



SCRUTINY COMMISSION – 7 MARCH 2018

JOINT REPORT OF THE DIRECTOR OF CORPORATE RESOURCES, CHIEF EXECUTIVE AND DIRECTOR OF LAW AND GOVERNANCE

EAST OF LUTTERWORTH STRATEGIC DEVELOPMENT AREA

Purpose of the Report

1. The purpose of this report is to advise the Scrutiny Commission of progress with the East of Lutterworth Strategic Development Area (SDA), its inclusion in the emerging Harborough Local Plan, and the land assembly required to deliver the SDA. An exempt report on this matter will be considered by the Cabinet at its meeting on 9 March.

Policy Framework and Previous Decisions

2. The Cabinet considered a report on the Lutterworth SDA at its meeting in May 2016 and resolved to support the promotion of the scheme, in collaboration with relevant landowners. The Cabinet authorised the Director of Corporate Resources to undertake the necessary work to progress the promotion of the scheme, and to develop documentation to secure the SDA within Harborough District Council's Local Plan.
3. In September 2017 the Cabinet considered a report on the Corporate Asset Investment Fund Strategy and approved a number of investment acquisitions and development projects, including the purchase of the land in the SDA area owned by Hallam Land Management. The Scrutiny Commission also considered this report and its comments were submitted to the Cabinet.
4. The County Council's Medium Term Financial Strategy 2018/19-2021/22 (MTFS) is the key financial plan for the Authority. It was agreed by the Council on 21 February 2018 and includes planned savings of £37m over the four years, noting the need to identify further savings to bridge a £13m shortfall forecast by 2021/22.

Background

5. A strong economy, defined as Leicestershire having a growing and resilient economy so that people and businesses can fulfil their potential, is one of the five strategic outcomes in the County Council's Strategic Plan. The Council is able to directly contribute to delivery of this outcome through the acquisition of land to support economic growth.

6. The Council's Corporate Asset Investment Fund Strategy requires the Fund to be used to add to the Council's portfolio of property and land assets including County Farms, commercial industrial properties and the pooled investments with a view to:
- (i) Ensuring that there is a more diverse range of properties available to meet the aims of economic development;
 - (ii) Increasing the size of the portfolio;
 - (iii) Improving the quality of land and property available;
 - (iv) Ensuring the sustainability of the County Farms and industrial portfolio by replacing land sold to generate capital receipts and
 - (v) Providing a revenue income stream that can be used to support ongoing service delivery.
7. The proposed East of Lutterworth SDA is one of a number of schemes being funded by the Corporate Asset Investment Fund. It is an area of 516 acres. The County Council is in the process of acquiring all the land within the SDA and will do this through either private treaty or through Harborough District Council making use of its Compulsory Purchase powers. This will increase the deliverability of the SDA. Harborough District Council has resolved to use its powers in this respect if necessary in order to help ensure the development of the SDA and its Local Plan.
8. The proposed scheme involves the construction of 2750 dwellings, 56 acres of employment land, 2 primary schools, a local centre, extensive open space and green infrastructure together with major highways work including the construction of a new spine road (providing some traffic relief to Lutterworth), a new motorway bridge and substantial off-site junction improvements. The attached concept masterplan diagram (Appendix A) shows an indicative layout of the proposed development.
9. The SDA has been promoted on the basis set out above since January 2015 resulting in the SDA being selected as a preferred strategic allocation in the Submission Draft of the Local Plan in March 2017. The County Council has been acting as the Lead Promoter of the scheme since summer 2017.

Local Plan Process

10. Harborough District Council's timetable for adoption of the Local Plan is currently:-

Harborough District Council approval to submit	March 2018
Examination in Public (Planning Inspector)	June 2018
Adoption by Harborough District Council	December 2018/January 2019

11. The passage through the Examination in Public is critical to securing the allocation of the SDA. The key issues on which the Inspector will need to be satisfied in recommending the inclusion of the SDA within the adopted plan are broadly as follows:-

- i. The land required to deliver the site is within the control of the promoter.
- ii. The development is viable, giving both landowners and developers the returns necessary for them to bring forward the development.
- iii. Any adverse impacts arising as a result of the development can be mitigated.
- iv. The development can be brought forward to a timetable that meets the housing and employment needs of the district.

12. The Cabinet on 9 March will be asked to approve various actions including the continued promotion of the site as part of the SDA, the purchase of further land, and the allocation of resources for submission of a planning application. This report will be exempt under paragraphs 3 and 10 of the Local Government Act 1972 as it contains information relating to the financial or business affairs of any particular person (including the authority holding that information).

13. The remaining three issues have been addressed during the promotion of the SDA to the satisfaction of the District Council. Work is ongoing, in co-operation with Harborough District Council, to ensure that a robust case is presented to the Inspector, in particular:-

- Detailed assessments have been prepared by both councils demonstrating the viability of the scheme.
- The initial technical work on key issues such as highways and transport, the protection of Misterton Marshes Site of Special Scientific Interest (SSSI) and local heritage assets has indicated that the likely impacts of development can be mitigated to the satisfaction of relevant stakeholders.
- To demonstrate the delivery of the development in accordance with the Local Plan trajectory a timetable has been developed with the District Council for the preparation, submission and determination of an outline planning application and the progressing of the scheme with a view to the first houses being completed in 2021/22.

Housing Growth Fund

14. The County Council has submitted Expressions of Interest to the Leicester and Leicestershire Economic Partnership (LLEP) and Homes England for grant funding from the Housing Growth Fund, the Housing Infrastructure Fund and the Local Authority Accelerated Construction Fund. Decisions are expected over the forthcoming months.

Resources Implications

15. It is currently estimated that the long-term net capital receipt to the County Council will be in the region of £33m. This is based on the total value of the

development, construction costs, infrastructure work and so on. The capital receipt is subject to the inclusion of the SDA in the adopted Harborough Local Plan 2011-2031, achieving planning consents, and the state of the property market over the next 3 to 12 years.

16. Resources have been allocated from the Corporate Asset Investment Fund for the completion of the land assembly in order to give the County Council control of the whole SDA area.
17. The cost of the preparation and submission of the planning application is estimated to be around £600,000 to £700,000, a large proportion of which will need to be committed ahead of the formal adoption of the Local Plan by Harborough District Council to ensure that an application can be submitted at the earliest opportunity.

Circulation under the Local Issues Alert Procedure

18. A copy of this report has been sent to Mr. B. L. Pain CC and Mrs. R. Page CC.

Equality and Human Rights Implications

19. There are no Equality and Human Rights Implications directly arising from this report. Implications associated with the future development of the SDA, such as the making of Compulsory Purchase Orders, and applications for planning permission will be subject to Equality and Human Rights Impact Assessments (EHRIs) as appropriate prior to decisions being made.

Environmental Impact

20. A full environmental impact assessment will be required as part of the submission of a Planning Application.

Appendices

Appendix A – Concept Masterplan Diagram

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