

Overview and Scrutiny Committee

Looking after the Environment Scrutiny Sub-Committee



17 March 2008

Regional Spatial Strategy

Report of Light Touch Scrutiny Working Group

Introduction

1. The Regional Spatial Strategy (RSS) sets out spatial developments in the north east region up to 2021 and beyond. It provides the land use context for other regional policies as well, including the Regional Economic Strategy and Regional Housing Strategy. Under the 2004 Planning and Compulsory Purchase Act, the RSS is part of the Statutory Development Plan and supersedes Regional Planning Guidance (RPG1) and the County Structure Plan. The District Local Development Frameworks (which replace the existing Local Plans), and the County Minerals and Waste Development Framework, as well as decisions on major planning applications, are all required to be in general conformity with the RSS. The common theme in the Regional Spatial Strategy is the need to reduce the economic and social disparities between the north east and other regions, whilst protecting and enhancing the region's environment.
2. The RSS is prepared by the North East Assembly as the regional planning body up to submission draft stage consultation, and unlike the other regional strategies, the RSS is subject to Examination in Public before a Panel of Government appointed Inspectors. The RSS is finalised and issued by the Secretary of State.
3. One of the most significant aspects of the RSS is that it allocates the amount of new housing provision to district level and identifies the location of strategic employment sites. The Regional Transport Strategy is also contained in the RSS and provides the framework for preparing Local Transport Plans.

Regional Spatial Strategy Process

4. The RSS process began in November 2004 when a consultation draft was published. Following consideration of the issue by Cabinet, the County Council's representations were submitted in January 2005. In June 2005 the submission draft RSS was sent to the Secretary of State by the North East Assembly and issued for comments. The County Council, both Cabinet and Overview and Scrutiny, considered the issues and further representations were agreed by Cabinet in September 2005. The examination in public was held in March and April 2006 when a united front was presented by all the County Durham local authorities in relation to housing and employment issues. In July 2006, the Panel Report was issued containing recommendations to the Secretary of State for amending the draft RSS. The Panel's views were considered by the County Council to be flawed in relation to population and housing, and up to date evidence was provided on developer interest in employment sites. Given the concern of the County Durham local authorities, all authorities sent their views individually to Government Office North East and the North East Assembly. Lobbying was also undertaken with the County Durham Lords and MPs and other stakeholders.

5. Additional concerns were linked to the increased concentration of development on core areas of conurbations; County Durham Regeneration Centres were identified to meet local needs only, not aspirations; there were constraints on the development of Netpark and the deletion of Tursdale Rail Freight Interchange and strategic employment sites in Easington and Sedgefield. The new housing provision for County Durham was felt to be insufficient to maintain the existing population (whilst other sub regions were allowed to grow); new housing totals and distribution lacked justification and had not been debated at the Examination in Public, and constraints on housing supply meant affordability problems, an inability to maintain sustainable communities and a loss of the younger economically active population in the County.
6. The Secretary of State's proposed changes were issued on 29 May 2007 for consultation with a deadline for responses of 6 August 2007. At the time of consideration by the Light Touch Working Group, it was expected that further proposed changes would be published for an eight week consultation in November 2007, with final revision of the RSS to be published by the Secretary of State in 2008, when it would become part of the statutory development plan. Publication for consultation was subsequently delayed until February 2008.
7. It was against the above backdrop that overview and scrutiny members, in determining their annual work programme, decided that a light touch scrutiny working group should be established to examine and comment upon any further changes to the RSS. The working group consisted of the Chairmen and Vice-Chairmen of the Economy and the Environment Scrutiny Sub-Committees (Councillors Mason, Graham, Tennant and N Foster), together with the Chair and Vice-Chair of the Overview and Scrutiny Committee (Councillors Armstrong and Stradling). Councillor Cox, the relevant Cabinet Portfolio holder, was also invited to attend meetings of the working group.

Regional Spatial Strategy – Latest Consultation

8. In March 2008, the Working Group considered the Secretary of State's proposed changes to the RSS which had been issued for public consultation. This consultation will last 8 weeks until 2 April 2008. It is expected that the Secretary of State will publish the final version of the RSS during the summer of 2008.
9. The key changes for County Durham in relation to the latest proposed changes are as follows:
 - **Revised Housing Figures** – In the first set of changes that were proposed, housing for Durham went down to 19,000 for the seventeen year period of the RSS. In the light of changes to demographics, this figure has been increased by an additional 4,500 houses. The other important change is that the figures are now guidelines and not ceilings. Local Authorities can make an argument for higher figures if it can be justified through their Local Development Framework (LDF). LDF's need to have sound evidence about housing need, demand, affordability and sustainability. This is being carried out through the Strategic Housing Market Assessment (SHMA). This may well produce a higher figure.

Another aspect of the Housing Green Paper is that the Government have asked local authorities to put in growth bids for the Durham coalfield areas which will be in addition to the RSS figures. The Government have written to every Regional Planning body and has asked that after the RSS has been agreed, that an early review of housing numbers is undertaken to take account of national priorities and growth points. It was explained that in relation to the work being undertaken on the SHMA it had been noted that

there is an increase in the birth rate in some areas which is in addition to inward migration.

In relation to policies 6 & 7 on city regions, County Durham regeneration towns were only allowed to meet local needs. The policy wording has been amended and now supports 'regeneration and development' for 'sustainable growth'.

- **Restrictions on key employment sites have been lifted** – NETPark has been recognised as a key Employment Location with 25 hectares for research, innovation and technology transfer. Heighington Lane West has been included in Policy 19 with approximately 70 hectares with potential for distribution and logistics. The South of Seaham site (film studio proposal) is not mentioned by name but has been included in the Statement of Reasons for Further Proposed Change by adding it to Policy 18 Employment Land Portfolio. This will add 40 hectares of extra general employment land.
- **Proposed regional rail freight depot at Tursdale** - The Government have added an extra paragraph saying that the case remains to be made for a rail freight terminal at Tursdale and that it needs to be justified by demand, the relationship with existing facilities including Teesport, the relationship with other regional priorities and the impact on its surroundings.
- **Eastgate Renewable Energy Village** – There is no reference within the Statement of Reasons to the Eastgate Renewable Energy Village. A reference to the proposals on renewable energy has been retained. Whilst the project has not been rejected it has not been given the significance required by being included in the employment policies which will assist the planning process.
- **Transport Priorities** – The table of schemes has been updated to reflect approvals under the Regional Funding Allocation but the timing element has not been restored.

10. In relation to the South of Seaham, Tursdale and Eastgate proposals, the Working Group was provided with the following more detailed comments by the Corporate Director, Environment:

South of Seaham - former Strategic Reserve site. Not mentioned by name in policy, but 40 hectare development allowed for by addition to Easington's general employment land allocation in Policy 18 Employment Land Portfolio. The Statement of Reasons for Further Proposed Change 58 makes it clear this addition relates to the South of Seaham site, where a planning application has recently been submitted for a "Centre for Creative Excellence" comprising film studios and ancillary uses, education, student accommodation, hotel, and leisure uses. However, to anyone reading the stand-alone RSS document, there is no mention of South of Seaham and local people have interpreted this as a block on the proposed film studios.

The County Council has previously argued that the investment of £298m and the direct creation of 1,800 jobs in this location is regionally significant and that RSS should make clear that this unique employment proposal of a media and film studio requires particular locational requirements, provided by the South of Seaham site and not found elsewhere in the region.

Tursdale (Potential Rail Freight Interchange) - the potential development opportunity is revived, as a new paragraph now precedes Policy 57. This states a case remains to be made for a potential rail freight interchange, in the long term. It needs to be justified in terms of potential demand; relationship with existing facilities, including Teesport, and other regional priorities for the rail network; impact on City of

Durham and its surroundings. This provides more flexibility than the policy wording in Submission Draft RSS which meant development could only take place at Tursdale if the ports could not accommodate the demand, and the EiP Panel, of course, went on to recommend deletion of Tursdale altogether. This Further Proposed Change is welcome, but it remains to be seen whether this reference in text rather than policy gives sufficient certainty to revive the developer interest previously expressed and Members are seeking a more positive response.

Tursdale is a realistic proposal that fits with the current freight movements ie on-land movement of freight between the North East and ports in the south of the country. It will connect with the A1(M) in the heart of the region at a point where much freight already passes. It will serve to transfer current freight from road to rail, a positive step in terms of sustainability, as well as removing lorry mileage from some of the busiest roads in the country that link the south coast with the North East and in this respect Tursdale would serve a different market from Teesport.

Eastgate Renewable Energy Village, Weardale – it is disappointing that the request to recognise this proposal in Policy 13 on strategically important brownfield mixed use development sites has not been accepted. No explanation is given in the Statement of Reasons as to why the extensive case, made by the County Council and the County Durham Authorities, to treat Eastgate as a regionally significant regeneration scheme has not been accepted. It is submitted that Policy 13 should not be confined to regeneration proposals in urban areas. The positive economic impact that the Eastgate proposal will have on the wider rural economy of West Durham will be at least equivalent to that of other developments in Policy 13. A reference to the proposals in para 3.158 on renewable energy is retained but this merely refers to “a renewable energy exemplar village”.

The unique qualities of the site provide an opportunity unparalleled in the UK with the opportunity to exploit the 5 land-based renewable energy sources on site; wind, hydro, biomass, solar and importantly geothermal to provide renewable energy for high technology business, housing, recreation and quality tourist uses on site, with surplus energy as an additional benefit. This could become a major UK attraction. It is intended that the re-opened Weardale Railway will provide access to the site. It will be a demonstration of how renewable energy can be used in a rural working and living community to meet economic and social needs of Weardale and address environmental challenges, including climate change.

A planning application is expected to be submitted by the Weardale Task force to Wear Valley District Council in March and currently, the RSS does not provide the positive strategic framework hoped for to assist the planning process.

11. Members of the Working Group were supportive the changes to the RSS but felt that a robust response to the consultation was needed, asking for greater emphasis on the Eastgate Renewable Energy Village, a positive response on the Tursdale Freight depot and clarification on the South of Seaham site as outlined in the comments submitted to it by the corporate Director, Environment. It was also felt that the Area Tourism Partnership (ATP) needed to be involved to promote the tourism aspects of the Eastgate and the South of Seaham proposals.

Tourism Elements of Spatial Strategy in Relation to County Durham

12. As part of the investigation, a meeting was held with Melanie Sensicle, Chief Executive of the County Durham Area Tourism Partnership (ATP), to discuss the potential for developing the South of Seaham Film Studio proposals and the Eastgate Renewable Energy Village within a tourism context. The Working Group heard that the ATP was essentially a destination management company whose main aim was to get businesses in the area to think about where they fitted into

County Durham as a destination. Business engagement; information provision and marketing; skills development (mainly for smaller businesses) and product development were all key elements of the work of the ATP.

13. The Group heard that there was not enough in terms of attractions in the County to make people want to stay. What was needed were some headline attractions. We had Durham Cathedral and Castle, but two or three additional attractions with a strong “brand” were also needed to build upon this and make people not just visit, but stay in the County. Another key element linked to this was ensuring adequate transport links. It was explained that there was no direct bus route between Durham City and Beamish for instance, nor was there any direct bus service between Durham and Newcastle Airport or Durham and Durham/Tees Valley Airport.
14. In relation to the South of Seaham proposals, the working Group was advised that the ATP Product Development Manager had already spoken with the Developers to assess the tourism potential of their proposal. Given the need to develop more headline type attractions in the County, the ATP view was that it was supportive of the South of Seaham proposal in principle at the concept stage. As regards the Eastgate proposal, there had been a number of discussions with the developers and there was still a lack of clarity about the development and its tourist potential at this stage.

Recommendations

15. The Working Group, after considering the issues, makes the following recommendations:
 - The recent changes to the RSS should be welcomed and supported, but greater clarification in the RSS is needed in support of the South of Seaham site and an explicit reference to the Eastgate Renewable Energy Village is needed in the employment policies of the RSS.
 - The County Council should encourage continuing ATP involvement in promoting the tourism aspects of the developments at Eastgate and at South of Seaham.
 - Members should seek to meet with the Minister for the North-East and enlist his support in relation to the above issues and also for the regional rail freight depot at Tursdale (an invitation has already been extended by the Working Group and the relevant Cabinet Portfolio holder to the Minister to visit the sites and discuss the issues).

**Councillor E Mason
Chair of the Working Group**

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