

SCRUTINY COMMISSION – 14 DECEMBER 2005

REPORT OF THE CHIEF EXECUTIVE

DRAFT RESPONSE TO THE REGIONAL PLAN REVIEW – OPTIONS FOR CHANGE

Purpose of Report

- 1 To summarise the key issues and main implications of the 'Review of the East Midlands Regional Plan to 2026 - Options for Change' document for Leicestershire, and to invite comment to inform the preparation of a formal response from the County Council and Leicestershire Together.

Background

- 2 The Regional Plan Review Options for Change document was launched for consultation on 24th October 2005. The Options for Change consultation forms a key stage in the Regional Plan Review process, identifying three key issues on which the Regional Assembly is particularly keen to receive views:
 - Proposed changes to the Regional Plan Sub-area boundaries;
 - Policies on the broad location of future development in the region and the relationship with existing development (development form policies); and
 - Options for the scale and distribution of new housing.
- 3 A sustainability appraisal has been undertaken by Land Use Consultants working on behalf of the Regional Assembly to assess the potential social, environmental and economic impacts of the housing options.
- 4 The full Options for Change document and summary leaflet are available in the Members library. They can also be viewed together with the Sustainability Appraisal and a series of supporting technical papers via: <http://www.emra.gov.uk/regionalplan/documents.htm> . An overview of

the content of the Options for Change document was provided in the MIS sent to all Members of the Council on 4th November 2005.

- 5 A draft proposed response to the Options for Change document has been prepared to aid discussion and is attached as Appendix 1.
- 6 Officers are working through the implications of the nine growth options for Leicestershire and preparing proposed responses to the questions posed in the Options for Change document. Appendix 1 sets out initial draft responses to these questions. The policies and proposals of the recently adopted Leicestershire, Leicester and Rutland Structure Plan have been used as a starting point from which assessments of the implications of the nine options have been made.

Key Issues for Leicestershire

- 7 The options provide an indication of the likely scale and distribution of future growth. The implications of the options are substantial for Leicestershire (see draft response to Q3a in Appendix 1).
- 8 The nine options set out housing provision figures for the County for the period up to 2026. Total housing provision proposed for the 20 year period ranges from 41,400 to 64,800 dwellings, compared with the Structure Plan allocation of 41,600. (The table at Appendix 2 sets out the full range of housing figures being proposed in the options).
- 9 In terms of 'development form':
 - **Options 1A, 2A and 3A** are considered unacceptable because they would result in underutilisation of capacity within Leicester and hence development being diverted from Leicester to Leicestershire.
 - **Options 1B, 2B and 3B** (Urban Concentration and Regeneration) most closely match the strategy behind the housing distribution for Leicestershire in the current Structure Plan, with 1B also mirroring the scale of provision proposed in the Structure Plan.
 - **Options 1C, 2C and 3C** propose very similar figures for Leicestershire as 1B, 2B and 3B but do not represent as close a match to the existing Structure Plan's approach.
- 10 This suggests that Options 1B, 2B and 3B would be preferred in terms of their overall strategic approach to distributing development. These imply the following levels of housing provision in Leicestershire:

Option 1B	41,600	Broadly equivalent to existing Structure Plan
Option 2B	52,200	Broadly 25% higher than the Structure Plan
Option 3B	62,600	Broadly 50% higher than the Structure Plan
- 11 It is further considered that Option 1C provides the most appropriate option for the City of Leicester. This proposes a level of provision

(21,800 dwellings) which is about 15% above the current ambitious Structure Plan target. The higher figures for Leicester proposed in Options 2B, 3B, 2C and 3C are unlikely to be realistic given capacity constraints and might only be achieved if other (non-residential) development was displaced into surrounding areas.

- 12 In considering the most appropriate option for Leicestershire consideration needs to be given to the ambitions for growth in the area. If Members wish to support a fast growing economy, levels of housing growth well above the minimum are likely to be required. Current levels of economic and population/housing growth do not seem to be well matched with increasing signs of labour shortages. It is suggested that the preferred option be left open pending further work by officers on the balance between economic and population/housing growth.

Other Observations

- 13 It is of concern that the district level housing figures shown within the nine options do not always reflect the policy intentions of the options. For example Harborough (a predominantly rural district) is allocated higher housing figures under 'strong urban concentration' than under the other options, whereas for Oadby & Wigston (a predominantly urban district) the reverse is the case.

Next Steps

- 14 The proposed response to the Options for Change document will be considered by Cabinet on 12th January 2006. Leicestershire Together will be considering the indicative draft response to the Options for Change document on the 12th December 2005. All comments on the Options for Change document need to be submitted to the Regional Assembly by 16th January 2006.

Recommendation

- 15 The Scrutiny Commission is asked to consider and comment on the draft County Council response.

Background Papers

Review of the East Midlands Regional Plan to 2026 – Options for Change, published by the East Midlands Regional Assembly, October 2005.

Sustainability Appraisal of the East Midlands Regional Plan – Initial Sustainability Appraisal Report. Prepared for East Midlands Regional Assembly by Land Use Consultants and GHK Ltd, October 2005.

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Draft proposed response to the Options for Change document

Q1 Do you agree with the proposed new sub-area boundaries? If not, how would you change them and why?

The proposed new sub-area boundaries are supported. The proposed changes to the boundaries of the Three Cities Sub-area, the Eastern Sub-area and the Southern Sub-area are logical, particularly in the case of Harborough District which currently falls partly within the Southern Sub-area, an area of growth covered by the Milton Keynes and South Midlands Sub-Regional Strategy.

In the recent work undertaken by DTZ Pinda on Housing Market Assessments on behalf of the Regional Assembly, almost all of Leicestershire fell within one sub-regional housing market, with the Melton Mowbray area identified as having no single dominant sub-regional housing market. This research provides sound and robust evidence for including the whole of Harborough & Melton Districts within the Three Cities Sub-area.

The changes will also assist the analysis of data and assimilation of monitoring information.

The Options for Change document refers to Regional Plan policies, including those relating to housing provision, needing to reflect those circumstances where a district area is influenced by more than one Housing Market Area. It is important that these additional influences are fully taken into account when formulating policies and proposals in the Regional Plan and the Three Cities Sub-Regional Strategy.

Q2 Can these policies be improved to better reflect the Vision and Objectives of the Regional Plan? If so, how would you change them and why?

The 'Locational Priorities for Development' and 'Sustainability Criteria' policies in the current RSS8 provide a good strategic policy steer relating to development form, and therefore should be retained and brought forward through the Regional Plan Review. This view is further strengthened by the fact that no changes have been made to the Vision following the earlier consultation held in summer 2005 on the Draft Project Plan and the Statement of Public Participation, and the key amendments made to the Objectives have been in response to the Government's new Sustainable Development Strategy published in March 2005.

It is understood that further development of the sequential approach within the 'Locational Priorities for Development' policy to provide a more detailed policy steer could be considered as part of the work being undertaken on the Three Cities Sub Regional Strategy.

It is noted in the Options for Change document that the 'Sustainability Criteria' policy will help inform the strategic review of the Nottingham-Derby Green Belt which is to be undertaken as part of the Three Cities Sub-Regional Strategy. It is considered that the Green Belt review should not result in the reduction of land designated as Green Belt but should seek to strengthen the functions it fulfils. As part of this Green Belt review it is understood that land lying to the south of the River Trent in North West Leicestershire will be considered for inclusion in the Nottingham-Derby Green Belt something Leicestershire County Council has previously pressed for.

Elsewhere in the Three Cities Sub-area the focus should be on refining and strengthening the use of strategic green wedges and other green infrastructure such as community forests and Areas of Outstanding Natural Beauty. Such an approach should greatly assist in the delivery of sustainable patterns of development, and would provide a strong mechanism for dealing with development pressure 'leap frogging' beyond the outer boundary of the Nottingham-Derby Green Belt to areas such as Charnwood and Leicester.

Q3a Out of the nine options proposed for the East Midlands outside Northamptonshire, which is your preferred option and why? Is there an additional option you would like the Assembly to consider? If so please give details

BACKGROUND

Officers are working with Leicester City and District colleagues to assess the implications at a District level with a view to reaching a common Leicester and Leicestershire view. This assessment is taking account of local constraints and environmental capacity and the likely scale of additional greenfield housing that could be required, after taking account of existing permitted sites, the Structure Plan requirement to 2016, and potential additional urban capacity. This will help to provide the additional information requested by the EMRA to support comments.

LEICESTERSHIRE AND LEICESTER CONTEXT

The Leicestershire, Leicester and Rutland Structure Plan housing allocations run to 2016, and are consistent with the approved Regional Spatial Strategy. District Planning Authorities are already well into the process of preparing Local Development Frameworks which will make detailed land allocations to at least 2016.

The Structure Plan housing allocations are a suitable benchmark for the first 20 year period of the Regional Plan to examine the implications of the 9 Options in the light of the additional housing required to 2026, equating to 10 years' allocation.

Currently, the Structure Plan area is split between the Central Leicestershire Policy Area (CLPA), within which the sequentially preferred location for

development is the Leicestershire and Leicester Urban Area (LLUA), and the remainder of the Plan Area, within which the sequentially preferred locations are the Main Towns. This broad approach is consistent with national planning policy and it is anticipated that it will be largely carried forward into the new Regional Plan.

The current strategy of the Structure Plan controls the amount of development within the CLPA so as not to prejudice the urban regeneration of Leicester through an excessive offer of greenfield land on its periphery. It is anticipated that this broad approach will be largely carried forward into the new Regional Plan.

The sequential approach would suggest that within the CLPA, to minimise the requirement for greenfield development around the LLUA, the first step should be to establish the maximum achievable allocation for Leicester. This will need to be informed by a robust analysis of the constraints and opportunities of Leicester, including an up to date urban capacity study.

The next step will be to examine the implications of the distribution of the remainder of the housing within the CLPA. This would need to take account of the capacity of the remainder of the LLUA outside Leicester to accommodate additional growth, the most sustainable locations for growth in surrounding districts, the geographical split in each district between the CLPA and the rest of the Plan area and whether or not there is a Main Town in that district. Outside the CLPA, most development would be directed towards the Main Towns, again informed by a robust assessment including an up to date urban capacity study.

PRELIMINARY COMMENTS ON THE OPTIONS

General Comments

The housing figures for the nine options do not properly reflect the objectives summarised in their descriptions and are inconsistent at a district level. For example, the strong urban concentration options (1C, 2C and 3C) would result in higher levels of growth for Harborough than the trend options (1A, 2A and 3A); conversely, for Oadby and Wigston the urban concentration options would result in lower levels of growth than the trend.

The scale of growth proposed under most of the options would mean that for all except the lowest, significant amounts of new greenfield development would be required. This has implications for the future urban form for Leicestershire, including the future of Green Wedges.

From a strategic planning point of view, it would make sense to provide an overall figure for housing in the CLPA as a whole before allocations are made at a district level. Decisions about growth options for the LLUA would then be made at the sub-regional level rather than individually by districts after they have been apportioned a housing figure.

The levels of stress on the trunk roads indicated in the assessment published by the EMRA would result in a substantial increase in congestion on the local road network especially on the feeder roads to and from the trunk roads. Further work will need to be carried out to assess the implications for the local road network, and public transport so that solutions to increased congestion on the local road network and sources of funding can be identified. The options deal only with housing. Provision of employment land will have additional implications which will need to be addressed as part of the response.

Implications for Leicestershire

Housing Provision in Leicester

The scale of development required in Leicestershire will be influenced by the amount which can be accommodated in Leicester. It is appropriate, therefore, to begin by considering what level of housing provision would be appropriate for Leicester's administrative area.

Options 1A, 2A, 3A, as they relate to Leicester, are all below the Structure Plan allocation (19,000 dwellings per annum) and current annual build rates. They do not take full advantage of Leicester's identified capacity and aspirations for housing growth. Options 2B, 3B, 2C and 3C all require levels of housing provision which are unlikely to be realistic and achievable without creating extreme pressures of higher densities and town cramming. If delivered these levels of growth would result in further losses of employment land, additional pressures on open spaces and green wedges, and diversion of development beyond Leicester's boundaries. They are not therefore supported.

That leaves Option 1B (the same as the existing structure plan requirement) and Option 1C (approximately 15% higher than the structure plan figure).

Option 1C is supported as a testing but achievable level of provision for Leicester.

Housing Provision in Leicestershire

The nine options propose 20 year equivalent housing provision figures ranging from 41,400 to 64,800 dwellings, compared with the Structure Plan allocation of 41,600.

In terms of 'development form':

- **Options 1A, 2A and 3A** are considered unacceptable because they would result in underutilisation of capacity within Leicester and hence development being diverted from Leicester to Leicestershire. They also represent a continuation of existing trends in the distribution of development and therefore take little account of opportunities and constraints on the ground, and of the strategic policy aspirations of Leicestershire's local authorities, key stakeholders and communities.

- **Options 1B, 2B and 3B** (Urban Concentration and Regeneration) most closely match the strategy behind the housing distribution for Leicestershire in the current Structure Plan which was only recently adopted (with Option 1B also mirroring the scale of provision proposed in the Structure Plan).
- **Options 1C, 2C and 3C** propose very similar figures for Leicestershire as 1B, 2B and 3B but do not represent as close a match to the existing Structure Plan's approach.

Options 1B, 2B and 3B are preferred in terms of their overall strategic approach to distributing development. These imply the following levels of housing provision in Leicestershire:

Option 1B	41,600	Broadly equivalent to existing Structure Plan
Option 2B	52,200	Broadly 25% higher than the Structure Plan
Option 3B	62,600	Broadly 50% higher than the Structure Plan

[Preferred option to be agreed in November/ December/ January. In agreeing on a preferred option for Leicestershire consideration will need to be given to the ambitions for growth in the County. If Members wish to support a fast growing economy, levels of housing growth well above the minimum are likely to be required. Current levels of economic and population/housing growth do not seem to be well matched with increasing signs of labour shortages. It is suggested that the preferred option be left open pending further work by officers on the balance between economic and population/housing growth.]

CONCLUSIONS

Overall, it is suggested that there should be a combination of preferred options. **Option 1C** for Leicester would meet the objective of continued growth and regeneration in Leicester whilst minimising the impact on surrounding districts. For Leicestershire [one of **Options 1B, 2B & 3B**] is considered the most appropriate. It adopts an approach to the distribution of housing similar to that taken in the recently approved Leicestershire, Leicester and Rutland Structure Plan. It also involves a scale of provision which strikes an appropriate balance between the need to support Leicestershire's growing economy (and demand for labour) and to protect the County's countryside and natural environment. ***[precise wording to be refined when preferred option has been agreed]***.

Q3b Out of the three options proposed for Northamptonshire, which is your preferred option and why? Please comment on your selection. Is there an additional option you would like the Assembly to consider? If so, please give details.

Option NA, based on the average level of planned provision for the period 2001 to 2021, is considered to be the preferred option for the Northamptonshire area.

In commenting on the Milton Keynes and South Midlands Sub-Regional Strategy the County Council has previously expressed concern about the redirection of resources away from Leicestershire and other parts of the East Midlands to support growth in parts of Northamptonshire. The County Council has also referred to concern about housing provision in the MKSM area proceeding without the accompanying employment provision and investment in transport and social infrastructure, and the resulting pressures this will place in adjoining areas such as South Leicestershire.

By basing the level of housing provision in Northamptonshire for 2021 to 2026 on the average level of planned provision for the period 2001 to 2021, this enables the scale of future growth to be more firmly rooted alongside recent growth achievements. It is felt that this option is most likely to reduce the scope for housing provision proceeding without the necessary employment provision and investment in transport and social infrastructure.

