

Ashton Green development update

EDTCE Scrutiny Commission

Date of meeting: 8th January 2025

Lead director: Andrew Smith, Director of Planning,
Development and Transportation

Useful information

- Ward(s) Beaumont Leys
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- Report version number: v4

1. Summary

- 1.1 The report summarises the delivery of the Ashton Green development programme and progress since the last reporting to the Scrutiny Commission in March 2019.
- 1.2 Over the last 5 years substantial highway infrastructure, both on and off-site, has been delivered, housing Phase A completed, Phase B is 53% occupied, a developer secured for Phase C, further housing land has been brought to the market and developer interest for the remaining phases of large-scale employment land is being sought. The current phasing plan is included in Appendix 1.
- 1.3 To date circa 262 dwellings have completed since securing the first land sale in December 2017 and starting on site in 2018. On average, 37 dwellings per annum have been delivered over the last 7 years since including 57 affordable housing units.
- 1.4 It is anticipated the Phase C (440 dwellings) will secure reserved matters planning approval in early 2025 for a start on site in the spring/summer. The scheme will include 30% affordable housing (132 dwellings).
- 1.5 Bids for the purchase of phases D and E (circa 525 dwellings) were received in mid-December 2024 and will be followed by a bid evaluation process.
- 1.6 The report also includes reference to a socio-economic achievements study completed in July 2023, that documents the outcomes over the last 10 years.
- 1.7 A presentation showing progress and images of the Ashton Green scheme will be shared at the scrutiny meeting.

2. Recommendation to scrutiny:

- 2.1 The Scrutiny Commission is invited to note and comment on progress of the Ashton Green development programme as set out in this report.

3. Detailed report

Planning

- 3.1 Ashton Green is a housing led mixed-use urban extension on a 130 ha greenfield north of the city centre. The Council is the principal landowner and has been the master developer / infrastructure enabler delivering infrastructure to allow the development of phases by developers.

- 3.2 Outline planning permission was original secured in March 2011 for up to 3,000 homes and 5 ha of large-scale employment, then subsequently amended in 2014 to increase the employment land and in 2018 to update the site wide development strategies.
- 3.3 A current s73 planning application to be determined by the local planning authority (LPA) will secure changes in land uses to the east of Thurcaston Road, to increase the available land for large-scale employment opportunities. The LPA and the Council as land promoter have recently completed the public examination of the Leicester Local Plan (LLP), that is expected to secure the eastern expansion of Ashton Green with land to be allocated for a further 670 dwellings, a 1,200 place secondary school and an additional 4.18 ha of employment land.

Infrastructure Delivery

- 3.4 The delivery of infrastructure by the council has been critical to the development of previous and planned housing and employment land phases. This included the £25m of works completed since 2013, with £16m of this funded through external grant sources. The enabling works have included;
- Major internal spine roads to access housing Phases C, D & E and highway improvements to the eastern employment land.
 - A46/Anstey Lane off-site highway works.
 - Bennion Road extension (Employment Land Phase E1).
 - Cycling, walking, traffic calming and bus interchange improvements
 - Housing Phase A enabling works.

Housing Developer Delivery

- 3.5 Circa 262 dwellings have been occupied over the last 7 years of housing construction including 57 affordable housing units. This equates to a current sales rate of 37 dwellings per annum. Morris Homes delivered about 33 dwellings a year over Phase A and Tilia Homes (Phase B) are averaging 40 dwellings since 2021.
- 3.6 Leading property consultants, Savills, have advised that major volume builders are typically achieving sales rates of around 36 dwellings per annum as they recover from the impact of Covid and the Sept 2022 budget. Note this is significantly less than historic assumptions of a typical 50 dwellings per annum build rate.
- 3.7 The forecast overall average build rate over the anticipated 20 year build period is around 115 dwellings per annum. This rate of delivery can be achieved as more house builders purchase land and become active on site.
- 3.8 In comparison, the private sector led Thorpebury urban extension (4,500 dwellings) in Charnwood started it's planning journey in 2006. The first infrastructure for Phase 1 (604 dwellings) started in Sept 2021 with the first housing completions in December 2022. As of Sept 2024, total completions stood at 170 dwellings across the 3 house builders, a sales rate of less than 35 dwellings per annum per house builder.

Socio-Economic Outcomes

3.9 In July 2023, Wisser Consulting produced a report 'Ashton Green – Socio Economic Achievements To Date'. The report highlighted why Leicester needs Ashton Green in socio-economic terms together with a summary of the financial investment to date and the associated physical changes and the outcomes from the development. The headline messages were;

- £23m of total public sector capital investment and £45m from the private sector.
- £68m total capital investment.
- 160 new homes generating £4.9m of average annual household expenditure.
- Average of 140 construction jobs sustained over the last decade.
- £7m average annual construction spend.
- 47% of Galliford Try's (main contractor for 2 schemes of c.£21.9m) workforce is has been local with numerous apprenticeships/placements generated through the construction.
- 790 permanent new jobs created at the Samworth's Bradgate Bakery Ashton Green site (the employment land phase E1), with 88% living in Leicester and 21% in the Beaumont Leys and Abbey Wards.
- Fiscal benefits, reported at the time, included £12.3m of land receipts, £0.6m Council Tax, £0.2m New Homes Bonus, £1.2m Business Rates and £1.2m s106 developer contributions.

3.10 The report highlighted future projected outcomes over the life of the development;

- Up to 3,000 homes.
- 22 ha of large scale employment land with circa 70,000 m² of manufacturing and warehousing floorspace (estimated 1,710 jobs).
- New 1,200 place secondary school (100 jobs).
- A mixed-use local centre to include retail, health, leisure and community uses (300 jobs).
- 7,500 new residents at Ashton Green could equate to annual household expenditure of circa £91m.
- Circa 900 new affordable homes, affordable rent and shared ownership.
- Estimated cost of constructing the remaining development of circa £620m.
- Estimated future Council tax revenues of £49.9m and Business Rates of £24.1m.

Financial Outcomes To Date

3.11 The Ashton Green development programme has successfully bid for and secured £16m of external funding since 2013 and secured £26.7m through agreed development land sales to date.

4. Financial, legal, equalities, climate emergency and other implications

4.1 Financial Implications

As a general update report, there are no specific financial implications associated with the recommendations in this report. Capital Receipts to date have been used to pay off all borrowing across Ashton Green. Future capital receipts will be available to pay off future capital costs and contribute to the capital receipt target set out within the draft budget report for 2025/26 to 2027/28.

Signed: Stuart McAvoy, Head of Finance

Dated: 13th December 2024

4.2 Legal Implications

The Council must ensure that it complies with conditions imposed by external funding awards at all times, including any changes being assessed against Subsidy Control rules. In addition, all procurements and land transactions within the programme must follow internal rules as well as the applicable statutory regime. Ongoing legal advice should be sought as and when necessary.

Signed: Kevin Carter (Head of Law - Commercial, Property & Planning)

Dated: 13th December 2024

4.3 Equalities Implications

Under the Equality Act 2010, public authorities have a Public Sector Equality Duty (PSED) which means that, in carrying out their functions, they have a statutory duty to pay due regard to the need to eliminate unlawful discrimination, harassment and victimisation and any other conduct prohibited by the Act, to advance equality of opportunity between people who share a protected characteristic and those who don't and to foster good relations between people who share a protected characteristic and those who don't. Due regard to the Public Sector Equality Duty should be paid before and at the time a decision is taken, in such a way that it can influence the final decision. The PSED cannot be delegated and therefore, the responsibility remains with the authority to put into place mechanisms by which these statutory duties can be stipulated as a requirement and monitored.

Protected Characteristics under the Equality Act 2010 are age, disability, gender reassignment, marriage and civil partnership, pregnancy and maternity, race, religion or belief, sex and sexual orientation. The National Planning Policy Framework (NPPF) sets out the Government's planning policies for England. One of the main aims of the NPPF is to increase the delivery of new, good quality homes to meet the needs of a growing and ageing population. Ashton Green aims to make a substantial contribution to the number of new homes needed in Leicester. This report provides a summary on the delivery of the Ashton Green development programme. There are no direct equality implications arising

from this report, however a key consideration in relation to future development of the sites, is accessibility of the space. The design of the space should adhere to accessible design principles in order to ensure that people with different protected characteristic/s are able to access and utilise the space to its full potential.

Signed: Equalities Officer, Surinder Singh Ext 37 4148

Dated: 9 December 2024

4.4 Climate Emergency Implications

Housing and businesses are responsible for a majority of Leicester's overall carbon emission footprint. Following the city council's declaration of a Climate Emergency, and its aim to achieve net zero carbon emissions for the city and the council, addressing these emissions is vital to meeting this ambition. This is particularly important within projects where the council has the highest level of influence and control, and where new buildings and infrastructure are constructed.

Opportunities to utilise a best practice approach to reduce the energy use and carbon emissions of properties should therefore continue to be identified and implemented as the Ashton Green development progresses, building upon work already delivered. This should be considered from the earliest stages of development of each phase, in partnership with external partners involved in the delivery of the project. Potential measures could include the use of sustainable materials and the diversion of waste from landfill, fitting of high-quality insulation, low energy lighting and efficient appliances and the installation of low carbon heating and renewable energy systems. As well as reducing operational and embodied carbon emissions, improving the energy efficiency of buildings could provide further benefits, such as reducing energy bills and making homes and businesses healthier and more comfortable for occupants.

Any development will nonetheless continue to be required to follow policy CS2 of the Adopted Leicester Core Strategy and relevant building regulations. A toolkit is also being developed to support the achievement of reduced carbon emissions in council capital construction and renovation projects, which could potentially be used to inform future development.

Signed: Aidan Davis, Sustainability Officer, Ext 37 2284

Dated: 6 December 2024

4.5 Other Implications

None.

5. Background information and other papers: None

6. Summary of Appendices:

Appendix 1 – Ashton Green Phasing Plan 2024

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