

CABINET – 10 FEBRUARY 2009

**COUNTY COUNCIL RESPONSE TO THE DRAFT PLANNING
POLICY STATEMENT ON ECO-TOWNS AND THE POSSIBLE
PENNBURY LOCATION**

REPORT OF THE CHIEF EXECUTIVE

PART A

Purpose of Report

1. To inform Cabinet of the results of the work undertaken to assess the draft Planning Policy Statement (PPS) on eco-towns issued by the Department for Communities and Local Government including the possible location of an eco-town at Pennbury and to seek approval for a proposed County Council response on the draft PPS and Pennbury.

Recommendations

2. It is recommended:
 - (a) That the comments of the Scrutiny Commission on 28 January 2009 be noted;
 - (b) That it be noted that the work undertaken by the Scrutiny Review Panel was both detailed and objective;
 - (c) That the conclusions reached by the Scrutiny Review Panel be approved;
 - (d) That it be noted that the Panel found that while there is merit in the principle of an eco-town, there are very real concerns about the suitability of Pennbury as an eco-town location;
 - (e) The proposed response to the draft PPS at Appendix 3 be approved;
 - (f) That the County Council objects strongly to the eco-town process which the Government has followed to date. It has not adhered to the accepted plan led approach with its customary democratic and community involvement and it has not properly considered alternatives to Pennbury;

- (g) That the County Council objects to the proposals for an eco-town at Pennbury in the strongest possible terms for the reasons set out in this report and summarised in the conclusions at paragraphs 60 - 68. The inability to deliver the jobs at Pennbury and the transport consequences of this are paramount concerns;
- (h) That it be noted that a public meeting has been arranged for 2 March to discuss the County Council's response with local residents, businesses and other stakeholders. The outcome will be reported back to the Cabinet on 10 March.

Reason for Recommendation

- 3. To enable the County Council to respond effectively to the draft PPS on eco-towns and proposals for an eco-town at Pennbury.

Timetable for Decisions (including Scrutiny)

- 4. The Government is inviting responses to its eco-town proposals by 6 March 2009.
- 5. The Pennbury Scrutiny Review Panel has concluded its work – its Report was considered by the Scrutiny Commission on 28 January 2009. A copy of the Panel's report appears elsewhere on the agenda for this meeting and is summarised in the body of this report.
- 6. The Cabinet's response on eco-towns will be forwarded to the Government to meet the 6 March deadline. However, this response will then be discussed at a public meeting on 2 March and any feedback reported back to Cabinet and then passed on to the Government.

Policy Framework and Previous Decisions

- 7. The Cabinet previously considered reports on the work being undertaken to respond to the shortlisting of Pennbury at its meetings on 8 April, 6 May, 6 June, 20 June and 16 December 2008.
- 8. At its 8 April meeting the Cabinet resolved, inter alia, to authorise the Chief Executive to take all necessary measures to enable the County Council to respond effectively to the consultations and possible planning application in respect of the proposal. The report to that meeting identified the work required to allow the County Council and its partners to respond to the proposal.
- 9. On 20 June the Cabinet approved an initial response to the Government's eco-town proposals as they were then. Concerns were raised about the lack of detailed information about the proposals, the complete disregard for planning procedures and existing planning

policies and real concerns about aspects of the proposals for Pennbury. The Cabinet called for further more detailed information and requested that a number of studies be carried out to assess thoroughly the eco-town proposals including those for Pennbury.

- 10 The Scrutiny Commission considered the Review Panel's report at its meeting on 28 January 2009. The Commission's comments appear elsewhere on the agenda for this meeting.

Resource Implications

11. The Government and the landowners and prospective developers the Co-operative Group (the Co-op) and the Homes and Communities Agency (HCA) will fund some of the costs involved in carrying out this work. The Co-op's contribution relates to paying for the Transport Assessment. £23,750 has been received from DCLG as a contribution towards the costs incurred by the County Council. The Cabinet has authorised spending of up to £500,000 to be met from the general underspend in 2007/08 or reserves. The Director of Corporate Resources has been consulted on this report.

Circulation under Local Issues Alert 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
Dr. S. Hill CC
Mr W Liquorish JP CC
Mr A P Natzel CC
Mrs R Page CC

and all other members of the Council.

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PART B

The Draft Planning Policy Statement (PPS) and Sustainability Appraisal

12. A draft Planning Policy Statement setting out standards which eco-towns will be required to meet and the criteria by which they will be assessed was published together with a draft Sustainability Appraisal last November. 12 possible locations for eco-towns are listed including Pennbury. They have been graded A (generally suitable), B (might be suitable if certain objectives are met) or C (only suitable with exceptional innovation). Pennbury has been classed as Grade B. Comments to the Department for Communities and Local Government (DCLG) on the draft PPS, the Sustainability Appraisal and the possibility of an eco-town at Pennbury are invited by 6 March.

Financial Assessment

13. DCLG has commissioned PricewaterhouseCoopers (together with ATLAS and DentonWildeSapte) to carry out a Financial Assessment of Pennbury. This is looking at the costs and revenues/values of the proposals to see if they are viable and deliverable. The work is still not completed. DCLG has advised that it hopes to make an interim report on the Financial Assessment available to local authorities by the end of January although this is unlikely to include much if any financial information. There are also concerns that local authorities have no knowledge of the details of the development proposals which have been used in the Assessment and that requirements identified by local authorities have not been factored into the Assessment. It is likely to classify the possible eco-town locations on a red, amber, green basis related to their potential to be viable and deliverable. The latest position on the Financial Assessment will be reported as an addendum report to the Cabinet on 10 February. If information from the Financial Assessment is not available by the date of the Cabinet meeting then the County Council will no doubt want to reserve its position in respect of any matters emerging from the Financial Assessment.
14. Alongside the Financial Assessment, DCLG has asked promoters to prepare a Statement of Intention which sets out how eco-town proposals would move forward through the planning application process if the relevant location is included in the final PPS. Where local authorities sign up to the Statement, this will be regarded as a positive factor increasing the likelihood of a scheme gaining Government support. The proposers are supposed to have prepared a draft Statement of Intention by 16 January which would then be shared with the local authorities. At the time of writing this report, nothing has been received by the County Council.

The Co-operative Group/Homes & Community Agency's Proposals for Pennbury

15. The Co-op/HCA submitted their 'final' option proposals to DCLG on 5 September. These proposals were published on the Co-ops website on 9 October. Their vision for Pennbury is for a mixed use sustainable community with development meeting the highest eco standards possible. A copy of the Co-op/HCA Masterplan Vision is shown in the Scrutiny Review Panel's report. Development would avoid the existing villages of Stoughton, Little Stretton and Houghton but come within 150 metres of Oadby and Great Glen. The population is estimated as 36,000. The proposals include 15,000 new houses with a range of different house types and sizes. The overall density would be 60 dwellings per hectare. 30% of houses would be affordable but some of these may be provided in the City.
16. The transport strategy is based on a step change in how people move between and within places. The emphasis is on walking, cycling and public transport. A rapid transport link would be provided to the City Centre, bus based initially with the possibility of a tram system at some stage in the future. Only one park and ride is proposed – on the A6 with reference being made to the possibility of this being at the Racecourse (although it is understood no contact has been made with Racecourse operators/owners). Car parking would be one space per two dwellings. Three new single carriageway access roads would be provided into Pennbury with measures to prevent rat running within the development. Following consultation, the Co-op/HCA have decided that they would not complete the Eastern District Distributor Road.
17. The proposals refer to the provision of 14,000 jobs being 'under consideration' for Pennbury but no details are given about the type of jobs. No specific retail floor space is given. Nothing specific is said about the sectors to be targeted but the strategy attempts to ensure that Pennbury reflects the plans contained in the Regional Economic Strategy. (It should be noted that this Strategy makes no proposals for Pennbury or this part of Leicestershire and that the masterplan is predicated on 60% self containment i.e. 60% people living in the settlement also working in the settlement. Achieving 14,000 jobs is therefore a critical issue).
18. Plans include proposals for seven 420 place primary schools and two 1,100 place secondary schools one of which would be an all through eco-academy. A range of facilities such as shops, a swimming pool, health facilities, sports hall, cemetery, etc. would all be provided. Pennbury would have a biomass Combined Heat and Power (CHP) plant together with a number of wind turbines. These would generate sufficient energy from renewable sources to meet the needs of the eco-town.

19. The Co-op/HCA have proposals for a community company which could potentially run a number of services locally. This accords with empowering local residents. Further discussions are needed on the role of the Co-op/HCA in the planning, delivery and subsequent management of Pennbury and the role which local authorities and elected Members may play in this.

Consultation

20. The County Council carried out a consultation exercise in June 2008 and will be holding a public meeting on 2 March 2009 to seek feedback from the community on the County's response to the draft PPS and the Pennbury proposals. The overwhelming response in June was against the development. The County Council has also been represented at a range of public meetings organised by Parish Councils and CASCET (Campaign Against Stoughton Co-op Eco-Town).
21. The Co-op undertook consultation last summer, held an exhibition in a number of locations and attended some public meetings. However, in the last few months, the Co-op has decided not to hold or attend any public meetings and instead have concentrated on holding five workshops with invited stakeholder representatives. This movement away from engaging directly with the community is to be regretted. Furthermore HCA has appeared to be a 'silent partner' which again is to be regretted (especially as HCA will shortly be subject to the new 'duty to involve' applicable to local authorities and many other public agencies).
22. DCLG held a roadshow at Highcross in Leicester on 22 November. They are currently considering potential venues for two more roadshows – the likely plan is to have one day in the Parklands Leisure Centre, Oadby and one evening in a parish hall within Harborough District. Possible dates being considered are Friday 13th and Saturday 14th February. DCLG are also still considering if they will hold a stakeholder event.

Proposed Response of the County Council

23. The proposed response of the County Council has been informed by a number of detailed studies and other work carried out over the last few months:
- The work of the Scrutiny Review Panel
 - Modelling work led by the Transport Planning Group of the County Council
 - Further transport work undertaken by independent consultants White Young Green
 - A Strategic Assessment undertaken by independent consultants Halcrow

- Work by Halcrow and the four Councils on a response to the questions in the draft PPS
- A critique of the Sustainability Appraisals and Habitats Regulations Assessment carried out by Halcrow
- Feedback from consultation which has shown very strong opposition to the Pennbury proposals from the community

Leicestershire County Council Scrutiny Review Panel

24. The Scrutiny Commission set up a Five-Member Panel to examine the proposed Pennbury development. The remit of the Panel was not to come to a decision on whether Pennbury should be supported or not but to prepare advice and guidance for the Scrutiny Commission outlining concerns, benefits and issues for Cabinet to consider. The Panel met on 16 separate occasions and heard evidence from a number of experts with detailed local knowledge relevant to Pennbury. The Panel Report was considered by the Scrutiny Commission on 28 January. A copy of the Panel Report, together with the comments of the Scrutiny Commission appear elsewhere on the agenda for this meeting. The work of the Panel has been both wide ranging and detailed and undertaken objectively. The Foreword to the Panel report states that it is difficult to summarise the findings of the Panel and complete reading of the full report is therefore recommended. However, some of the most important issues which have emerged from the Review are set out below.
25. The Panel believes that there is considerable merit in the principle of an eco-town and the approach to sustainability and high environmental standards is to be commended. However, major questions have emerged as to whether Pennbury is the right location for an eco-town and the Panel noted that the area had already been rejected for major development in the deliberations on the emerging Regional Plan, partly because of its very poor links to the strategic road network. The Panel also noted that Pennbury has been put forward for development by the landowners (in response to an invitation to bid from the Government) and has not come forward through the accepted plan led approach to development. Furthermore, local planning policies for the area do not support development.
26. The Panel can see the merit in the mix of development proposed for Pennbury and the generous provision of open space. However, given its proximity to Oadby and Great Glen, the Panel doubts that Pennbury now meets the eco-town requirement of being well linked to, but distinct from, existing settlements. It now looks far more like a Sustainable Urban Extension. The proposed development would be very urban in form with many buildings up to five storeys in height. As such, it would be visually very intrusive and not be in keeping with the rural character of the area. There is concern about the loss of green field land which in the view of the Government's own advisers (Scott Wilson who carried out the Sustainability Appraisals) would be

“considerable”. The Panel also noted that the possible loss of the Leicester Airport would deprive the area of a much needed facility used extensively for both leisure and business purposes. The chances of finding a suitable alternative site have been described as being almost impossible.

27. The Panel welcomes the aspirations of the Co-op/HCA to promote the use of more sustainable modes of transport, but the evidence it has received suggests that the transport strategy cannot be implemented in its entirety. In particular there are concerns that the bus rapid transit proposals would not result in the high quality bus service required, and as a consequence, there will be more car journeys leading to increased congestion. This would be a particular problem because the Co-op/HCA have no plans to increase or improve road capacity in the surrounding area. The Government’s own Sustainability Appraisal recognises this weakness. The proposed car parking standards are unprecedented and the Panel find it difficult to see how they can work. Developers have indicated that such standards would not, in their view, make the development attractive to a large section of prospective house-buyers.
28. The Pennbury area has very poor links with the strategic road network – this would act as a major deterrent to those wanting to invest in businesses at the eco-town. The Co-op/HCA have no plans to improve these links. The Panel acknowledge that any proposals for a tram would need to be the subject of further investigations but initial indications show that a tram would be very difficult and potentially prohibitively expensive to deliver. The Co-op/HCA have referred to plans for a possible freight rail siding near Great Glen. However, the Panel received information that there is limited capacity on the Midland Main Line and the known views of Network Rail indicate that the freight rail siding would be unlikely to come to fruition.
29. On the subject of housing, the Proposed Changes to the Regional Plan published by the Government in July 2008 set out a requirement to provide just over 4,000 dwellings per annum in Leicester and Leicestershire for the period 2006 to 2026. Sufficient land is already allocated to meet virtually all of this need without Pennbury. The Panel also received evidence which suggests that the overall need for housing should be reviewed in the light of the current financial crisis and changing migration assumptions. There is no evidence of need for housing in the Pennbury locality and the area had been considered and dismissed as a possible location for major residential development as part of the deliberations on the Regional Plan. However, the Panel concluded that there is clearly a need for more affordable housing, especially for rent, and that every effort should be made to respond to this need regardless of Pennbury. The Panel Report catalogues so many uncertainties and risks associated with the nature of the eco-town housing which collectively would impact on marketability, saleability and deliverability. Eco-towns of the scale envisaged would

be getting into such uncharted territory that there may be logic in carrying out only one as a pilot project to see if the concept works. However, if Pennbury were to proceed, then it is likely to create an over supply of housing land which could adversely impact on existing and planned residential development areas.

30. The Panel considered the potential impact of Pennbury if it was to proceed on the regeneration of Leicester and other urban areas such as Oadby and Wigston. The Co-op/HCA have stated that Pennbury could act as a catalyst for regeneration. However, the evidence suggests the reverse could be true. The Panel believes that there is a very real risk that Pennbury could adversely impact on much needed regeneration in these areas. If the Government does give permission for Pennbury to proceed then it will be essential that any public funds allocated to Pennbury are additional to existing regeneration budgets.
31. The notion of a community with a mix of uses and a range of jobs is to be commended but the Panel notes that at present the Co-op/HCA have no economic strategy which explains how the jobs will be delivered. Against this, the Panel received evidence which set out a number of well argued reasons why it would be very difficult to attract the number of jobs envisaged for Pennbury. In the views of the business community, the area's very poor links to the strategic road network is a major concern. If these jobs are not provided then the transport consequences of Pennbury residents travelling to their places of work are very significant and would impact adversely on the transport strategy.
32. The Panel believes that the Co-op/HCA proposals to supply fresh, local, healthy food to the town and involve the community in food production whilst retaining a commercially viable farming enterprise are to be commended. The Panel have concerns about the principle of the loss of farmland but the evidence it received indicates that in the context of the quality of the farmland to be potentially lost and the overall amount still available in the County, the loss of farmland would not seem to be a major problem.
33. The Co-op/HCA state that community empowerment and community ownership will be vital in planning Pennbury. They have proposals for a Community Company which could potentially run a number of services locally. The Panel noted that this accords with Government guidance set out in the draft PPS. However, this raises very significant issues for local authorities and could undermine the current role of councils. Clarity is therefore needed on the services the Company might want to provide and how this would relate to local authority services. The relationship between the Community Company and the existing local authorities, parish and town councils needs to be the subject of detailed discussion.

34. The Panel's work has covered a wide range of other issues which are addressed in its report. There are a number of instances where further information is needed before more detailed assessments can be made – including the water supply, sewerage system, sewage treatment, waste management, health facilities, schools and services for young people, the Great Park, energy and flood mitigation proposals. A certain amount of information has been provided by the Co-op/HCA but there are a number of questions and details still unresolved. There is an understanding that the Co-op/HCA will pay the capital costs for these facilities but the potential revenue consequences for local authorities needs to be addressed. The Co-op/HCA have acknowledged these outstanding matters and would want to hold further discussions with the local authorities in the future.
35. The Panel also considered the Strategic Assessment carried out by the consultants Halcrow, a suggested response to the draft Planning Policy Statement on eco-towns and the eco-town Sustainability Appraisals commissioned by the Government. The Panel has asked the Scrutiny Commission and the Cabinet to take these documents into account in their deliberations on eco-towns, and Pennbury in particular.

Modelling work

36. Modelling work has been undertaken to help understand the transport implications of Pennbury and consider transport improvements and mitigation measures which would be needed if Pennbury went ahead and their costs. This has been led by the County Council working in conjunction with Harborough District Council, Oadby and Wigston Borough Council, Leicester City Council, the Highways Agency and the Co-op/HCA.
37. The transport modelling that has been conducted, whilst complex, has not been able to be as comprehensive as officers would have liked due to the time restraints imposed by the Government led eco-town process, nor, to date has it been possible to seek to address the significant questions that arise from it. It should be noted that the results garnered were from modelling undertaken over a period of three months - the time normally taken for modelling of a proposal of this size would be considerably longer. The modelling undertaken has indicated the importance of ensuring that key routes in the City, including the A6 and A47, function effectively, otherwise current 'rat run' problems (for example through villages between the A6 and A5199 and A6 and A47) will be exacerbated. It also suggests that it is theoretically possible to deliver Pennbury without serious traffic impacts but only if the whole transport strategy could be delivered. However, there are a number of reasons why this strategy cannot realistically be delivered, including:
 - (a) The modelling work indicates that car parking restraint is the most important element of the Co-op/HCA's transport strategy in terms of delivering significant reductions in car trips. However,

the levels of car parking restraint (one space for every two houses) that the Co-op/HCA aspire to is unprecedented and appears inconsistent with the nature of the population the Co-op/HCA seek to attract in order to maintain an independent living and working town. The nature of the population that the Co-op/HCA are seeking to attract is reflected in their intended employment offer – high quality research jobs for example – whilst the modelling work suggests that the proposed car parking levels would limit the appeal of Pennbury to those with lesser skills and lower incomes. Any mismatch between the population and employment profiles affects the levels of external trip generation, i.e. numbers of residents who travel from Pennbury to work and numbers who travel in to Pennbury to take up the jobs;

- (b) The extent to which remote car parking solutions are practical and secure and how parking spaces would be allocated and enforced are all questionable;
- (c) While a small proportion of the population would want to travel for employment purposes into the City Centre via the rapid transport link, the modelling suggested much greater numbers would also need to travel to surrounding towns such as Oadby, Wigston, Market Harborough and Kibworth and to employment areas in other parts of the urban conurbation such as the Junction 21 and Hamilton. It is not clear how links to these areas would be improved. On current projections, additional bus services would not be self-funding and would therefore require substantial long term subsidy. (The funding assumptions made by the Co-op and fed in to the Financial Assessment work are unknown.) Furthermore, the Co-op/HCA are not proposing any supporting bus-priority measures, and given the degree of existing traffic congestion in these areas, it is not clear whether any additional bus services would be sufficiently attractive to Pennbury residents;
- (d) The Co-op/HCA have indicated that the proposed bus rapid transit system into the City Centre would be accommodated within the carriageway of existing roads. Bus priority measures have already been implemented on the A6 between Victoria Park and the County boundary. On large sections of London Road the ability to provide even greater priority (in order to achieve the journey times that the Co-op are envisaging to deliver a high quality public transport service) is restricted by lack of available space, and the reduction of space for other traffic would compound the congestion problems already being experienced (see White Young Green section in paragraphs 41-43 below);

- (e) At first sight, the proposed 'smarter choice' measures look good but there are questions as to how effective they would be. In any event, the modelling work suggests that alone they are unlikely to deliver any significant reduction in car usage; they should be seen more as complementing the bus public transport measures and as a possible way to increase the appeal of Pennbury to a wider skill range of residents. If they did not work, residents and workers would be likely to seek alternative arrangements for travel and the positive eco effects of the transport strategy would be compromised;
 - (f) The Co-op/HCA consultants have indicated that the roads in Pennbury would be private to ensure that parking controls can be implemented by the Community Company. If this is the case then it would create uncertainties for builders who would prefer the tried and tested route of roads being adopted by the local authority. Not adopting the roads could potentially also lead to difficulties for bus operators, for example in respect of insurance.
38. The provision of a tram system would be very expensive and, in terms of serving Pennbury alone, appears to offer marginal benefit in comparison with the Co-op/HCA bus based proposals. (The modelling work has not looked at any wider benefits to the existing population along the rapid transport link.) Building a tram system would be difficult as buses would still have to run during the tram construction period. It should, however, be noted that funding permitting, the City Council is planning to carry out further work on the possible tram system.
39. Creating an effective transport system would be difficult in the early days of the development because there would be few people living or working in Pennbury and the upfront costs are likely to be substantial (e.g. in terms of subsidising bus services). There are also concerns as to the effects on local traffic flows as a result of construction traffic moving in and out of the Pennbury site during its building phase.
40. As far as the transport issues relating to employment are concerned, Pennbury's ability to attract higher end employment opportunities would likely be restricted by the lack of car parking in the town. If manufacturing businesses were established then the movement of materials into Pennbury and finished goods from Pennbury could create transport problems. The area has very poor links to the strategic road network and the Co-op/HCA have no plans to build any new roads (beyond the site access routes) or improve any of the existing roads.

Further Transport Work by White Young Green

41. In addition to the modelling work, the independent consultants White Young Green (WYG) have been employed by the County Council to assist officers in reviewing the Co-op/HCA proposed transport strategy. Key points arising from their work are summarised in Appendix 1. They raise a number of significant questions about the strategy. In particular, there is concern about the deliverability of the public transport measures along the A6 into the City and whether the frequency, speed and reliability of the bus services can be achieved in practice. It is also unclear whether 'local services', to destinations such as the Leicester General Hospital and Fosse Park, can be made sufficiently attractive to Pennbury residents (the strategy contains no proposals for bus priority measures to address existing congestion problems around the City's southern edge) and it is very unlikely that they would be commercially viable in the longer term (and thus require on-going subsidy by the Co-op/HCA or the Government).
42. If the Co-op/HCA transport strategy cannot be fully delivered as proposed, for example because of practical delivery or financial issues, and Pennbury were to function more like a conventional settlement, modelling work has shown that the effects on traffic congestion would be widespread, significant and unacceptable causing major damage to the economy and to residents quality of life.
43. It is understood that the City Council is looking at the possibility of undertaking further work to address some of the questions raised by WYG.

Strategic Assessment

44. This work has been commissioned by the four authorities with the support of the LSEP and been undertaken by independent consultants Halcrow. It has tested the assumptions behind the Co-op/HCA proposals and examined the Government's draft PPS and Sustainability Appraisal (it would also have considered the Financial Assessment if it had been available). The Strategic Assessment has also looked at the economic impact of Pennbury, its impact on the regeneration of the City and other urban areas and its effects on other major development sites within the surrounding area.
45. A copy of the Strategic Assessment Summary is attached to this report as Appendix 2 and the technical reports produced by Halcrow are all available at Harborough District Council's website. <http://www.harborough.gov.uk>. The Executive Summary is produced in full below.

Strategic Assessment Executive Summary

“This Study has examined the impacts and consequences of the proposed eco-town at Pennbury. It is based on an analysis of published data in the Masterplan Vision, the Technical Papers which support it and our analysis of the implications for existing policies and major development and regeneration sites which may be affected by Pennbury. Our approach to the Study has been to examine the information which has been provided by the Co-op and the implicit and explicit assumptions which underlie it. The Study has been constrained by the fact that there is a lack of detail in the Masterplan Vision and the Technical Papers and no examples of completed development elsewhere in the UK which provide a relevant comparison with the eco-towns concept, either in terms of scale or ambition.

The Co-op’s proposals for Pennbury are a response to the Government’s Prospectus for Eco-Towns published in July 2007. Many of the objectives for Pennbury can be directly related to this and subsequent Government guidance. If these objectives can be met Pennbury could offer considerable potential benefits to the sub-region in terms of new jobs, homes, community facilities and infrastructure, as well as pioneering new approaches to zero carbon living. A large scale, well designed, low-carbon development, properly supported by infrastructure could offer a critical mass and a wider range of local jobs, homes and facilities than a more dispersed pattern of unsustainable development.

However, the Co op Vision, Masterplan and stated aspirations are not matched by sufficiently detailed commitments and proposals to ensure that these objectives can actually be delivered. One of the main findings of this study is that the Masterplan contains a lack of specific information and detail to explain or justify many of the assumptions made, as well as ambiguities and uncertainties as to what is actually being proposed. These omissions and ambiguities are summarised below:

Employment

The Co-op has produced no convincing evidence to demonstrate that the economic roles envisaged for the town will actually produce the number of jobs required, or that this role will not conflict with the economic strategy for Leicester and the wider area. There is very little detail provided on the types of environmental industries the eco-town will attract and considerable uncertainties whether these can actually be delivered in the number required. There is also ambiguity over plans for “knowledge based industries” and whether these will be confined to the environmental sector or will compete with plans for office and science/innovation parks elsewhere.

No convincing evidence is produced to support the assumption that 60% of Pennbury residents will work in the eco-town (this containment ratio would be almost double that of neighbouring Oadby & Wigston). If this assumption is incorrect, there will be much greater job leakage to other areas, with

significant negative impacts on commuting, traffic generation and capacity, carbon emissions and sustainability.

This part of south east Leicester has very poor links to the strategic road network, both to the A46 northwards and the M1 southwards. This poor connectivity is likely to act as a constraint on the attraction of this location to employers.

Many of the assumptions made to predict retail expenditure, and the proportion which is likely to be spent within Pennbury, lack proper justification. Consequently there are doubts concerning the type and quantity of planned retail provision. Firstly a retail capacity study is required to justify the quantum of development proposed. Secondly a retail impact assessment should be undertaken by the Co-op to quantify the eco-town's impact on the vitality and viability of other retail centres in the area.

No evidence is provided to link employment (occupations/salaries) with housing provision. This is a fundamental weakness in the proposal.

Transport

There is concern that the off-site transport infrastructure cannot be delivered, further detailed work would be required. Much of the land required is not in the ownership of the scheme promoters, the environmental implications of the required improvements could be significant and, even then, there may not be sufficient capacity, to cope with the likely traffic. There are funding uncertainties associated with the provision of a tram in the longer term and question marks around the transport assessment and assumptions about public transport patronage.

Scale

The case for this scale of settlement (15,000 homes and associated jobs, community facilities etc) is based heavily on recent population projections. These contain a number of questionable assumptions regarding migration and Leicestershire's likely future share of future regional growth. The large scale of growth planned creates significant challenges in accommodating both the traffic which will be generated and the number of jobs which will need to be created. Given the uncertainties surrounding the basis for the population projections used and the fact that a partial review of the RSS is underway, there are considerable doubts as to whether there is a need for the scale of development proposed. At the very least it would be prudent to undertake a number of sensitivity tests on the population and migration assumptions to establish the implications for future housing needs.

Environment

There have been no detailed surveys of local environmental features, such as ecology, landscape, cultural heritage. The Co op Masterplan is based on

existing surveys and desk based studies alone. Up to date surveys must be undertaken and these may require changes in the layout of the developed areas, either to avoid features of importance or to provide for necessary environmental enhancements.

Location and Form of Development

The location of the proposal derives largely from the landownership of the scheme promoters and not from any rational planning process which has considered and debated alternatives. Due to the proximity of Leicester, Oadby and Wigston, as well as a number of smaller villages, Pennbury would not be a freestanding settlement with its own identity. As currently planned, it would also not be a properly integrated urban extension. This ambiguity should be resolved and Pennbury should be tested as either a freestanding settlement or a sustainable urban extension.

Design

The Masterplan is based on a high average density of 60 dwellings per hectare, with higher densities in the town centre. There is no design detail to demonstrate that this will produce a quality design or provide the necessary quality of life for residents. The massing and bulk of the development is likely to appear very dense and urban in character, which may appear visually intrusive in this rural area. The Co op Masterplan and development concept is based on the airfield which in itself is an alien feature in the landscape. We therefore question the basic starting point for the Co op's design interpretation which would be very different if related to the natural and historic features of the landscape.

Housing

The housing strategy is not clearly founded on an analysis of local needs and opportunities. Assumptions about household size and composition are based on Leicestershire averages, but in fact there are wide variations between the city itself and the surrounding towns and villages. The Masterplan needs to be clear about who it is seeking to attract because different groups will have very different requirements for housing type, tenure and size. This in turn will have major implications for the sorts of jobs which should be provided.

Pennbury is likely to have a major impact on a number of allocated or proposed Sustainable Urban Extensions (SUE's) located in proximity to Leicester. It is likely that these sites would be in direct competition with Pennbury for market share, developer/investor interest and delivery of affordable housing. In particular, this impact could be most significant at Ashton Green, the SUE's west of Braunstone town and east of Hamilton.

Conclusion

The Co-op have at this stage in the planning process provided insufficient information to support the Pennbury proposal at this moment. We have

serious reservations at this stage that neither the required transport infrastructure nor the level of jobs required can actually be delivered. Both the economic strategy and transport proposals should therefore be substantially revised, as these are fundamental to the overall sustainability of the concept.

Many of the other issues we have identified could be addressed through detailed design or management proposals, although no financial information has been made available to provide certainty that the scale of investment required in infrastructure and in social and community facilities will be forthcoming.

Many of the reservations with the current project stem from the scale of the proposal, and a lack of knowledge and experience of proposals of this scale to benchmark against. Further work could be done to establish whether different scales of growth would be acceptable in this location, designed in accordance with the eco-towns criteria, and whether this should be a free standing new settlement or a sustainable urban extension. Further work is also required to address the various social, economic and environmental issues we have identified, in a way which will best meet the needs of both existing and future residents.”

The Draft Planning Policy Statement on Eco-town

46. Issued by the DCLG, the Draft Planning Policy Statement (PPS) on Eco-Town sets out the standards which eco-towns need to meet, the process for dealing with them and the criteria for assessing them. The PPS also poses a number of questions to which anyone can respond. A proposed response to these questions has been drafted by Halcrow, and refined by officers from the four authorities as a response based on jointly agreed work. The response was also discussed by the Scrutiny Panel. A copy of the proposed response is attached as Appendix 3.
47. The Scrutiny Review Panel asked that the Cabinet considers this suggested response but wanted in particular to emphasise two comments in particular:
 - (a) Eco-town development proposals should be dealt with through the Regional Plan, the Local Development Framework (LDF) and established democratic processes. Site specific proposals should not be identified in a national PPS.
 - (b) The draft PPS contains a list of locational criteria for assessing eco-towns. The extent to which a location is an area of housing need should be added to the list.

The Sustainability Appraisals and Habitats Regulations Assessment

48. A Sustainability Appraisal (SA) seeks to identify and evaluate the likely impact of a proposal on the local economy, community and environment. It normally considers reasonable alternatives and suggests measures for improving a proposals sustainability performance. Scott Wilson have undertaken an SA for the draft PPS and also for individual locations. Scott Wilson state that the aim of the individual SA is not to determine whether an eco-town location and proposal is either acceptable- i.e. 'sustainable' – or unacceptable – i.e. 'unsustainable' – and determine which locations progressed on this basis. The purpose of the SA is, rather, to explore the benefits and disadvantages associated with each of the locations and development proposals as an input to the Eco-towns Programme, and suggest ways in which their impact could be rendered more sustainable.
49. The SA of the draft PPS compares the situation with and without the PPS and draws out conclusions including the following:
- Eco-towns are one means to address the twin challenges of increasing housing supply and raising environmental standards in housing;
 - Eco-towns represent a clear opportunity to integrate sustainability from the outset;
 - Successfully implemented, eco-towns could promote the concept of new settlements as a credible and sustainable option for helping to accommodate additional housing and provide a showcase for more sustainable living;
 - Their success in sustainability terms will depend very much on the degree to which they promote a genuine modal shift towards more sustainable forms of transport (walking, cycling and public transport). If journeys to and from the towns are primarily by car then their other sustainability credentials would be undermined;
 - The eco-town standards could potentially become embedded in the planning system and provide a benchmark for future developments including new settlements and urban extensions.
50. The Sustainability Appraisal has assessed each eco-town location and graded them as A, B or C:
- Grade A:** generally suitable for an eco-town;
- Grade B:** might be a suitable location subject to meeting specific planning and design objective;
- Grade C:** location only likely to be suitable as an eco-town with

substantial and exceptional innovation.

51. Pennbury has been classed as Grade B. Of the 12 shortlisted locations, only one has been graded as A and one as C – the rest are all B. Scott Wilson was instructed by DCLG not to consider alternatives to Pennbury in the Sustainability Appraisal which is contrary to normal practice.
52. The conclusions of the Sustainability Appraisal for Pennbury include the following key strengths and weaknesses:
53. The **key strengths of the location** from a sustainability point of view are:
 - Proximity to existing settlements at Leicester and Oadby provides strong opportunities to share and improve existing infrastructure, with potential sustainability benefits for existing and future populations. At the same time land ownership of the green wedge between Pennbury and Oadby would help to restrict growth and infill;
 - High potential for benefits through land and water quality improvements;
 - Leicester is an identified Growth Point, and a lack of affordable housing is a significant issue particularly in Harborough. It is difficult to say at this stage whether or not the proposal would provide truly affordable housing that is accessible to those who need it – i.e. residents of Oadby and Wigston and of Leicester City – but the eco-town could make a significant contribution to affordable housing, especially through the application of recently developed English Partnerships (now HCA) intermediate housing models;
 - The location has been identified as an area of solar and wind energy potential, and the close proximity to Leicester means that there is potential to connect to a district heating system in Leicester maximising efficiency and minimising waste energy.
54. The **key weaknesses of the location** from a sustainability point of view are:
 - The two main roads going into Leicester which run alongside and through the proposed location are generally acknowledged to be at capacity during peak flows, and car use in the existing area is notably high. Therefore the public transport solution is the key element of the scheme in terms of the need for excellent access to the city centre, rail transport, and improved services for satellite rural settlements. The planning of a tram or rapid bus route to the edge of Leicester is relatively easy, but the second part of the

route into central Leicester is more difficult. This is essential in ensuring a low carbon development;

- There is a major resource issue with regard to impacts on existing waste and water infrastructure which are already at capacity. This can be overcome to a certain extent through measures incorporated into the design, but a full solution will potentially require improvements to infrastructure in the region;
- Potential flooding downstream at Great Glen as a result of surface water run off is certainly an issue but can be mitigated with the potential for net benefits;
- Despite the focus of development at the airfield site, development of greenfield land is considerable;
- The rural tranquil landscape would experience a high magnitude of change;
- Public perception, attitudes and issues of community cohesion would require careful attention and will be important in ensuring that the scheme is successful.

55. The Habitats Regulations Assessment (HRA) tests the impacts of a proposal on nature conservation sites of European importance. The HRA concludes “it did not prove possible to say with confidence that development at Pennbury under the Eco-towns Policy Framework will not lead to adverse effects on Rutland Water Special Protection Area (SPA) & Ramsar site as a result of recreational pressure or on European sites as a result of increased abstraction or on the Humber Estuary as a result of cumulative deterioration in water quality”.
56. A critique of the two SAs and the HRA has been undertaken by Halcrow. A copy of the Executive Summary of their report is set out below. Copies of the full report are available on the Harborough District Council website.

Strategic Assessment Sustainability Appraisal Review - Executive Summary

“SA of the PPS

The stated purpose of the SA is unclear. The SA seems to imply that it has accepted the principle of the Eco-towns programme and has been used simply to “suggest ways in which their impact could be rendered more sustainable.” (Para. 1.5.5) This is inadequate and unsatisfactory. The SA should be more than “an input to the Eco-towns Programme”, it should be the mechanism to determine whether specific locations and development proposals are acceptable in principle to go forward to further evaluation through the LDF process.

The approach to the consideration of alternatives in the SA is fundamentally flawed. The SA deals with alternatives simply by considering the situation with the draft PPS

(i.e. developing eco-towns) versus the situation without the draft PPS (described as “business as usual”). The SA should have considered the option of “Sustainable Urban Extensions” as an alternative to the free-standing eco-town concept and appraised this alongside the do-nothing option. In the East Midlands there are a number of existing and potential SUEs which represent very realistic alternatives to Pennbury, including those put forward in evidence by the County Council to the Public Examination of the draft RSS, as well the Panel Report recommendation that the Burton-Leicester corridor was worthy of consideration.

The SA fails to provide any convincing explanation as to why Sustainable Urban Extensions (SUEs) have not been considered and appraised as viable alternatives to the eco-town concept. It also fails to contain any convincing evidence that Sustainable Urban Extensions could not be designed to achieve the same sustainability benefits as eco-towns, if the eco-towns criteria are applied to them. The SA for Pennbury should have evaluated the potential SUEs in the East Midlands as viable alternatives to Pennbury, particularly since the SA evaluates a number of alternatives elsewhere, including urban extensions (at Bicester).

The SA reveals that the East Midlands is the only English region in which there is no shortfall between the 2004 household projections and housing supply identified in the RSS (Figure 9). On this basis there is no pressing need to consider an eco-town at Pennbury, particularly since a partial review of the RSS is underway.

Section 3.7 summarises the benefits that are planned to flow from eco-towns and Table 6 identifies whether the proposed eco-towns standards would represent an improvement on business as usual. Note that all of these supposed “improvements” could also apply to Sustainable Urban Extensions, which would not represent “business as usual” if the eco-towns criteria were applied to them.

Table 6 identifies an eco-town transport standard that “key connections around the eco-town do not become congested”. This is certainly a significant risk at Pennbury and this standard is a welcome criterion against which schemes should be evaluated. Given the importance of this issue it is not sufficient, as suggested by the SA, that this criterion is applied at planning application stage. This is too late in the process and decisions in principle may have been taken. The DCLG and local authorities should be satisfied that proposed eco-towns will not lead to congestion on key connections around the site, before any decisions in principle are taken.

The SA states that the requirement that there should be access to one employment opportunity per new dwelling represents a clear improvement on business-as-usual in terms of policy. The SA should also have gone on to consider how easily this objective may be delivered and monitored, before attaching any significance to this criterion.

The DCLG has not accepted the recommendation that one of the locational criteria should be that eco-towns be located in an “area of high housing and affordable housing demand”. This is illogical and inconsistent since the whole programme is so clearly related to the government’s objectives to increase the delivery of housing.

The government has also not accepted the recommendation that eco-standards be developed for urban extensions. This is a major wasted opportunity since urban extensions are an important category of development which are likely to provide a major delivery vehicle for new homes around the country.

SA of the Pennbury location

The SA is split into three different documents. Even within the locational chapter there is a further split and the sustainability effects of the location are considered separately from the sustainability effects of the development proposal. This disaggregated approach is unhelpful and makes it difficult to form a holistic view of the overall sustainability effects of the Co-ops proposals at local, sub-regional and national levels. The different elements of the SA should be integrated into a coherent whole.

The stated purpose of the SA is unclear. It appears to be being used simply to “explore the benefits and disadvantages associated with each of the locations and development proposals as an input to the Eco-towns Programme”. The SA should be more than “an input to the Eco-towns Programme”. It should be the mechanism to determine whether specific locations and development proposals are acceptable in principle to go forward to further evaluation through the LDF process.

The SA has been undertaken at a strategic level and it is broad in its assessment, conclusions and recommendations. However, it is sometimes too broad to be very useful. Para. 2.4 describes the key sustainability objectives which need to be considered, and these essentially form the sustainability framework against which both the location (Table 6) and the developers proposals are evaluated (Table 7). However, none of these objectives include factors which are typically considered in an SA, including soil resources (particularly important in the case of a greenfield location), health, education and equality. The treatment of “spatial issues” is also incomplete. The assessment of locational issues should surely include the extent to which it is capable (or not) of accommodating a free-standing settlement which is “separate and distinct, but well linked to a higher order centre”. This is one of the key eco-town criteria that has been re-iterated though all the various consultation documents, and is repeated again in para. 4 of the draft PPS. These issues are not dealt with in the SA, which is a major omission.

Many sections of the SA simply accept the assertions and claims made by the Co-op. This is unsatisfactory; the SA should have undertaken a critical appraisal of the Pennbury proposals to arrive at an independent view of the merits. The SA should not ascribe benefits to aspects of the proposals which are no more than aspirations at this stage, rather than detailed commitments.

The environmental baseline section places too much reliance on regional analysis (e.g. regional bio-diversity issues). There is a lack of detailed understanding of local issues and priorities and Oadby and Wigston SA for example is not referred to at all.

The SA ignores the very real difficulties in implementing the Co-ops proposed transport improvements. It is not clear that the proposed measures can be implemented in such a constrained urban environment, where the costs are likely to be considerable and acquisition of multiple parcels of land far from straightforward. The SA ignores these very real difficulties and, as a result, the summary assessment records the transport effects as positive or potential negative, when all four entries should have been recorded as negative.

The Habitat Regulations Assessment concludes that “It did not prove possible to say with confidence that development at Pennbury under the Eco-towns Policy Framework will not lead to adverse effects on Rutland Water SPA & Ramsar site as a result of recreational pressure or on European sites as a result of increased abstraction or on the Humber Estuary as a result of cumulative deterioration in water quality”. A number of mitigation measures are recommended, including application of

Natural England Accessible Natural Greenspace Standards (ANGSt) to open space provision within the eco-town and additional measures, including site management, which may be required at the European sites, to be specified at the detailed project-based Appropriate Assessment stage. Given the specialist ornithological interest at both international sites affected by Pennbury, it is unclear whether “similar recreational functions” can actually be achieved at Pennbury. Moreover, it would seem logical that the PPS Appropriate Assessment should be satisfied that all the potential effects on European sites are capable of being managed and mitigated before it is approved, and not leave residual effects to a project level Appropriate Assessment, by which time the policy context may be fixed.

In the assessment of the situation with the eco-town, the SA is unbalanced by an uncritical acceptance of Co-op aspirations and objectives. There is no evidence in the Masterplan that objectives in relation to bio-diversity, climate change, flood risk, transport etc can or will actually be delivered. The UK Sustainable Development Strategy identifies 5 guiding principles, including Using Sound Science Responsibly. This includes taking into account scientific uncertainty through the precautionary principle. The SA should be based on the precautionary principle and should not be influenced by unsubstantiated assertions for which there is no evidence.

The SA uncritically repeats the Co-op’s assertion that the “compact nature of the development is likely to minimise the impact upon the character and setting of existing settlements”. In fact, the most recent Masterplan Vision document, October 2008, has changed the distribution of the proposed development blocks from the Compact 50 option. The development now extends further to the north, to the south and to the west. In addition to being highly visible from Houghton on the Hill, Kings Norton and Illston on the Hill, the development boundary is now very close to settlements at Great Glen, Oadby, Little Stretton and Stretton Hall

The statements regarding access to rail services appear contradictory and do not appear to reflect the latest Co-op proposals contained in the Masterplan Vision document. If access to rail services is essential, it is unclear why this is not one of the key recommendations of the SA. It is not mentioned for example in section 2.8.5 which summarises issues that require further consideration and elaboration. No consideration appears to have been given to the fact that the location of any rail station at Great Glenn would be some 5km from the town centre, and would presumably need a connecting bus service to facilitate easy access. The SA should not attach any weight to the possibility of a rail service to Pennbury without much greater certainty that it can be delivered.

Para. 2.8.2 summarises some of the main weaknesses of the location, including difficulties in delivering public transport improvements within Leicester City, water resource issues, flood risk, loss of greenfield land, a high magnitude of change to the rural tranquil landscape and issues of community cohesion. These are all significant issues.

The SA does not accord sufficient weight to employment matters in the appraisal of either the eco-town location or the development proposals. This is a fundamental weakness that undermines the credibility of the appraisal process.

Para. 2.8.4 summarises the issues which require further consideration and elaboration. All of these are relevant and necessary. Note that reference is made to the need for “further analysis and development of the economic and commercial role of the proposed eco-town”. This is probably the key omission in the Co-op’s proposals and this element cannot be emphasised too much.

Table 7 identifies serious short-comings in the development proposal in terms of the lack of a detailed and credible masterplan, energy strategy and transport strategy. However, it does not comment that the proposals lack a credible employment strategy, ecology strategy, landscape strategy or water management strategy. This lack of information should be reflected in the overall appraisal.”

57. This work is clearly very critical of the SAs undertaken. The Scrutiny Review Panel considered the SAs and put a number of these and other concerns to the consultants Scott Wilson:

- Why had no alternative development possibilities to Pennbury been considered as part of the SA – for example, one of the SUEs? Scott Wilson explained that they were directed by DCLG not to look at any alternatives. However, elsewhere in the country, SUEs were considered as alternatives to eco-towns;
- Why was it that housing need figures were not being re-examined in the light of the current financial crisis and changes with population and migration assumptions? Scott Wilson explained that they were directed by DCLG not to re-examine these figures;
- How far had the SA been able to take account of the proposals released by the Co-op/HCA in October? Scott Wilson explained that they did receive some information at the end of September but a lot of their work was based on earlier Co-op/HCA information;
- What assumptions had been used in the SA about the proposed transport strategy? This is not clear but the SA does recognise that the public transport proposals are a key weakness of Pennbury;
- To what extent does Pennbury meet the criteria of being “distinct from existing settlements”? There is a lack of clarity on the part of DCLG about what “distinct from existing settlements” actually means. Scott Wilson acknowledge that this is a difficult question to answer;
- To what extent had the lack of detail about the Co-op/HCA economic strategy been taken into account? Scott Wilson seem to have accepted without questioning a number of the economic assumptions made by the Co-op/HCA;
- The lack of challenge, particularly of the ability to attract employment to the Pennbury location, could be considered to make the sustainability appraisal virtually worthless.

Legal Challenge

58. A High Court hearing took place on 22 , 23, 26 and 27 January to consider a legal challenge from Warwickshire objectors concerning amongst other things the adequacy of the consultation undertaken by DCLG in the early part of the eco-town process. The challenge was dismissed and the reasons will be published shortly.
59. There is strong concern about how some of the other eco-town procedures have been handled including the preparation of the Sustainability Appraisals. The County Council should consider the need for other challenges. The LGA may also consider lodging a legal challenge – it has already received legal advice that the whole eco town process may contravene the planning process already established in law.

Conclusions and Proposed County Council Response to the DCLG

60. The Cabinet is asked to note that the work undertaken by the Scrutiny Review Panel was both detailed and objective and to approve the conclusions reached by the Panel. These are that while there is merit in the principle of an eco-town, there are very real concerns about the suitability of Pennbury as an eco-town location. The Scrutiny Commission resolved that the Panel's report be forwarded to Cabinet for its consideration. At the Commission meeting, Co-op/HCA made a number of comments. A response to these comments is at Appendix 4.
61. The transport modelling work and the further work undertaken by White Young Green should also be endorsed. The results raise very serious questions about the deliverability of the Co-op/HCA transport strategy and its effectiveness in practice.
62. The Strategic Assessment carried out by Halcrow is very critical of the Co-op/HCA proposals and concludes that the Co-op/HCA have provided insufficient information to support the Pennbury proposal at this moment. Halcrow have serious reservations at this stage that neither the required transport infrastructure nor the level of jobs required can actually be delivered. The County Council should also endorse these findings.
63. The suggested response as set out in Appendix 3 to the questions posed in the draft PPS with specific comments emphasised by the Scrutiny Review Panel should be approved.
64. The critique of the Sustainability Appraisals prepared by Halcrow and the additional comments made by the Scrutiny Review Panel should also be endorsed.
65. Based on these findings the County Council should strongly object to the development of Pennbury as an eco-town for the following reasons:

- (a) Pennbury has not come forward through the conventional plan led approach to planning which allows for democratic and community involvement in the process. It has emerged as a landowner led proposal and not a plan led scheme. Identifying site specific proposals in a national Planning Policy Statement is unacceptable especially when the Government itself owns some of the land involved;
- (b) Pennbury has been rejected before as an area for major development partly because of its very poor links to the strategic road network. The Co-op/HCA proposals do nothing to deal with this deficiency and the past reasons for rejection have been demonstrated by the additional assessments to remain valid;
- (c) Local planning policies for the area do not support development of the scale proposed – in the absence of any replacement policies, regard must still be had for these existing policies;
- (d) As Pennbury would be built to within 150 metres of Oadby and Great Glen, it does not conform to the eco-town requirement of being well linked to, but distinct from, existing settlements;
- (e) Pennbury would be high density and very urban in form and visually very intrusive. It would most definitely not be in keeping with the rural character of the area;
- (f) In the view of the Government's own advisers, the amount of green field land lost would be "considerable" and it would be an unacceptable and unnecessary loss;
- (g) Recent evidence related to the financial crisis and changing migration trends suggest quite clearly that the overall need for housing is now less than when the eco-town programme was first announced. There is already enough housing land allocated to meet needs in the emerging Regional Plan. Also, there is no evidence of housing need in the Pennbury locality. The Government should therefore review housing need and supply;
- (h) The evidence produced by Halcrow indicates that if Pennbury is permitted and supported by the Government then this will adversely impact on existing and planned housing developments which have emerged through the correct planning procedures. An oversupply of housing land would be created which in overall terms would mean that the expected increased house building rates would not materialise;
- (i) The need for more affordable housing is recognised and supported but this should be provided on the large number of

sites already identified for housing across the City and County. The Co-op/HCA have indicated that if Pennbury is to proceed they would build some of the affordable housing in the City. If this happens then Pennbury would not meet the eco-town requirement of providing at least 30% affordable housing;

- (j) The greatest concern relates to employment. It is very concerned that the Co-op/HCA have no economic strategy and therefore there is no understanding of the types of jobs they would be looking to attract or the feasibility of attracting them. Strong evidence was presented to the Scrutiny Review Panel indicating for a variety of reasons that the Co-op/HCA would be unable to attract the number of jobs they need to, to reach the 60% self containment target. This would mean that Pennbury would not comply with eco-town standards. It would also mean that far more residents would travel out of Pennbury for work, many by car, thus creating unacceptable levels of congestion;
- (k) Based on the evidence available, the Co-op/HCA transport strategy would not in practice reduce journeys made by cars to and from Pennbury to a level that avoids unacceptable increases in congestion. There are real concerns that the proposed level of parking is neither feasible nor viable; the bus rapid transit system would not provide buses with the priority needed and as such the high quality service cannot be achieved and in any event would only provide for the relatively small proportion of trips predicted between Pennbury and the City Centre. The strategy does not properly reflect the revenue costs and priority measures likely to be involved in ensuring that bus services provide a sufficiently realistic alternative to the car to other key destinations;
- (l) The proposed car parking standards are unprecedented and would be difficult to implement and enforce. They would discourage both residents and businesses from moving to Pennbury;
- (m) The initial assessment of the tram proposals indicate that a tram system would be very difficult and potentially prohibitively expensive to deliver;
- (n) The Co-op/HCA have suggested that Pennbury would act as a catalyst for regeneration but no credible evidence has been provided to suggest that this will be the case. The reverse is far more likely to be true with the prospect of development opportunities at Pennbury taking away investment from regeneration projects. Very substantial public subsidy would be required to support Pennbury which would lead to a loss of public investment elsewhere in the City and County;

- (o) The loss of Leicester Airport which would deprive the City and County of a much needed leisure and business facility. Evidence suggests that the chances of finding an alternative site for the Airport are minimal;
- (p) The Co-op/HCA proposals for the establishment of a Community Company which could run a number of services needs to be the subject of much more discussion but the could undermine the current roles of local government, parish and town councils.

66. There are a number of other considerations:

- (a) There are a number of instances where there is still a lack of detail from the Co-op/HCA on proposals – including water supply, sewerage system, sewage treatment, provision for emergency services, waste management, health facilities, schools and services for young people, the Great Park, energy and flood mitigation proposals. A certain amount of information has been provided by the Co-op/HCA but it is unfortunate that a number of questions and details are still unresolved. There is an understanding that the Co-op/HCA will pay the capital costs for these facilities but the potential revenue consequences for local authorities needs to be addressed before any decision is made on Pennbury;
- (b) The Halcrow assessment of the Sustainability Appraisal is very critical and it is of particular concern that the Government decided not to compare Pennbury with other possible locations and decided not to question housing and population projections. The unquestioning acceptance by the Government's consultants of many of the assertions and claims made by the Co-op/HCA is not satisfactory. DCLG should therefore carry out another Sustainability Appraisal properly;
- (c) As the Pennbury area has such poor links to the strategic road network and the Co-op/HCA have no plans to improve these links, the prospects of attracting manufacturing or warehouse jobs to Pennbury are very remote. Any jobs are far more likely to be in the office or retail sector which would put it in direct competition the City Centre. The Government should if it intends to continue to support Pennbury, therefore demonstrate how restrictions on office and retail development in the City Centre could be implemented and what other measures would be put in place to ensure that Pennbury became a viable alternative to the City Centre;
- (d) If the Government does press ahead with Pennbury then there would be very substantial additional funds needed to provide the things which the Co-op/HCA are not planning to provide but which would be needed to make Pennbury work. This would

include substantial new road building, the costs of taking over previously unadopted roads within the development if they fall into disrepair, large revenue contributions to bus services, widespread traffic calming, the tram and support to meet ongoing revenue costs likely to stem from a variety of local services and facilities. This money should not come from existing budgets but would need to be additional funding. The Government should demonstrate how this funding would be provided at no cost to local taxpayers.

67. Taking all the above into consideration, the County Council should:
- (a) Object strongly to the eco-town process which the Government has followed to date. It has not adhered to the accepted plan led approach with its customary democratic and community involvement and it has not properly considered alternatives to Pennbury;
 - (b) Object to the proposals for an eco-town at Pennbury in the strongest possible terms for the reasons set out in this report and summarised in these conclusions. The inability to deliver the jobs at Pennbury and the transport consequences are paramount concerns.
68. For these reasons, Pennbury should not be shortlisted as an eco-town location in the final version of the PPS.

Further Information

Further information on eco-towns can be found on the CLG website:
<http://www.communities.gov.uk/housing/housingsupply/growthareas/ecotowns>

Further information on Pennbury can be found on the Co-op's website:
<http://www.ecotownforleicestershire.coop>

Equal Opportunities Implications

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

Background Papers

Reports to the Cabinet on 8 April, 6 May, 6 June, 20 June and 16 December 2008 on 'Eco-Towns – Shortlisting of Pennbury (Stoughton)'.
Leader's Position Statement to the County Council – 21 May 2008.

Appendices

Appendix 1 – Transport Work Undertaken by White Young Green

Appendix 2 – Strategic Assessment Summary

Appendix 3 – Proposed Response to the Draft Planning Policy Statement on
Eco-Town

Appendix 4 – Issues raised by Co-op/HCA at Scrutiny Commission 28th
January 2009

