Appendix

Strategic Growth Plan
Members' Advisory Group
9 June 2016

Item 3.1

Leicester & Leicestershire Strategic Growth Plan
Stage 1: Strategic Growth Statement
Further Revised Draft

Covering Report

1 An initial draft of the Strategic Growth Statement was considered by the Members' Advisory group at its least meeting (28 April 2016). A further draft was considered at the last meeting of the Strategic Planning Group (19 May 2016). The document has now been amended in line with the discussions that took place and subsequent comments provided.

2 The current draft constitutes a further revised version of the document and, following discussion, MAG is asked to approve this as the 'final' version which, with the addition of plans and diagrams, will be formatted and published for the purpose of public consultation in July 2016. The formatting of the document and public consultation will be organised by the Communications Working Group in line with the outline strategy that was presented to MAG in April 2016.

3 Members of SPG are asked to:

a) Approve the text of the current document for the purpose of consideration by individual authorities.

b) Assuming that all authorities agree to proceed, approve the text of the current document for the purpose of public consultation including:

   i. any minor changes made by the Members Advisory Group (MAG) on 9 June 2016;
   ii. any minor changes requested by individual authorities; and
   iii. any minor drafting or formatting changes made by officers which do not change the overall sense or purpose of the document.

b) Make arrangements to disseminate the content of the document to Members of individual authorities prior to this time to avoid any delay to final approvals.

Leicester & Leicestershire Strategic Growth Plan
Stage 1: Strategic Growth Statement
Final Draft – for approval
2 June 2016

Blank

CONTENTS

[PLAN]

Administrative boundaries of L & L authorities

[TEXT BOX]

- The preparation of the Strategic Growth Plan will initially be governed by a Members' Advisory Group comprising one elected representative from each of the nine local authorities. The Leicester & Leicestershire Enterprise Partnership (LLEP) will participate as an observer in this group.

- Technical work will be overseen by the Strategic Planning Group comprising senior officers from each authority and the evidence base will generally be commissioned on a joint basis.

- The Members' Advisory Group will report to individual authorities for decisions on all matters relating to the Plan.

- If a Combined Authority for Leicester & Leicestershire is established in autumn 2016, as currently anticipated, the Planning Committee of the Combined Authority will take over this governance role; that Committee will have the same membership arrangements as the Members' Advisory Group.

- These arrangements formalise the long-standing collaborative work that has been the hallmark of planning in Leicester & Leicestershire for decades; they reflect our strongly held belief that the best way of achieving our aims is to work together.

- The Strategic Growth Plan forms one of the three cornerstones of our Combined Authority submission and it is part of our commitment to government to deliver effective local decision-making.

[Together with transportation and skills. Reference Leicester & Leicestershire Delivering Growth Together: Draft Governance Review for Leicester & Leicestershire Combined Authority, December 2015]

1.0 WHY WE ARE PREPARING A STRATEGIC GROWTH PLAN

1.1 The planning system and local government have been, and will continue to be, the subject of great change. The introduction of the localism agenda, the Duty to Co-operate and the abolition of Regional Spatial Strategies have had a profound effect on the way that we prepare plans, make decisions on planning applications and pay for infrastructure. Combined Authorities will further change the way in which organisations collaborate, share information and work to a shared agenda. At the same time, the public and private sectors are coming together with community organisations to tackle major problems and deliver solutions.

1.2 In Leicester & Leicestershire, the nine local authorities[1] and the Local Enterprise Partnership[2] are responding positively to these changes. We want to prepare a non-statutory Strategic Growth Plan which will:

- be clear about the opportunities and challenges that we face
- provide an agreed scale and direction for future growth, reflecting the evidence available to us and the will of the partners
- create a single consistent strategic framework for Local Plans, economic investment plans, transport and other infrastructure plans
- ensure that Leicester & Leicestershire is positively positioned to take advantage of private sector inward investment opportunities and national programmes for investment
- provide the right conditions for the growth of indigenous businesses, and,
- at the same time, protect our natural resources, our environment and historic assets.

1.3 Our ambition is two-fold: to overcome the problems that are experienced by existing communities and to accommodate growth in new developments that have a real sense of place and purpose. We want to raise the bar in terms of the quality of development so our focus is on how we can improve the City and the County for local people and businesses, and how we can deliver growth at the right time, in the right place, with the essential infrastructure that it needs.

1.4 The Strategic Growth Statement forms the first stage in preparing the Growth Plan. Its purpose is to:

- summarise the changing context within which the Strategic Growth Plan will be prepared (Section 2)

[1] The nine local authorities are: Blaby District Council, Charnwood Borough Council, Harborough District Council, Hinckley &Bosworth Borough Council, Leicester City Council, Leicestershire County Council, Melton Borough Council, North West Leicestershire District Council and Oadby & Wigston Borough Council.

[2] The Leicester & Leicestershire Local Enterprise Partnership

- identify the defining characteristics of the area today and some of the opportunities and challenges that we face (Section 3)
- set out our ambitions for the future and the initial objectives that will guide our work (Section 4)
- outline the evidence base and the spatial options that we will consider in formulating a new strategy (Section 5), and
- describe the next steps in the process (Section 6).

1.5 We understand the scale of the challenge that we face and welcome the opportunity to shape our own future. We encourage local people, businesses, developers, landowners and statutory organisations to work with us.

2.0 CHANGING CONTEXT

2.1 The way in which we plan for development is changing. On the one hand, the localism agenda supports the concept of local decision-making but the globalisation of economic prosperity and the government's commitment to growth outside London and the South East means that we have to prepare our plans in a much wider context. We need to understand our role within this bigger picture and adapt our working practices.

The abolition of Regional Spatial Strategies

2.2 The East Midlands Plan 2009[3], the most recent Regional Spatial Strategy (RSS) for Leicester & Leicestershire, proposed that development should be concentrated in the 'principal urban area', effectively the City of Leicester and its suburbs which extend into adjoining Boroughs and Districts in Leicestershire. In addition to regeneration and redevelopment within the urban area, the RSS proposed that growth should be accommodated in a number of 'sustainable urban extensions'[4] across the City and the County, all of which have been carried forward into Local Plans and most are currently being delivered.

2.3 In 2012, Regional Spatial Strategies were abolished in line with the government's aspirations for more decisions to be taken within local communities. Instead, a National Planning Policy Framework (NPPF) was put in place to guide the preparation of plans at a Borough/District/City level; Local Plans are now the main documents which direct where development should, and should not, be accommodated. In the absence of a formal process for strategic planning, however, the local authorities in Leicester & Leicestershire have continued to work together actively, effectively and on an on-going basis, to implement the agreed strategy of the RSS over the period to 2031. The Strategic Growth Plan will take forward these collaborative discussions and provide a new strategic plan to deal with the new challenges that we face up to 2050.

2.4 The Government's new planning system places great importance on the need to prepare and adopt up-to-date, new Local Plans, and to ensure that sufficient 'deliverable'[5] sites are identified as being available by each local planning authority to meet at least 5 years' supply of Local Plan housing targets within its area. Local

[3] The Regional Spatial Strategy for the East Midlands was prepared by the East Midlands Regional Assembly and approved by government. This provided the basis for the preparation of Local Plans by the City, the Boroughs and the District Councils and looked 20 years ahead. Local Plans were legally required to be 'in conformity' with the Regional Spatial Strategy.

[4] i.e. within the City Council's boundaries (at Ashton Green and Hamilton); in Charnwood Borough (at Birstall and Thurmaston); in Blaby District (at Lubbesthorpe); in Harborough District at Airfield farm; and in North West Leicestershire at Coalville.

[5] The NPPF (2012) states: *"To be considered deliverable, sites should be available now, offer a suitable location for development now, and be achievable with a realistic prospect that housing will be delivered on the site within five years and in particular that development of the site is viable. Sites with planning permission should be considered deliverable until permission expires, unless there is clear evidence that schemes will not be implemented within five years, for example they will not be viable, there is no longer a demand for the type of units or sites have long term phasing plans."*

Plans are also required to identify a supply of specific, 'developable'[6] sites or broad locations for growth, for years 6-10 and, where possible, for years 11-15. The lack of an up-to-date Local Plan, or sufficient suitable sites to meet the 5-year supply, mean that there is a presumption in favour of planning permission being granted when planning applications are submitted; this significantly reduces the potential for authorities to manage positively their growth as required by the NPPF.

The 'Duty to Co-operate'

2.5 In the absence of statutory regional or sub-regional strategies, a new 'duty' has been placed on local authorities to co-operate with each other on matters relating to 'cross-boundary' issues. Local authorities have also been given the power to set their own targets for growth based upon agreed empirical evidence; this evidence will be tested by the Planning Inspectorate at the 'examination in public' stage of a Local Plan. The 'Duty to Co-operate' is a significant responsibility which can trigger the need for negotiations on the share of growth, and delivery of any necessary supporting infrastructure, across administrative boundaries.

2.6 The need for cross-boundary collaboration is not new; all nine authorities in Leicester & Leicestershire have a long-standing, strong commitment to joint working in the preparation of development plans and delivering growth. In 2013, we commissioned a joint Strategic Housing Market Assessment and in November 2014 agreed a Memorandum of Understanding (MoU) on baseline target housing demand figures to 2028; these are being used to support the preparation of Local Plans.. Updated evidence on housing and other matters is currently being assembled on a joint basis to support the Strategic Growth Plan and emerging Local Plans. We have also formed an effective collaboration with the LLEP which reflects the voice of the business community and has secured funding for key infrastructure and projects.

2.7 Our Strategic Growth Plan will provide a robust, single framework for the preparation of Local Plans and investment strategies prepared by the constituent organisations. It represents one of the ways in which we are responding to the requirements of the 'Duty to Co-operate' and the strategy will be carried forward into statutory development plans by individual authorities. Together, the processes of plan-making and delivery will create a successful, resilient and high quality environment within which investment can be made with confidence, where communities will flourish and important environmental assets will be protected and enhanced.

The Combined Authority proposal

2.8 On 25 June 2015 the Leaders of the nine local authorities in Leicester & Leicestershire met as the Economic Growth Board and agreed to review the governance arrangements for the area. The Board sought to identify the best way of delivering their ambitious plans for growth and to identify the most effective way in

[6] The NPPF (2012) states: *"To be considered developable, sites should be in a suitable location for housing development and there should be a reasonable prospect that the site is available and could be viably developed at the point envisaged."*

which policy and strategy on major functions could be joined up across administrative boundaries.

2.9 The review concluded that a simpler, less cumbersome governance arrangement is needed to address the challenges that the area will face in the future and to provide greater transparency and accountability. A Combined Authority was identified as the best solution and the Strategic Growth Plan demonstrates our commitment to positive planning for growth and the effective delivery of housing, employment and infrastructure within a robust environmental framework.

The Strategic Economic Plan

2.10 As Leicester & Leicestershire continues to pull out of the recession and deliver new growth, the LLEP considers that there is a need to 'refresh' the Strategic Economic Plan (SEP). The SEP is an economic investment plan has a shorter timeframe than the Strategic Growth Plan: in effect it is one of the delivery mechanisms for proposals within the Growth Plan. The SEP Refresh will not be a 'root and branch' review but an assessment of the extent to which there might be the need to shift the emphasis of the existing Plan, provide more focus on key sectors of the economy which have particular potential for growth, and align key targets with both the Strategic Growth Plan and Local Plans.

2.11 The LLEP has agreed that the targets for housing and economic growth established in the Strategic Growth Plan, and their spatial distribution, will be used as the basis for the SEP Refresh. These targets will have been developed in collaboration with the LLEP and will reflect the aspirations of government, local authorities, businesses and other key stakeholders for growth across the area and, more widely, across the Midlands.

The 'Midlands Engine for Growth'

2.12 The concept of a 'Midlands Engine for Growth' was announced by the Chancellor of the Exchequer in early 2015 and secured further government recognition when the partners published a prospectus in December 2015[7]. This sets out a vision for an economy focused on productivity and driven by getting the most out of the Midlands' workforce, research and transport sectors. It demonstrates the collective wish of the constituent organisations to improve productivity, drive economic growth, create jobs and improve quality of life across the region.

2.13 The Strategic Growth Plan will set out the long term contribution of Leicester & Leicestershire to delivering the aspirations of the Midlands Engine. Collective working with adjoining Combined Authorities, Local Authorities and Local Enterprise Partnerships will also help us to prepare a Growth Plan whose provisions complement growth and development that is taking place elsewhere.

[7] The prospectus was prepared by the eleven Local Enterprise Partnerships, local authorities and private sector partners across the Midlands,

'Midlands Connect'

2.14 'Midlands Connect' is a transport partnership which supports the Midlands Engine. It was formed in 2014[8] and its purpose is to help develop the vision and strategy for transforming transport connectivity across the region in order to drive economic growth and set out a credible long term transport investment strategy to support the building of the Midlands' Engine. Government has provided a grant of £5m to progress the work.

Local Plans in preparation

2.15 Within Leicester and Leicestershire, the constituent local authorities are embarked on the process of preparing Local Plans. All are well-advanced and aim to meet the government's deadline of having up-to-date plans in place by 2017. The housing land requirements for these plans is based on a Memorandum of Understanding agreed between the authorities in 2014; further work has been undertaken, collectively or individually, on other parts of the evidence base. Local Plans are also being prepared for adjacent areas by other authorities and 'Duty to Co-operate' discussions are being held with these authorities as necessary.

[8] As a collaboration between the same eleven Local Enterprise Partnerships that are working on the Midlands Engine together with Network Rail, Highways England, Central Government, twenty-six Local Authorities and the business community.

3.0 LEICESTER & LEICESTERSHIRE TODAY

Key characteristics

Settlement pattern

3.1 The City of Leicester is a unitary authority with an elected Mayor while the Boroughs and the Districts operate a two-tier system with Leicestershire County Council. The area has a population[9] of just over 1 million with nearly 440,000 living in the 'principal urban area' of Leicester, a long-standing planning designation which includes the City of Leicester and its suburbs which extend into adjoining Boroughs and Districts. Loughborough (65,000) and Hinckley (57,000) are the next largest settlements[10]; and there are several market towns including Ashby-de-la-Zouch, Coalville, Hinckley, Market Harborough and Melton Mowbray ranging in size from around 13,000 to 38,000 population[11]. About 200,000 people live in rural areas, 40% of whom live in villages, hamlets or isolated dwellings, especially in east Leicestershire.

[Insert diagram showing settlement pattern]

Natural environment

3.2 The County has a total land area of 2,083 sq km and is bisected by the River Soar which flows northwards from Hinckley through Leicester and links with the River Trent on the northern edge of the County where it borders Derbyshire and Nottinghamshire. The highest point is Bardon Hill in the north-west of the County and the lowest is near Bottesford in the north-eastern extremity. Much of the County is rural in character particularly to the south, east and north-east of Leicester. The National Forest and Charnwood Forest occupy much of the north-western parts of the area. The City is well-provided with parks and open spaces.

[Insert diagram showing natural features]

Transportation networks

3.3 Major national road networks are focused in the western part of the County with the M1 running north-south to the west of Leicester; other key routes, all to the west, are the M69, the A5(T), the A42(T) and the M42 south west of the Tamworth area. The intersection of the M6 and A14 linking with the M1 at junction 19, creates a significant crossroads at the centre of England. The remainder of the County is less well-served with no motorways and limited trunk road networks e.g. A46, A50, A511. Leicester sits at the centre of a radial network and has a partially completed ring road.

[9] Source: Leicestershire County Council using 2014 population estimates

[10] Source: Leicestershire County Council using 2014 population estimates

[11] Source: Leicestershire County Council using 2014 population estimates

3.4 Three principal railway routes run through Leicester & Leicestershire: the Midland Main Line; the Birmingham to Peterborough cross-country line; and the Leicester to Coventry link via Nuneaton. A significantly slower line connects Leicester with Lincoln via Melton Mowbray; a freight-only line runs from Leicester to Burton. The historic Great Central Railway provides a tourist route from Loughborough to Birstall on the northern edge of Leicester and a link to the northern arm is now being developed from Loughborough to Ruddington on the southern outskirts of Nottingham.

[Insert diagram showing transportation routes]

The economy

3.5 Leicester & Leicestershire is located in the very heart of England and forms the largest economy in the East Midlands generating £19.4 billion GVA per year. The area accommodates 435,000 jobs and hosts 33,000 trading businesses[12]. The area benefits from a diverse industrial structure and is not dependent on the fortunes of any one sector or employer but it is notable that the percentage shares for manufacturing, education, transport & storage and mining & quarrying significantly exceed the average for England.

3.6 The current Strategic Economic Plan (SEP) identifies five priority growth areas, each identified on the basis of work being undertaken at that time by the local planning authorities working with the LLEP and the County Council. These are:

- Leicester Urban Area
- East Midlands Enterprise Gateway
- Coalville Growth Corridor
- Loughborough, and
- South West Leicestershire.

3.7 The SEP also identifies four ‘transformational priorities’:

- **Leicester Launchpad** - a major development and growth opportunity for Leicester focused on the Waterside and Abbey Meadows regeneration areas and the City Centre. This ‘Strategic Regeneration Area’ provides the potential ‘launchpad’ to deliver substantial housing, commercial and leisure/cultural developments on a cluster of development sites to create 6,000 jobs.
- **East Midlands Gateway Strategic Rail Freight Interchange** - a unique 250 acre distribution and logistics development alongside East Midlands Airport and the M1 with a rail terminal providing up to 6 million sq. ft. of large scale warehousing to establish the UK’s largest multi-modal hub creating over 7,000 new jobs. Planning permission was granted for this development in January 2016.

[12] Source: LLEP statistics

- **Loughborough University Science & Enterprise Parks (LUSEP)** - an exceptional opportunity to develop an internationally significant centre for knowledge based employment. The Park is already one of the largest developments of its kind and will provide as many as 4,000 additional jobs and leverage private investment of up to £200m. In March 2016, it was identified by the Chancellor of the Exchequer as a 'candidate' Enterprise Zone.
- **Horiba MIRA Technology Park** - the LLEP's Enterprise Zone which will provide 1.75 million sq. ft. of high quality Research and Development space on an 80 hectare estate, making it the largest transport sector R&D technology park in Europe. It will create over 2,000 direct high value jobs and over 3,000 indirect jobs.

Occupational structure, qualifications and skills

3.8 Although the service sector has grown in significance over the last 20 years, the economy was built upon a strong manufacturing base which remains a distinctive feature, accounting for the highest number of jobs in the area. The area also benefits from an excellent location at the heart of the UK road and rail network and has the second largest freight handling airport in the UK, reflected in the high numbers of employees in logistics sectors.

3.9 There is also a relatively high dependency on public sector-related employment (specifically Health and Education) which is especially marked in Leicester where almost two in every five jobs are in public sector-related employment (Public Administration and Defence, Health and Education).

3.10 In the area as a whole, in the year to December 2015, 72% of the working age population (16-64 years) had NVQ Level 2 equivalent qualifications; this compares with 72% for the East Midlands and 74% for Great Britain. In comparison, 33% had NVQ Level 4 qualifications and above compared with 32% for the East Midlands and 37% for Great Britain. The LLEP Business Survey 2015 reported local firms having difficulties recruiting staff in the last 12 months.

3.11 The City has a higher proportion of residents working in low skilled jobs such as process, plant and machine operatives and particularly elementary occupations. This is notably different to the Leicestershire and England averages but the averages for the County mask significant local variations.

Average weekly earnings

3.11 There is a significant disparity between weekly full-time resident earnings and workplace earnings (See Appendix A Fig 3.1). This shows that in 2014, average weekly workplace earnings in England were approximately £520 while those of the County and the City were £480 and £470 respectively. The contrast between same figures for resident earnings is even more stark: £520, £500 and £410 respectively. . Again, the averaging of earnings across the County masks the wide variation that exists both within and between individual boroughs and districts.

3.12 In general terms, however, the statistics show that that the area falls well behind the England average and that the City performs less well than both the County and England as a whole. Considered from a different perspective, however, this demonstrates the potential of the area to perform significantly better than at present and to make a significantly greater contribution to local and national GDP, pro rata, in comparison with areas that have a stronger baseline position.

Population

3.13 In terms of Leicester and Leicestershire as a whole, the percentage share of the population within the three principal age ranges (children, working age population and those who are retired) is broadly the same as that for England (See Appendix A Table 3.4). The contrast within Leicester and Leicestershire, however, is more marked with the City having a higher percentage of children and a larger working age population when compared with the County; the County has a significantly higher percentage of people who are retired with particular concentrations in the rural areas. There are also significant variations within individual local authorities.

3.14 The residents of Leicester come from over fifty countries making the City one of the most ethnically and culturally diverse places in the UK. Around 50% of the population is from Black and Minority Ethnic (BME) groups, mostly from South Asian backgrounds. By contrast, over 90% of the population of Leicestershire is White.

Developing our potential

3.15 We have undertaken a preliminary analysis of our strengths, weaknesses, opportunities and threats. Our analysis shows that the scale and pace of development is both a challenge and an opportunity. We have unique characteristics which make the area particularly attractive to certain sectors of the economy and which contribute significantly to our share of regional and national gross domestic product.

3.16 Growth in our economy brings with it the need to provide sufficient workers with the right skills at the right time, ideally close to their place of work to minimise congestion on our transport systems. More workers and natural growth in the population mean that we need to plan for sufficient housing, of the right types, in the right locations.

3.17 We also have very special social, cultural and environmental assets which enhance our quality of life and make Leicester & Leicestershire a place in which businesses want to invest and people want to live. We have a thriving, multi-cultural city with a strongly developing tourism and sporting offer including Richard III, Leicester City Football Club and the Leicester Tigers Rugby Club.

3.18 We have beautiful countryside, attractive market towns and villages, and historic parks, gardens and battlefields with tourist attractions including Twycross Zoo and the National Forest. Our mineral resources are nationally significant; our woodlands provide places for leisure and support our wider agenda to mitigate and adapt to climate change. Our high quality agricultural land makes a significant contribution to the nation's food supply. All of these assets need to be protected and securing the right balance is our most difficult task.

Balancing competing interests

3.19 We therefore need to plan for new development by assessing the benefits of economic growth against the need to protect our environmental assets. We need to invest in real place-making, shaping new developments so that they help to create attractive communities with a mix of land uses that includes schools, shops, open space and leisure facilities provided close to home, essential services close to businesses and cultural facilities building on the existing centres.

Strengths

We have a strong base on which to build a strategy for growth

- **Great location and connectivity** - nationally significant intersection of road, rail and air
- **One of the fastest growing economies in the country** - largest recipient of Growing Places Funding, major infrastructure investment, lower house prices than in other areas
- **Economic diversity** - manufacturing and distribution nationally significant, high proportion of SMEs, food production and agriculture
- **Thriving market towns and popular villages** - characterful and distinctive places
- **Young, diverse, multi-cultural City** with a unique history, growing global tourism appeal and strong city centre
- **Three strong universities** - globally significant in space, engineering and sports science; and high quality FE colleges
- **Distinctive environmental assets** offering an exceptional quality of life
- **Distinctive leisure market** developing around sports, leisure, the arts, etc.

[Leave blank for images/diagrams on strengths]

Weaknesses

We have identified certain weaknesses but we are committed to addressing these:

- **Key roads are already congested**, there are problem junctions; city and rural roads are under strain
- **Gaps in the strategic railway network** - poor access to stations, improvements needed to capacity, frequency and speed
- **Limited bus network** in rural areas; some gaps in the City
- **Travel costs high** for low paid, difficult to access jobs
- **Buses poorly co-ordinated with job opportunities**; encourages private car use
- **Low GVA per head of population, unevenly distributed** - highly skilled employees and graduates move away
- **Mismatch of locational pressures for employment** demand and development opportunities
- **Ageing population, not economically active** - increases the need for housing, influences housing mix

[Leave blank for images/diagrams on weaknesses]

Opportunities

We have genuine opportunities for growth

- Distinctive offer of '**design, manufacture, distribution'; sports culture and tourism; food and drink; logistics and distribution**
- Potential to **export more goods and services**
- **Innovation and technology** - potential links to 'smart' specialisations of universities (e.g. space, sports science, engineering)
- **Research and enterprise** - bringing research and enterprise together (e.g. at Loughborough University Science and Enterprise Park)
- **The low pay structure** creates the potential for a step change in Gross Value Added (GVA) and pay
- **National infrastructure investment** e.g. rail connectivity to London, East-West Rail, A14 upgrade, HS2
- **Major employers and strategically important developments** e.g. East Midlands Airport, Horiba MIRA, the Strategic Rail Freight Interchange in North West Leicestershire, the universities, etc.
- **Strategic Rail Freight Interchange –** one of the new 'inland ports'

[Leave blank for images/diagrams on opportunities]

Threats

We need to deal with some threats which put our growth at risk

- **Match between population, household projections and housing needs –** difficulties in delivering affordable housing
- **Impact of housing shortages** on rural industries/communities where there is a mismatch between high value homes and low GVA per head of population
- **Pressures for growth** - the need to balance scale, pace and infrastructure provision
- **Erosion of local distinctiveness**
- What's happening outside L & L - **competitors stealing a march on us**
- **Lack of skills and mismatch against jobs**, lack of school places in some areas
- **Major economic generators on the edge of the County**; travel-to-work journeys are extending
- **Environmental risks** e.g. Flooding, energy supply

[Leave blank for images/diagrams on threats]

[TEXT BOX]

OUR VISION

"By 2050, Leicester & Leicestershire will have established itself as a driver of the UK economy, exploiting opportunities for linkages across its diverse economic base, supporting its urban and rural centres, and taking advantage of its exceptional location, Growth will contribute to people's health, happiness and well-being through the timely delivery of well-designed and high quality development, raising the bar in terms of environmental standards, quality of life and local distinctiveness."

4.0 OUR VISION AND OBJECTIVES

Our vision for the future

4.1 Our aspirations are set in the context of delivering the right growth, at the right time, in the right locations, creating successful residential and business communities that are well-served by essential infrastructure and services, in a landscape where environmental resources are protected and enhanced. Achieving high quality across a broad range of themes lies at the heart of our aspirations, for people, the economy and the environment.

Our Objectives

4.2 We have identified several objectives that we will use to guide our work. At this stage, they are equal in status and reflect our collective ambition to deliver an appropriate level of housing and employment in a way which respects our needs but also our environmental and cultural heritage. They also set out an agenda which will help us to deliver plans which will have a high degree of resilience to social, economic and environmental change. This is part of our move towards a low carbon economy, protecting our critical environmental assets and adapting to climate change, including an agenda for renewable energy.

4.3 This list is neither definitive nor exhaustive but one on which we seek the views of local people, businesses and other stakeholders. As we continue our work on the Strategic Growth Plan, developing and enlarging the evidence base, we will refine these priorities to ensure that they achieve the balance that we seek..

Objective 1*: We will provide a deliverable supply of land for housing, providing high quality homes, reflecting local styles and distinctiveness, in a range of types, sizes and tenures suited to local needs*

4.4 Government requires us to provide an adequate supply of housing to accommodate the growth that is generated in our area.[13] This needs to be provided at the right time and in the right locations. We have recently commissioned a study of our housing needs and this will form part of the evidence base of the Strategic Growth Plan. Following on from this work, we will agree the spatial distribution of new housing as part of our Duty to Co-operate discussions. The conclusions from this work will form the basis of the housing land strategy in the Strategic Growth Plan and will be formalised in a revised Memorandum of Understanding (MoU) on housing land supply. As part of this process we will consider how we can provide an adequate supply of affordable housing including ‘starter homes’.

4.5 We also propose to boost the speed of housing delivery. We consider this to be a significant problem over which, at present, we have limited control. The reasons for

[13] Reference: National Planning Policy Framework (2012) and National Planning Policy Guidance

the mismatch between planning permissions and delivery are complex but this matter needs to be addressed if we are to achieve the pace of development that is needed. We will work with government and with the private sector to explore how this problem can be managed.

Objective 2*: We will strengthen the economic base and maintain its diversity by providing a range of employment sites that respond to the needs of industry*

4.6 The diversity of our economic base reflects the diversity of the area itself; this is a distinctive characteristic that we value highly. Our strategy for the future, therefore, is based on strengthening each of the principal sectors and supporting their needs wherever there is no significant conflict with social and environmental considerations. We also propose to attract sectors that are new to the area; the LLEP has identified eight priority growth sectors[14] which will be targeted.

4.7 Focusing on these sectors will allow us to support an advanced, thriving and diverse economy occupying a competitive position within national, European and global markets. Our analysis shows that we have the potential to increase significantly our contribution to Gross Domestic Product (GDP) and develop further:

- our potential for *'design, manufacture and delivery'*, bringing together three important sectors into one offer;
- the further and higher education sector including our three universities supporting their aspirations for greater commercialisation and research in life sciences, space technology, advanced engineering, etc.; and
- strong rural communities in areas enhancing their role in agriculture, food processing, forestry, tourism, etc.

4.8 We will also explore the extent to which it might be possible to develop a renewable energy and low carbon technology sector which is not well-established at present.

Objective 3*: We will maximise the potential of our transportation corridors to deliver sustainable development and enable the creation of an integrated public transport network*

4.9 Our transportation network is heavily skewed towards the western parts of Leicester & Leicestershire. This means that there is extensive pressure for development in these locations, particularly around the motorway junctions, where there are known bottlenecks. Within the City, a series of relatively modest improvements to the road network would allow some anticipated growth to take place but in other areas more significant interventions would be required; elsewhere more localised improvements

[14] Creative industries; engineering and advanced manufacturing; food and drink manufacturing; logistics and distribution; low carbon; professional and financial services; textiles and manufacturing; and tourism and hospitality

would increase the speed of delivery of growth and prosperity. The lack of adequate road access is currently frustrating the delivery of major residential-led development.

4.10 Emerging evidence suggests that targeted improvements in our rail network would deliver major benefits which would support our aspirations for economic growth, increase GDP significantly, improve accessibility to public transport and potentially support growth in new locations. Through the Strategic Growth Plan, we will support transport linkages, infrastructure improvements and network improvements which remove or at least reduce bottlenecks in the existing system and, at the same time, promote a shift towards non-car travel and increased use of the rail network for both people and goods. This will be achieved through the integration of land use allocations, infrastructure improvements and genuinely mixed use, sustainable development which also encourages walking, cycling, the use of buses and other forms of public transport and working from home to reduce the need to travel.

Objective 4*: We will support the City of Leicester, Loughborough, Hinckley and the other market towns across the County as accessible business, service and cultural centres*

4.11 Leicester sits at the heart of the County and is the tenth largest city in the UK. In recent years, the City Council has invested significant time, effort and money in the regeneration of its older urban centre and the pace of change is accelerating as the private sector starts to respond. Similarly, Loughborough, Hinckley and the other market towns across the County are developing their role as important centres within the settlement hierarchy.

4.12 We recognise the benefits that derive from having strong urban centres that provide a mix of uses, appropriate to their scale, and act as a focus for the rural areas. By locating much of the area’s development requirements in the principal settlements we can make the most of existing urban infrastructure and improve accessibility to jobs and services, reduce resource consumption and the need to travel by car. We will therefore consider how we can strengthen the critical mass of key settlements so that they serve as major economic drivers supporting a more competitive, strong and stable economy for the area and become vibrant centres for commerce, learning, leisure and living. This builds upon the recent work by the local authorities and the LLEP to deliver growth in these locations.

4.13 We will consider how we can deliver these aspirations, assessing the potential of land within urban areas the extent to which limited development elsewhere might accommodate local need. It is essential that new development is integrated with existing community infrastructure or makes new provision.

Objective 5*: We will promote prosperous and sustainable rural communities*

4.14 Our rural communities play an important role in our economy and as places where people live. Increasingly, however, the local authorities are aware of their ageing population, strained local services, limited public transport and the need for affordable housing. Most rural areas are under significant pressure for development but there is often a mismatch between the type, size and tenure of housing that is needed and that which is promoted by developers. Many rural areas make a significant contribution to the local economy in terms of agriculture and food production but local businesses are constrained by the availability of labour and premises, and sometimes also by the quality of infrastructure including high speed broadband.

4.15 Within the rural areas, we will consider how we can provide land for housing and employment growth, proportionate to the needs of local residents and businesses, together with infrastructure, subject to environmental capacity. We will also address other factors that frustrate local growth including the lack of high speed broadband; better access to the internet would allow people in the rural areas to work in, and create businesses in, the countryside, reducing the need to travel.

Priority 6*: We will protect and enhance the quality of the area's built and water environments, landscape, biodiversity and natural resources*

4.16 Our built and natural environments, landscape, biodiversity and natural resources are our critical environmental assets; they are the features that shape the character of our area, create a sense of place and increase our quality of life. They provide a setting for our new homes, and enhance places and landscapes as economic drivers and tourist destinations. We will therefore consider how best we can protect these important assets.

4.17 As part of this process, we will consider how we can enhance the condition and connectivity of the networks of green spaces and watercourses within and between settlements to reduce flood risk, support cycling and walking, increase tree planting and carbon capture, support biodiversity and provide better habitats, enabling leisure opportunities, and supporting agricultural and economic potential. We will also support resource security by protecting finite resources such as minerals, soils and prime agricultural land. We will safeguard and, where appropriate, enhance wildlife habitats, sensitive green spaces, forestry, watercourses, wetlands, floodplains, species and wildlife corridors, landscapes, parks, townscapes, archaeology, historic buildings and monuments.

Objective 7*: We will seek to achieve high standards of design and environmental sustainability in all new development, responsive to local distinctiveness*

4.18 Leicester was the first 'Environment City' in the UK thereby providing a launch pad from which to develop a more extensive environmental offer. On all new development, we will support the development industry to design in at the outset high resource efficiency standards, supported by a mix of uses and facilities. We will ensure that the arrangement, layout, design, density and mix of development reflect the character of the area and we will consider developing a design guide for Leicester & Leicestershire. We will support the switch to a low carbon and zero waste economy by providing for appropriate infrastructure and improvements in our resilience to climate change and other potential risks. Green space, watercourses and infrastructure networks will be used to support this agenda and as part of an adaptation process to future proof places against climate change.

Objective *8*: *We will focus on the importance of communities, ensuring that place-making delivers high quality development which supports the needs of both existing and new communities.*

4.19 Quality of life is important to us. Planning for growth requires more than just setting targets for housing, employment land and jobs. We want to raise the bar in terms of the quality of development that is delivered so that new development becomes an asset to both existing and new communities and delivers the infrastructure and services that are required. In doing so, we will focus on place-making, creating real communities with a sense of place and purpose, in an environment which reflects our local distinctiveness. We will consider how the Building for Life Standards, updated in January 2015, will provide an appropriate basis to align place-making across the area. We will also work with public, private, business and community interests to address existing problems and to devise solutions which achieve a balance of interests.

5.0 PREPARING A STRATEGY FOR GROWTH

5.1 In this section of the Strategic Growth Statement we summarise the position on some of the key documents that are being put in place as part of the evidence base and identify the types of options that we will assess when considering where development should be located. The evidence base will continue to be developed and the options will be refined as we work through this process.

5.2 The evidence base is being assembled in such a way that it will provide detailed information for the periods to 2031 and 2036. This will allow local authorities to co-ordinate their current work on Local Plans and assist in discussions relating to the Duty to Co-operate; the Strategic Growth Plan will reflect this work. The Strategic Growth Plan will also take a longer term perspective and set out the aspirations of the local authorities and the LLEP for period beyond 2036, potentially to 2050

Assembling the evidence base

Housing and Economic Development Needs Assessment (HEDNA)

5.3 The local authorities and the LLEP have commissioned an assessment of housing and economic development needs to determine the extent to which, if at all, the existing targets need to be updated. The work will help to identify the broad scale of development that will need to be accommodated within Leicester & Leicestershire, as a whole, and individually for each Borough and District to 2031 and 2036. In the case of new housing, this will be an objective assessment of needs based on national statistics for population and households, as modified to reflect local circumstances within the Housing Market Area. In the case of economic development, forecasts for economic growth will be adjusted to take account of local circumstances.

5.4 The work will also support negotiations on the Duty to Co-operate and a new Memorandum of Understanding, agreed by all local authorities, which will replace the current version and will be used as a basis for further work.

Transportation modelling and other studies

5.5 The local highway authorities have completed a strategic level study of the impact of new development on the transportation system in the period 2026-31. This has concluded that, whilst improvements to the network are needed, the current predicted levels of development can be accommodated without the need for additional (i.e. beyond those already generally identified) major new transportation schemes during this period. Additional, more detailed, work is being undertaken for the Principal Urban Area and for several of the Boroughs and Districts; these could identify the need for more localised transportation improvements associated with particular sites.

5.6 The transportation model which underpins this study is currently being updated and will use the results of the Housing and Economic Development Needs Assessment

(HEDNA) as an input. Separately, more detailed transport impact and mitigation work will be undertaken within individual local authority areas, to inform Local Plan preparation in the period up to 2031 or 2036 and to inform the Strategic Growth Plan in the longer term. Future work will also consider the need for strategic improvements in the highway network allied to major growth beyond 2031

5.7 A specific study is also examining the case for major highway improvements to the A5, between the M69 and M42 in Leicestershire and Warwickshire. The A5 Partnership[15] is working with the Highways Agency and the Homes & Communities Agency to develop an outline business case to improve the highway to dual carriageway standard; this will unlock jobs and homes in the area and reduce accidents.

Strategic Rail Study: to 2043 and beyond

5.8 Network Rail is already planning the improvements to the national rail network for the period up to 2043. A number of authorities within Leicester & Leicestershire, therefore, commissioned work to assess the need for investment in the local area. The study identified four draft priorities for improvement to the rail system:

- to maximise the benefit from the Midland Main Line services;
- to achieve the best result from the implementation of HS2 Phase 2;
- to improve, radically, direct fast connectivity to key regional and national destinations; and
- to ensure that rail access and development are planned together.

Sustainability Appraisal/Habitat Regulations Assessment

5.9 The Sustainability Appraisal will assess the extent to which the Plan, when judged against reasonable alternatives, will help to achieve relevant environmental, economic and social objectives. The Habitats Regulation will help to determine the likely significant effect of development on the integrity of wildlife sites designated as being of European importance. This work will be undertaken at key stages during the course of the preparation of the Plan.

Sector Growth Studies

5.10 The LLEP has commissioned work on eight sectors of the economy, the purpose of which is to understand the nature of the industry, its potential as a key sector of the local economy and its future requirements in terms of land, infrastructure and business support. The sectors are:

[15] The A5 Partnership is formed of the LLEP, East Midlands Councils, Coventry & Warwickshire LEP, the Homes & Communities Agency, Leicestershire County Council, Hinckley & Bosworth BC, Warwickshire County Council and is supported by local authority partners in Northamptonshire, Warwickshire, Leicestershire, the West Midlands and Staffordshire.

- Creative industries
- Engineering and advanced manufacturing
- Food and drink manufacturing
- Logistics and distribution
- Low carbon
- Professional and financial services
- Textiles and manufacturing
- Tourism and hospitality

A further study has been commissioned on the sports sector in recognition of the strengths of the local economy in this area.

Market Towns Study

5.11 A study has been commissioned which covers the eleven market towns across Leicestershire. The work is not yet complete but it has highlighted the importance of the market towns to the local economy, calculating that they provide employment for over 25,000 people. The study has confirmed that relatively modest economic growth in percentage terms could deliver significant economic benefits in absolute terms.

Other studies

5.12 Other studies will be commissioned as necessary during the course of preparing the Plan.

Options for the spatial distribution of growth

5.13 Whilst the Housing and Economic Development Needs Assessment (HEDNA) will identify the amount of growth that needs to be delivered, discussions will be required on the potential spatial distribution of that growth informed by the circumstances of each Local Authority. In practice, there is a range of options for accommodating new growth and the Strategic Growth Plan will need to consider which of these options are most appropriate across all or part of the area. It is anticipated that the final spatial distribution will include several, but not necessarily all, of these options in the final portfolio of solutions.

Urban intensification

5.14 Urban intensification involves the development of existing sites within the urban area. It includes the redevelopment of existing land and buildings (‘brownfield’ sites) and/or the development of land that previously has remained as open space. Derelict, vacant and underused land can all contribute to the potential supply which might be generated by business closures, local authority estate regeneration and other changes in the urban fabric. Urban intensification can be combined with a strategy to intensify development around commuter hubs.

Urban Concentration

5.15 Urban concentration assumes that most new development will be directed towards existing settlements to take advantage of proximity to existing services and facilities. Development could be within or on the edge of the built up area but essentially this option provides a counter-balance to dispersed development across the rural areas.

Sustainable Urban Extensions

5.16 Sustainable Urban Extensions (SUEs), have formed part of the development portfolio for Leicester & Leicestershire for many years. They are large areas of land, adjoining the existing urban built up area, with good accessibility to existing urban areas and potential for the exchange and mutual support of services and facilities. They are often located close to areas where there is the greatest pressure for development and can comprise either brownfield or greenfield land or a combination of the two.

5.17 SUEs and SDAs are usually planned as mixed use communities with new schools, shops and local services to service the needs of the new community. Landscape and townscape appraisal needs to form an important part of site.

Concentration on key settlements

5.18 Most areas have a defined hierarchy of settlements that range from one or more dominant cities or towns, of varying size, to villages and isolated hamlets. Within this hierarchy, key settlements can be identified which provide, or have the potential to provide, services, facilities and a high level of accessibility. New development can also help to support local services which might be declining or bring benefits to an area which is deficient in these. Sometimes, key settlements have particularly large or expanding businesses which would benefit from a greater pool of potential employees. Creating the opportunity to live and work in close proximity can reduce unnecessary travel-to-work provided but it is important to demonstrate that the employment opportunities are genuinely viable and deliverable.

Dispersed growth

5.19 At one level, dispersed growth recognises that settlements need to expand if the requirements of existing communities are to be accommodated e.g. as children set up their own homes they might wish to remain in the same area as their families. This type of growth is often relatively limited in scale and provision can be made in neighbourhood plans for such development. Alternatively, a strategy for dispersal can be prompted by the notion that one or more urban areas are reaching their point of maximum capacity in which case new growth might need to be accommodated elsewhere.

Growth ‘corridors’

5.20 Growth ‘corridors’ provide the opportunity to locate new development in areas where there is good accessibility to public transport. Usually this would be along strategic transport corridors where there is the spare capacity and/or growth potential in the network; the focus would be on areas closest to the stations or where new stations could be provided. Extension, expansion or intensification of commercial and supported bus services can also play an important role , especially when bus routes co-exist with rail stations thereby creating the potential for an integrated public transport system . This option could be combined with some of the other options above e.g. urban intensification or strategic urban extensions.

Employment-led growth

5.21 Employment driven allocations are prompted by the desire to locate new housing and employment close to each other to provide the opportunity for reduced commuting and living close to places of work. This helps to ensure a broad balance between housing and jobs but much depends on the deliverability and viability of the employment provision, and that a direct link between those homes and jobs can be maintained.

New settlements (towns or villages)

5.22 This option builds upon the notion that existing cities, towns or villages are reaching their maximum capacity and that, under certain circumstances, it might be preferable to direct new development to either a new location or a series of new locations. This option can be combined with the option of concentrating new development in key settlements; the essential difference is one of scale. Current government advice suggests that the minimum scale for a new settlement would be around 1,500 dwellings but development viability plays a key role and the settlement needs to achieve sufficient critical mass so that essential services can be provided and adverse environmental impacts can be avoided..

Developing the strategy

5.23 We are at an early stage in the preparation of the Strategic Growth Plan. The evidence base is being assembled, the options for the spatial distribution of growth are only just starting to be considered but it is obvious that the Plan will not start with a blank sheet. The local authorities are already preparing Local Plans to 2031 or 2036; steps are being taken to work on a consistent basis across the wider area to ensure the Plans can respond to the Strategic Growth Plan and are in line with the requirements of the Duty to Co-operate. In addition the LLEP has undertaken a considerable amount of work on likely future growth sectors and locations which will feed into this work.

5.24 Development has already started in key locations and it makes sense to complete these works. Several of our key economic generators and academic institutions are in fixed locations and it may be desirable to co-locate new investment where they can build upon existing facilities. In other areas, environmental assets might need to be protected and enhanced.

5.25 These existing frameworks will be the starting point for our work so that the Strategic Growth Plan will be a natural evolution of current policies and proposals, amended, developed, enhanced and justified with reference to the emerging evidence base.

6.0 NEXT STEPS

6.1 This document is the first stage in the process of preparing the Strategic Growth Plan. The work will continue to evolve in terms of commissioning new evidence and using this to inform our decision on the way forward. The Next Steps are set out in the Table below.

Timescale	
Summer 2016	Consultation on the Strategic Growth Statement (this document)
	Continue to develop the evidence base
	Initial consideration of spatial options
Autumn 2016	Consideration of consultation responses on the Strategic Growth Statement
	Continue to develop the evidence base
	Further consideration of spatial options
Winter 2016	Finalise housing numbers and employment land requirements – new Memorandum of Understanding
Spring/Summer 2017	Draft Strategic Growth Plan
	Consultation on Draft Strategic Growth Plan
Autumn 2017	Consideration of consultation responses on Draft Strategic Growth Plan

APPENDIX A: Key Statistics

Table 3.1: Employment Sectors- Percentage of industry share in 2013 (LLEP area v England (2013)[16]		
Sector	**L & L (%)**	**England (%)**
Agriculture, Forestry & Fishing (A)	0.1	1.3
Mining, quarrying & Utilities (B, D and E)	2.5	1.1
Manufacturing (C)	14.0	8.2
Construction (F)	3.6	4.5
Motor Trades (Part G)	2.0	1.8
Wholesale (Part G)	5.2	4.2
Retail (Part G)	9.1	10.0
Transport & Storage (including postal) (H)	6.1	4.5
Accommodation & Food Services (I)	5.8	6.9
Information & Communications (J)	2.5	4.2
Financial & Insurance (K)	2.1	3.7
Property (L)	1.4	1.9
Professional, Scientific & Technical (M)	7.7	8.3
Business Administration & Support Services	7.8	8.4
Public Administration & Defence	4.5	4.4
Education (P)	10.5	9.2
Health (Q)	10.8	12.8
Arts, Entertainment, Recreation and Other Services (R, S, T and U)	4.4	4.6

Table 3.2: Occupational Structure for Leicester, Leicestershire and England 2014[17]			
Role	**Leicester (%) (2014**	**Leicestershire (%) (2014)**	**England (%) (2014)**
Managers, directors and senior officials	8.3	11.3	10.4
Professional occupations	16.4	18.4	19.9
Associate professional & tech occupations	11.4	14.4	14.3
Administrative & secretarial occupations	7.8	11.0	10.7
Skilled trades occupations	7.6	11.6	10.5
Caring, leisure & other service occupations	9.6	8.4	9.1
Sales and customer service	8.5	7.4	7.7

[16] Source: LLEP web site

[17] Source: LLEP web site

occupations			
Process, plant and machine operatives	10.7	7.1	6.3
Elementary occupations	18.6	10.3	10.7

Table 3.3: Qualifications 2009-2014[18]				
	NVQ2 and above		**NVQ4 and above**	
	2009	2014	2009	2014
Leicester	51.1	66.8	22.4	29.8
Leicestershire	70.2	75.8	29.5	34.7
Leicester and Leicestershire	63.7	72.6	27.1	33.0
England	64.9	73.2	29.6	35.7

[INSERT Fig 3.1 from LLEP]

Table 3.4[19]**: Percentage share of population by age group**								
	Leicester City	**%**	**Leicestershire County**	**%**	**L & L**	**%**	**England**	**%**
Under 15 (number)	65,200	20	109,300	17	174,500	18	10,022,800	19
15 to 64	227,400	69	425,800	65	653,100	67	34,329,100	65
Over 64	37,200	11	115,400	18	152,700	16	8,660,500	16
Total Population	329800	100	650,500	100	980,300	100	53,012,500	100

[18] Source: LLEP web site

[19] Source: LLEP web site

This page is intentionally left blank