



Leicester
City Council

**MINUTE
EXTRACT**

Minutes of the Meeting of the
ECONOMIC DEVELOPMENT & PLANNING SCRUTINY COMMITTEE

Held: THURSDAY, 21 SEPTEMBER 2006 at 5.00pm

P R E S E N T :

Councillor Farmer - Chair
Councillor Kitterick – Labour Spokesperson
Councillor Porter – Conservative Spokesperson

Councillor Bhatti
Councillor Renold (for Cllr. Garrity)

Councillor Clair

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20. DECLARATIONS OF INTEREST

Members were asked to declare any interests they may have in the business on the agenda, and/or indicate that Section 106 of the Local Government Finance Act 1992 applied to them.

There were no declarations.

29. DEVELOPMENT CONTRIBUTIONS AND THE PLANNING PROCESS

The Corporate Director of Regeneration and Culture submitted a report reviewing the Council's existing arrangements for handling developer contributions and to seek agreement to revised policies and procedures designed to improve the Council's corporate approach in dealing with developer contributions.

Members of the Committee considered the definition of affordable housing. Some felt that the Housing Department definition used in the Local Plan did not reflect the realities of the housing market as housing costs account for nearly 50% of peoples incomes now and not 30%. Therefore the Council's definition is unnecessarily burdensome on developers. Other Members felt as the current Local Plan was only adopted last year that this has only just been reconsidered and to re-open the debate on this area would be unhelpful. It was felt that further consideration should be given to statistical evidence relating to average house prices and average incomes to determine the definition of affordable housing. The Service Director Planning and Policy commented that whilst the definition for affordable housing had been widely discussed, this idea could be raised with the housing department.

A member of the Committee considered the issue of making affordable housing a priority for the use of developer's contributions. Some were of the opinion that it should be one of the highest priorities. Others felt that whilst it could be given a high priority, it shouldn't be at the expense of all other factors and should be applied where appropriate. It was felt that Councillors should undertake this prioritisation and take decisions on individual developments as and when required. If necessary this could be done in consultation with local residents. It was also commented that the issue of affordable housing alone would not be solved by developer contributions, it would require input from the Council and Government.

A query was raised by a committee member with regard to conflict over priorities for the expenditure of developer contributions and the degree to which Councillors should get involved. The Assistant Head of Legal Services commented that it was a choice for Councillors with regard to priorities and the extent to which they pursued certain objectives, which could lead to no development taking place in extreme cases. Applications should be considered on a case-by-case basis and should be informed by a decision informed by a policy.

A member of the Committee spoke of the need for balance in achieving planning objectives. There would be differing priorities for different areas. For example Hamilton would have different priorities to the city centre. Pushing too hard for certain priorities could deter development.

The Service Director Planning and Policy agreed that it was important to look at each development on a case-by-case basis but within an agreed policy framework. A policy framework had now been developed which could consider individual cases. He did however note that the framework could be reviewed if it was not found to be working effectively.

Committee members welcomed the officer post dedicated to achieving better developer contributions. Some however felt that this post should be funded out of corporate resources as a growth item in the Council budget process.

RESOLVED:

- (1) that the definition of affordable housing be reviewed in terms of its fitness for purpose;
- (2) that the Committee recommends there be a higher priority for affordable housing;
- (3) that the report be reviewed in light of the comments of the Committee; and
- (4) that the Committee recommends that the Developer Contributions post be funded out of corporate resources and be included as a growth item in the budget process.