



**CABINET – 6 OCTOBER 2009**

**EAST MIDLANDS REGIONAL PLAN: PARTIAL REVIEW OPTIONS  
CONSULTATION PAPER**

**REPORT OF THE CHIEF EXECUTIVE**

**PART A**

**Purpose of the Report**

1. To set out the results of the assessment of the four Options for Growth published by the East Midlands Regional Assembly (EMRA), and the proposed comments of the County Council on the East Midlands Regional Plan Partial Review (Partial Review) consultation and request approval of the Cabinet for these to be submitted to EMRA.

**Recommendation**

2. It is recommended:
  - a) That EMRA be informed:
    - i) That the County Council continues to seek a deferral of the review of the housing aspects of the Regional Plan given current economic and housing market uncertainty and the limited availability of data and evidence relating to the impact of the economic downturn on the future requirement for new homes;
    - ii) That as a Section 4(4) Authority, Leicestershire County Council will need to take full and proper account of responses made to the Options Consultation Paper by key stakeholders, but that the timetable requiring Section 4(4) Authorities to submit advice by the 31st December will be insufficient to allow for full and proper consideration of responses from key stakeholders and the subsequent preparation of advice based on firm and robust evidence.
  - b) That the assessment of the four Options for Growth published by EMRA, contained within Appendix 1, be noted and submitted to EMRA;
  - c) That EMRA be informed that in the absence of an alternative proposal for a new settlement and given the compelling evidence against, and the Government's rejection of, Pennbury as a suitable location, Option 4 should be rejected at this stage;

- d) That the comments on the Partial Review consultation questions set out in Appendix 2 be approved and submitted to EMRA.

### **Reasons for Recommendation**

3. To ensure that the County Council's request for a deferral of the Review is reiterated, and notwithstanding this to make an appropriate input at this key stage in the Regional Plan process, so that issues of importance for the County Council are clearly expressed and influence the shape and content of the Regional Plan.

### **Timetable for Decisions**

4. EMRA is consulting on the Partial Review Options from 30 June to 6 October 2009.

### **Policy Framework and Previous Decisions**

5. Comments on the draft Project Plan for the Partial Review of the Regional Plan (published by EMRA between October and December 2008) were agreed by the Cabinet on 14 November 2008. Key comments related to:
- The need to critically examine the population and household projections to ensure that the housing requirements in the next Regional Plan take proper account of the most up to date information;
  - Questioning whether, in the light of the uncertainties created by the current economic climate and housing market conditions it is prudent to carry out an immediate partial review of the housing aspects of the Regional Plan at all.

### **Resource Implications**

6. The Director of Corporate Resources has been consulted. No immediate implications are identified.

### **Circulation under the Local Issues Alert Procedure**

7. A copy of this report has been circulated to all members under the Members' Information Service

### **Officers to Contact**

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## PART B

### The East Midlands Regional Plan Partial Review Options Consultation

8. EMRA is consulting on the Partial Review Options from 30 June to 6 October 2009. It is being progressed to take account of the Housing Green Paper, published by the Government in July 2007. This set a national target for new housing completions of 240,000 per year by 2016 (subsequently increased to 300,000 per annum by the Government), and proposed that each region should undertake a further review of regional policy to ensure this target can be met. In addition, the report of the Examination in Public Panel recommended that further work be undertaken by EMRA on housing, transport, coastal flood risk, and renewable energy. As a result, the Government asked EMRA in July 2008 to undertake a further Partial Review of the Regional Plan on these limited set of issues, to be completed by 2011. The end date of the Regional Plan will also be rolled forward to 2031.
9. A summary of the timetable for the Partial Review is set out below:

30 June 2009	Start of 14 week Options public consultation with interim Sustainability Appraisal and Habitats Regulation Assessment
6 October 2009	End of Options public consultation
31 December 2009	Submission of Section 4(4) Advice to the Regional Assembly
26 March 2010	Submission by the Regional Assembly of a Draft Revised Regional Plan to the Secretary of State, along with a full Sustainability Appraisal, Habitats Regulation Report and Pre-Submission Statement of Consultation for 12 week public consultation
1 April 2010	Transfer to new arrangements following the wind up of the Regional Assembly (subject to legislation)
September 2010	Likely start of Examination in Public (date to be determined by the Planning Inspectorate)
March 2011	Likely start of 12 week public consultation on proposed changes to the Draft Revised Regional Plan (date to be determined by the Secretary of State)
Autumn 2011	Likely publication of the Revised Regional Plan (date to be determined by the Secretary of State)

### Housing Provision

#### *Background*

10. EMRA has emphasised that the primary purpose of the Options Paper is to focus attention on consideration of broad spatial distribution of housing within

each HMA, rather than to engage in prolonged debate about the exact number of homes that would need to be provided between 2021 and 2031. However, without knowledge of the type, scale and location of new development, it has only been possible to assess the options at a strategic scale, based on general issues that characterise the Leicester and Leicestershire HMA. Independent consultants have undertaken a sustainability appraisal of the Options which has informed the assessment.

### *Scale of Development*

11. The likely scale of development is set out in the sustainability appraisal, which quotes the advice of the National Housing and Planning Advice Unit (NHPAU) on the amount of housing required across the East Midlands between 2021 and 2031. This amounts to a range of 4,470 to 4,700 per annum for Leicester and Leicestershire, equating to 44,470 to 47,000 over the whole ten year period. This is considerably higher than the requirement of 4,020 per annum from 2006 to 2026 in the recently adopted Regional Plan.
12. A subsequent report by the NHPAU contends that despite the recession which is depressing the housing market, there are strong indications that the need for additional housing will increase further over the longer term. Housing provision in the East Midlands would need to be increased to between 25,100 and 26,800 per annum to stabilise affordability at current levels. Although Housing Market Area figures are not presented, this would probably amount to a range of between 4,800 and 5,100 per annum. However, this is still lower than the amount of household growth implied by the recently issued 2006 based Household Projections based on Population Projections from the Office of National Statistics (ONS).
13. Despite assurances from NHPAU that demand will continue to rise, it is believed that the economic downturn will have lasting effects on the housing market and the full implications of this are not yet known. In light of such uncertainties the Regional Plan review of housing would seem premature.
14. Some of the assumptions in the 2006 based projections should also be challenged. The migration assumptions reflected circumstances, where the impact of an economic downturn was not apparent. If the review is progressed in line with such projections then there is a risk of an oversupply of land that could undermine the development of the Sustainable Urban Extensions and the regeneration efforts of Leicester City and the Sub Regional Centres. Revised and updated 2008 based population projections are due to be produced by ONS in summer 2010. These should incorporate new evidence of the past effects of migration at local level, which could be significant to the consideration of the locational options.

### *Locational Options*

15. This report focuses on the key issue of the four options for the location of development for Leicester and Leicestershire published by EMRA; note that references to Leicester are to the Principal Urban Area, not the administrative area:

*Option 1*

Continue the current strategy of focussing development in the Principal Urban Area of Leicester and the Sub-Regional Centres;

*Option 2*

Focus development at the Sub-Regional Centres and promote regeneration and related development at Leicester;

*Option 3*

Focus development and regeneration at Leicester and the Sub-Regional Centres of Loughborough and Coalville, with the remaining development at the remaining Sub-Regional Centres;

*Option 4*

Concentrate the majority of new development into a large new settlement (n.b. a similar Option also features in the Derby and Nottingham Core Housing Market Areas)

*Assessment of Options*

16. The detailed assessment of each Option is set out in Appendix 1. This includes the likely implications for Leicester and Leicestershire in the context of the implied requirement to provide at least 45,000 dwellings over the 10 year period between 2021 and 2031 and a SWOT analysis for each Option. As set out in the section on Next Steps, below, it is proposed not to state a preference for any Option, as this could prejudice proper consideration of the full range of views arising from the consultation, which must be taken into account in preparing Section 4(4) advice.
17. However, in the absence of an alternative proposal for a new settlement and given the thorough assessment of, compelling evidence against, and the Government's subsequent rejection of Pennbury as a suitable location for large scale development, Option 4 should be rejected at this stage.

**Consultation Questions**

18. EMRA has also asked a number of more general questions relating to the wider scope of the Partial Review. The draft Leicestershire County Council response to the consultation questions is set out in Appendix 2.
19. Whilst the consultation questions address the individual elements of the Partial Review, the questions do not address how the elements of renewable energy, housing and transport will together address the overriding need to reduce carbon emissions. The end date of the Partial Review, 2031, represents the half way point to 2050, by which time carbon emissions will need to have been reduced by at least 80%. Much of the new development that will be in place by 2031 will therefore need to take account of the longer term target if it is to be achieved. The Partial Review should contain a vision for how the East Midlands will be working in carbon terms in 2050, and how the proposals for up to 2031 will move the Region in that direction.
20. It is suggested that a more general response reflecting the above is also submitted.

## **Next Steps**

21. As a Section 4(4) Authority, the County Council will be required to prepare advice which will be incorporated into the draft Regional Plan to be published for consultation at the end of March 2010. The EMRA has asked for this advice to be submitted by 31<sup>st</sup> December.
22. In order for the County Council to properly consider a preferred Option, and subsequently its advice, it needs to take into account the comments on the Options made by relevant district councils within and adjoining Leicestershire and agencies such as the Highways Agency and Environment Agency. They all have at their disposal more detailed and in many cases more local scale evidence to use in coming to a view on their own geographical or topical area of interest. At the time of writing, most of these responses are either in preparation, or yet to be formally agreed.
23. The EMRA has given an informal undertaking to make the Options responses available for the Joint Planning Board meeting on 23 October. Before then officers will endeavour to obtain relevant responses in order to begin work on Section 4(4) advice.
24. In previously commenting on the draft Project Plan for the Partial Review, the County Council considered the work programme to be unnecessarily constrained by the likely date of the transfer of the Regional Planning Body function from the Regional Assembly to the Regional Development Agency. It expressed concern at the relatively short amount of time available for the Section 4(4) Authorities to prepare HMA-level advice for incorporation into the draft Regional Plan and if, (as actually happened), the consultation on the Options is delayed or extended, this stage will be shortened further, with consequences for the credibility of the evidence base and for the quality of the advice supplied.

## **Equal Opportunities Implications**

25. There are no equal opportunities implications arising from the contents of this report.

## **Background Papers**

East Midlands Regional Plan Partial Review Options Consultation Paper; EMRA; June 2009  
Sustainability Appraisal of Options; EMRA; June 2009  
Advice to Ministers on Housing Levels to be Considered in Regional Plans; NHPAU; July 2009  
2006 based Population Projections; Office of National Statistics; 2008  
2006 based Household Projections; Communities and Local Government; March 2009

## **Appendices**

Appendix 1: Assessment of Options proposed by EMRA  
Appendix 2: Response to Consultation Questions