



Leicester
City Council

**WARDS AFFECTED: All
Wards**

**Overview & Scrutiny Management Board
Cabinet**

**18 September 2008
1 October 2008**

REGIONAL SPATIAL STRATEGY – GOVERNMENT’S PROPOSED CHANGES

Report of the Corporate Director, Regeneration and Culture

1. Purpose of Report

- 1.1 To inform members of the Government’s public consultation on ‘Proposed Changes’ to the draft Regional Spatial Strategy for the East Midlands. The report summarises the main policy implications for Leicester and sets out comments that will form the basis of the City Council’s response to the Government.

2. Summary

- 2.1 On 22 July the Secretary of State published Proposed Changes to the draft Regional Spatial Strategy (RSS) for the East Midlands. This is a statutory public consultation stage prior to Government approval of the RSS and comments are invited by 17 October 2008.
- 2.2 The Proposed Changes respond to the recommendations of the independent Panel who held an Examination in Public (EIP) into the draft RSS between May and July 2007. The EIP Panel report was published on 28 November.
- 2.3 The spatial strategy retains its strong focus on urban concentration and regeneration with the majority of new development being directed towards the region’s five Principal Urban Areas, including the Leicester PUA. The Secretary of State has proposed a 1.6% increase in the housing growth for the Leicester and Leicestershire Housing Market Area, including an increase for the city from 29,500 to 30,000 new homes over the Plan period from 2001 to 2026.
- 2.4 The City Council has previously supported the draft RSS strategy and has made a commitment through the agreed New Growth Points programme to deliver the proposed scale of growth in partnership with the Government and key stakeholders in return for increased levels of funding for essential infrastructure. The Proposed Changes re-emphasise the role of the Principal Urban Areas in delivering sustainable growth for the Region.

3. Recommendations

- 3.1 That the Proposed Changes to the Regional Spatial Strategy and their likely implications for Leicester be noted.
- 3.2 That consideration is given to the comments set out in section 5.0 of the report which will form the basis of the City Council's response to the Proposed Changes consultation.

4. Report

Background

- 4.1 The draft East Midlands Regional Spatial Strategy was published for consultation in September 2006 and sets out the strategic spatial planning framework for the region and its constituent local authorities up to 2026. For simplicity the RSS is referred to as the Regional Plan. All local planning authority Local Development Frameworks must be in conformity with the Regional Plan.
- 4.2 An independent Panel considered representations on the draft Regional Plan at an Examination in Public (EIP) held between May and July 2007. The City Council made representations to the draft Regional Plan and officers participated in the EIP.
- 4.3 Following consideration of the representations submitted on the draft Regional Plan and discussions at the EIP, the Panel made recommendations to the Secretary of State about changes that could be made. The Panel Report was published on 28 November 2007.
- 4.4 The Proposed Changes were published by the Secretary of State on 22 July for a 12 week consultation period which ends on 17th October 2008. Many of the EIP Panel's recommendations have been accepted by the Secretary of State and incorporated in the Proposed Changes.

The Proposed Changes

Housing Provision/Distribution

- 4.5 The Panel's recommendation to increase the housing figures to take account of the 2004-based household projections has been accepted. This has resulted in an increase of 2,500 homes for Leicester and Leicestershire Housing Market Area (HMA) from 94,500 to 97,000 for the 25 year period from 2001 to 2026. This proposed increase is 875 more than the 1,625 increase recommended by the Panel.
- 4.6 The Plan's strategy of urban concentration remains the same with the majority of new development being focused in and adjacent to the region's five Principal Urban Areas and, to a lesser extent, other identified growth towns and Sub-Regional Centres. The revised Plan also acknowledges the importance of the agreed Growth Points Programme, which includes the 3 Cities/3 Counties New Growth Point.
- 4.7 An additional 500 homes are proposed within Leicester City, which equates to an extra 20 per year over the Plan period 2001-2026. The potential urban capacity of the city was discussed at the Regional Plan Public Examination last year when some stakeholders, including the Regional Government Office, raised concerns about conservative estimates for capacity arising from former employment sites.

- 4.8 The EIP Panel, however, concluded that this was counter-balanced by an above-trend contribution from brownfield sites throughout the city and the significant planned increase in the build rate for the city in the draft Plan's strategy. The Panel also commented that there must inevitably be a degree of uncertainty in any assumptions about the contribution of previously developed land, including windfall sites, particularly in view of the nature of the housing market in central Leicester.
- 4.9 Your officers consider that there could be potential for an extra 500 homes in the city over the Regional Plan period and this will be explored through the current Local Development Framework process. A table of major housing sites already identified in the city is provided as **Appendix 1**.
- 4.10 The proposed district housing distribution figures, which are minima and should not be regarded as ceilings, are shown below.

District/HMA	Draft Regional Plan	Proposed Changes	Change from Draft Plan
Leicester	29,500	30,000	+500
Blaby	8,500	8,650	+150
Charnwood	19,000	19,300	+300
Harborough	8,625	8,800	+175
Hinckley & Bosworth	11,500	11,700	+200
Melton	4,000	4,100	+100
NW Leicestershire	12,000	12,200	+200
Oadby & Wigston	1,375	2,250	+875
Housing Market Area	94,500	97,000	+2,500

4.11 In addition, the following proposals relate to phased housing delivery and distribution within the Leicester Principal Urban Area:

- Annual rates of housing provision over 5 year periods to 2016 and over the 10 year period from 2016 to 2026 are set out for each district and unitary authority area (Policy 13);
- The proposed annual rates of housing provision for Leicester City are:-

2001-2006	2006-2011	2011-2016	2016-2026
850 (actual)	1,520	1,370	1,130

A graph showing past and projected housing completions in the city and the Regional Plan annual targets is included in **Appendix 2**.

- Comments are invited on the revised housing provision levels, phasing and distribution within the HMAs to inform the Secretary of State's final version of the Plan;
- No size is prescribed for Sustainable Urban Extensions (SUEs) to Leicester although the amount of housing within Blaby, Charnwood and Harborough to be located within or adjoining the PUA is prescribed (Policy Three Cities SRS 3);
- It is proposed that a redistribution of district and county apportionments to meet the Housing Market Area minima via sound joint Core Strategies will be acceptable, provided the target of 45,570 homes (47%) of housing within or adjoining Leicester PUA is achieved (Policy 13);

Eco-Towns

- 4.12 The current eco-town proposals have not been taken into account in the draft Regional Plan or these Proposed Changes. Once the Government has announced the final shortlist of locations, then issues such as the ultimate size of any new settlement will be a matter for the next Regional Plan review to test.
- 4.13 Changes are, however, proposed to the wording in the text relating to development south-east of Leicester, which is the broad location of the Pennbury eco-town proposal. This now states that a number of factors make the prospect of planned sustainable urban extensions to the PUA in Harborough or Oadby and Wigston difficult without sustained and significant transport infrastructure investment. This replaces the previous wording in the draft Plan that the cost and feasibility of providing transport links to the major road network, rule out the prospect of planned sustainable urban extensions in this location.

Affordable Housing

- 4.14 The draft Regional plan included percentage targets for affordable housing for each Housing Market Area (HMA), sub-divided into social rented and intermediate housing. The Panel considered that this approach was not justified by a fully robust and credible evidence base and that such targets need to be set in Local Development Frameworks based on up-to-date Strategic Housing Market Area (SHMA) assessments. The Leicester and Leicestershire SHMA is nearing completion and will inform local authority LDF documents.
- 4.15 Consequently, the Panel recommended that affordable housing needs figures be included for each HMA, as absolute numbers rather than percentages, and to be used for monitoring purposes only; the Secretary of State has accepted these recommendations. The revised Policy 14 includes an indicative monitoring target of 32,000 affordable homes for the Leicester and Leicestershire HMA for the period 2001-26 and states that this does not represent a maximum (this figure represents 33% of the total planned housing provision for the HMA, similar to the proportion indicated in the submitted Draft Plan).
- 4.16 LCC's strategy is to bring together landowners (public and private) with developers and housing associations. This enabling role involves close working between the Housing Development Team, Planners and Property Services and Legal Services.

- 4.17 We focus on the three major ways of increasing the supply. Land/property and subsidy are required in order to secure additional affordable housing. With 80% of the City's future housing supply targeted on privately-owned sites, our use of planning powers is key to securing additional affordable housing. Our strategy therefore concentrates on three major ways of increasing supply:
- a) Working with partners using the planning process;
Making best use of existing planning powers and procedures.
Making sure the proposed new policies in the Local Development Framework (LDF) maximise the Council's ability to secure additional affordable housing.
 - b) Optimising affordable housing outcomes from LCC land and property disposals;
Disposal of Corporately-owned land and property.
Disposal of vacant/unused Housing Revenue Account sites.
Demolition and redevelopment of existing but unsuitable affordable homes.
 - c) Maximising the amount of capital funding (subsidy) for affordable housing.
Continue to seek to maximise Housing Corporation funding in the City.
Continue to ensure all commuted sums received for affordable housing are invested in affordable housing.
Respond to the Government's market initiatives, purchasing 'off the shelf' properties, explore local housing companies and PFI credits'.

Gypsy and Travellers Pitch Provision

- 4.18 The draft regional Plan included interim figures for pitch provision which would be replaced as better evidence became available from completed Gypsy and Travellers Accommodation Needs Assessments. These assessments have been completed for all the Housing Market Areas in the region, so the Proposed Changes now include updated figures.
- 4.19 The Proposed Changes include minimum requirements for additional pitch provision by 2026 (Policy 16). The requirement for Leicester is 39 additional residential pitches plus 20 transit pitches and 5 additional plots for show people. This reflects the identified requirements set out in the Leicester, Leicestershire & Rutland Gypsies and Travellers Accommodation Needs Assessment 2007. We have been unable to provide new sites in the past and additional pitches to those identified in the needs assessment will be required if we continue not to provide for these requirements in the future.
- 4.20 Regional policy requires local authorities and other relevant public bodies to work together across administrative boundaries to identify land for additional pitch provision. The Local Development Framework should make provision for the minimum additional pitch requirements set out above. Sites for transit and residential pitches will need to be identified in the Council's Site Allocations Development Plan Document. The level of provision will be in accordance with regional policy and will take account of provision in adjoining local authority areas. Suitable locations for gypsy and traveller sites will be considered in the context of national guidance.

Employment

- 4.21 The Secretary of State has accepted the Panel's recommendation for a revised Policy 20 on Regional Priorities for Employment Land. This requires local authorities, emda and sub-regional strategic partnerships to work together in each housing market area to undertake and keep up to date employment land reviews to inform the allocation of a range of sites at sustainable locations. Such sub-regional working is under way in the Leicester & Leicestershire HMA – a revised sub-regional employment land study has been completed, work on establishing a new economic development company and ongoing discussions with partners on a Multi Area Agreement for the Leicester Principal Urban Area.
- 4.22 In line with the Panel's recommendation a new Policy 21 is proposed for sites for Strategic Distribution use. The Leicester and Leicestershire HMA is identified as one of the broad locations to bring forward strategic distribution sites and priority will be given to sites which can be served by rail freight and operate as inter-modal terminals. They also must comprise at least 50 hectares of developable land and satisfy a range of criteria that meet the requirements of the logistics industry.

Green Wedges

- 4.23 The draft Three Cities sub-regional policy relating to Green Wedges has been deleted and replaced by text requiring the review of existing Green Wedges or the creation of new ones in association with development to be carried out through the local development framework process.

Transport

- 4.24 The Secretary of State notes the Panel's conclusion that the Regional Transport Strategy (RTS) is unsound but that it should stand on an interim basis pending a reappraisal as part of the next RSS review. The Proposed Changes update and strengthen the national policy context, in particular to make it clear that traffic growth should be managed to achieve a reduction in the rate of increase, rather than a zero rate reduction as in the draft Regional Plan. Greater prominence has also been given to the outcome of the Regional Funding Allocation exercise which has clarified realistic investment possibilities over the plan period. Appendix 6 has been amended to include only committed transport schemes in the first five year period.

Regional Plan Review

- 4.25 An immediate partial review of the Regional Plan is considered necessary. It is intended that this would address the following issues:
- a) Increased levels of housing provision responding to new targets set by the Government in the Housing Green Paper, the latest household projections and advice from the National Housing and Planning Advice Unit;
 - b) Revised provision for affordable housing to reflect updated information from the Housing market Area assessments;
 - c) Consideration of any eco-town proposals which successfully pass through the ongoing national Eco-town assessment process;
 - d) A revision of the Regional Transport Strategy;
 - e) A review of renewable energy targets.

5. Comments

- 5.1 The City Council generally supports the Plan's Strategy to prioritise the Principal Urban Areas and Sub-Regional Centres as the main sustainable locations for future development within the Region.
- 5.2 However, the Council does have concerns about proposed annual average housing provision rates for the 5 year periods, particularly the period 2006-2011 when 1,520 housing completions are expected annually. Such levels of house building will be extremely challenging, given current housing market conditions, especially for city centre apartments. The upward trend in house building in the city peaked in 2006/07 with 1,215 net additional completions but this has fallen to 940 in 2007/08. If this reduction continues then an annual average of around 1,200 during 2006-2011 may be a more realistic target but if market conditions continue to worsen then this may be optimistic. A sufficient lead-in time is required to bring forward difficult urban regeneration sites and this is likely to result in higher completion rates post 2011.

6. Financial Implications

- 6.1 This report does not include any specific or immediate financial implications. Future development in the City at the scale proposed in the Regional Plan will require the provision of new infrastructure and community services. The designation of the 3 Cities/Counties as New Growth Points has already brought increased Government funding to assist with the delivery of sustainable development. Any details of financial implications will be highlighted in future specific reports.

Martin Judson, Head of Finance, R&C, extension 297390

7. Legal Implications

- 7.1 The Regional Spatial Strategy (RSS) now forms part of the Development Framework for the City and its preparation must follow the statutory procedures prescribed by the Town and Country Planning (Regional Planning) (England) Regulations 2004. The Proposed Changes is the final public consultation stage before the Secretary of State's final approval of the Regional Spatial Strategy.

Anthony Cross, Head of Litigation & Advocacy, extension 296362

8. Other Implications

OTHER IMPLICATIONS	YES/NO	Paragraph References Within the Report
Equal Opportunities	NO	
Policy	YES	Whole report
Sustainable and Environmental	YES	Sustainability Appraisal has been an integral part of RSS preparation.
Crime and Disorder	NO	
Human Rights Act	NO	
Elderly/People on Low Income	NO	

9. Background Papers – Local Government Act 1972

Draft Regional Spatial Strategy (RSS8) for the East Midlands (September 2006)
Draft East Midlands Regional Plan – Report to Cabinet (December 2006)
East Midlands Regional Plan Report of EIP Panel (November 2007)
Proposed Changes to the East Midlands Regional Plan (July 2008)
The consultation documents can be accessed on the East Midlands Government Office website at the following link:
www.goem.gov.uk/goem/planning/regional-planning/?a=42496

10. Consultations

Officers from within Regeneration and Culture, Adults and Housing and Legal Services have been consulted in the preparation of this report.

11. Report Author

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Key Decision	Yes
Reason	Significant in its effects on communities in one or more wards
Appeared in Forward Plan	YES
Executive or Council Decision	Executive (Cabinet)

APPENDIX 1 Major Housing Development Sites in Leicester (March 2008)

Brownfield Sites		Allocation	Permission	Total
LRC Intervention Areas	Abbey Meadows	1,970	1,251	3,221
	Waterside	1,500	1,529	3,029
	St George's North	1,200	434	1,634
	Sub-total	4,670	3,214	7,884
Rest of city centre	21 sites		768	768
Rest of Strategic Regeneration Area	17 sites	300	2,458	2,758
Sub total SRA		4,970	6,440	11,410
Rest of City	71 sites	805	1,892	2,697
All Brownfield Sites		5,775	8,332	14,107
Greenfield Sites				
Sustainable Urban Extensions	Hamilton		1,464	1,464
	Ashton Green	3,500		3,500
	Sub-total		1,464	4,964
Rest of City	Glenfrith Hospital		81	81
	Blackbird Rd Playing Fields		320	320
	Aylestone Rd Sports Ground		275	275
	St Mary's allotments	100		100
	Whittier Rd allotments	120		120
	Wycombe Rd allotments		77	77
	Lanesborough Rd allotments	80		80
	Laburnum Rd allotments	40		40
	Sub-total	340	676	1,093
All Greenfield Sites	Total	3,840	2,217	6,057
All Major Sites		9,615	10,549	20,164

APPENDIX 2: Leicester Housing Trajectory

