

AGENDA ITEM: 4

OVERVIEW & SCRUTINY BOARD

11th January 2005

REGIONAL SPATIAL STRATEGY FOR THE NORTH EAST CONSULTATION DRAFT: NOVEMBER 2004

ASSISTANT CHIEF EXECUTIVE REGENERATION

SUMMARY

1. The report is to inform Members of the November 2004 Consultation Draft of Regional Spatial Strategy for the North East and to seek guidance on the proposed representations.

INTRODUCTION

2. The changes to the planning system introduced through the Planning & Compulsory Purchase Act (2004) were reported to the Executive on 27th April 2004. The Act replaced Regional Planning Guidance (RPG) with Regional Spatial Strategy (RSS). The role of RSS is similar to RPG in that it provides a long-term strategy for the spatial development of the North East, within which local authority Local Development Frameworks (LDF) and local transport plans can be prepared.
3. However, unlike RPG, RSS has statutory status. Along with the Local Development Framework (LDF), RSS will form the Development Plan for Middlesbrough. The LDF must be in conformity with RSS. It will also influence the consideration of planning applications, as under section 38(3) of the Act, these must be determined in accordance with the Development Plan, unless other material considerations indicate otherwise. RSS also differs from RPG in that it provides allocations for local authorities for the total number of net new dwellings that should be built between 2004 and 2021, and the level of employment land that should be allocated in LDFs.

RSS Timetable

4. The Draft RSS is an informal consultation stage that runs until 4th February 2005. Following this, the North East Assembly will finalise the Strategy, prior to submitting it to the Secretary of State in March 2005. Formal consultation will take place on the submission RSS between April and July 2005, followed by Public Examination in January 2006. Further consultation on proposed changes will take place in summer 2006 prior to adoption of the RSS in the winter of 2006/07. Once adopted, RSS will form part of the Council's policy framework. A copy of the consultation draft of RSS is available in the Members Resource Library.

Strategic Overview

5. The Draft RSS sets out a broad development strategy for the region to 2021 and beyond. It seeks to ensure long term economic growth and improved quality of life for the region's citizens, whilst protecting environmental assets. It also identifies key priorities for transport investment. RSS provides the spatial context for the Regional Economic Strategy, Regional Housing Strategy and Integrated Regional Framework and seeks to take account of the draft Northern Way Growth Strategy.
6. RSS seeks to address a number of issues. In terms of the economy this includes reducing regional disparities, managing structural economic change, facilitating stronger links between companies and universities, and increasing participation and entrepreneurship. In order to create sustainable communities, It seeks to stem population decline, stem urban-rural migration, and regenerate deprived areas and areas of low housing demand whilst providing an inclusive range of housing. In transport terms, RSS aims to improve accessibility, change travel behaviour away from reliance on the car, and improve transport infrastructure. In relation to the environment, key issues include tackling climate change, protection and enhancement of environmental assets and boosting tourism.
7. The strategy in RSS is based on moving from current economic growth rates of 1.8% per annum in the North East to an average annual rate of 2.8%. Economic and population growth and transport infrastructure requirements are based on achieving this step change. If this growth rate could not be justified at the Public Examination, the Secretary of State may therefore recommend reductions to the employment and housing allocations.

EVIDENCE/DISCUSSION

Key Implications for Middlesbrough: Locational Strategy

8. Policy 5 of RSS sets out the locational strategy for the region. This seeks to support the development and redevelopment of the Tyne & Wear and Tees Valley city regions and develop vibrant rural areas and sustainable market towns and villages. Policy 6 expands on this strategy, advising that the majority of new development should be concentrated in the conurbations and main towns of the city regions. RSS defines the Tees

Valley conurbation as Middlesbrough, Stockton and Redcar, and the main towns as Darlington and Hartlepool.

9. Paragraph 2.46 of RSS refers to the Stockton/Middlesbrough Initiative and advises that it is vital that priority is given to the regeneration of the urban core between and including the two towns. This is embodied in policy 8, which advises that in the Tees Valley city region, strategies, plans and programmes should give priority to the regeneration of both banks of the Tees between Stockton and Middlesbrough, including both town centres; Victoria Harbour, Hartlepool; and Central Park, Darlington.
10. It is considered that policies 6 to 8 do not offer sufficient spatial guidance required from RSS. Greater hierarchical differentiation is required to guide development to the conurbations, which should be prioritised ahead of main towns. To achieve urban renaissance and the development of a vibrant city region it is essential that the core of the Tees Valley is prioritised as the key location for new development in the sub region. A lack of focus in prioritisation will fail to generate the concentrated investment in the central core to create the critical mass of activity, which will enable the Tees Valley city region to compete with other major city regions.

Economy

11. RSS recognises the potential that mixed-use developments have to deliver sustainable economic development. Policy 16 identifies Middlehaven as one of eight major mixed-use regeneration sites across the region. It is considered that Hemlington Grange, which is currently allocated in the Local Plan and recently adopted Tees Valley Structure Plan for prestige employment, should also be identified in policy 16 as a major sustainable mixed use site. The Tees Valley Strategic Employment Land Review recommended the de-allocation of 23ha of Hemlington Grange and reallocation for housing. A master plan is currently being developed for this site for mixed use development.
12. RSS sets out the levels of employment land that should be allocated in LDFs in policy 20. Middlesbrough is required to make provision for up to 60 ha of general employment land. Middlesbrough currently has approximately 78ha of employment land available on non-committed Local Plan sites. However, this figure includes 46 ha at Hemlington Grange, some of which potentially could be re-allocated for housing. As Middlesbrough is tightly constrained in terms of employment land supply, it is considered that the 60 ha allocation in RSS is acceptable.
13. Policy 20 also provides Middlesbrough with an allocation of up to 60 ha of mixed use allocations. This policy would seriously constrain the ability of the Council to deliver Greater Middlehaven, which covers 101ha (and potentially Hemlington Grange). Mixed-use development on brownfield sites is promoted through national planning guidance as a sustainable form of transport. As such, it is considered that RSS should not impose a limit on this type of development, particularly as no rationale has been provided on how this figure was decided upon.

Retail and Leisure

14. Policy 27 identifies Middlesbrough and Darlington as the two sub-regional centres for the Tees Valley. The policy advises that they should be the locations within the Tees Valley city region where the majority of new retail and leisure floor space should be located. However, paragraph 3.52 of RSS identifies Newcastle, Sunderland and Middlesbrough as the centres within the conurbations where a broader range of retail provision and higher order services and functions are contained. Outside of the conurbations, Darlington is identified as a centre that provides a wide range of services to a large hinterland that crosses the regional boundary, despite its smaller size.
15. It is considered that Middlesbrough clearly performs the role of being the sub-regional centre for the Tees Valley. As such, it should be identified as the sub-regional centre for the Tees Valley city region.

Housing

16. The draft RSS housing strategy is based on delivering 110,500 net additional dwellings for the region for 2004-21. In accordance with policy 6 (that promotes the Tyne and Wear and Tees Valley city regions as the focus of growth) there is slight weighting in respect of the distribution of new housing development to Tyne and Wear and Tees Valley. The allocations for the sub regions are as follows:
 - Tees Valley 30,000 dwellings (27%)
 - Durham 18,500 dwellings (17%)
 - Northumberland 13,000 dwellings (12%)
 - Tyne & Wear 49,000 dwellings (44%)
17. These figures are broken down into allocations for individual local authorities. The allocations appear to be based on recent build rates and current land availability rather than regard to the spatial strategy, set out in policies 6 and 8. In the Tees Valley, the allocations for 2004-21 are:
 - Darlington 5,440 dwellings (18%)
 - Hartlepool 6,460 dwellings (22%)
 - Middlesbrough 5,950 dwellings (20%)
 - Redcar & Cleveland 4,930 dwellings (16%)
 - Stockton 7,220 dwellings (24%)
18. These allocations are included in RSS as average annual net additions, divided into three phases. Middlesbrough's overall allocation of 5,950 dwellings is phased as 250 dwellings/year for 2004-11, 460 dwellings/year for 2011-16 and 385 dwellings for 2016-21. Refer to Appendix 1
19. RSS sets out indicative estimated levels of demolitions as part of a series of measures to tackle Housing Market Restructuring. These figures are at the sub-regional level, which for the Tees Valley is 15,440 demolitions between 2004-2021. This compares to Tees Valley Living's view that at least 17,500 dwellings will need to be cleared. Demolition levels for individual local authorities are not provided in RSS.

20. It is anticipated that where dwellings are occupied at the time that an area is identified for demolition, the replacement dwellings will be in addition to the net allocation in RSS. As a guide it is assumed that 80% of dwellings to be demolished are likely to be occupied and will need to be replaced.
21. The total level of dwellings to be constructed will therefore be dependent on the scale of proposed demolitions. RSS does not provide demolition figures for individual local authorities.
22. Whilst the total net allocation in RSS of 5,950 dwellings is considered to be a realistic target for the town to deliver in the whole plan period, the proposed phasing of only 250 net additional dwellings/year for 2004-11 is not acceptable. This first phase is the most important allocation as RSS will need to be regularly reviewed and the two later phases may be subject to change. This provides Middlesbrough with a net requirement of only 1,750 dwellings over this period 2004-11. This low allocation in the first phase will constrain the delivery of key regeneration schemes (including Greater Middlehaven) and sites identified in the Urban Capacity Study. In addition, the proposed housing numbers do not accord with the spatial strategy set out in policies 6 and 8.
23. Appendix 2 details the different sources of potential housing in Middlesbrough over this period. This suggests that Middlesbrough could accommodate approximately 2000 more dwellings than the proposed RSS allocation for 2004-11.
24. Furthermore, the rationale on the housing numbers provided in RSS is based on a confusing mismatch of projections and assumptions. Policies 30 and 31 provide sub-regional levels for gross dwelling construction and demolitions respectively. Policy 32, by contrast provides net additional dwelling allocations for individual local authorities. It is important that a consistent approach is adopted across this suite of housing policies. There is also concern that the levels of demolitions in the period up to 2011 do not reflect the likely level of resources available to deliver.

Transport & Accessibility

25. RSS includes a number of policies that aim to increase accessibility to the region's ports and airports, and between the conurbations, especially by public transport. Policy 51 aims to support the growth of the Durham-Tees Valley airport through a number of measures, including improving bus services to Middlesbrough. Policy 52 advises that the A66 and Tees Valley rail line is a priority for major strategic investment. It also advises that the A19/A66 junction should be the focus of a transport study to consider multi-modal solutions to tackle congestion. Policy 54 prioritises Strategic Public Transport Interchanges (including Middlesbrough) as the focus of the public transport network. These locations are identified for prioritisation of high quality interchange facilities and for higher density land uses.
26. RSS also lists priorities for investment in regional transport schemes. Low priority has been given to the two major Tees Valley schemes. The Tees Valley Rapid Transit Scheme is ranked 7th out of 8 prioritised rail schemes

where Government support is requested, whilst the new Tees Crossing is ranked 5th out of 6 prioritised road schemes.

27. In order to deliver a city scale environment and associated infrastructure, as envisaged in the Stockton/Middlesbrough Initiative, major improvements to the transport network will be required. It is important that these two major Tees Valley schemes receive higher prioritisation in the RSS. Additionally there needs to be a clear priority afforded to improving the transport infrastructure in the urban core of the Tees Valley, particularly in the Tees Corridor area between Stockton and Middlesbrough town centres. Furthermore, there is a need for a greater recognition of the need to improve the train services between the region's three main urban centres of Newcastle/Gateshead, Sunderland and Stockton/Middlesbrough and connections from Middlesbrough to the East Coast main line at Darlington.

CONCLUSIONS

28. It is considered that the Council should make representations to the North East Assembly seeking amendments to the consultation draft RSS. The comments in this report will form the basis of the representations.

BACKGROUND PAPERS

The following background papers were used in the preparation of this report:

- i. Regional Spatial Strategy, Consultation Draft November 2004; and
- ii. Executive Report on Planning & Compulsory Purchase Bill (27/04/04)

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Appendix 1

RSS Housing Figures: Breakdown of Middlesbrough's Provisions/Assumptions

	2004-11	2011-16	2016-21	2004-21
Average annual net additions to dwelling stock	250	460	385	350
Total net additions to dwelling stock	1,750	2,300	1,925	5,950

Historical Changes to Housing Stock 1991-2004: New Build/Demolitions

	91/92	92/93	93/94	94/95	95/96	96/97	97/98	98/99	99/00	00/01	01/02	02/03	03/04	Total	Average/ annum
Gross additions to dwelling stock	400	573	395	517	407	306	420	426	256	200	117	92	123	4232	325
Demolitions	10	31	102	89	167	26	7	207	69	61	78	343	161	1351	103
Estimated replacement dwellings (80%)	8	25	82	71	134	21	6	166	55	49	62	274	129	1082	83
Net additions to dwelling stock	392	548	313	446	273	285	414	260	201	151	55	-182	-6	3150	242

Appendix 2

Estimate of Middlesbrough's Housing Capacity, 2004-11

Commitments (sites with planning permission)	1,118
Local Plan Allocations (sites allocated for housing development in the Middlesbrough Local Plan, but without planning permission)	335
Urban Capacity Study*** (additional potential housing sites identified in the draft Urban Capacity Study, summer 2004)	790
Greater Middlehaven*	1054
Strategic Greenfield Site** (allocated in Tees Valley Structure Plan)	500
Total Capacity	3797
RSS Allocation	1750
Difference	2047

Sources

* Pro rata, based on Alsop's masterplan and discussion with Tees Valley Regeneration.

** Pro rata, based on Tees Valley Structure Plan allocation for 1,000 dwellings to 2016.

***Pro rata, from the Urban Capacity Study (2004-16)