

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

Thursday 16th November 2006

CONSULTATION ON THE DRAFT REGIONAL PLAN

REPORT OF LEICESTERSHIRE COUNTY COUNCIL

Purpose of the Report

- 1 To inform the Leicestershire Together Board of the programme for responding to the consultation Draft Regional Plan and the current position on issues that will be taken into account.

Background and Previous Decisions

- 2 The LT Board agreed a response at its meeting on 12 December 2005 to the Regional Assembly's Options for Change document. It left to one side detailed comments on the overall scale of growth but referred to a combination of preferred options, Options 1C or 2B for Leicester, and for Leicestershire, one of Options 1B, 2B and 3B.
- 3 On 21st February 2006 the LT Board agreed that the 2B Option most closely reflected an appropriate level of growth for Leicestershire as a whole, subject to a number of strong provisos. Strong reservations were expressed in the response regarding the appropriateness of the illustrative district housing provision figures which featured in Option 2B which it was pointed out had been mechanically derived and took no account of policy priorities.
- 4 At the Board's last meeting in July 2006 it was agreed that:
 - (i) the arrangements for preparing advice for the East Midlands Regional Assembly on the Regional Plan and the progress with the Growth Points bid be noted;
 - (ii) the four choices for the Leicester and Leicestershire HMA outlined in Appendix B to the report be noted;
 - (iii) arrangements be made, where appropriate, for organisations/partnerships represented on the Board to consider the draft Regional Plan; and
 - (iv) a proposed response to the draft Regional Plan be submitted to the next meeting of the Board in November.
- 5 The County Council was required to submit advice to EMRA on the distribution of housing within Leicestershire and other matters by September this year. The County Council's advice has been incorporated within the Draft Regional Plan issued for consultation by the Regional Assembly in late September. The deadline for comments on the Draft Plan is 20th December 2006. In May/ June 2007 an independent Examination in Public will be held, followed by consultation on Proposed

Changes to the Regional Plan in late 2007 and adoption of the Plan by the Secretary of State in 2008.

- 6 During the process of preparing advice to EMRA the County Council has been working closely with Leicester City Council, Leicestershire District Councils and other stakeholders.

Issues

Housing allocations

- 7 The advice submitted on housing distribution by the County Council in September is attached at Appendix 1 and is reflected in the draft Regional Plan now subject to consultation. The advice proposes district level housing provision figures and guidance on the scale and broad location of sustainable urban extensions.
- 8 In submitting its advice the County Council asked EMRA to note that further work was required to assess the major housing allocations in terms of transport infrastructure and that the results of the then unpublished employment land studies also needed to be taken into account. It was made clear that once this information is available the County Council may revise its advice.
- 9 The advice on housing allocations was informed by responses to the 'Options for Change' consultation paper, updated DCLG household projections and discussion on four housing distribution 'choices' at the Three Cities seminar held in June 2006. There has been some confusion among partners about the district level housing figures issued by EMRA in its 'Options for Change' consultation in December 2005. County Council officers have clarified with EMRA's Director of Planning and Transport that the district level figures issued at that time were for illustration only and that the more recent DCLG household projections form the baseline for consideration of the distribution of housing. As noted above the DCLG baseline figures were taken into account in the advice given to EMRA in September and will continue to be a consideration in any revisions to that advice.
- 10 Option 2B was the preferred option for the County and Appendix 2 compares the option 2B figures, the DCLG projections and the draft Regional Plan allocations for each District in Leicestershire and Leicester City. It should be noted that the allocations for the Districts of Blaby, Harborough, Oadby and Wigston and Melton are substantially below the DCLG projections and the allocation for Leicester City is substantially above.

Transport Assessment

- 11 The large sustainable urban extensions proposed in the advice to EMRA will generate substantial extra traffic, and it was noted that further work would be necessary to check the impact of this. A transport assessment has therefore been carried out. This is:
 - Using existing and new transport models to predict the amount of traffic that would be generated from these major developments and its impact on the existing road network

- Assessing potential amelioration measures – investment in sustainable transport and new road links – to see whether they could absorb the additional traffic
- Assessing the likely cost of those measures and hence their potential affordability in the context of developer and Growth Point funding
- From this, drawing conclusions as to the achievability of the sustainable urban extensions.

12 The assessment is almost complete and will be used to inform the report to the County Council's Cabinet in December which will consider any changes to the advice previously submitted. At this stage, the work is pointing towards the following conclusions, though these remain subject to confirmation:

- There will be a need for major investment in bus services, park and ride, and cycling and walking facilities if there is to be any prospect of the additional traffic having acceptable impact
- Even with this, depending on the site, significant new road links and amendments to existing road links and junctions in the county and the city will be necessary at substantial cost
- Subject to these provisos, it appears likely that the potential sustainable urban extensions in Central Leicestershire – near Thurmaston and west of the M1 to the south east of the city – could be accommodated in transport terms
- Similar conclusions appear likely for the sustainable urban extensions proposed for Hinckley and for Coalville, although the potential growth of Nuneaton could make providing adequate capacity on and crossing the A5 trunk road a problem for the Hinckley extension
- The Loughborough sustainable urban extension is more difficult. At this stage it appears that development to the extent currently envisaged might be impossible to accommodate with the transport investment likely to be affordable, resulting in unacceptable traffic congestion in the town centre. If this preliminary conclusion is confirmed it may be necessary to review the proposed allocation here.

Such a review might necessitate the reallocation of some or all of the proposed housing provision elsewhere. Other broad locations adjoining Loughborough will be examined in the first instance.

13 Partner organisations, including the County Council and district councils, will be considering their formal responses to the draft Regional Plan between now and December 20th. Blaby DC has already expressed its concern at any proposed housing provision for the District above 290 per year and is reserving its position on the proposed Sustainable Urban Extension in the district pending further consideration of the transport assessments work.

Employment Land Studies

- 14 The Regional Assembly has published a report on employment land provision, which suggests that across the East Midlands, there is a planned oversupply of employment land. However, this does not take into account more local factors and the need to re-assess existing commitments. Further work has been commissioned to produce net employment land figures for each Housing Market Area. The Regional Assembly is arranging a seminar for 27th November, to allow stakeholders to consider these figures. If the Examination Panel recommends that employment land figures are included in the Plan, these could be included in the Proposed Changes to the Plan following the Examination.
- 15 At a local level, the results of a study of Leicester and Leicestershire employment land and premises commissioned by the LSEP has suggested a number of specific sites for employment development in Leicester and Leicestershire. However, the consultants were unable to take into account the advice on housing provided to the Regional Assembly by the County Council. Further work is therefore required to ensure housing and employment proposals are aligned, particularly in the proposed urban extensions. There appears to be strong support amongst stakeholders for the County Council to revise its advice to the Regional Assembly by providing more detailed guidance on the provision of employment land in Leicestershire, for example by indicating the broad locations of strategic employment sites. The views of the Board on this point are particularly welcomed.
- 16 In preparation for the Examination, officers in the Three Cities Sub-Region will work towards reconciling local studies with the regional studies still to be completed.
- 17 A separate study of the requirements for strategic distribution, commissioned by emda, is due to report soon. This will allow appropriate provision to be made for this particular sector.

New Growth Point designation

- 18 In late October the Government announced that the 'Three Cities and Three Counties area', including the whole of Leicestershire, has been designated as a New Growth Point and will now be eligible for substantial funding to support the level of housing provision to be agreed through the Regional Plan process. The Government's announcement included an initial pump priming allocation in 2007/8 of £5.5m to deliver capital projects in Derby and Leicester, and to fund urban capacity studies, project co-ordination and communications across the sub-region as a whole. The levels of funding available beyond 2008 will depend on the outcome of the Comprehensive Spending Review 2007. It was clarified in the Government's announcement that NGP funding can be used to support a wide range of infrastructure projects, including transport infrastructure, environmental and public realm improvements, unlocking of sites, and provision of essential services and facilities such as hospitals, schools and leisure centres.
- 19 It is suggested that a further report on NGP designation be considered at the next meeting of the Board. This report can cover the emerging Governance and delivery arrangements for the initiative as well as enable an initial discussion on priorities for NGP investment in Leicestershire.

Clarifications on key issues

20 Discussions with Councillors and partner organisations have led to clarification on a number of key points, as follows:

- the successful New Growth Point bid is not an allocation mechanism for housing development and the bid was made against the allocation of 3790 dwellings per annum for Leicester and Leicestershire already agreed by Leicestershire Together in February 2006;
- the County Council's role is that of advisor to the East Midlands Regional Assembly which in turn advises the Secretary of State who makes the final decision on the content of the Regional Plan following a public examination;
- the demand for new housing is generated by the structural change within the existing population (about 50%) but also by population growth caused by the net balance of births and deaths and by net in-migration. Therefore houses are needed within and adjacent to existing built up areas where the majority of people live;
- the national and regional policy framework emphasises the need to allocate sufficient houses to ensure access to housing is affordable for all and that larger scale allocations enable services to be provided more effectively and greater environmental sustainability to be achieved; and
- the ambitious housing targets for Leicester City substantially reduces the housing that needs to be allocated in the County and that the initial allocation of New Growth Point funding to the City would assist in achieving these targets.

Recommendation

It is recommended that the Board:

- (a) considers the issues regarding housing allocations, transport assessments and employment land outlined in the report with a view to informing the County Council's revised advice to the Regional Assembly;**
- (b) receives a further report on New Growth Point designation and funding at a future meeting.**

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Appendix 1

Advice submitted to EMRA on the Distribution of Housing

LEICESTER HMA TOTAL	3,780 dws pa, of which 1,780 should be within or adjoining the Leicester PUA
Leicester City	1,180 dws pa, all within Leicester PUA
Blaby	340 dws pa, of which 160 dws pa should be a planned sustainable urban extension to the Leicester PUA.
Charnwood	760 dws pa, of which 195 dws pa should be a planned sustainable urban extension to the Leicester PUA. Development in the remainder of the district will be focussed primarily on Loughborough, including 195 dws as a planned sustainable urban extension.
Harborough	345 dws pa, majority of which should be within or adjoining the Leicester PUA and focussed on Market Harborough.
Hinckley & Bosworth	460 dws pa, of which 195 dws should be a planned sustainable urban extension to Hinckley
Melton	160 dws pa, of which 50 dws should be a planned sustainable urban extension to Melton Mowbray
North West Leics.	480 dws pa, of which 195 dws should be a planned sustainable urban extension to Coalville
Oadby and Wigston	55 dws pa, the majority of which should be within or adjoining the Leicester PUA.

Urban extensions around Leicester, Loughborough, Hinckley, Melton Mowbray and Coalville will provide for the definition, extension and protection of green wedges penetrating the PUA and avoiding coalescence between the PUA, Sub-Regional Centres and other settlements.

This advice has been informed by analysis undertaken on the information available at August 2006, and therefore may be modified in the light of new information. In addition it should be noted that although Option 2B is considered to be an appropriate level of growth for Leicester and Leicestershire the advice is subject to the following strong provisos:

- a. Significant new funding, including from the Growth Point bid, would be needed for infrastructure investment to support increased levels of development; in particular new funding is needed for transport infrastructure, social infrastructure and affordable housing.
- b. Affordable housing provision is a key issue in the City and in rural areas in Leicestershire and mechanisms for providing sufficient levels of affordable housing need to be secured.
- c. Option 2B is ambitious and in order for it to be successfully delivered needs to be subject to increasing the take up of brownfield land for development in Leicester City. To aid this process an effective phasing policy needs to be introduced within the Regional Plan to ensure that further greenfield urban extensions (which could impact on sensitive green wedges) are not brought forward for development unless they are needed later in the Regional Plan period, enabling brownfield regeneration in Leicester City and the wider Principal Urban Area to take priority.

- d. A concentration policy for housing development within the urban areas could lead to the displacement of employment development to greenfield sites on the edge of the urban areas. This emphasises the need for an integrated approach to the future location of development and emphasises the importance of urban capacity work to be undertaken for Principal Urban Areas to inform the distribution and level of provision. This also necessitates the need for strong and effective cross-border working arrangements.
- e. A strong emphasis will need to be given to the protection and enhancement of urban green spaces to ensure they do not come under undue pressure for development and to ensure that they add to the quality of the environment in urban areas. Furthermore, emphasis also needs to be placed on green wedges and the importance of exploring opportunities to link Community Forests and green wedges with new development.
- f. The 2B Option does not fully take account of the 2003 Households Projections which increase the required level of housing provision, or the expected 'policy on' job forecasts which are similarly likely to increase the number of anticipated jobs.

Appendix 2

Comparison of Option 2B , DCLG Household Projections and Draft Regional Plan Allocations

All figures are dwellings per year, for the period 2001 to 2026)

Area	Option 2B	DCLG Trend Projection	Proposed Regional Plan Provision
	2001-2026	2001 -2026	2001 -2026
Blaby	290	391	340
Charnwood	590	565	760
Harborough	470	522	345
Hinckley and Bosworth	430	435	460
Melton	260	261	160
NW Leicestershire	460	522	480
Oadby and Wigston	110	261	55
Leicester	1,180	826	1,180
Housing Market Area	3,790	3783	3,780