & SUBURBS

This chapter examines policy on suburbs and suggests the need for more locational guidance on where intensification might be sustainable. It then seeks to strengthen the role of small market towns in the spatial strategy. It recommends a policy amendment to assist the identification of those villages most suitable for additional small scale growth.

Intensification – Policy BE2

- 13.7 This policy arose out of extensive concerns about ‘garden-grabbing’ and the effects that incremental housing redevelopment can have in altering the character of neighbourhoods and towns. The panel welcome the policy to the extent that it may lead to a more planned approach. But, to achieve this, there is a need to identify locations where intensification might serve wider policy objectives. The panel recommend accordingly.

Role of Small Market Towns – Policy BE5

- 13.13 The panel were not entirely convinced by arguments put by HBF that the rest of county areas have been treated simply as residual in terms of housing provision. However, they consider that there are some locations which should contribute to meeting wider housing needs.
- 13.15 Hence they recommend that the RSS should identify those towns expected to make a wider contribution to the spatial strategy, eg Winchester, Uckfield and Banbury.
- 13.15 The panel was concerned that the contribution of market towns with good accessibility by public transport could be constrained by reference to “small scale” (in terms of the additional housing developments they could accommodate – criterion iii of the policy). Accordingly they recommend use of the term “sufficient” in its place for consistency with the plan’s overall housing objective (as amended by the panel).
- 13.16 The panel did not accept the plan’s definition of small rural market towns as being between 3-10,000 population which they felt was too small. Instead they recommended a revised definition of ‘generally up to 20,000 population’.

Village Management – Policy BE6

- 13.18 The panel recommend that the policy should set out the criteria that would assist local authorities in identifying those villages where additional development would be appropriate. The criteria they suggest are the functions performed by the village, its accessibility and the need to protect or extend key local services.

16. SOUTH HAMPSHIRE

Please note that Chapters 14 and 15 deal with Town Centres and Social Cultural and Health issues respectively and contain no issues of particular relevance to house building.

This chapter examines the role of the sub-region, and accepts the economic basis underlying the growth proposals, including employment land proposals. It recommends a new town centres policy and considers the role of Southampton port and airport. On housing, the analysis suggests that the draft plan levels are appropriate, but there may be phasing implications in the light of potential constraints particularly on waste water treatment. The chapter endorses the proposals for the two SDAs but not the proposed constraints on their timing, and stresses the importance of partnership working to bring them forward. Finally, the chapter considers the intended monitoring and implementation mechanisms.

Introduction

- 16.2 The panel note that this sub-region has its roots in the RPG9 PAER (priority area for regeneration) concept which is carried forward in the plan albeit in a wider geographical context.
- 16.11 South Hampshire is identified in the RES as one of the region's Diamonds for Investment & Growth

Gross Value Added

- 16.16 Despite reservations about the realism of the GVA target, the panel support the 3.1% target as aspirational but one consistent with the priority put on sustainable economic regeneration in the region. The panel were not persuaded by Hampshire CC's calls for a lower target which they felt were more to do with holding back greenfield development than setting an aspirational target.
- 16.25 The panel did acknowledge the need for a stronger approach to the protection of existing employment land in this sub-region in order to assist in meeting this GVA target.

Infrastructure & Gaps

- 16.44 The panel acknowledge that there are difficulties associated with the water environment. Not least they identified capacity issues associated with the Chickenhall Waste Water Treatment (WWT) plant at Eastleigh (para 16.40) which could limit development proposals for an SDA within Eastleigh Borough in the short term. Overall, however, they conclude that the further work and studies planned should form the basis from which the infrastructure requirements of South Hampshire can be planned, funded and delivered. Accordingly they did not revise their housing recommendations in respect of this issue.

- 16.49 The panel recommended a need for reviews of strategic gap boundaries so as to ensure that important land is protected but that the policies are sufficiently flexible and do not sterilise any more land than is necessary.
- 16.51 The panel saw no need to include a policy reference to local gaps which they state are matters to be addressed in LDDs
- 16.53 Overall they found the economic growth-led strategy aspirational but worthy of support and the level of housing (at 80,000) “about right”, not least because it was an achievable level (para 16.54)

Housing Target – Policy SH2

- 16.56 Despite calls for higher targets they consider the 80,000 figure sufficiently challenging as it is already 20% above RPG9 levels which would involve 32% of the housing being provided on greenfield sites. Higher levels will result in unsustainable patterns of development and commuting which would be out of balance and probably unachievable anyway.
- 16.63 Commenting on the Strategic Development Areas (SDAs) the panel wanted to make it clear that the SDA allocations are deliberately separate from the district allocations and that it should not fall to the relevant districts to make compensatory provision for any shortfall in housing completions in the SDAs as these meet a region / sub-regional rather than purely a local housing need.
- 16.64 The panel considered evidence which challenged the locations chosen for SDAs but on balance consider they are sound choices.
- 16.66 Hedge End has less danger of resulting in the coalescence of settlements than other suggested locations. Nor would it impact significantly on existing gaps or other designations
- 16.68 The Fareham SDA is similarly relatively unconstrained from an environmental point of view and is well located in relation to the urban area of Fareham with good links to Portsmouth.
- 16.71 It was generally accepted that work was unlikely to start on the SDAs until 2013 at the earliest. Target annual completion rates of 1,000 dpa will be very challenging and the panel consider it vital that there must be a climate of certainty for investment and continuity of funding to ensure that the infrastructure for the SDAs is provided. Hence the panel recommend the deletion of policy text which seeks to relate progress on the SDAs to the availability of brownfield land.
- 16.78 It is recognised that the strategy requires some new housing to be provided on smaller scale urban extensions in some districts prior to the SDAs coming on stream in the latter half of the plan period.
- 16.79 These total 9,700 dwellings on new greenfield sites are expected to be provided in East Hants, Eastleigh, Havant, Test Valley and Winchester.

- 16.80 The panel considered this spread to be sound in that it would provide an appropriate choice of geographical location and encourage flexibility in the housing market.

Affordable Housing – Policy SH13

- 16.83 The panel accepted as sound the 30-40% range put forward in Policy SH13 but made clear that detailed consideration of the most appropriate level should be left to LDDs.

Implementation (PMM) – Policy SH5

- 16.87 The panel recommend the deletion of policy SH5 which seeks to phase the rate of greenfield release in the light of monitoring information. As stated above, the panel consider it must be full team ahead with the SDAs and the certainty for investment and developers must not be allowed to be compromised by this kind of overly mechanistic, stop-go approach to land release,.

- 16.90 The panel make it clear that, once the SDA programme has been agreed, there should be no delay in implementation.

“To make their implementation subject to the emergence of any unexpected brownfield urban sites would be wholly unrealistic and prevent certainty in the development process.”

17. SUSSEX COAST

This chapter examines the role and rationale for this coastal sub-region, and with minor amendments supports the strategy focus on sustainable economic regeneration. It seeks to increase the degree of locational guidance on urban extensions, employment land and critical transport schemes. Given the challenges facing this sub-region, particularly on transport, waste water treatment and flood risk, the chapter assesses the way infrastructure has shaped the strategy. It analyses the justification for the level and distribution of housing and recommends that the sub-region could make a greater contribution to meeting regional needs. It identified critical infrastructure themes that should be included in the Infrastructure section based on consideration of the Implementation Plan and seeks to strengthen the Implementation and Delivery section.

Introduction

- 17.2 Like South Hampshire the background to this sub-region is provided by the RPG9 PAER designation.
- 17.5 While the case for treating the sub-region as an entity may not be compelling, the panel agree that there is an urgent need to stimulate the local economy and to achieve a better balance between jobs and housing. This is sufficient to justify a sub-regional approach.
- 17.11 On that basis the panel express some surprise that the strategy is not actually aspiring to achieve much above the economic growth trend projection and is not, therefore, an ambitious strategy economically which the justification for the existence of the sub-region suggests is required.
- 17.13 The panel find that the spatial strategy needs more explicit clarification. It should recognise the need to optimise the use of previously developed land, particularly in Brighton & Hove but should be explicit in recognising that the sub-region's housing target is likely to require sustainable urban extensions in Arun, Chichester, Rother and Wealden districts.

Employment

- 17.22 The panel consider the strategy to be lacking in that it should contain a job target against which economic progress can be monitored. The panel recommend 30,000 for the 2006-16 period which is a higher rate of job growth than labour supply (para 17.23)
- 17.26 In terms of employment land, however, the panel identify the real issue as the quality rather than the quantity of employment land.
- 17.29 That said, the panel recognise the need to protect existing employment land as there is a real risk of losing it to residential uses because of differential land values.

Infrastructure

- 17.36 The panel identify waste water treatment as a critical infrastructure issue in this sub-region. However, they recognise that, although areas where this could be a constraint on development (Hailsham North and Hailsham South WWT works serving most of Eastbourne) they were optimistic that solutions can be found and that this largely a phasing issue rather than the constraints being absolute.
- 17.41 Similarly, while acknowledging that flood risk considerations may rule out development in many locations it is not a major determinant of the overall scale of growth to be accommodated.

Housing

- 17.45 The plan sets a target of 54,000 (2,700dpa) for the period 2006-26 which is 14% lower than the RPG9 equivalent for the same area.
- 17.46 The panel note that preliminary work undertaken by the principal authorities expressed a preference to maintain RPG9 levels at 60,000. No technical reasons were given as to why this level could not be accommodated and the panel recommend that the figure should be increased back up to 60,000 (para 17.47)
- 17.49 Not least since, at 54,000, this is only half the rate suggested in Government's 2004-based household projections.
- 17.50 Furthermore, increasing the figure to 60,000 is only likely to require a relatively small proportion of new greenfield development and recent completions have already been 12% above the draft plan level para 17.51)
- 17.53 Accordingly the panel recommend a revised figure of 59,400 (an increase of 5,400 over the plan period)
- 17.60 Of this, 1,000 are to be added to the Eastbourne/Hailsham triangle part of Wealden district
- 17.64 A strategic allocation of 2,000 is made to Arun district in the area of search to the south west of the River Arun
- 17.68 A large sustainable extension to Chichester of 1,000 is proposed
- 17.69 As is an additional 1,000 units in Adur district at Shoreham Harbour

That makes only 5,000, not 5,400. I can't find any reference to this additional 400?

Affordable Housing

- 17.75 While the panel support the sub-regional target of 40% (and accept the justification for a target higher than the regional average) they expressly do not consider that setting this as a minimum "at least" 40% target is necessary and they recommend the deletion of this text.

18. EAST KENT & ASHFORD

This chapter examines the rationale for this sub-region and its gateway role. It broadly endorses its strategy based on the Ashford Growth Area and complementary regeneration of the coastal towns. It supports the draft plan's position on Lydd Airport. It analyses the justification for the level (in the case of Ashford only post 2016) and distribution of housing and recommends increases in three districts in part reflecting the increased accessibility that CTRL Domestic Services will bring. It suggests adding additional detail on strategic infrastructure including water supply and transport and on implementation and delivery.

Employment

- 18.18 The panel accept the 50,000 jobs figure as a policy-led target (para 18.16). They note that pitching a target at such a level would imply a higher rate of job growth than labour supply but consider this is a reasonable objective given that this sub-region is currently a substantial net exporter of labour.
- 18.21 In terms of employment land, as with West Sussex, the panel consider the issue one of quality rather than quantity. That allied to the fact that rental levels are not high enough to encourage investment in the necessary infrastructure or access improvement to unlock existing provision

Housing – Policy EKA1

- 18.41 Policy EKA1 sets a housing level of 48,000 (2,400dpa) of which the Ashford component is 22,400 compatible with the SCP figure of 31,000 between 2001 and 2031. The East Kent districts component (24,900) is 20% below RPG9 levels and 25% below recent build rates. For the whole sub-region the plan's level is about 50% below the 2004-based household projections
- 18.43 Hence the panel consider a need for a higher target and recommend 53,000 as better reflecting regional imperatives and local needs.
- 18.49 The panel note that delivery at Ashford has been much as anticipated in RPG9 over the first five years of its growth area status. But the council project significantly higher future delivery rates as extra sites are now being released as part of the LDF. There is also now an agreed package of improvements at junction 10A of the M20.

District Allocations

- 18.52 **Dover** was singled out as a possible location for new housing growth.
- 18.53 The plan's housing target for Dover is 6,100 which is below recent completions and previous targets. However, the plan does acknowledge the possibility of provision of 2,000 further dwellings subject to testing within the LDD process. Since submission this proposal has been worked up and there is confidence such a proposal can be delivered. The panel recommend that Dover's housing target be increased accordingly.

- 18.55 Whether or not this will involve greenfield housing north of the M2 will be a matter for determination through the LDF process.
- 18.60 **Thanet** gets an extra 1,000 dwellings over its 6,500 target as this is well below the previous structure plan target and recent completions.
- 18.61 This should be accommodated in the second half of the plan period to reflect longer term needs for labour supply and to allow the success of Westwood to be assessed.
- 18.62 **Canterbury** also gets an additional 2,000 dwellings as the plan's target of 7,200 (260dpa) is well below the last structure plan and recent completion rates. This should be focussed on Canterbury itself in order to reduce in-commuting. A need for higher priced homes is recognised in order to make the town an "attractive lifestyle option for the knowledge-based and creative industry enterprises"

Implementation

- 18.71 As elsewhere in the plan, the panel have recommended the deletion of policy text which seeks to delay or review housing figures in case infrastructure does not come forward.

19. KENT THAMES GATEWAY

This chapter examines the role of the Kent part of this national Growth Area and broadly endorses its strategy based on brownfield regeneration underpinned by economic growth. It considers the importance of attracting higher value businesses, including the catalyst of the international station at Ebbsfleet. From an assessment of site capacity and phasing it broadly endorses the proposed housing levels although with a small increase at Swale. It recommends an expanded section on Infrastructure & Implementation given the importance of flood risk management and transport in particular.

Introduction

- 19.5 A major thrust of the strategy is the focus on the reuse of PDL. Although some developers argued that the use of such land should not be seen as the prime strategy driver, the panel accept that over-reliance on additional land release involving sensitive greenfield land would be likely to detract from the main regeneration thrust.

Jobs

- 19.12 The employment estimate is set at 58,000 over the 20 year plan period. This is significantly above all forecasts available at the examination and is also above the 29,000 additional jobs achieved over the previous 20 year period.
- 19.16 The panel accepted this figure after some deliberation.

Infrastructure

- 19.35 EA modelling work has identified that water supply can be provided to the KTG sub-region across a range of different scenarios, provided that a combination of greater water efficiency measures and new water resource developments take place. The panel accept this conclusion.
- 19.38 Given the seriousness of the flood risk issue the panel accept the need for a specific flood risk policy in this sub-region
- 19.47 The panel shares others' concerns about the reliance on the private car to accommodate forecast growth in travel demand. However, they consider that its designation as a Growth Area provides an opportunity to be proactive in shaping future travel demand patterns. They consider this so critical to the sub-region that it should be more prominent in the core strategy.

Housing

- 19.54 The panel accept the proposed figure of 2,400dpa and, despite pressure from some, saw no valid reason to increase this target.
- 19.63 The panel conclude that it would be more appropriate to focus on increasing employment to support new housing development and unlocking sites already

earmarked for development before considering whether a further increase to correspond more closely to site capacity can be justified in the next RSS review.

Distribution

- 19.75 Swale gets an extra 1,000 dwellings but no other increases are recommended for any other districts. Swale's increase is justified because the 2016-26 figure would represent a significant fall in build rates to a level one-third of those in the first ten year period which is unrealistic.

Affordable Housing

- 19.80 The panel accept the 30% affordable housing and consider the reasons for it being lower than the regional average are justified.

20. LONDON FRINGE

This chapter examines the role and rationale for this sub-region concluding that on balance it merits retention as a planning unit. It seeks to recast the core strategy to give more positive support to economic and housing growth, including reference to the need for some selective and also small scale review of the MGB where necessary. It analyses the justification for the level and distribution of housing and concludes that a significant increase in housing level is necessary largely for demographic and economic reasons and that this can be accommodated without significant harm to the environment, notwithstanding the need to protect the Thames Basin Heaths. The chapter recommends a greater role for the regional hubs and sets out how the extra housing suggested should be distributed amongst the districts. It sets out the key infrastructure themes that should be included in the Implementation section and commends joint working, particularly on a tariff to fund infrastructure from small sites.

Background

- 20.5 The report acknowledges that a number of developer interests argued that the sub-region was constructed on negative policies of restraint driven mainly by the desire to avoid any significant alteration to the MGB.
- 20.12 Similarly that the sub-region is not being asked, because of this, to 'pull its weight'.
- 20.15 The panel largely accept these assertions and believe the principal authorities' approach to be fundamentally wrong and in conflict with national policy guidance. The panel conclude that there is an overriding need to accommodate a higher level of housing provision in this part of the region and that this should be accommodated by limited alterations to the MGB boundary where necessary.
- 20.16 The tension was particularly apparent in respect of the three regional hubs at Guildford, Woking and Redhill/Reigate.
- 20.17 Without offering some scope for physical expansion of the hubs beyond their existing boundaries, argue the panel, not only would the sub-regional and wider economy be likely to suffer, but fears about town cramming and loss of urban quality could be realised.
- 20.18 The panel specifically comment that they find it ironic that the district wide provision for Reigate & Banstead is set below RPG9 levels and that no overall increase in housing levels is envisaged as a result of its NGP status.

Housing

- 20.45 Building on the above incredulity the panel consider that the figure of 37,360 is woefully inadequate. It does not reflect the NGP designation at Reigate & Banstead (para 20.46).
- 20.47 In demographic terms, the housing level proposed would not even meet natural change. It is only set at a level of 50% of the 2004-based household projections

- 20.48 It does not reflect the very high level of affordable housing need in the sub-region.
- 20.49 Nine of the districts have outperformed the draft plan in terms of delivery rates in recent years with surpluses ranging from 13% to 83%. Despite arguments from the local authorities that these high rates are unlikely to continue the panel conclude that the plan level is neither challenging nor an attempt to continue recent rates of delivery.
- 20.50 Nine out of the ten districts could meet their draft plan requirement entirely from within their urban areas
- 20.51 On balance, the panel have concluded that the need for additional housing in this part of the region is so great that some alteration of the MGB boundaries is likely to be required.
- 20.55 Overall, even taking a precautionary approach to the Thames Basin Heaths SPA (TBHSPA), the panel recommend a 23% increase to 46,120

Distribution

- 20.56 The bulk of this additional housing should be focussed on the regional hubs of Guildford, Woking and Redhill/Reigate.
- 20.57 **Guildford** – an area within the MGB to the north east of the town, as identified in Policy LO6 of the Surrey Structure Plan, could provide for sustainable growth.
- 20.58 Expansion to the north-east of Guildford would be subject to SPA considerations but, the strategic scale of development could allow mitigation to be provided. This could provide 2,000 dwellings.
- 20.60 **Woking** – this suffers from a greater SPA constraint than Guildford. The emphasis here should be on growth within the town though some new greenfield allocations may be necessary and this may require amendments to the MGB boundary (such amendments may be more than minor). In this regard the area south of Woking is suggested as offering most potential.
- 20.61 **Redhill/Reigate** – the panel agree with Barton Willmore in their description of Redhill as “the hub of all hubs”.
- 20.62 The panel consider that the plan’s allocation, which is less than RPG9 and recent completion rates, seriously undervalues the potential offered particularly by Redhill for sustainable growth.

All of this results in allocations as follows:

- 20.68 Elmbridge +500
- 20.69 Epsom & Ewell +360
- 20.70 Guildford (part) +2,000

20.72 Mole Valley (part) +340

20.73 Reigate & Banstead +1,500

20.75 Runnymede +300 And, on top of that, 2,500 dwellings at the former DERA site (in the MGB) near Chertsey (paras 20.76 to 20.78)

20.80 Spelthorne +300

20.82 Tandridge (part) +260

20.83 Woking +1,000

20.86 Sevenoaks +200 (LF reduced by 300 but rest of district increased by 500)

Affordable Housing

20.88 The panel support the 40% figure for the sub-region, largely on the basis of the high level of need and previous work done to justify the viability of this figure done in connection with the Surrey Structure Plan.

Surrey Infrastructure Tariff

20.100 The panel also express support for the tariff.

21. WESTERN CORRIDOR & BLACKWATER VALLEY

This chapter examines and endorses the rationale for this large sub-region. The panel recommend a core strategy to reflect its growth potential and spatial structure and the need to identify sustainable urban extensions. This sub-region has the fastest growing economy and, while taking account of the opportunities for smart growth, the panel consider that there is likely to be a mismatch between the projected scale of jobs and labour supply. The examination of housing levels concludes that the draft plan provision is too low and that a significant increase is needed which can be accommodated without significant harm to the environment notwithstanding the need to protect the Thames Basin Heaths. The panel recommend that the hubs should be the main focus for both development and investment in transport and acknowledge that small scale review of the MGB may be necessary. In the light of the proposed SDA to the south of Reading, the panel suggest that a joint planning and delivery vehicle should be formed in the greater Reading area and elsewhere that consideration should be given to the preparation of joint LDDs by adjoining authorities.

Labour – Jobs Mismatch

- 21.29 As a reflection of its past economic success this sub-region already has a much higher number of jobs than resident workers. This imbalance is concentrated in the Thames Valley.
- 21.31 This mis-match is expected to widen and the panel express real concern about the scale of the projected mismatch. This was the only sub-region where a number of participants raised the real possibility of firms relocating to other parts of the world amongst other things as a result of labour and housing shortages.
- 21.37 Consequently the panel have recommended an increase in housing provision of 20%
- 21.40 Meeting this will require a softening in approach to the MGB which, as the panel state elsewhere, should not be treated as inviolate (para 21.39)

Infrastructure

- 21.43 No insurmountable water resource problems are identified though constraints at the Basingstoke WWT plant are identified, albeit that these can be overcome subject to infrastructure being funded and delivered in the right place at the right time (para 21.46)
- 21.51 Traffic is identified as a serious issue but the panel recognise that the situation is already unsatisfactory and action must be taken to address it regardless of any recommendations for additional development proposals they may make.

Housing

- 21.54 The plan sets a target of 89,520 (4,476dpa) which is, in effect the same as the Berkshire Structure Plan and RPG9. The panel consider this to be too low.

- 21.55 Accordingly they recommend a figure of 107,600 (5,380dpa).
- 21.56 They come to the balanced view that, in this sub-region, the penalties of under provision of housing seem to pose greater risks to the local and regional economy than the impact of additional housing on infrastructure and the environment.
- 21.57 The panel agree with developer interests who say that self-imposed policy constraints tend to be treated as absolutes.
- 21.59 The panel draw attention to the fact that the RA's brief to the principal authorities asked them to consider the feasibility of an SDA of over 20,000 houses somewhere in the region. The authorities decided to reject this in favour of more dispersed development. This led the panel to conclude that not all the options for accommodating development within the WCBV have been fully explored.

Distribution

- 21.63 Reading +1,800
- 21.69 West Berkshire +7,500 – new SDA west of Reading, north of the M4
- 21.75 Wokingham +3,500 (+2,500 south of the M4 and +1,000 in other locations north and south of Wokingham) But, since the figures should be reduced by 1,500 to reflect the position at Arborfield Garrison this makes a net increase of 2,000.
- 21.79 Basingstoke (part) - In recognising the strategic case for substantial development at Basingstoke (para 21.78) the panel recommend 1,400 should be added to Basingstoke's figure.
- 21.83 Wycombe +1,000
- 21.86 Slough +1,000
- 21.90 Windsor & Maidenhead +1,300
- 21.94 Bracknell Forest +2,000
- 21.95 South Bucks +80

Delivery & Implementation

- 21.114 The panel are supportive of a delivery mechanism similar to the PUSH structure to bring forward growth in the greater Reading area.

22. CENTRAL OXFORDSHIRE

This chapter examines the role of and rationale for this sub-region and concludes that insufficient support has been given for economic growth in the strategy. It also raises concerns about the limited range of options tested in the strategy preparation process. It analyses the justification for the level and distribution of housing and recommends a higher housing level, particularly at Oxford, to reflect economic, housing affordability and other needs. It finds the draft plan's approach to Didcot generally sound. It recommends an SDA south of Oxford which will require highly focussed selective review of the Green Belt and joint working between adjoining local authorities. It suggests ways of strengthening the final section of the strategy particularly on transport and partnership working.

Background

- 22.10 The main divergence of views in terms of the spatial strategy is whether economic potential can be fostered to a greater extent by an Oxford-centred strategy or one which distributes growth to the surrounding towns.
- 22.11 The panel consider a strategic urban extension could be accommodated on the periphery of Oxford without damaging its setting but with significant benefits to the economy and housing affordability. This would be in addition to the proposed level of housing growth in the country towns.
- 22.33 The panel were concerned that options for a higher level of growth were insufficiently tested in this sub-region and hence that the need for a strategic or selective review of the Green Belt was sidestepped.

Housing

- 22.45 The panel note that the housing level at 34,000 is not only 5% less than recent structure plan levels but that, the recent EIP panel recommended that the levels they suggested were the absolute minimum levels of housing needed.
- 22.50 The panel recommend a figure of 40,100 (2,005dpa) as one which better reflects the regional imperatives and local considerations, particularly the needs of Oxford city. In view of these latter needs the panel fail to understand why demographic factors have played so little part in influencing the strategy and why Oxford's proposed housing level is 20% below that set in RPG9.
- 22.53 The panel consider it better that the plan is clear and realistic about the housing level so that infrastructure providers can build this into their programmes rather than repeatedly over-providing against planned levels as has been the case in Oxford recently.
- 22.59 The panel accept that an urban extension will be required in the longer term and that this will mean a review of the Green Belt; a decision they do not come to lightly.
- 22.60 However, they consider there are genuine exceptional circumstances in PPG2 terms to justify such a review.

- 22.65 The panel make it clear that this should be a selective rather than a strategic review in order to prevent unnecessary delays and in view of the amount of evidence already amassed.
- 22.69 In considering the two alternative locations for an SDA (south and north-west of the city) the panel come down strongly in favour of a southern location. This extension could accommodate 4,000 dwellings. Which should be in addition to an increase in Oxford city's allocation of 1,000 dwellings in recognition of its NGP status.
- 22.93 The only other uplift proposed is in respect of Witney where a small increase of 600 dwellings would enable a sustainable level of growth to be maintained in the town and make best use of land already identified for longer-term growth.

Affordable Housing

- 22.97 The panel accept that the level of need for affordable housing in the sub-region justifies a higher than average target.
- 22.100 However, the panel was not convinced that it should be as high as "at least 50%". In considering alternatives of "at least 40%" and "45%" they recommended the former in view of the need for the policy to be justified by an HMA, definitional inconsistencies and in recognition of the fact that it was a target in respect of all housing. Therefore the target on qualifying sites would need to be higher still.

23. MILTON KEYNES & AYLESBURY VALE

This chapter considers the content of the draft plan's MKAV section against that of the Milton Keynes South Midlands sub-regional strategy. It looks at the economic prospects for the area and at employment land provision. The chapter examines the longer term housing provision for the two growth areas and recommends an addition to Milton Keynes to make up for underperformance on delivery since 2001 and a rephasing and adjustments for those parts of both districts outside Milton Keynes and Aylesbury Vale Towns. The chapter examines in depth the locational direction for the longer term growth of Milton Keynes, recommends SDAs to the south east and south west and sets out phasing and apportionment of the housing provision by district to accommodate that growth. Finally the chapter seeks to strengthen the Implementation and Delivery section.

Housing

- 22.30 Developer representatives pointed out that the MKSM strategy indicative rate was prefaced by the words "at least" and argued for higher rates accordingly.
- 22.31 The panel was not convinced given that growth rates in MK are already the highest in the region and significantly higher than both Government's 2003 and 2004-based household projections.
- 22.34 The panel made an interesting comment here in that they noted the RA's acceptance that the underperformance against MKSM housing levels 2001-06 should be made up in the plan period.

"Although it is not normal planning practice to carry forward any shortfall against one plan period into the next, to do so here reflects the special circumstances of there being a 2001-31 target within the SCP"

I would comment here that it is, to a large degree, precisely because these past shortfalls are not carried forward that we are in the problem we are and this practice of not carrying them forward should be abandoned.

Either way, in view of the above the panel made no alterations to the MK housing figure.

- 23.49 In AV, however, although the panel support the plan's intention to focus growth on Aylesbury town, the panel were not convinced that sufficient allowance has been made to meet local needs. Particularly given that AV is a large district containing over 100 settlements.
- 23.50 For these reasons the panel recommend an increase in housing levels for 2016-2026 of 300 dwellings (30dpa) for AV.

Affordable Housing

- 23.55 The plan sets a target of 40% which, while apparently consistent with the MKSM strategy is actually not since there are definitional differences between the two, particularly surrounding the inclusion / exclusion of discounted market housing

for sale. Overall the panel could not be persuaded that a higher target than that set for the region as a whole should be set for AV

- 22.57 Furthermore, the panel recommended that the plan should signal the expectation that a variety of intermediate products would be appropriate including shared ownership and sub-market rent.

Long Term Expansion of MK

- 23.65 Some argued at the EIP that the panel do not have the evidence to make a considered judgement on the size and location of future extensions. The panel disagree.
- 23.76 Consequently the panel recommend the creation of sustainable urban extensions well served by public transport as the most appropriate strategy for the future long term expansion of MK.
- 23.81 This expansion should take the form of planned SDAs as envisaged in South Hampshire and as the panel recommend for Reading and Oxford.
- 23.91 On balance the panel conclude that extensions of the town to the south east and south west would have greatest advantages in terms of transport and accessibility, greatest potential for integration with the existing town (para 23.95) and most deliverable in terms of infrastructure requirements (para 23.99)
- 23.116 The panel rejected calls for both the creation of a Green Belt around MK and identifying new strategic gaps (para 23.118).
- 23.120 The recommendation is for around 15,790 dwellings to be provided in the two proposed extensions (which is marginally higher than the figure of 15,500 – 8,000 in the SE and 7,500 in the SW – set out in the MK2031 strategy).
- 23.123 The panel also recommend a change in emphasis from MK2031 and recommend that 10,400 be provided in the SE extension and 5,390 in the SW (para 23.124). Of the 10,400 4,800 are apportioned to MK whilst 5,600 are apportioned to neighbouring Mid Beds. Obviously this recommendation has knock-on implications for further changes to the Eastern region RSS.
- 23.127 In terms of timing it was concluded that it would be most sensible to bring both extensions forward together.

24. GATWICK SUB-REGION

This chapter examines the key influences shaping the Gatwick area sub-region and finds that the proposed approach in the plan is generally sound, provided that clearer recognition of the cross-boundary relationships and the role of Gatwick Airport is incorporated. Some strengthening of the guidance on the economy, including the regeneration of the town centres, and a small uplift in the proposed housing provision, is also recommended. It also identifies critical infrastructure themes that should be included in the Infrastructure section for this sub-region.

Introduction

- 24.9 A number of participants highlighted that there is little that is spatially distinctive about this strategy.
- 24.10 The panel agree and recommend it needs strengthening to refer to the importance of sustaining and enhancing the pivotal role played by Crawley-Gatwick in the sub-regional economy, Gatwick Airport's international gateway role and recognising the sub-region's interrelationships with London and the South Coast.
- 24.16 In view of these considerations it is important that the sub-region continues to 'punch above its weight'.
- 24.20 Uncertainty about the prospects for a second runway at Gatwick is the longer term is a key issue. The panel took the view that these implications are so important that, if the decision to approve a second runway is taken this on its own would be sufficient to justify a review of the whole plan. Hence the panel make no comment or assumption about this in this plan.
- 24.27 The panel strongly support further development at the two regional hubs of Crawley and Redhill and acknowledge the two northern extensions of Horley that are already planned.
- 24.30 In order to deliver growth in these areas small scale reviews of the MGB are likely to be required along with reviews of existing strategic gap boundaries – particularly those between widely spaced settlements such as Crawley and East Grinstead which would no longer merit protection (para 24.32).

Housing

- 24.43 The panel understand that the relatively poor performance in recent rates of completions is due to complex, interrelated factors but that delays in the provision of essential infrastructure have been the most critical. They consider that some increase in the housing provision figure would be supportable but that it should be very modest, to reflect what could realistically be delivered. Accordingly they recommend an increase of 1,500 dwellings (para 24.47). The panel are confident that this additional requirement can be met by a stronger urban focus, higher densities and some additional greenfield release if necessary (para 24.48)

24.53 Crawley district gets 500 of the increase with the remaining 1,000 going to Mid Sussex district to be accommodated in the expansion of Burgess Hill (para 24.56)

25. ISLE OF WIGHT

This chapter examines the justification for the Special Policy Area status of the IoW and supports the strategy based on economic growth with the proviso that this should be achieved with minimal environmental impact. It recommends the adoption of a policy-led job growth target and endorses the planned housing provision. It considers transport improvements and the importance of reduced water consumption.

25.1 The above summary says it all really.

26. REST OF COUNTY AREAS

This chapter covers the adequacy of policy guidance for the large parts of the region outside the sub-regions. It then examines county by county the extent to which the housing provision figures for the districts or parts of districts lying outside the sub-regions reflect local and in appropriate cases regional needs.

26.1 Rest of Hampshire

East Hampshire (part) +2,500 to allow for the release of MOD land at Bordon. Whilst it is accepted that this site could ultimately accommodate 8,000 dwellings there is currently too much uncertainty to take into account more than 2,500 dwellings at this stage (para 26.17)

Test Valley (part) +600 dwellings (para 26.25)

Winchester (part) +1,800 in recognition of the importance of and needs prevalent in Winchester City itself. (para 26.30). The panel considered the proposal for a new settlement at Micheldever but ruled that there is insufficient justification for its inclusion in the plan.

26.2 Rest of East Sussex

Wealden +600 dwellings to be focussed on Uckfield (para 26.41)

26.3 Rest of West Sussex

No change

26.4 Rest of Kent

+3,880 overall

Of which +1,880 at Maidstone in view of its hub and NGP status (para 26.67)

Sevenoaks +500 (para 26.62)

Tonbridge & Malling +500 (para 26.76)

Tunbridge Wells +1,000 (para 26.78)

26.5 Rest of Surrey

No change

26.6 Rest of Berkshire

No change

26.7 Rest of Oxfordshire

Cherwell +1,000 in recognition of the potential for further growth at Banbury (para 26.93)

26.8 Rest of Buckinghamshire

No change

27. IMPLEMENTATION

This chapter examines the mechanisms and agencies needed to deliver the South East Plan and outlines the proposed content of the implementation component of a new final section of the RSS (see also Chapter 28). It then comments on the status and content of Implementation Plan and its investment framework tables.

- 27.4 The panel recognise the need for a new section on implementation, monitoring and review to be added to the plan.
- 27.7 The panel identify that there is a multiplicity of authorities lacking the strong leadership and coherent powers needed to give confidence in implementation of the sub-regional strategies. Therefore they encourage the need for the new section to include a forceful statement to this effect
- 27.16 The panel do not consider that the Climate Change Infrastructure Plan should be included as an integral part of the Implementation Plan and should instead be kept as a standalone document.

28. MONITORING & REVIEW

This chapter endorses the Assembly's monitoring approach as being basically sound and recommends further improvements. It suggests that the short term priority should be to work up the proposed system for monitoring the sub-regional strategies and that new indicators should be kept to a minimum. The panel suggest adding targets, identifying the indicators relevant to behavioural change and to smart growth, and an explanation of how the impact on the Thames Basin Heaths will be monitored. It then examines the 'manage' element of PMM and the assembly's role in this. The panel recommend that the next full review of RSS should occur in about five years time and list three areas for earlier partial review.

- 28.15 The panel agree with the HBF that the role of the regional assembly in co-ordinating the "manage" process of PMM should be clearer. Whilst accepting that the primary responsibility lies with the local planning authorities it would be helpful for the plan to include:
- An advisory role to LPAs in implementing the proactive mechanisms of PPS3
 - Assistance in helping to remove blockages on housing delivery on major sites
 - Interpreting the individual housing trajectories and the implications for housing delivery at the regional level
 - Setting out the actions to be taken at the regional level where actual performance does not reflect the regional housing trajectories
 - Using the findings as an input to RSS review.
- 28.18 Perhaps worryingly the panel gave some support for SEERA's concerns about PPS3's windfall requirements and express every confidence that a sensible outcome will be found.

Table 7.2: Recommended Housing Provision at District Level

District / Strategic Development Area	Draft Plan Dpa	Panel Recommended Addition Dpa	District / Strategic Development Area	Draft Plan Dpa	Panel Recommended Addition Dpa
Adur	130	50	New Forest	207	0
Arun	465	100	North East / North of Hedge End SDA	300	0
Ashford	1,135	0	Oxford	350	50
Aylesbury Vale	1,060	285	S Oxford SDA		200
Basingstoke & Deane	825	70	Portsmouth	735	0
Bracknell Forest	539	100	Reading	521	90
Brighton & Hove	550	20	Reigate & Banstead	387	75
Canterbury	360	100	Rother	280	0
Cherwell	590	50	Runnymede	146	140
Chichester	430	50	Rushmoor	310	0
Chiltern	120	25	Sevenoaks	155	10
Crawley	350	25	Shepway	255	0
Dartford	785	0	Slough	235	50
Dover	305	100	South Bucks	90	4
East Hampshire	260	125	South Oxfordshire	510	37
Eastbourne	240	0	Southampton	815	0
Eastleigh	354	0	Spelthorne	151	15
Elmbridge	231	25	Surrey Heath	187	0
Epsom & Ewell	181	18	Swale	415	50
Fareham	186	0	Tandridge	112	13
Fareham SDA	500	0	Test Valley	446	30
Gosport	125	0	Thanet	325	50

Gravesham	465	0
Guildford	322	100
Hart	200	0
Hastings	210	0
Havant	315	0
Horsham	620	30
Isle of Wight	520	0
Lewes	220	0
Maidstone	410	94
Medway	815	0
Mid Sussex	705	50
Milton Keynes	2,440	-92
Mole Valley	171	17

Tonbridge & Malling	425	25
Tunbridge Wells	250	50
Vale of White Horse	575	3
Waverley	230	20
Wealden	400	80
West Berkshire	525	375
West Oxfordshire	335	30
Windsor & Maidenhead	281	65
Winchester	522	90
Woking	242	50
Wokingham	523	100
Worthing	200	0
Wycombe	330	60

Pete Errington
September 2007