

**LEICESTERSHIRE TOGETHER (LOCAL STRATEGIC
PARTNERSHIP) BOARD**

Monday 3rd July 2006

**THE THREE CITIES SUB-REGIONAL STRATEGY
AND GROWTH POINT BID**

REPORT OF LEICESTERSHIRE COUNTY COUNCIL

Purpose of Report

1. To update the Board on work in progress on the Three Cities Sub-Regional Strategy of the East Midlands Regional Spatial Strategy (the Regional Plan), and the associated bid from the “Three Cities” area for Growth Point funding.

Background

2. The Board considered the consultation on the Regional Plan Options for Change document at its meetings in December 2005 and February 2006. It decided to support “Option 2B”, which implies an annual housing provision of 3,790 dwellings per year across Leicestershire and Leicester, subject to a number of strong provisos.
3. Leicestershire County Council has a Service Level Agreement with the Regional Assembly which requires it to coordinate advice to the Regional Assembly on the Three Cities Sub-Regional Strategy. An important part of this advice will relate to district level housing provision for Leicestershire for the period to 2026.
4. The timetable for producing the Regional Plan and the Three Cities Sub-Regional Strategy is set by Government and is summarised in Appendix A. Key stages include the production of the draft Regional Plan in September 2006 and the Public Examination in May / June 2007. The next two months will be particularly important to ensure that appropriate and robust housing provision figures for districts in Leicestershire are included in the draft Regional Plan.

The Process of Deriving Housing Provision

5. The main work to date has been at a Sub-Regional level through a Regional Assembly working group of officers of the three County Councils and three City Councils (known as the 6Cs) in the Sub-Region, and through close working with district council planning officers in Leicestershire.
6. A stakeholder seminar was held at Loughborough Town Hall on 13th June, at which four “Choices” were discussed (see Appendix B). All the Choices are broadly consistent with the strategy of the RSS in placing most emphasis on Leicester as the focus for development, but this emphasis is somewhat reduced through the Choices to Choice 4. All the Choices would entail planned sustainable urban extensions in the longer term, with Choice 1 focussing them around Leicester and Choice 4 focussing them around the sub-regional centres (Loughborough, Melton Mowbray, Market Harborough, Hinckley and Coalville).

7. At the seminar workshop, Choice 2 (Leicester Focus and Regeneration in Loughborough, Hinckley and Coalville) received most support, followed closely by Choice 3 (Smaller Leicester Focus and stronger focus on Loughborough, Melton Mowbray, Market Harborough, Hinckley and Coalville). Choices 1 and 4 received considerably less support.
8. The seminar will help to inform further work which will examine the balance of development in and around Leicester and in and around the sub-regional centres. An important part of this work is a consideration of the constraints and opportunities, particularly those related to transport, presented by alternative broad locations.

The Growth Point Bid

9. A consortium of the three City Councils and three County Councils in the Three Cities sub-area (the 6Cs), have placed a bid with Central Government for “Growth Point” funding. If successful, this would provide significant amounts of additional Government funding for infrastructure to enable the housing provision in the Regional Plan to be implemented. In Leicester and Leicestershire, this funding will initially help to unlock regeneration sites within Leicester, and later will help to provide infrastructure for urban extensions.
10. Indications are that the bid is more likely to be successful if the pattern of development is in the form of large planned sustainable urban extensions, than if development is more scattered. The former approach is consistent with the adopted Structure Plan for Leicestershire, and the proposed strategy of the Regional Plan.
11. On the 20th June the Government announced that the “Three Cities Area” bid has passed the first stage in the bidding process (please see the press release in Appendix C) and more detailed proposals will now be worked up. This will happen alongside preparation of the draft Regional Plan.

Consultation on the Draft Regional Plan

12. District level housing figures developed by the County Council will be published for consultation between the 28th September and the 21st November as part the draft Regional Plan. It is proposed that the Board should receive a further report on the Draft Regional Plan at its meeting on the 6th November so that it can agree comments on issues including housing and employment allocations. It would be helpful if Board Members could ensure that, where relevant and where possible, the organisations and partnerships that they represent have considered the Draft Plan prior to the meeting so that a range of views can be taken into account. It would also be helpful if comments could be sent to Dr. Andrew Simmonds at Leicestershire County Council by the 23rd October.

Recommendation

It is recommended that the Board:

- (a) notes the arrangements for preparing advice for the East Midlands Regional Assembly on the Regional Plan and the progress with the Growth Points bid;**
- (b) considers the four choices outlined in Appendix B;**
- (c) arranges where appropriate for organisations/partnerships represented on the Board to consider the draft Regional Plan; and**
- (d) considers a response to the draft Regional Plan at its November meeting.**

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Appendix A: Regional Plan and Three Cities Sub-Regional Strategy

Key dates

May 2006	18 May 2006 - Agreement by the Regional Housing, Planning and Transport Joint Board of sub-area boundaries, development form policies and preferred housing options as a basis for detailed policy development. Consultants appointed to undertake Sustainability Appraisal at the sub-regional level.
June 2006	13 June 2006 - Key Stakeholder Seminar 20 June - Announcement of Growth Point Bid Shortlist Ongoing work in relation to the wider Regional Plan review, in particular the derivation of housing provision figures at the district level.
July 2006	6 July 2006 - Initial results from the derivation of housing provision figures discussed at the Housing Advisory Group. Formulation of draft policies and supporting text for the Three Cities Sub-Regional Strategy through late June and July 17 July 2006 – Detailed progress report on the Three Cities Sub-Regional Strategy to be considered by the Joint Board
August 2006	early August 2006; Draft Sustainability Report to be received 10 August 2006 - Regional Plan Review Strategy and Spatial Regional Planning Officers Group to discuss draft Three Cities Sub-Regional Strategy
September 2006	7 September 2006 – Agreement by the Joint Board and Full Assembly of the full Draft Regional Plan (including the Sub-Regional Strategies) 28 September 2006 – Launch of the Draft Regional Plan for 12 weeks public consultation, along with final Sustainability Appraisal Report and Statement of Community Involvement
October 2006	Full Approval of Growth Point Bid
December 2006	21 December 2006 – End of 12 week public consultation on the Draft Regional Plan
February 2007	Panel, in consultation with GOEM and RPB publish draft list of matters and participants. First preliminary meeting.
March 2007	Revised list of matters and participants published. Second preliminary meeting.
May 2007	3 May 2007 – District Council Elections 9 May 2007 - Examination-in-Public starts. Currently anticipated will last for 6 weeks
June 2007	22 June 2007 – Examination in Public ends
September 2007	Panel report submitted to Secretary of State
October 2007	Panel report published
March 2008	Publication of Proposed Changes to RSS revision with statement of reasons. 8 weeks consultation on Proposed Changes before final RSS and statement of reasons issued
April 2008	8 week consultation continues on Proposed Changes.
July 2008	Issue of final Regional Plan

Appendix B

'Choices' for the Leicester and Leicestershire HMA

1 Leicester focus with emphasis on regeneration

- Significant emphasis on regeneration in Leicester with planned urban extensions.
- Complemented by development of a lesser scale in Loughborough, Melton Mowbray, Market Harborough, Hinckley and Coalville.
- Emphasis on providing for local needs elsewhere.

2 Leicester focus and regeneration in Loughborough, Hinckley and Coalville.

- Emphasis on regeneration in Leicester with planned urban extensions.
- Likely to entail development to support regeneration in Loughborough, Hinckley, and Coalville.
- Less new development in Melton Mowbray and Market Harborough.
- Emphasis on providing for local needs elsewhere.

3 Smaller Leicester focus and stronger focus on Loughborough, Melton Mowbray, Market Harborough, Hinckley and Coalville.

- Emphasis on regeneration in Leicester with some planned urban extensions
- Likely to entail planned urban extensions to some / all of Loughborough, Melton Mowbray, Market Harborough, Hinckley and Coalville.
- Emphasis on providing for local needs elsewhere.

4 Smaller Leicester focus and stronger focus on Loughborough, Melton Mowbray, Market Harborough, Hinckley, and Coalville, complemented by a lesser focus on Ashby de la Zouch, and Lutterworth.

- More dispersed pattern of development.
- Possibility of new settlement(s)

Appendix C



NEWS RELEASE

DCLG/EM/106

20 June 2006

TOWNS AND CITIES SAY 'YES' TO SUSTAINABLE HOUSING GROWTH Nottingham, Leicester, Derby, Lincoln, Grantham and Newark bid for growth

There has been an encouraging response to the Government's New Growth Points Initiative, with a number of towns and cities across the country keen to pursue sustainable growth, linked to their wider strategies for local economic growth, balancing jobs and new homes and creating more attractive, sustainable places to live.

Over 20 bids have been received, representing more than 50 local authorities, with a good spread of applicants from the South West, East and West Midlands as well as the South East and Eastern regions, the Government announced today. If all these bids are realised they would secure an extra 8-10,000 homes per year, 80,000 in total by 2016, in addition to existing plans and the existing growth areas.

In the East Midlands 'the three cities' (Derby, Nottingham and Leicester) have submitted a bid, with Lincoln, Grantham and Newark all bidding as well.

Speaking at the Chartered Institute of Housing (CIH) Conference in Harrogate, Ruth Kelly said:

"Many of our regional towns and cities want to grow and are experiencing increasing housing pressures. They want to become more attractive places for business to invest and young people to stay and find a home. Of course we will need to look carefully at the proposals coming forward but I am greatly encouraged by the good early response to this scheme".

Bids were invited by the end of March and those announced today will now be the basis for more detailed discussions over the next few weeks. In some of these proposals there remain important issues to resolve affecting transport and the environment. In line with the commitment made when the ambition to increase house building rates was announced, Government needs to be assured that key infrastructure will be delivered at the right time to address the impacts of additional housing.

The bids will be subject to careful consideration, followed by consultation, testing and examination in the regional planning process. In taking forward these proposals we will be working closely with other Government departments and agencies including the Department for Transport, DEFRA, the Environment Agency, Natural England and CABI, the Government's design adviser, to look at these issues in more detail. An announcement on taking forward the schemes will be made in October.

The growth will need to be sustainable, managing environmental impacts and be realistic in terms of required infrastructure. Concentrating additional growth within designated growth points will help protect the environment from inappropriate development and it will reduce pressure on Greenfield land wherever possible. Indeed, the New Growth Points Initiative is a significant opportunity for the eventual locations to become exemplars of sustainable development, becoming pioneers for what is achievable in terms of eco-development, encapsulating high design standards in parallel with meeting the housing needs of local communities.

Ruth Kelly said:

"This is about strengthening the economic potential of communities, driving forward urban regeneration, delivering homes and jobs hand in hand with the necessary infrastructure and raising environmental standards higher than ever before."

Some of the areas awarded growth point status will receive a share of an initial £40 million pot to support a first round of early site infrastructure projects, unlock sites for new housing and improve the environment. To give local authorities more freedom in how this funding is applied Government is proposing to include it in Local Area Agreements which will give local partners extra flexibility in managing the programme locally. This is intended to be the beginning of a stronger long term relationship with Government and links to our approach on City Regions as well as giving all partners greater encouragement to co-operate locally to secure sustainable growth.

The Government launched the initiative in December when it published its response to Kate Barker's Review of Housing Supply, which outlined the need to increase house building rates to ease pressures on first-time buyers and meet the growing housing needs of the nation.

Ruth Kelly added:

"We have an ageing, growing population and house building rates are simply not meeting this rising demand. We need to build more homes in all parts of the country, but that growth must be

sustainable. Unless we build more homes across the board we face increasing problems of overcrowding, homelessness and pressures on first-time buyers."

Notes to Editors

1. List of applicants

The following places in the East Midlands have submitted growth proposals to us, which have undergone an initial assessment with other Government departments and agencies. We will be working over the next few months to ensure that the growth is sustainable and well planned, acceptable environmentally and realistic in terms of infrastructure:

"The 3 Cities Bid" - Leicester/Derby/Nottingham
Lincoln, Grantham and Newark

All the listed applicants have submitted promising applications and are keen to grow. In addition to these locations the Government remains in discussion with other applicants who may be able to join the scheme at a later date.

2. £40m Pilot Fund

In October the Government will make a more detailed announcement on the individual growth point schemes, including those which will receive a share of an initial £40 million pilot funding round in 2007/8 to support site infrastructure projects, unlock sites for new housing and improve the environment. To give local authorities more freedom in how this funding is applied, Government is proposing to include it in Local Area Agreements which will give local partners extra flexibility in managing the programme locally.

3. The New Growth Points scheme is intended to encourage local authorities (in the East, South East, South West, West Midlands and East Midlands) who wish to grow, to put forward and agree strategic growth proposals with Government which are sustainable, well planned, acceptable environmentally and realistic in terms of infrastructure. Pilot project funding of £40m is available in 2007/08 and future resources will be an outcome of the Comprehensive Spending Review.

4. The scheme is based on achieving growth of at least 20% above 2003 plan levels and all proposals will be subject to public consultation and testing as part of the statutory planning process at both regional and local level.

5. DCLG is now working with these locations and with other Government departments and agencies to strengthen the long-term growth proposals and hope to announce in October 2006 which towns will be New Growth Points, subject to consultation and testing through the RSS process.

6. Over 20 proposals were received covering more than 50 local authorities, with a good spread of applicants from the South West, East and West Midlands as well as the South East and Eastern regions.

7. Those locations which we are announcing today have submitted proposals to deliver around 80,000 additional homes by 2016. This is in addition to 2003 plan levels and the existing growth areas.

8. These proposals are based mainly on renewal and redevelopment of town centres and other previously developed land, as well as some urban extensions.

9. For our partners in this scheme this is intended to be the beginning of a stronger, long term relationship with Government and links to our approach on City Regions, as well as giving all partners greater encouragement to co-operate locally to secure sustainable growth.

10. Further background information on new growth points and the application criteria for can be found at <http://www.communities.gov.uk/index.asp?id=1162073>

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