

CABINET - 5th SEPTEMBER 2006

THE REGIONAL PLAN REVIEW

**ADVICE TO THE EAST MIDLANDS REGIONAL ASSEMBLY ON
HOUSING PROVISION IN THE LEICESTER AND
LEICESTERSHIRE HOUSING MARKET AREA**

REPORT OF THE CHIEF EXECUTIVE

PART A

Purpose of Report

1. To seek the Cabinet's approval for advice to be submitted to the East Midlands Regional Assembly on housing provision in Leicester and Leicestershire.

Recommendation

2. Cabinet is recommended to:
 - a. Approve the advice of the County Council to the East Midlands Regional Assembly on housing provision in Leicester and Leicestershire set out in Appendix 1;
 - b. Note the draft Technical Paper in support of the Advice set out in Appendix 2;
 - c. Note the draft text of the Three Cities Sub-Regional Strategy (Appendix 3)

Reasons for Recommendation

3. To ensure that the County Council meets its statutory obligation to provide advice at this stage in the Regional Plan Review process.

Timetable for Decisions and Scrutiny

4. The Scrutiny Commission will consider this report on the 30th August 2006. The views of Scrutiny Commission will be reported to the Cabinet.

Policy Framework and Previous Decisions

5. Cabinet approved comments on the Regional Plan Review Draft Project Plan and Statement of Public Participation at its meeting on 4th July 2005. On 12th January 2006 Cabinet agreed its response to the Regional Plan Review Options for Change consultation document for submission to the Regional Assembly. That response reflected the comments made by the Scrutiny Commission at its meeting on 14th December. Cabinet also agreed on 13th February 2006 Option 2B, 3,790 dwellings per year, the preferred scale of growth for Leicester and Leicestershire, subject to a number of provisos.
6. The meeting of Leicestershire Together on 21st February 2006 endorsed the comments of the County Council on the Options for Change consultation.

Resource Implications

7. None specific to this report have been identified. Decisions made during the Regional Plan Review process on the amount and location of new development will have direct implications for Leicestershire. Details of resource implications will be highlighted in future reports on the Regional Plan Review. This will include the implications of the Growth Point bid for providing infrastructure to support the new development proposed in the Regional Plan.

Circulation under Sensitive Issues Procedure

All County Councillors.

Officers to Contact

Thomas Purnell	0116 265 8234	tpurnell@leics.gov.uk
Andrew Simmonds	0116 265 7027	asimmonds@leics.gov.uk

PART B

Background

8. Under the provisions of Section 4(4) of the Planning and Compulsory Purchase Act 2004, Leicestershire County Council has a Service Level Agreement with the Regional Assembly which requires it to provide advice to the Regional Assembly on the Three Cities Sub-Regional Strategy. An important part of this advice relates to district level housing provision for Leicestershire for the period to 2026.
9. Working jointly with the other “Section 4(4) Authorities” (Nottinghamshire, Derbyshire, Leicester, Nottingham and Derby), and in consultation with Leicestershire District Councils and other agencies, officers from Leicestershire County Council have prepared advice to the Regional Assembly in the form of a draft Sub-Regional Strategy for the Three Cities (attached as Appendix 1), and more specifically, draft housing provision at a district level (attached as Appendix 2).

Draft Three Cities Sub-Regional Strategy

10. The Sub-Regional Strategy (Appendix 1) will form part of the development plan for Leicester and Leicestershire and will, in due course, replace the current Regional Spatial Strategy and the Structure Plan as the strategic guidance for Leicester and Leicestershire.
11. During the consultation process it will be important to ensure that appropriate policies from the Structure Plan are properly reflected in the Sub-Regional Strategy.
12. The objectives of the Sub-Regional Strategy are:
 - To promote sustainable patterns of development and movement within and between the three Principal Urban Areas of Derby, Leicester and Nottingham, and other settlements within the Sub-area and beyond;
 - To increase the use of public transport for both local and inter-urban movements;
 - To improve the quality of the environment, including the provision of semi-natural green space in urban areas;
 - To improve the collective economic performance of the sub-area and a reduce deprivation;
 - To optimise the economic benefits of Nottingham East Midlands Airport in a way which is consistent with sustainable patterns of development and movement; and
 - To ensure that Green Belt and Green Wedge designations are consistent with the requirements of the sub-area and with PPG2 and Policies 2 and 3 of the Regional Strategy.

13. The Sub-Regional Strategy sets out strategic guidance on the following issues:

- Policy Areas around Principal Urban Areas
- Settlement Classification
- Regeneration Priorities
- Green Infrastructure
- Other Environmental Designations
- Green Belt/Green Wedge Designations/Alterations
- Transport Investment Priorities
- Major Urban Extensions (or areas of search/directions for growth)
- Scale of housing/employment land provision

14. The timetable for preparation of the Regional Plan has meant that a number of key studies to support the Strategy have still to report. In particular until appropriate information on job growth and other employment information is finalised, the Sub-Regional Strategy, along with the Regional Plan, will not contain proposals for employment land. It is anticipated the information will become available during the consultation process to enable people to comment and for an informed debate to take place about employment provision at the Public Examination. The final Regional Plan and Sub-Regional Strategy will then contain relevant guidance.

Housing Provision

15. The proposed housing provision for Leicester and Leicestershire is set out in Table 1. This has been derived following a process of selecting 4 “Choices” for discussion at a stakeholder seminar and refining the choices in the light of an examination of constraints and opportunities, and a range of other relevant information. A full account of this process is set out in the Technical Paper (Appendix 3).

16. Table 1 shows that the biggest proportion of housing will be accommodated within Leicester City, with relatively smaller amounts in Charnwood, Hinckley and Bosworth and North West Leicestershire, where urban extensions are proposed adjoining Loughborough, Hinckley and Coalville. Urban extensions will also be required in Blaby and Charnwood, adjoining Leicester. This reflects the strategy of urban concentration and regeneration associated with the 2B Option. Total provision is least in Blaby, Harborough, Melton and Oadby and Wigston, reflecting a range of factors, which are set out in detail in the Technical Paper.

17. Table 2 sets out the proposed size of the urban extensions and compares the annual provision with previous build rates, the Structure Plan provision

and the 2B Option. Whilst the total for Leicester and Leicestershire reflects the 2B Option, provision in Blaby, Charnwood, Hinckley and Bosworth and North West Leicestershire is above their respective 2B levels, reflecting the concentration of housing in urban extensions within these districts. Conversely, provision in Harborough, Melton, and Oadby and Wigston is below their respective 2B levels.

Technical Paper

18. The Technical Paper attached as Appendix 3 sets out the process by which officers derived the draft housing provision for Leicester and Leicestershire. This will also be submitted to the Regional Assembly, and will form a building block for evidence that will be required for the Public Examination.

Growth Point Bid

19. A consortium of the three City Councils and three County Councils in the Three Cities sub-area (also known as the 6Cs), have placed a bid with Central Government for “Growth Point” funding. If successful, this would provide significant amounts of additional Government funding for infrastructure to enable the housing provision currently being proposed in the Sub-Regional Strategy to be implemented. For Leicester and Leicestershire, this is the provision as set out in Table 1, i.e. the 2B Option of 3,790 dwellings per year. In Leicester and Leicestershire, this funding will initially help to unlock regeneration sites within Leicester, and later will help to provide infrastructure, for example transport infrastructure for urban extensions.

20. The scheme is a significant opportunity for these locations to become exemplars of sustainable development. This includes the ability to enhance and extend green infrastructure – both green spaces and conservation sites - and to build more sustainable homes to high standards of design, with less demand on resources and with the right provision for water supply, treatment and flood risk. The Government will need to be assured that pressures on transport can be realistically managed, where necessary including demand management. To give local authorities more freedom in how this funding is applied the Government is proposing to include it in Local Area Agreements which will give local partners extra flexibility in managing the programme locally.

21. Indications are that the bid is more likely to be successful if the pattern of development is in the form of large planned sustainable urban extensions, than if development is more scattered. The former approach is consistent with the adopted Structure Plan for Leicestershire, and the proposed strategy of the Regional Plan.

22. On the 20th June the Government announced that the “Three Cities Area” bid has passed the first stage in the bidding process and more detailed proposals are being worked up. This will happen alongside preparation of the draft Regional Plan. In October there will be a more detailed announcement on the individual growth point schemes, including those which will receive a share of an initial £40 million pilot funding round in

2007/8 to support site infrastructure projects, unlock sites for new housing and improve the environment.

Next Steps

23. The Regional Assembly will approve the Regional Plan on 7th September to be submitted to Government for consultation from 28th September to 21st December 2006. An Examination in Public will follow from 9th May to 22nd June, with the Panel Report published in mid 2007 and the publication of Proposed Changes and the issue of the final Regional Plan in mid 2008.

24. A joint response to the draft Regional Plan will be considered by Leicestershire Together at its meeting on 6th November. The County Council's response will be considered by Scrutiny on 15th November and Cabinet on 19th December.

Equal Opportunities

No implications.

Background Papers

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

Table 1: Leicester and Leicestershire Housing Market Area District Distribution Summary 2001 to 2026

Area	Completions	Supply	Total Completions + Supply	New Provision	Total Provision	New Provision	Total Provision	Rounded Total Provision
	2001-2005	2001-2026	2001-2026	2001-2026	2001-2026	Annual	Annual	Annual
	A	B	C	D	E	F	G	H
Blaby	827	2,444	3,271	5,525	8,796	221	352	350
Charnwood	2,632	6,201	8,833	10,200	19,033	408	761	760
Harborough	1,458	5,140	6,598	2,000	8,598	80	344	345
H & B	2,231	3,766	5,997	5,450	11,447	218	458	460
Melton	570	2,125	2,695	1,250	3,945	50	158	160
NW Leics	1,509	5,156	6,665	5,400	12,065	216	483	480
O & W	352	723	1,075	300	1,375	12	55	55
Leicester	4,124	25,375	29,499	0	29,499	0	1,180	1,180
HMA	13,703	50,930	64,633	30,125	94,758	1,205	3,790	3,790

Notes

Column B: Supply includes remaining local plan allocations, planning permissions, small sites and urban capacity

Table 2: Comparison of Proposed Housing District Provision with Structure Plan Provision, Build Rate and 2B Option for Change

Area	Current Provision	Annual Build Rate	2B		
	(Structure Plan)	(1999-2004)	Options for Change	RSS Provision	Proposed Urban Extensions
Blaby	233	295	290	350	Adjoining Leicester: 4,000
Charnwood	470	505	590	760	Adjoining Leicester: 4,850 Adjoining Loughborough: 4,850
Harborough	378	527	470	345	
Hinckley and Bosworth	340	451	430	460	Adjoining Hinckley: 4,850
Melton	210	158	260	160	Adjoining Melton Mowbray: 1,250
NW Leicestershire	368	415	460	480	Adjoining Coalville: 4,850
Oadby and Wigston	85	93	110	55	
Leicester	950	670	1,180	1,180	
HMA	3,034	3,114	3,790	3,790	