

CABINET – 6th MAY 2008**'ECO-TOWNS' - SHORTLISTING OF PENNBURY
(STOUGHTON)****REPORT OF THE CHIEF EXECUTIVE****PART A****Purpose of Report**

1. To update the Cabinet on the work being undertaken to respond to the decision of the Government to include Pennbury (Stoughton) in a shortlist of proposed 'eco-towns' for further consultation, including the financial implications.

Recommendations

2. It is recommended that Cabinet:
 - (a) Notes the work currently being undertaken to respond to the consultation on Pennbury (Stoughton) as a potential 'eco-town';
 - (b) Authorises expenditure up to a maximum of £500,000 for that purpose to be funded from the general under spend in 2007/08 or reserves;
 - (c) Agrees to request that the Government extend the consultation period;
 - (d) Considers the acceptability of the draft Terms of Reference for the Joint Technical Group, set out in Appendix 1 to this report, as the basis for joint working with other relevant parties.

Reasons for Recommendations

3. To enable the County Council to respond effectively to the proposed Eco-Town at Pennbury (Stoughton).

Timetable for Decisions

4. The Government is inviting general and initial responses to its prospectus by the 30th June and responses to specific eco town proposals by the 31st October 2008.

Policy Framework and Previous Decisions

5. On 8th April Cabinet resolved:
 - (a) That the decision of Government to shortlist Pennbury (Stoughton) for further consultation as a potential 'eco-town' be noted, together with the potentially serious financial implications for the County Council in carrying out necessary assessments of the proposals;
 - (b) That the offer of financial support from the Government be discussed with officials and the sharing of the costs of carrying out assessments also be discussed with other local authorities affected;
 - (c) That the Chief Executive be authorised to take all necessary measures, including those referred to in the report, to enable the County Council to respond effectively to the current and future consultation (in the context of the Proposed Changes to the draft Regional Plan) and a possible planning application and that a report on expenditure involved be submitted to the next meeting of the Cabinet;
 - (d) That, in view of the special circumstances involved, it be agreed that the matter be treated as an exception to the County Council's Contract Procedure Rules to enable contracts to be placed, if necessary, without the need to invite competitive tenders, subject to European directives'

Resources Implications

6. The draft Terms of Reference at Appendix 1 seeks to ensure that most of the costs of assessing the Pennbury (Stoughton) proposals fall on either the Government or the Co-operative Group. However agreement has still to be reached regarding a number of assessments that County Council officers consider to be essential and the Government's agreement to cover other costs has yet to be obtained. Authorisation for spending of up to £500,000 is therefore sought, to be met from the general underspend in 2007/08 or reserves. The Director of Corporate Resources has been consulted on the contents of this report.

Circulation under Sensitive Issues Procedure

To Members with Electoral Divisions in Oadby and Wigston and Harborough Districts, namely:-

Mr G A Boulter CC
Mr P Callis CC
Mr M H Charlesworth CC
Dr R K A Feltham CC
Mr S J Galton CC
Mr D A Gamble CC
Mr M Griffiths CC
Mr G A Hart CC
Mr W Liquorish JP CC
Mr A P Natzel CC
Mrs R Page CC

Officer to Contact

Andy Robinson, Assistant Chief Executive
arobinson@leics.gov.uk
Tel: 0116 3057017

PART B

Background

7. The proposal by the Co-operative Wholesale Society for land between Leicester, Oadby, Thurnby and Houghton on the Hill to be part of the Government 'eco-town' scheme became known towards the end of 2007.
8. The land concerned has previously been promoted for development in the late 1980s and proposed for inclusion in the draft Regional Plan in 2007, on both occasions without success. In its role advising the East Midlands Regional Assembly regarding the Regional Plan, the County Council assessed the potential of land to the east of Leicester for major development and concluded that it was unsuitable because of infrastructure constraints.
9. Evidence about these constraints was made available to the Panel that examined the draft Regional Plan in 2007. The Panel did not recommend development in this area, making clear its support for the alternative locations recommended by the County Council on the basis of 'impressive' evidence. The evidence was also passed to Government officials but Government has still decided to proceed to shortlist Pennbury (Stoughton).
10. In summary the concerns about development in this area are:
 - (a) Major transport investment would be required to mitigate the impact of the huge increase in travel in an area already experiencing substantial congestion, including a possible link to the M1 and rail links.
 - (b) Without that investment and a link to the M1 the development is unlikely to attract significant employment, potentially threatening the economy of the area.
 - (b) The viability of the regeneration of Leicester would be threatened.
 - (c) The environmental impact would be significant on a valued area of Leicestershire countryside.

Proposals

11. The Government prospectus was reported to the Cabinet on 8th April 2008. It suggests that 'eco-towns' will help meet the challenges of a short fall of housing and climate change. It outlines the fifteen proposals Government regards as both the most creative and imaginative and 'practical and realistic about what can be achieved'.

Government has set up a panel of experts to work with the developers to refine and improve the plans. Up to 10 successful projects will be published later this year with the first schemes beginning construction in 2010.

12. The process is:
 - (a) Initial consultation until 30th June.
 - (b) More detailed assessments of each to be published for further consultation in the summer.
 - (c) Comments on specific proposals by end October 2008.
 - (d) Final shortlist in late 2008.
 - (e) Consideration of planning applications from June 2008.

13. The proposals for Pennbury (Stoughton) are outlined on page 26 of the prospectus. The main features are:
 - (a) Ambitious environmental and sustainability standards and environmental innovation with pioneering innovative transport and energy solutions and new methods of community participation.
 - (b) The provision of a large number of affordable homes against low current delivery.
 - (c) A need to address the impact of the proposal on water supply, drainage and sewerage treatment.
 - (d) A need to accommodate the development with an enhanced local public transport infrastructure given severe road congestion and limited opportunities for access into the urban area.
 - (e) Further work on economic and retail hierarchy aspects and the need to complement Leicester regeneration.
 - (f) Further consideration of conservation issues.

Further Work Required

14. Meetings with the Co-operative Group, the four local authorities, GOEM and Department for Communities and local government have been held to seek to agree working arrangements and to discover more about the proposals.

15. Draft Terms of Reference for a Joint Technical Group have been prepared for agreement by the various parties involved (Appendix 1). It seeks to ensure that the assessments required are:
 - (a) Undertaken on a joint basis where possible for costs effectiveness and without prejudice to the final views of each party;
 - (b) Public;
 - (c) Appropriately influenced by the parties involved;
 - (d) Mainly funded by the Co-operative Group or the Government.
16. However it is clear that there are no firm details about the proposal upon which to base the work required. The Co-operative Group is not willing to make the details of its bid to the Government available (to protect its commercial interests in what is still a competitive process) and Government also refuses to make the results of its assessment of these proposals (on the basis of which it shortlisted Pennbury (Stoughton)) available.
17. The Co-operative Group says it wishes to develop its proposals in consultation with the public, local authorities, Government and other interests to ensure that they meet the needs of the area in the best possible way. While this intent is laudable it does mean that there is no firm basis for the assessments at this stage of the consultation period, nor is it clear if or when there will be any firm proposals available during the remainder of the consultation period. It is therefore difficult to see how local authorities, the public or other interests can respond effectively to the consultation or how the Government can make a fully informed decision on whether or not to include Pennbury (Stoughton) in the final shortlist by the end of 2008. If the process is to retain any credibility with the public it will need to be robust and transparent. Given the Government's role in deciding which proposals to shortlist and its probable role in determining a subsequent planning application, many people will believe that once shortlisted, planning permission for Pennbury (Stoughton) is a forgone conclusion.
18. The Government should therefore be requested to extend the consultation period to allow the proposals to be developed, for assessments of these developed proposals to be completed and for views on the proposals to be formulated based on these assessments. This is likely to require at least 6 additional months from the proposed date of October 2008.
19. The report to Cabinet on 8th April identified the following work to allow the County Council and its partners to respond to the Pennbury (Stoughton) proposal:

- (a) Transport Impact assessments and modelling.
 - (b) Economic Impact assessment including the prospects of attracting employment to the location and the effect on the regeneration of the City in employment and housing terms.
 - (c) An assessment of affordable housing needs and the effect of the proposal on these.
 - (d) An environmental impact assessment, focusing particularly on the water related issues.
 - (e) Engagement with local communities.
 - (f) An assessment of the extent to which the 'eco' aspirations for the development can be realised once the costs of the development are met.
 - (g) An assessment of the full public service capital and revenue costs (schools, health, waste, etc.).
 - (h) An equality impact assessment.
20. The Draft Terms of Reference for the Joint Technical Group identifies that Co-operative Group will commission the transport assessment in collaboration with the County and City Councils and that the Government will commission a sustainability appraisal. Although the extent of the latter is not entirely clear it is likely that a number of the above assessments will not be funded by either the Co-operative Group or the Government. It is therefore prudent to seek authorisation for expenditure of up to £500,000.

Equal Opportunities Implications

20. These would be assessed through the Equalities Impact Assessment (EIA).

Background Papers

Draft Regional Plan for the East Midlands 2007
 East Midlands Regional Plan: Report of the Panel. November 2007
 Eco Towns letter from the Minister for Housing and Planning 3 April 2008
 Eco-Towns - Living a Greener Future - April 2008.
 Report to the Cabinet on 8th April 2008 on 'Eco Towns – Shortlisting of Pennbury (Stoughton)'

List of Appendices

Appendix 1: Draft Terms of Reference for the Joint Technical Group.