

## **Briefing Note for Councillors**

### **East Midlands Regional Plan Panel Report**

#### **Purpose of Briefing Note**

To provide an initial summary of the East Midlands Regional Plan Panel Report, published on Wednesday 28<sup>th</sup> November 2007.

#### **Background**

The Draft Regional Plan was published for consultation in September 2006. The Regional Plan includes a broad strategy for future development across the East Midlands over the period to 2026. It also includes more detailed sub-area strategies which, amongst other things, set out the scale of future housing requirements by district. The Three Cities Sub Area Strategy sets out policies and proposals for Leicestershire and Charnwood, based on advice provided by Leicestershire County Council and Leicester City Council. Under section 4(4) of the Planning and Compulsory Purchase Act 2004, County and unitary authorities are required to provide advice to Regional Assemblies in the preparation of Regional Spatial Strategies.

At its meeting on the 14th December 2006, the Borough Council's Cabinet resolved to make a number of representations on the RSS:

[www.charnwood.gov.uk/democracy/cabinetpapers.html?df=20061214](http://www.charnwood.gov.uk/democracy/cabinetpapers.html?df=20061214)

Leicestershire County Council also submitted a number of representations on the strategy. As part of its submission it also revised the advice it had previously given as a section 4(4) authority on housing distribution and provided new advice on employment land provision.

An Examination in Public (EIP) was held during May – July 2007, and officers made written and verbal representations to the Examination on behalf of Charnwood Borough Council. At its meeting on the 14<sup>th</sup> June 2007, the Council's Cabinet resolved to make further representations in relation to the County Council's revised advice and a number of studies published ahead of the examination:

<http://www.charnwood.gov.uk/democracy/cabinetpapers.html?df=20070614>

#### **Panel Report – Key Conclusions**

Following the Examination in Public last year, the panel of independent inspectors has published a Report of the Panel of the examination. The key recommendations of the Panel are summarised below. The full report can be viewed at:

[www.goem.gov.uk/497296/docs/229865/Panel\\_Report.pdf](http://www.goem.gov.uk/497296/docs/229865/Panel_Report.pdf)

A copy has also been placed in the Members' Room at Southfields.

The Panel report is not binding. The report will be considered by Government Office for the East Midlands on behalf of the Secretary of State and they will publish Proposed Changes to the Draft Regional Plan during spring next year. That will be accompanied by a formal consultation period during which further representations may be made before the Regional Plan finally is approved in or about September 2008.

### Overall Soundness

The Panel report does not state whether the Draft Regional Plan is or is not sound. They note that if they were to advise the Secretary of State that the draft was not sound and approval was denied on that basis there would be a policy deficit that would severely limit progress in the local planning field.

They have instead recommended modifications that will enable the Secretary of State to repair deficiencies in soundness. In some policy areas (housing numbers and their spatial distribution and sustainable transport) the Panel have recommended an early review where lack of soundness cannot be readily repaired.

### Housing Provision

#### 2004 Projections Increase

The Panel have recommended that the regional housing provision should be adjusted to reflect the 2004 population projections with consequent adjustment at housing market area/district levels. They have also recommended allowing for completions between 2001-2006 and applying a correction factor to not allow for a reduction in the vacancy rate over the plan period. The Panel Report shows the effect of this increase by applying the same net policy impact figure for each housing market area. The table below shows this recommended amendment to housing provision for the Leicester and Leicestershire HMA and compares it with the Draft Regional Plan figures.

#### Total Housing Provision and Annual Provision 2001-2026

<b>Housing Market Area</b>	<b>Draft Regional Plan</b> Total Housing Provision 2001-2026 (dwellings per year)	<b>Panel Report Amended</b> Total Housing Provision 2001-2006 (dwellings per year)	<b>Difference</b> in Total Provision 2001-2026 (dwelling per year)	<b>Completions</b> 2001-2006	<b>Residual Requirement</b> Total Housing Provision (dwellings per year) 2006-2026
Leicester and Leicestershire	94,500 (3,780)	96,125 (3,845)	+ 1,625 (+65)	16,187 (3,237)	<b>79,940</b> (3,997)

The table shows that there will be an overall increase of 1,625 dwellings for the whole plan period for Leicester and Leicestershire HMA (65 dwellings per annum). When completions are taken into account the total residual provision for the HMA is 79,940 dwellings (2006-2026).

The Panel recommend that the distribution of this additional housing provision between local authorities should be agreed between the relevant local planning authorities within each HMA and the Regional Assembly.

### Regional Underestimation

In addition the Panel identify a serious underestimation of the volume of housing that needs to be provided across the region. The Panel estimates a shortfall of around 55,875 dwellings. This relates to what is termed in the report as the 'Northamptonshire factor'. Northamptonshire falls within the Milton Keynes South Midlands growth area. The housing provision figures for this part of the region are therefore well in excess of those that would have been derived from the 2004 household projections. As the Northampton figures are contributing to the meeting the needs of the south east of England, it should have been treated as an addition to the region's growth.

The strategy should have made provision for housing in the remainder of the region to meet the current projections. However, when the Northamptonshire figures are excluded, the regional housing figure is well below the 2004 based projections.

The Panel felt unable to make serious proposals as to the location of the extra housing required without inexcusable delay to the preparation of local planning processes. Instead the Panel suggests that such additions should be the subject of either ad hoc proposals such as the Growth Point initiative, or a mini-review.

The Panel do suggest that the additional housing should be allocated with appropriate infrastructure and that the first area of search should be within the general area of the Three Cities. They go on to suggest consideration of a major expanded settlement of the Burton-Leicester corridor.

### Housing Distribution

The Panel state that the fundamental spatial strategy of the draft of concentrating development in the larger urban areas is the most sound way of achieving sustainability. The Panel recommend that the strategy should be strengthened to give priority to concentration on the Principal Urban Areas (PUA) of Leicester, Nottingham and Derby, including those parts within adjoining districts such as Charnwood.

### Three Cities Area

The Panel recommend the deletion of the reference in paragraph 5.10 of the Draft Regional Plan to detailed locations, including specific reference to East of Thurmaston. This is described as beyond what is reasonable to include in a regional strategy. The specific location for new development will be determined through Local Development Frameworks.

The Panel also recommend that that the strategy should set out a total figure for the sustainable urban extension to the PUA, rather than annual requirements, recognising that there is no artificial cut off in 2026.

The Panel points out that the assessments of the strategic housing land availability for the three PUAs were not available until just before the examination and that differences of interpretation were not fully resolved. The Panel therefore states that they do not have the confidence to say with any certainty that the figures given for the quantum of development in sustainable urban extensions to these urban areas is correct. The figures can be regarded as no more than provisional pending completion of further work, as part of local development frameworks to establish if the balance is wrong and/or a different size or form of development would be more sustainable than the assumptions which have informed the draft strategy.

The total amount of development attributed to the PUA is determined by the regional strategy and there should be no fundamental alteration to the balance between additional housing which belongs to the PUA and should be 'ring-fenced' and other provision which is to meet local need.

The Panel recommended the deletion of figures for sustainable urban extensions to sub-regional centres. The Panel outline that there should be greater flexibility to allow the most appropriate pattern of development away from the principal urban area to be discussed and tested through examination of LDF core strategies. They suggest that if the most sustainable pattern is for one or more urban extension of the sub-regional centres then that should be the outcome of the process which will allow for full local involvement. They do not consider that there is any reason to think it will result in dispersal to smaller settlements as that would run counter to the fundamental regional strategy for urban concentration.

#### Leicestershire County Council's Revised Advice

The Panel raised concerns about the significant increase suggested for Loughborough by the County Council's revised advice. They highlight that this introduced a major change at a late stage in the process without proper consultation with the local community. They also highlight that the decision of the County Council appears to have been influenced by the recommendations arising from the transport studies and that this has been given undue weight in the County Council's conclusions. The Panel recommend no change to the figures in that respect.

#### 2004 Projection Increase

In relation to the increase in housing provision to take account of the 2004 based projections the Panel suggested that the additional housing required should be located primarily in and around the five Principal Urban Areas of Leicester, Nottingham, Derby, Northampton and Lincoln. They suggest that this will most likely involve additions to, or additional, sustainable urban extensions.

The Panel go on to suggest that additional development at a smaller scale should then be located in the Sub-Regional Centres currently proposed as Growth Points – Grantham and Newark – and also possibly in Loughborough and Mansfield. They

note that for Loughborough this should not necessarily be to the extent proposed by Leicestershire County Council's revised advice.

They also reiterate that the scale of development at each of these Sub-Regional Centres is a matter for the local planning process.

### **Rural Housing**

The fundamental strategy of the Draft regional Plan is concentrating development in the larger urban areas and is set out in Policy 4. The Panel strongly commend the general principles behind this policy.

The Panel disagree with suggestions that the draft strategy neglects the needs of rural areas, stating that it has to be realised that development in rural areas beyond that which is essential to the delivery of local needs can be quite unsustainable leading to the worsening of unsustainable patterns of commuting between one small village and another and from villages and urban areas out into the countryside. *PPS7 Sustainable Development in Rural Areas* points out that the key places for rural regeneration are towns and villages which serve the rural areas.

In relation to the Three Cities Strategy, the Panel go on to say that Policy 4 of the Draft Plan should be used to decide the most appropriate pattern of development outside the PUA to be discussed and tested through the examination of core strategies. This was in relation to their reservations about the value and necessity of including figures for sustainable urban extensions to the sub-regional centres. As outlined above they point out that they see no reason that this will result in dispersal to smaller settlements as that would run counter to the fundamental strategy of urban concentration set out in Policy 4.

The Panel recognise the acute problems faced in the provision of affordable housing in the smaller settlements in the more rural parts of the region. However they point out that the data is not available to provide a separate figure as a target for the delivery of affordable housing in rural areas and therefore requires further work.

The Panel recommend, in the meantime, the inclusion of a rural affordable housing policy based on current supporting text setting out a requirement to use all available mechanisms to secure affordable housing in rural areas. They include:

- Supporting Rural Housing Enablers
- Reducing the threshold site size on which developer contributions apply
- Changing the quota to be provided on qualifying sites
- Rural exceptions policies
- Allocating sites solely for affordable housing
- Use of Section 106 planning obligations and agreements to ensure delivery and/or retention of affordability in perpetuity
- Considering shared ownership without grant rather than social renting
- Purchasing within the housing stock particularly former council housing
- The potential to re-use redundant farm buildings for affordable housing
- Creating Community Land Trusts to retain affordable housing in perpetuity

- Setting separate targets for rural affordable housing within the LDFs
- Coordinating across boundaries to ensure that where land supply is constrained in a particular authority area nearby provision to meet need can be covered in neighbouring districts.

While planning mechanisms, including cross subsidy schemes, clearly fall within the armoury of tools available to deliver affordable rural housing the Panel effectively endorses and encourages a wider range of delivery vehicles.

### **Green Wedges**

The Panel recommend the deletion of the Green Wedge policy in the Three Cities Sub-Regional Strategy. The Panel note that Green Wedges fulfil a useful function in helping to define the structure of urban areas, but that the retention of existing green wedges, as well as the creation new ones in association with new development and urban extensions, should be a matter for local development framework core strategies. They do recommend that paragraph 4.12 explaining the role of Green Wedges should remain with the addition of a sentence to state *'a review of existing green wedges or the creation of new ones in association with development will be carried out through the local development framework process'*.

### **Joint Working**

The Panel have recommended that the wording of Policy 18 of the Draft Regional Plan in relation to preparing joint core strategies should be strengthened to say that joint development plan documents in the named areas will be expected. (The "named areas" include the Leicester and Leicestershire Housing Market Area). This is to give a clear signal for future reviews of the local development schemes and may facilitate the preparation of, for example, joint site allocation development plan documents or area action plans.

### **Regional Transport**

The Panel recommend that the regional transport strategy element of the draft plan be accepted on an interim basis only to allow the remainder of the plan to proceed to publication and that a comprehensive reappraisal of the regional transport based on modal shift should be undertaken. The Panel state that there is insufficient evidence to demonstrate how the policies and the priorities in the regional transport strategy support the Draft Regional Plan development proposals.

### **Employment**

The Panel suggest that local planning should be guided by a policy which requires local authorities, emda and sub-regional strategic partnerships to work together in housing market areas to undertake and keep up to date employment land reviews. The Panel recommends replacement wording for Policy 20, Regional Priorities for Employment Land. This sets out criteria for assessing allocations.

The Panel do not make any specific comments in relation to the Science Park at Loughborough. This will be a matter for the Borough Council to work with emda and the sub-regional partnership on in the preparation of the Local Development Framework.

### **Shepshed**

The Panel do not make any recommendations in relation to the definition of Sub-Regional Centres. The Panel make it clear, however, that locational specificity goes beyond what is reasonable to include in a draft strategy, for example in relation to the inclusion of reference to the east of Thurmaston. This will therefore be a decision for the Borough Council as the local planning authority in preparing the Core Strategy.

### **Other Recommendations**

The Panel have also made the following recommendations:

- deletion of Policy 2 setting out a sequential approach to selecting land for development as it repeats national policy and overlaps with Policy 4;
- deletion of Policy 5 on Regional Priorities for Development in Rural Areas as it repeats national policy;
- inclusion of reference to development in rural areas and a strong preference for previously developed land within Policy 4 Concentrating Development in Urban Areas;
- regeneration should be part of the fundamental strategy of the plan and that the three cities together should be seen as working as the 'Core City' of the region;
- housing figures should be set out in a table giving annual averages for each five years in the plan period and total provision. It is felt this will provide a more realistic basis for the monitoring of housing delivery linked to trajectories.
- a regional trajectory should be included, along with housing market trajectories to form part of the evidence base. This will provide an indication of the phasing of the new development which will be needed to meet the overall RSS target;
- the affordable housing percentages should be replaced by a single number, recalculated on basis of increased figures to be used for monitoring purposes, affordable housing requirements should be set out in local planning documents and informed by Strategic Housing Market Assessments;
- the gypsy and traveller accommodation assessment figures for the Leicestershire and Rutland authorities should be used to replace the interim figures in the draft plan;
- there should continue to be a 60% target for the use of previously developed land as this will continue to be a challenging target within the context of the growth proposed;

- there is no need for a density policy requirement as this would simply repeat national guidance;
- there is no recommendations in relation to proposal for a Charnwood Forest Regional Park;
- there should be greater reference to climate change to reflect the more recent national policy statement on Planning and Climate Change and the publications of the Code for Sustainable Homes and Building a Greener Future.

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