



Leicester
City Council

WARDS AFFECTED
All

FORWARD TIMETABLE OF CONSULTATION AND MEETINGS:

Overview and Scrutiny Management Board
Cabinet

24 September 2009
5 October 2009

East Midlands Regional Plan: Partial Review – Options Consultation

Report of the Director of Planning and Economic Development

1. PURPOSE OF REPORT

- 1.1 To inform members of the consultation on the East Midlands Regional Plan Partial Review. The report outlines the main strategic planning, housing and transportation policy implications for Leicester and considers an appropriate response on behalf of the City Council.

2. SUMMARY

- 2.1 The East Midlands Regional Assembly is undertaking a Partial Review of the Regional Plan which considers a range of spatial development options to accommodate future long term housing growth across the region post 2021. The Options Consultation also focuses on housing affordability, transport, renewable and low carbon energy generation. The consultation document and supporting information is available to view on the Regional Assembly's website www.emra.gov.uk/partial-review. The closing date for submitting comments is 6 October.
- 2.2 As a Section 4(4) Authority, the City Council together with the County Council have a statutory duty to advise the East Midlands Regional Assembly on sub-regional planning matters. Following the current options consultation stage, the two councils will be given until the end of December to submit any further formal advice to EMRA.

3. RECOMMENDATIONS

- 3.1 Members are asked to note the Regional Plan Options Consultation and to endorse the proposed responses to the Regional Assembly's questions set out in the report

4. REPORT

Background

- 4.1 The Regional Plan is the Regional Spatial Strategy (RSS) for the East Midlands and the current version which was adopted on 12th March 2009 provides strategic guidance up to 2026. The Government has asked the East Midlands Regional Assembly (EMRA) to undertake a Partial Review of the Regional Plan. The Options Consultation started on 30 June and comments are invited by 6 October. The Partial Review timetable is set out in Appendix 1.

4.2 The review focuses on topics of housing, transport, climate change and aggregates, as well as a number of spatial development options for each Housing Market Area and will extend the Plan period to 2031. The consultation document poses a number of questions regarding the following specific topics:

- The effect of the latest national household projections;
- Approaches to setting affordable housing targets by Housing Market Area;
- Spatial development options for the period 2021 to 2031;
- Emerging Regional Transport Objectives;
- Renewable energy generation and HMA based carbon reduction targets;
- The apportionment of aggregates extraction between county areas.

4.3 During consultation on the Partial Review Project Plan in the autumn 2008, various respondents raised concerns about the need for the review of future housing growth in the context of the current economic conditions. Some local planning authorities were also concerned about the timing of this review and the confusion it would create while they are consulting on their LDF Core Strategies which are based on the current adopted Regional Plan. The Regional Assembly's response is to focus the review of housing issues on the period after 2021.

Housing Provision

4.4 The main purpose of the Options Consultation is to consider a broad spatial distribution of new housing across the Housing Market Areas (HMA) and not to engage in a debate about specific housing numbers at this stage. This makes it extremely difficult to fully appreciate the likely impact on individual local authority areas. However, the Sustainability Appraisal accompanying the Options Consultation provides an illustrative range of housing provision for each HMA to reflect the national household projections and National Housing and Planning Advice Unit (NHPAU) advice.

Table 1: Ranges of housing provision (per annum)

HMA/Region	Current housing provision (average 2001-08 out-turn)	Adopted RSS target housing provision (2006-26)	Indicative housing provision based on 2006 household projections	Indicative housing provision based on NHPAU ranges	
				High	Low
Leicester/Leics	3,439	4,020	5,240	4,700	4,470
East Midlands	18,966	21,938	27,440	24,600	23,400

4.5 Based on the indicative housing provision in the NHPAU ranges above, it appears that there could be a requirement for between 45,000 and 47,000 new homes within the Leicester and Leicestershire HMA over the ten years 2021-2031. This period would overlap with the current regional plan provisions covering the period to 2026.

4.6 Housing Provision Question 1

Is there additional evidence on demographic and migration issues that you would like the Regional Assembly to consider as part of the Partial Review?

Proposed Response

Revised population estimates are being produced by the Office for National Statistics (ONS) using more sophisticated methods of estimating migration. Indicative estimates and projections will be published for consultation in December 2009 and should be considered as part of the review.

4.7 *Housing Provision Question 2*

Is there evidence on affordability issues that you would like the Regional Assembly to consider as part of the Partial Review?

Proposed Response

There is already sufficient evidence available from the completed Strategic Housing Market Assessments for each Housing Market Area. The Leicester and Leicestershire SHMA (December 2008) provides a wide range of information on housing affordability issues.

4.8 *Housing Provision Question 3*

Is there any other evidence on housing issues that you would like the Regional Assembly to consider as part of the Partial Review?

Proposed Response

Strategic decisions on the locations of future housing growth must take account of economic factors and ensure that there is an appropriate balance between new housing and employment land supply in order to achieve a sustainable pattern of development.

The provision of adequate infrastructure, particularly public transport services to accommodate major housing growth in the most sustainable locations will be an essential component of any delivery plans. The Leicester and Leicestershire HMA Growth Infrastructure Assessment (April 2009) provides a robust evidence base for the existing Regional Plan strategy to 2026.

Spatial Development Options

4.9 The consultation document includes a number of spatial development options to identify realistic alternative ways of planning for a growing population which will demand more housing, jobs and a continued quality of life. Development will also need to be sustainable, well integrated with transport and other infrastructure and address the challenges of climate change. The options include a 'baseline' option that continues the existing strategy of urban concentration and regeneration, a focus on certain sub-regional centres and growth towns, a development focus at public transport nodes, a more dispersed development pattern across existing towns and villages or an option for a freestanding new settlement. EMRA acknowledges that a combination of elements from two or more options may be appropriate. Views on any additional options are also sought.

4.10 *Spatial Development Options Question 1*

Are these the right types of spatial development options for the East Midlands?

Proposed Response

Yes, the proposed options consider a range of alternative development scenarios that reflect the diverse nature of the region.

4.11 ***Spatial Development Options Question 2***

Should any other spatial development options be considered for the Region? If so please explain and provide evidence to support these options.

Proposed Response

No additional options are suggested but a combination of elements of the current consultation options should be considered to achieve a long term sustainable development strategy for the Leicester and Leicestershire Housing Market Area.

4.12 The following four spatial development options are proposed for the Leicester and Leicestershire Housing Market Area and a summary of key issues are given:

Option 1

Continue the current strategy of focusing development in the Principal Urban Area of Leicester and the Sub-Regional Centres of Coalville, Hinckley, Loughborough, Market Harborough and Melton Mowbray;

- This promotes Leicester and its urban area as the major focus of development, investment and regeneration and allows for sustainable urban extensions at the sub-regional centres.
- It also recognises that the Leicester PUA is the most sustainable location for development where the use of existing transport infrastructure, employment and services can be maximised. However, the continued expansion of existing urban areas will have environmental capacity implications.
- Our current five year and longer term transport strategy is contained in our Central Leicestershire Local transport Plan, which has been assessed as excellent by the Department for Transport. More detail is provided in the Central Leicestershire Urban Congestion Target Delivery Plan, which has been assessed as very good by the Department for Transport. Our strategy recognises that there will be increased travel due to new homes and regeneration.
- In order to cater for the new trips due to the increased travel demand, we are making the most of the funding available with a very comprehensive package of both hard and soft interventions based on encouraging bus use, and park and ride in particular.
- We acknowledge that there needs to be a step change improvement in City Centre bus stopping and routing, so we are developing a proposed Leicester City Centre New Bus Termini and Routing Scheme covering both short and long term requirements. A scheme has already been accepted into the Regional Funding Allocation (RFA) as a Regional Priority for the period 2012 – 2017.
- Clearly significant additional transportation related interventions and initiatives will be required to accommodate further growth to 2031.

4.13 **Option 2**

Focus development at the Sub-Regional Centres of Coalville, Hinckley, Loughborough, Market Harborough and Melton Mowbray and promote regeneration related development at Leicester;

- This would reduce the focus on Leicester and direct more development to the Sub-regional centres which could affect the growth potential of Leicester.
- Further housing growth at the Sub-regional centres would also need to be matched by new employment growth, otherwise commuting by car to Leicester and elsewhere would be exacerbated and thus have an adverse impact on the congestion in the City and also on climate change.
- Not all of the Sub-regional centres are well served by public transport eg Coalville does not have passenger rail link.

4.14 **Option 3**

Focus development and regeneration at Leicester and major expansion at one or two Sub-Regional Centres (with Loughborough and Coalville highlighted as possible locations) with complementary development at the remaining Sub-Regional Centres;

- This would also direct further development away from Leicester, although there would still be a regeneration focus in the City. There would be a greater emphasis on one or two of the sub-regional centres – notably Loughborough and Coalville.
- While Loughborough is well served by public transport, both rail and bus, there is a current lack of public transport infrastructure at Coalville.
- Further housing growth at these sub-regional centres would also need to be matched by new employment growth, otherwise commuting by car to Leicester and elsewhere would be exacerbated and thus have an adverse impact on the congestion in the City and also on climate change.
- This option will result in residents needing to commute to various employment areas. These more dispersed travel patterns are difficult to deal with in transport terms and would discourage the growth in public transport.

4.15 **Option 4**

Concentrate the majority of new development into a large new settlement (the location of which is not indicated at this stage)

- This option would still allow for regeneration of Leicester and locally based development at sub-regional centres but the focus for development would be a large new settlement. It could enable sustainable travel patterns if located on a high quality public transport link, especially within or adjacent to the Leicester Principal Urban Area.

- A large new settlement with a 'critical mass' could potentially have less transport impact pro-rata than much smaller traditional developments spread around the urban area or the HMA.
- The transport solutions to meet housing growth are potentially more achievable due to the opportunity presented by such a large development with a 'critical mass' being in one place and the consequent concentration of infrastructure investment.
- If a large new settlement, with a sufficient 'critical mass', was located close to the Leicester Principal Urban Area the step change interventions that may be required could potentially include such things as a tram. This could have considerable overarching benefits for the Leicester area and bring forward wider economic benefits.
- A new settlement would provide greater opportunities to incorporate new employment and service provision at an early stage as well as design in green infrastructure, renewable technology and energy efficient housing.
- The City Council consider that any new settlement should be in or close to the Leicester PUA as it is more likely that commuter trips will be more contained and by public transport. A location elsewhere is likely to result in a more dispersed travel pattern that is more difficult to deal with in transport terms.

4.16 ***Housing Market Area Question 1***

Which of the four spatial planning and development options will best meet the needs of the HMA from 2021 and why?

Proposed Response

The City Council considers that it is problematic reaching any firm conclusions on the spatial development options as they currently stand. Growth options should take into account the balance of both homes and employment (not currently part of the Partial Review) together to ensure the most sustainable development options are pursued. This will impact particularly on travel patterns and subsequently transportation choices and linked climate change issues. Furthermore without detailed housing requirements identified it is difficult to fully consider the scale and potential distribution of growth options.

The current Regional Plan spatial development approach (option 1) to focus development in the Leicester Principal Urban Area (PUA) should be maintained at least in the medium term over the current regional plan period as this is likely to continue to be the most sustainable development option. The continued concentration of housing and employment growth and infrastructure investment will allow continued development of an integrated public transport network, minimising car use and consequent impact on climate change. This option will also continue to concentrate regeneration within key parts of the city centre where it is most needed.

The existing Regional Plan housing target of 25,600 new homes by 2026 for Leicester City is however already challenging and there are limited opportunities to accommodate further significant growth within the City boundary. Similarly there will be constraints to the development of extended/additional sustainable urban extensions adjoining the City.

Potential longer term growth options concentrated on the City will depend on the total scale of growth required and at present this is unclear. Growth options should however take into account the need to balance homes and employment, be able to be well connected to the city infrastructure and in particular public transport, minimise climate change impacts and ensure regeneration activity is not adversely affected. In light of the challenges to deliver necessary development infrastructure as identified in the recent Growth Infrastructure Assessment study, the ability to maximise investment in infrastructure to deliver required community benefit from development should also be taken into account. Consequently both SUE and the new settlement growth options 1 and 4 respectively may offer longer term solutions depending on the quantum of housing required and further work will be required to consider options in this respect.

The need for longer term regeneration is also recognised in other parts of the Housing Market Area including Loughborough and Coalville. The implications of growing these towns beyond the currently envisaged levels of growth in the Regional plan (option 3) should however be very carefully considered, particularly in relation to potential impacts on travel patterns. The lack of existing good quality public transport infrastructure at Coalville is noted in this respect. Loughborough may have greater potential to accommodate growth in this respect and in particular has stronger public transport links to Leicester City. Further housing growth at these centres would also need to be matched by new employment growth to minimise out commuting to the Leicester PUA.

In conclusion continued concentration of growth to Leicester PUA (option 1), continuing the current strategy, is the preferred medium to long term option but in respect of options for significant additional growth post 2021, further more detailed comparative analysis should be given to options for additional or extended SUEs, a new settlement and also additional growth at Loughborough.

4.17 Housing Market Area Question 2

Should any other options be considered? If so please explain and provide evidence to support these options.

Proposed Response

See Q1 above.

4.18 Meeting Community Housing Needs - Affordable Housing

Current Government planning guidance requires Regional Spatial Strategies to set out a regional approach to meeting affordable housing needs including affordable housing targets. The current adopted Regional Plan includes indicative targets for monitoring purposes for the region and for each housing market area. For the period 2006-2026 this is currently 137,000 (6,850 per year) affordable homes across the whole region and 26,500 (1,325 per year) for the Leicester and Leicestershire HMA.

4.19 EMRA commissioned Fordham Research to advise on possible options for affordable housing targets for the Partial Review. Based on this study, three options are suggested for the period 2021-2031:

- **Option 1:** Retain current approach of Indicative Targets for monitoring purposes but prepare updated targets for 2021-31;
- **Option 2:** Apply a Needs Based Approach for period 2021-31 based on Fordham Research needs index approach;

- **Option 3:** An Evidence Based Approach which enables local planning authorities to develop shorter term targets in line with Housing Market Area Assessments and economic viability assessments for their area.

4.20 **Meeting Community Housing Needs Question 1**

Which of the three main options outlined above should be used as the basis for setting targets for affordable housing provision for the period 2021-31 and why?

Proposed Response

The Government planning guidance in PPS3 requires affordable housing targets to be set in LDF Development Plan Documents. An affordable housing viability study has been undertaken as part of the evidence base for Leicester's LDF Core Strategy. Consequently, the City Council favours the evidence based approach (option 3) which takes account of local development viability in setting affordable housing targets.

4.21 **Meeting Community Housing Needs Question 2**

What additional actions could the Regional Plan include to help maximise affordable housing delivery, particularly in smaller settlements in rural areas?

Proposed Response

Rural dimension is not applicable.

Meeting Community Housing Needs - Housing for an Ageing Population

4.22 EMRA commissioned consultants Peter Fletcher Associates to carry out an Older People's Housing Needs Study for the region. The older population (aged 65 and over) in the region is expected to increase by 50% between 2008 and 2025, with an 80% increase in population aged over 85 over the same period. The distribution of this growth will vary across different housing market areas within the region. The Partial Review considers what role the Regional Plan might play in providing guidance on the provision of specialist housing for older people.

4.23 **Meeting Community Housing Needs Question 3**

Should the Regional Plan provide guidance on the provision of specialist housing for older people, and if so what form should this take?

Proposed Response

The Regional Plan's main role should be to ensure close co-ordination between all stakeholders and housing providers within the Leicester and Leicestershire Housing Market Area. Leicester City Council is currently developing an Older Persons Housing Strategy which will consider extra care housing accommodation needs to reflect the ethnic diversity of the City's population.

4.24 **Renewable Energy and Low Carbon Energy Generation**

The East Midlands Programme for Action on Climate Change has a target of 10% CO2 reductions by 2012. The challenges and opportunities for renewable energy and low carbon generation will be different across the region. EMRA commissioned consultants Faber Maunsell to identify measures to deliver against the Government's carbon savings and renewable energy targets in the East Midlands. The measures considered are:

- Heat Networks: Combined Heat and Power facilities which are most effective in denser urban areas.
- On site Renewables: solar heating, photovoltaics, small scale wind, biomass, ground or air source heat.
- Regional Scale Renewables: wind farms, large biomass generation plants, larger scale hydro and other large scale renewable technologies all of which offer more potential in more rural areas of the region

4.25 **Renewable & Low Carbon Energy Generation Question 1**

What is the most appropriate mix of renewable and local carbon energy generation for the East Midlands as a whole and why?

Proposed Response

Given the diverse character of the East Midlands ranging from the highly urbanised Three Cities Sub-Area to extensive rural areas of Lincolnshire and the Peak District a range of renewable energy and low carbon generation technologies will be necessary. Within Principal Urban Areas such as Leicester the potential for combined heat and power generation should be maximised. Carbon reduction in new development can be progressively achieved through the code for sustainable homes.

4.26 **Renewable & Low Carbon Energy Generation Question 2**

What is the most appropriate strategy for carbon emissions reduction in each of the Region's 10 Housing Market Areas and why?

Proposed Response

The use of heat networks should be a significant element of any strategy for carbon emissions reduction within the Leicester and Leicestershire Housing Market Area, particularly within the Leicester Principal Urban Area.

4.27 **Renewable & Low Carbon Energy Generation Question 3**

How can heat from electricity generation be used to meet local heating requirements and how can this be delivered most effectively?

4.28 Proposed Response

The City Council supports the Regional Plan's recognition that combined heat and power facilities are most effective in major urban areas. The Council currently owns and manages several district heating schemes supplying heat and hot water to inner City housing estates and community buildings. It is actively exploring options for extending the district heating schemes to connect other major employment uses in the City, such as the universities.

Heat can only be practically and economically utilised if the generation it is associated with is embedded close to its users and a means of distribution of heat through hot water is technically and economically viable. This will generally require housing densities of at least 50 dwellings per hectare, with minimum numbers of around 500 or a sufficient range and scale of mixed use development.

Establishment of such heat distribution networks are heavily dependent on the capital and revenue balance that can be achieved in order for this to become a commercially viable proposition. Fragmented site ownership, differing business scenarios and unpredictable phasing of development create uncertainty and high commercial risk. Central to overcoming these barriers are the need for mechanisms for up-front capital funding - whether by grant, loan or tariff levies or a combination - an assumption of a long-term planning and co-ordination role being present and mandatory planning obligations.

Transport

- 4.29 EMRA and emda are required to give the Government joint advice on strategic priorities and to establish a programme of work to address key challenges. Consultants, WS Atkins have been commissioned to provide technical support and input to the review of the Regional Transport Strategy. The conclusions of this work so far have identified the following priority outcomes for the East Midlands:

Less (Unsustainable) Travel

- Minimised traffic levels (through modal shift of people and goods to more sustainable modes), particularly at peak times and in sensitive locations.
- Reduced congestion and overcrowding on transport networks in urban areas, sensitive locations and on key regional links.
- Reducing the negative impacts of travel and transport on people and the natural environment.

Effective and Efficient Travel

- Quicker, more convenient journeys to and from the main areas of employment and economic activity within and beyond the Region.
- Quicker, more convenient journeys to and from regeneration areas, Growth areas and Growth Points and rural communities.
- Improved road safety.
- Quicker, more convenient journeys to and from international gateways within and beyond the Region.
- Quicker, shorter and more convenient journeys to and from health, cultural, leisure and recreational facilities and services, especially by sustainable modes.

Energy Efficient Travel

- Maximised energy efficiency within the transport sector.

4.30 **Transport Question 1**

Do the regional level outcomes set out above provide a sound basis for the review of the Regional Transport Strategy?

Proposed Response

Yes, in principle, but we need to know the potential strategic growth locations and associated dwelling numbers to be able to give evidence based advice. Additional transport studies will be required to provide a sound evidence based approach before

an assessment of the transport implications of any proposal can be undertaken with any confidence.

4.31 **Transport Question 2**

Do the regional level challenges set out above provide a sound basis for the identification of regional transport investment priorities?

Proposed Response

Yes, but we need to know the potential strategic growth locations and associated dwelling numbers to be able to give evidence based advice. Additional transport studies will be required to provide a sound evidence based approach before an assessment of the transport implications of any proposal can be undertaken with any confidence. Regional transport investment priorities can not therefore be ascertained until the above issues have been resolved and the appropriate transport studies undertaken.

4.32 **Transport Question 3**

Is the proposed structure for the revised Regional Transport Strategy sound and fit for purpose?

Proposed Response

Yes, in principle, as long as it is acknowledged that further transport work is essential. We need to know the potential strategic growth locations and associated dwelling numbers to be able to give evidence based advice. Additional transport studies will be required to provide suitable evidence before an assessment of the transport implications of any proposal can be undertaken with any confidence.

5. FINANCIAL, LEGAL AND OTHER IMPLICATIONS

5.1. Financial Implications

5.1.1 There are no direct financial implications arising from this report.

Martin Judson; Head of Finance R&C; Ext 297390

5.2 Legal Implications

5.2.1 The Regional Plan is part of the Development Plan within the meaning of the Planning and Compulsory Purchase Act 2004. The Partial Review has been requested by the Government and has been prepared in accordance with current statutory planning regulations and guidance. As a Section 4(4) Authority, the City Council has a statutory duty to advise the East Midlands Regional Assembly on sub-regional planning matters.

Anthony Cross, Head of Litigation Ext 296362

6. OTHER IMPLICATIONS

OTHER IMPLICATIONS	YES/NO	Paragraph references within the report
Equal Opportunities	Yes	Paragraphs 4.18 to 4.20 refer to affordable housing targets
Policy	Yes	The whole report is concerned with

		spatial planning policy issues
Sustainable and Environmental	Yes	The Options Consultation includes a supporting Sustainability Appraisal
Crime and Disorder	No	-
Human Rights Act	Yes	There is a requirement for formal public consultation during the preparation of the Regional Plan
Elderly/People on Low Income	Yes	Meeting a range of community housing needs (paras 4.18 to 4.22)

7. RISK ASSESSMENT MATRIX

Risk	Likelihood L/M/H	Severity Impact L/M/H	Control Actions (if necessary/appropriate)
The draft Regional Plan does not take account of the City Council's concerns	L/M L	H M	There will be a further opportunity for the Council to participate in the Public Examination into the draft Plan before it is formally approved by Government.

L – Low
M – Medium
H – High

L – Low
M – Medium
H – High

8. BACKGROUND PAPERS – LOCAL GOVERNMENT ACT 1972

East Midlands Regional Plan: Partial Review- Options Consultation (EMRA June 2009)

9. CONSULTATIONS

The Options Consultation Document has been the subject of internal consultation within the City Council. The Regional Assembly also held a series of sub-regional workshops including one for Leicester and Leicestershire Housing Market Area on 7 July.

10. REPORT AUTHOR

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Key Decision	Yes
Reason	Is significant in terms of its effect on communities living or working in an area comprising more than one ward
Appeared in Forward Plan	Yes
Executive or Council Decision	Executive (Cabinet)

East Midlands Regional Plan: Partial Review Timetable

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 any further 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)