

Committee	Cabinet
Date	29 June 2004
Report By	Director of Transport and Environment
Title of Report	South East Plan – Sub Regional Policies
Purpose of Report	To endorse the need for the South East Plan to include policies to address the special circumstances of the Sussex Coastal Towns and London – Brighton (inc. Crawley/Gatwick) sub regions and advise SEERA accordingly.

RECOMMENDATIONS

The Cabinet is recommended to advise the South East England Regional Assembly (SEERA) that:

- 1 the South East Plan should include policies to address the special circumstances of the Sussex Coastal Towns and London – Brighton sub-regions;
 - 2 it endorses the officer comments submitted during the Spring Debates and would wish these to be taken into account in development of the South East Plan;
 - 3 the economic and social issues of the county's rural areas need to be addressed and not hidden by generic regional policies for the rural areas or the dominance of policy for the urban areas; and
 - 4 it is very important that the South East Plan programme provides for adequate community engagement and "ownership".
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1. Financial Appraisal

1.1 There are no direct financial implications for the County Council.

2. Supporting Information

Introduction

2.1 The South East England Regional Assembly (SEERA) is preparing the South East Plan. This Regional Spatial Strategy (RSS) will provide the statutory regional planning framework for the period to 2026. A draft plan is programmed for publication and consultation in January 2005, before submission to government in Summer 2005 for an approval process. The government target is for it to give approval in Autumn 2006.

2.2 The Planning and Compulsory Purchase Act, which it is understood will be implemented in July 2004, will abolish structure planning. The strategic guidance previously provided by Structure Plans will now emerge through the RSS, which will have a stronger sub regional component. However, there will not be universal sub regional coverage. In the transitional period the Structure Plan is "saved" and is effective for a three year period.

2.4 SEERA commissioned ten sub-regional studies. The two of immediate relevance to East Sussex are the Sussex Coastal Towns Study (led by the County Council – Councillor Reid) and the London - Brighton Corridor Study, centred on Crawley Gatwick (led by West Sussex County Council). Copies are available in the Members' Room and on the SE Plan website at http://www.southeast-ra.gov.uk/southeastplan/key/study_areas.html Both studies

conclude that special policy treatment is needed. SEERA's Regional Planning Committee (RPC) is due to consider the conclusions of each sub regional report on 28 June.

2.6 The Act requires that Regional Planning Bodies (RPBs) must "seek the advice" of strategic planning authorities. This includes advice on the need for "specific policies relating to any part of the region". Although the Act has not yet been implemented, the Chairman of the RPC has written to each County Leader. The letter to Councillor Jones requests advice on the need for policies arising out of the Sussex Coastal Towns Study and the London to Brighton (including Crawley/Gatwick) Study. It is also noted that this is also an opportunity to provide advice on issues that fall outside the study areas if appropriate.

The Council's Advice

2.7 The **Sussex Coastal Towns** study concludes (see Appendix A) that the sub regional area between Chichester and Rye requires special policies by virtue of its particular circumstances. To realise the sub-region's potential both for local people and the wider region, requires an increase in the priority given to economic regeneration, much better standards of transport infrastructure and services and recognition of the very limited scope for development, given tightening physical and environmental constraints. There is also a pressing need to address housing affordability for local people and serious doubts that the sub-region can continue to accommodate even present rates of housing in the longer term.

2.8 The **London – Brighton Study** concludes (see Appendix B) that the sub-regional area focussing on Crawley/Gatwick also merits special policy treatment, because there is a need to consider the significant economic and environmental impact of Gatwick Airport on the sub-region and to provide a focussed and co-ordinated approach to ensuring the sub-region plays its full role in economic growth in the South East.

2.9 During March and April, SEERA conducted the Spring Debates. Officer comments (see Appendix C), endorsed informally by Cabinet, were sent to SEERA. The Cabinet is advised formally to commend these comments to SEERA and request that they are taken into account in the SE Plan.

2.10 Currently the County's rural areas will not be identified as a specific sub-region but will be covered by generic regional policies. Nevertheless, the rural areas of the county, particularly the eastern parts, show identifiable economic and social disparities, as evidenced by the Rural Priority Area designation. The SE Plan should ensure that these issues are properly addressed in policies and not let them be hidden under a "one size fits all" approach to the rural policies or by the dominance of policies for the urban areas.

2.11 There is a concern that the programme, made necessary by the government's target of having the plan in place in 2006, will cause difficulty in ensuring adequate community engagement and democratic input. Such engagement is important in building "ownership" of the plan. Cabinet should express a strong note of caution on this issue.

3. Conclusion and Reason for Recommendation

3.1 The sub regional studies conclude that they merit identification and special policy treatment in the South East Plan for the reasons set out.

BOB WILKINS
Director of Transport and Environment
22 June 2004
CABINET: C29JUNE-SERPLAN-subregions

Contact Officer: Alistair Robson Tel. No. 01273 481633
Local member: All

BACKGROUND DOCUMENTS

Sussex Coastal Towns Study – April 2004.

London – Brighton (inc. Crawley/Gatwick) Sub Regional Study – May 2004.

EXTRACT FROM SUSSEX COASTAL TOWNS STUDY ON THE NEED FOR A SUB REGIONAL STRATEGY IN THE SOUTH EAST PLAN

Towards a strategy

9.12 The combination of development constraints, the commuting imbalance and the lack of local housing demand imply that the sub-region needs more jobs than housing to achieve a better, more sustainable balance. The vulnerability of the economy strongly suggests that any strategy should be economic development led with housing development pegged to a level that the economy can sustain.

9.13 It is difficult to see how economic development can be stimulated sufficiently without some compromise of environmental constraints and better transport investment.

9.14 Although the characteristics, problems and opportunities of the sub-region are common, their degree and extent does vary across the coastal towns. This suggests the need for a strategic approach that can apply subtly different emphases in policy but within a common strategic framework, that includes:

- giving greater priority for economic development;
- consideration of how far environmental constraints may have to be sacrificed to achieve it;
- reducing the contribution sought of the sub-region to accommodate housing to meet regional requirements;
- further improvements to east-west transport links (road & rail) to help balance labour supply and demand and increase attractiveness for business; and
- help with viability issues to enable difficult sites to be developed and others to ripen as part of continuous urban renewal, especially for economic development.

9.15 This may lead to tensions in travel patterns, some compromise of environmental constraints and residual housing affordability issues that will need to be tackled along the way.

Further work

9.16 Much of this study has been produced at speed to meet the very short timescale given and has relied as much on professional judgements, experience and local knowledge as on statistical evidence. Whilst more detailed information from both the 2001 Census and SEERA's own research programme should become available shortly, further work will also be needed to refine the above conclusions in the further development of a sub-regional strategy and related policies.

9.17 Although the analysis presented in this report may in some respects appear rather gloomy, there is clearly a genuine mood and determination amongst key partners to improve the economic performance of the sub-region. We are therefore keen to continue joint working and help develop a sub-regional strategy whilst recognising there will be tough decisions and choices to be faced ahead.

10 The need for a sub regional strategy

10.1 We strongly believe a sub-regional strategy is essential for the Sussex coastal towns because the area is so dramatically different from the rest of the region. It is the combination and cumulative impact of unusual circumstances acting together that makes the area unique and raises a distinct set of issues that need to be addressed sub-regionally.

- How can the economies of the towns be regenerated when so little physical development opportunities adjoining them remain that are not covered by major environmental designations and urban densities are already high through years of intensification?

- How can we pitch the relative scale and distribution of housing and employment development to achieve a better balance of labour supply and demand in the towns when more than 50,000 workers travel out of the area as a whole to work elsewhere and virtually every district has net out-commuting?
- In the face of this how can we ensure that the housing that is provided does not aggravate the affordability problems of local people when demand from migrants outside the areas seem to remain stronger than our ability to meet it, both in environmental terms and with corresponding job growth?
- How do we cope with environmental constraints that are becoming more extensive and arguably more aggressive in preventing or limiting development in an area where there is already so little room for manoeuvre? The impact of climate change exacerbates this as the extent and incidence of flood risk increases and cliffs erode into the sea.
- How can we ensure the right level of infrastructure investment to integrate the coastal towns more effectively into a fully functioning sub-region with good east-west transport links serving it and connections linking it with the rest of the region to overcome the isolation of peripherality?
- What policies and action can we take to reduce the substantial social and economic disparities with the rest of the region both in spatial planning and wider “softer” terms that will change the culture, raise aspirations and develop entrepreneurship?

10.2 Nowhere else in the South East region is faced with the same pressures, problems and limitations as are confronting the Sussex coastal towns.

Sussex Coastal Towns Study
April 2004

EXTRACT FROM LONDON – BRIGHTON (INC CRAWLEY/GATWICK) STUDY ON THE NEED FOR A SUB REGIONAL STRATEGY IN THE SOUTH EAST PLAN

Conclusions

23. We set out the Key Findings from our Study in Appendix 1.

24. Flowing from these and our Vision for the area, we commend the Regional Assembly to have regard to the following recommendations in drawing up the Consultation Draft of the South East Plan:-

25. **Recommendation (i).** We consider that the work done to date justifies having a Sub-Regional policy for this Study Area (as broadly illustrated in SEERA's own diagram of sub-regions – see Diagram 1), seeking the preparation of a Sub-Regional Strategy for the Area by the local planning authorities working together with a purpose of refining and making Regional policy more relevant, and informing Local Development Frameworks, development and investment.

26. **Recommendation (ii).** A Strategy, based on Scenario B which would best deliver our vision for the Sub-Region, would provide detailed and coordinated policy for the sustained growth and sustainable development of the area, helping to integrate transport, environmental improvements, land-use, service delivery and economic development in a truly spatial strategy.

27. **Recommendation (iii)** We consider that this Area should be identified within the South East Plan as a Sub-Region that requires a different approach from the Region as a whole because there is a need to:-

- consider the significant economic and environmental impact of Gatwick Airport on the Sub-Region;
- coordinate the spatial planning of the Area over which the economic influence and environmental impact of Gatwick Airport extends;
- provide a focussed and coordinated approach to ensuring that the Study Area plays its full role in economic growth with the South East;
- help provide local influence over how the Study Area moves forward in the context of whatever future Gatwick Airport might have; and
- coordinate the planning for whatever future demand for housing, labour and other development related to the economic growth that may have to be accommodated within the Study Area, given that neighbouring rural areas and sub-regions are unlikely to be able to contribute to a significantly greater degree than now in meeting its needs.

28. **Recommendation (iv) Transport policy** should focus on:-

- eliminating current bottlenecks on the local and trunk road and motorway network;
- improving transport links, especially bus networks, to make it easier to get around

WITHIN the Sub-Region;

- improving strategic links by road and rail to, from and through the Sub-Region, including the M23/A23 and all rail routes;
- the importance of improving transport links with and within the coast areas so as to assist with their regeneration; and
- improving the A27 and coastal rail if the population is to be given efficient access to employment opportunities and businesses, services and facilities.

29. **Recommendation (v) Land-use policy** should focus on ways of making the most efficient use of previously developed land, and the potential roles of existing towns. It is too early at this stage to suggest housing numbers either for the Study Area as a whole or for the districts within it for the periods beyond those covered by the Structure Plans, and premature pending the South East Plan.

30. **Recommendation (vi) There is a need for detailed studies** of the potential roles for the towns of Burgess Hill, Crawley, Horley and Redhill to contribute to the Vision for the area and its future economic growth including its development needs. In addition, the potential of the wider area including the A24/Arun Valley rail corridor including Horsham, and the A23/M23/rail corridor north and south of Crawley to contribute to these needs, including the possibility of new settlements, should also be assessed. The potential for, and means to achieve, further transport improvements in the A23/M23/rail corridor north and south of Crawley, and links to this corridor from nearby settlements should also be assessed (see Appendix 1).

31. **Recommendation (vii) Economic policy** should focus on promoting economic growth that does not result in undue pressures on the Area's infrastructure and environment. The focus should be on high quality, high value added businesses rather than labour intensive ones. This includes:-

- promoting the growth of Gatwick Airport as a one runway, two terminal airport;
- enabling the economy to diversify so that it is not so reliant on air transport and related industry. This includes raising the perceived "quality" of the area so that it attracts higher value added, less labour intensive investment to compliment existing employment, and raising the aspirations and skill levels of the workforce;
- focusing on enhancing the skills, and raising the aspirations, of the workforce including the provision of enhanced educational facilities; and
- carefully considering the provision of subsidised housing in the Study Area. Employers have stated that the cost of housing is a hindrance to the appointment of staff.

32. **Recommendation (viii) Links with the Sussex Coastal Towns.** At this stage, although the performance of the Crawley/Gatwick economy in general provides benefits for underperforming parts of the Sub-Region, we are not convinced that the direct economic linkages between the Crawley/Gatwick area and the Sussex Coastal Towns are strong. We are also not clear that the encouragement of such links will directly benefit the aim of regenerating the Coastal Towns. Further work is required once the results of the 2001 Census are available to review these findings, particularly those relating to travel to work and commuting patterns. At a later stage consideration should be given to whether the linkages should be encouraged or promoted and how. These issues have been considered by the Sussex Coastal Towns Sub-Regional Study which has reached conclusions that are consistent with ours (see Appendix 5). It will be important for both these Sub-Regional Groups to continue to work together in subsequent phases.

33. **Recommendation (vix) Links with South London.** Improved use of existing passenger transport should be encouraged, for example through pricing policy, to enable the Crawley/Gatwick area to benefit from any potential labour surplus in South London, should that be the conclusion of the sub-regional study for that area.

34. **Recommendation (x) Environmental policy** should focus on managing, protecting and enhancing the character and features of the Area, including local distinctive characters of its varied landscape areas and settlements. Such a policy approach should indicate where and how there will be a need for mitigation and adaptation

35. Therefore the **South East Plan should:-**

- identify the Crawley/Gatwick area (broadly as illustrated in SEERA's map of Sub Regions – see Diagram 1) as a Sub-Region; and
- include a policy seeking the preparation of a framework for the area within which the County, Unitary, Borough and District Councils can work together with SEERA to provide a coordinated Sub-Regional Strategy including, if necessary, further studies as identified in Appendix 6.

SOUTH EAST PLAN - SPRING DEBATE EAST SUSSEX COUNTY COUNCIL OFFICER RESPONSE

These comments are submitted in response to the general request for views, formal or informal, made at the Spring Debate consultation events. While Assembly officers recorded the points made at the workshop discussions and brief summaries of these are posted on the Assembly's website, we considered it important to outline the following key comments. Many of the comments are region-wide, but some are particularly applicable to the East Sussex situation. The comments are kept deliberately brief to aid analysis. These are planning officer views and not the formal views of the County Council.

Economy

- Continued economic growth of the region is strongly supported. While it is the main economic driver nationally, it is relatively weak in international terms and global competition is becoming more aggressive. Economic growth is therefore important both to maintain and improve its contribution to the national economy, but no less equally to improve its international standing and successfully compete in the global economy.
- This has implications for intra-regional disparities. While those sub-regions that are performing below par need to be brought up to regional levels, the SEP should not seek to achieve this at the expense of stifling growth in the most successful areas, such as the western corridor. Both kinds of area need economic development, but it will be a difficult balance to strike.
- East Sussex is one of those areas where the economic (and social) disparity with the rest of the region is most severe. We would like to see some recognition of this in the SEP and some priority/support for economic regeneration to bring it up to regional levels. This could be along the lines of the PAER status in existing RPG9 but needs to be backed up with appropriate action and implementation mechanisms to achieve real change.
- Although this is largely a coastal town phenomenon, it is not exclusively so. The Sussex Coastal Towns Sub-Regional Study sets out a summary of these issues and argues the case for a sub-regional strategy to help focus regeneration in those areas. There is a rural dimension that needs to be taken into account and our rural area is also in need of economic regeneration. We want the whole county to be able to make a better contribution to the regional economy and not be seen as a burden upon it.

Housing

- Establishing the overall scale of housing provision for the region, let alone its distribution, will not be easy, (and we have no easy answers). However, strong caution must be expressed against using 25 year employment projections across the SE as a basis for setting the overall regional housing provision, as by their nature they are too unreliable. They become even more unreliable over this timescale at smaller geographical areas and their validity in influencing the distribution of housing must be highly questionable. However as one illustrative factor at a regional level they have some value, but could usefully be subject to some sensitivity testing by varying economic input assumptions.
- Similarly, demographic projections based on past migration levels are no indicator of future trends and the outdated age/sex profile and household formation rates as inputs are themselves also only projections. They should not be used as the basis for the distribution of housing provisions across the region. Other factors, such as capacity, will be more important in some cases. For example, the two main urban Boroughs in East Sussex are virtually built up to their physical limits and basing housing requirements on past demographic trends in such places will only serve to fail to deliver it.

- We would most strongly argue against basing regional housing provisions on the Barker Review approach. Using increased supply as a mechanism for reducing house prices will not work at local level. It ignores factors such as the enduring desirability of certain locations over others and presumes equal capacity to increase supply. Price manipulation is a wholly unsustainable basis for long term planning as price is subject to short term fluctuation and implies short term adjustments to the phasing of land release. It is too blunt a tool with potentially damaging consequences. It would lead to higher environmental costs and blight and would make it more difficult to co-ordinate the planning of infrastructure with the delivery of housing in the “stop-go” regime implied. Housing numbers should be planned on the basis of assessments of long term need and requirement, not attempts to manipulate a sea change in the market for macro economic reasons.
- Neither would flooding the market with housing resolve the affordability problem as there will always be a residual section of the community who will never be able to afford to compete in the market unless the incomes rise sufficiently such that it would more than offset the cost of land and construction. In East Sussex house prices are not among the highest in the region, but when compared with local earnings reveal what is among the worst of the affordability problems in the Region. This problem is probably not one that can be resolved by realistically achievable levels of gearing through planning obligations. More funding to subsidise housing and probably new mechanisms will be needed. The collapse in housing delivery over the last two decades, clearly evident in the Barker Report, is almost entirely due to the collapse in the level of public sector completions.

Infrastructure

- East Sussex needs much better provision of infrastructure, especially transport, if we are to achieve the economic and social regeneration we desperately need. Lack of transport infrastructure is already holding up the delivery of development in existing plans. So it is a pressing current problem not only the need to ensure provision for the future. More generally, the SEP needs to find some way of ensuring that infrastructure is actually provided in tandem with development. The absence of infrastructure will only lead to shortfalls in delivery of development. Increased government funding will be necessary as it cannot be assumed that all infrastructure can be financed from increases in development values and planning obligations.

Environment

- The region has a generally high quality urban and rural environment. It is right that this should be cherished and enhanced. Environmental quality is also recognised as an important asset to economic development and tourism as well as for residents. Areas that are specifically designated for their national, and in some cases international importance, deserve protection above those areas not so designated. This is not to say that AONBs, for instance, should be denied development, but they should be protected from major development that could be located elsewhere. Green Belt is, of course, not in itself a designation representing intrinsic quality, but is a policy tool specifically designed to prevent development. The SEP may need to question the continuing validity of the MGB and its boundaries in certain instances. It would be wrong in our view to maintain a complete ban on development in the MGB if this led to more development having to be accommodated in areas such as AONBs.

Rural Areas

- The scale of development to be accommodated and the magnitude of “bigger” issues with which the SEP has to grapple are acutely appreciated. However, the SEP should ensure they do not overwhelm what may be seen as smaller issues. In particular the rural issues, never well addressed in RPG9, must be given adequate coverage. The intention to undertake a “rural proofing” is welcome, but is only half the issue. Such techniques can warn of potentially adverse consequences on rural areas of other policy areas and are valuable if acted upon in policy development. However, rural areas have their own particular needs, problems and issues that deserve addressing in their own right and the SEP should ensure that they are.

Climate Change

- We wish to draw attention to the particular impact on development potential in East Sussex posed by flood risk, both coastal and river. The impact of climate change will tend to widen the extent of land at flood risk and increase incidence of risk. It also begs the question about what measures of adaptation should be contemplated for those urban areas already at flood risk.

Sussex Coastal Towns

- We commend the Sussex Coastal Towns Sub-Regional Study to the Assembly which, we believe, strongly makes the case for a sub-regional strategy to address the unique combination of circumstances facing the area. East Sussex County Council would be pleased to lead on the continuation of the necessary work.

Democratic Deficit

- We now have a new Planning Act and must all work positively with it to deliver as good a planning service as possible. However, we have some continuing concern with the new system regarding the gap between the new statutory plans (RSS and LDFs) and the impact this is likely to have on local communities and residents. Whilst we acknowledge the efforts made in the engagement of strategic stakeholders in the Spring Debates and the opinion polling undertaken by MORI, there are undoubtedly large sections of the community unaware the SEP is being prepared, let alone what its implications for them might be and how they might engage in the process. Even with structure plans it always was a concern that local people would not be sufficiently engaged in the process (despite our best efforts), only to be told at a local plan inquiry that they had missed their opportunity to object to the principle or scale of development now set in the structure plan. This must be a hugely increased risk given the gap between region and local community. We would urge that this issue is most carefully managed and strenuous efforts made to engage local communities and residents. Retention of the sub-regional groupings may help as a conduit, but this would still not cover the whole region.
- This also raises issues about the timing of the whole process.

Speed of process

- One of the main aims of the new planning system was to provide a better and more efficient process of plan making. However, the timescale for the production of the South East Plan and completion of the whole statutory process looks too ambitious. The timetable indicates about 6 months remaining to complete the technical work and a further 18 months to complete statutory stages to approval. This does not appear to be a reasonable balance, given the current stage of work. It does not seem to allow sufficient time to assimilate new research findings and outstanding census figures yet to be published. A second main aim of the planning system is to engage the community better in the formative stages of the plan making process to make it more inclusive and less confrontational. Yet the timetable seems to act against that. It does not appear to provide enough time for local members, residents and organisations to understand the new process and become meaningfully engaged in it. This is particularly important now that development provisions are to go down to district level detail.

Contact Officer:

Mike Langthorne, Department of Transport & Environment, East Sussex County Council

Tel: 01273 481618

Email: mike.langthorne@eastsussexcc.gov.uk