



SCRUTINY REVIEW PANEL ON THE PROPOSED DEVELOPMENT OF AN ECO-TOWN

MEETING WITH JOHN NICHOLLS OF THE LEICESTER REGENERATION COMPANY (LRC) - 29 SEPTEMBER 2008

The Panel met with John Nicholls of the Leicester Regeneration Company (LRC) to discuss the effects the proposed development could have on the regeneration of the Leicester City Centre.

Prior to discussing these issues Mr. Nicholls wished Members to note that English Partnerships, who were working on the proposed development with the Co-op, and owned part of the proposed land for Pennbury, were one of the LRC's public partners and contributed one third of its revenue budget. He therefore asked that his comments be taken in that context.

The Panel NOTED the following points that arose from that meeting:

Competition with in-City housing projects

- There was a threat of 'City flight' by developers who might wish to move away from high cost in-City sites, to more attractive green field sites. A similar threat existed from young and affluent house-buyers who were needed in the City as part of the regeneration, but could feel drawn toward an 'eco' development;
- It was not yet known whether the 15,000 units proposed for the development would fall within or would be additional to the housing allocation in the Regional Spatial Strategy, which was due to be revised in the coming months. If they fell within the allocation, there could be a limited effect on the regeneration, as some potential home-buyers could be attracted to Pennbury. If they were additional to the allocation, this would be further competition for in-City sites and could have a very damaging effect;
- The likely timing of the proposed development could be compared to and therefore compete with the LRC's city projects. If expected building rates were not being met the attractions of Pennbury could lead to part of the market being top-sliced to the detriment of the LRC.
- The target demographic for the Eco-Town was probably slightly different from that of the City Centre. The LRC hoped to attract a varied and younger demographic, while the Eco-Town would more likely be family orientated. The extent to which there might be competition needed to be

explored.

Impact of employment in Pennbury

- Competition from the proposed development for growing office, retail and science jobs could risk diverting developer and end-user interest away from the City Centre, where investment has already been made and sites of this kind were being developed. Partner confidence could be undermined and delicate negotiations potentially jeopardised by the emergence of a rival site at Pennbury;
- The Co-op's proposals for the office and retail sectors had been presented as self contained and market town in character but this did not seem to be indicative of their proposals for 2,860 jobs in finance and business services (requiring a space of 67,000 square metres) which would be 500 more jobs than the main phase of the city's New Business Quarter (which would require only 50,000 square metres). The retail floor space proposals were bigger than Fosse Park which would appear to be disproportionate for local needs though it was noted that the figures were at this stage indicative and would be reviewed over the coming months.

Infrastructure

- The LRC required continued public funding support. If the proposed development were to require similar public funding there, was a possibility that the Government and English Partnerships would give it priority over the regeneration of the City Centre.