

CABINET - 10 FEBRUARY 2009

**COUNTY COUNCIL RESPONSE TO THE DRAFT PLANNING
POLICY STATEMENT ON ECO-TOWNS AND THE POSSIBLE
PENNBURY LOCATION**

SUPPLEMENTARY REPORT OF THE CHIEF EXECUTIVE

**SUMMARY OF, AND RESPONSE TO, COMMENTS OF THE CO-
OPERATIVE GROUP ON THE PANEL'S FINAL REPORT, AND
DETAILED COMMENTS ON THE CO-OPERATIVE GROUP/HCA'S
CRITIQUE OF THE HALCROW PENNBURY STRATEGIC
ASSESSMENT WORK**

Purpose of the Report

1. The purpose of this supplementary report is to provide the Cabinet with the written comments received by the Co-operative Group on the Scrutiny Review Panel's final report, together with a County Council response to those comments, and with detailed County Council comments in response to the Co-operative Group/HCA's critique of Halcrow's Strategic Assessment of the Pennbury proposal.

Recommendation

2. The Cabinet is asked to note the attached comments received by the Co-operative Group/HCA and approve the County Council responses to them.

Reasons for Recommendation

3. To ensure Cabinet is aware of the Co-operative Group/HCA's comments, and to provide a response to them.

Circulation under the Local Issues Alert Procedure

A copy of this supplementary report has been forwarded to all Members of the County Council under the Members' Information Service.

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APPENDIX 5

THE PROPOSED DEVELOPMENT OF AN ECO-TOWN FOR LEICESTERSHIRE - FINAL REPORT OF THE SCRUTINY REVIEW PANEL

SUMMARY OF, AND RESPONSE TO, COMMENTS OF THE CO- OPERATIVE GROUP ON THE PANEL'S FINAL REPORT

This summary was provided by Ruairidh Jackson of the Co-operative Group on 30 January 2009, as a supplementary to the comments made to the Scrutiny Commission on 28 January 2009. A County Council response is provided for each section.

1 Introduction

1.1 The promoters welcome the examination of the eco-town proposals by the Panel, through a series of submissions from stakeholders and the promoters, and the publication of its findings as a means of ensuring that people are informed about the proposals and that potential issues are highlighted for further consideration. They look forward to a continuing dialogue with the Panel as the proposals progress.

1.2 The promoter is of the view that there are sections of the report where further clarification may be helpful to Leicestershire County Council's Scrutiny Commission (the Commission). The main areas of concern are set out in this summary paper.

Similarities with Halcrow Report

1.3 The Panel Report appears to replicate assumptions made in the Pennbury Strategic Assessment, undertaken on behalf of Leicestershire County Council, Harborough District Council, Oadby & Wigston Borough Council and Leicester City Council by Halcrow (Halcrow Report). There are fundamental flaws in the Halcrow report, which means that it should be given very little weight by the Council in considering its response to the Government's consultation on the draft Eco-town Planning Policy Statement (PPS) and the Eco-town for Leicestershire proposals. A summary of the key queries with Halcrow, relevant to the Scrutiny Panel Report, is attached at Appendix 1.

Response – the Panel's work was based on information provided directly by the Co-op and on evidence given by expert witnesses. The Panel assumed that the former would be accurate and the latter is not a matter for the Co-op to comment on. It should be noted that the Strategic Assessment carried out by Halcrow was designed to review the Co-op's proposals and consider their impact. Its purpose was therefore very different from the work of the Panel. A separate response to the Co-op's critique of the Halcrow reports appears elsewhere on this agenda.

Support for the plan-led process

1.4 The promoter would like to clarify the intended planning process for the eco-town initiative, as it is not clear from the Panel Report. The Government and the promoter have expressed a clear commitment to the plan-led system and ideally the proposal would be progressed through this route. It is also relevant to consider the recent High Court findings on the eco town process

and particularly the judge's view that this initiative supports, rather than detracts from, that process.

Response – the County Council acknowledges that the Government has stated a commitment to the plan led-system but is concerned that this is not being pursued in practice. The very fact that the eco-town programme is being advanced via a national Planning Policy Statement (PPS) runs totally against the plan-led system. The 'plan led' approach means that local planning decisions are taken through the established local decision making process involving local authorities and local communities. It means considering proposals through the Regional Plan making process and through the Local Development Frameworks. It means having regard for existing planning policies and comparing alternative sites to ensure that the best development sites are identified. It does not mean shortlisting an individual development through a completely separate process with decisions being taken at the national level.

- 1.5 *Level of detail provided exceeds requirements for this stage of the process*
The Panel Report identifies concerns over the level of detail presently available to support the proposals. The eco-town process has been clear from the outset that it is not intended to replace the normal planning approach to considering development proposals. The subsequent planning policy review and planning applications process are the correct mechanisms for considering issues of detail. The promoter would like to clarify that the level of detail they have presently available goes far beyond what would be expected in the next (Regional Plan) stage.

Response – the County Council agrees that the Co-op have provided a substantial amount of information although key information (as indicated in the Scrutiny Panel Report) is still missing. In some ways, the information provided is more detailed than that provided for the Regional Plan – in others it is not. However, regardless of this, the most important consideration is that if the Government shortlist Pennbury in the PPS then it is according it a very favourable planning status. It becomes a material consideration in any future planning decisions about Pennbury. It is therefore essential that it has been subjected to rigorous examination which necessitates a detailed level of information.

- Misrepresentation of source documents*
- 1.6 The Panel report cites various key technical and policy review documents associated with both the recent review of the East Midlands Regional Plan (RSS), considerations by parliamentary committees and Government studies. The promoter has provided further information regarding the content of these documents in order that the Commission may be aware of their findings.

- Limited assessment against relevant local policies*
- 1.7 It is noted that, whilst the Panel Report does not reference the Leicestershire Sustainable Community Strategy, this is understood to be a key policy document adopted by the County Council and intended to deliver a number of key priorities within Leicestershire.

Response – the Panel Report has readily acknowledged the principles of eco-towns and commended this aspect of the Pennbury proposals. However, the crucial concerns remain that Pennbury is an unsuitable location and in many respects the proposals cannot be delivered.

2.0 Planning Policy

- Eco-towns assessment*
- 2.1.1 The promoter would like to clarify the intended planning process for the initiative. The Government and the promoter have expressed a clear commitment to the plan-led system and ideally the proposal would be progressed through this route. The draft Eco-town PPS states that '*eco-towns should be considered in the same way as any other development proposal. Government remains committed to the plan-led system and the preference is that the broad options for how best to meet housing need are explored in regional and local plans*'. Whilst the Eco-towns PPS may identify locations considered to have the potential as eco-towns, it is the intention that these locations would be examined in more detail through the RSS and LDF processes and ultimately submitted as planning applications.

Response – these points have already been addressed in section 1. Site specific proposals should not be identified in national PPS documents. In doing this, the enhanced status conferred undermines the plan-led approach and is in any event not needed.

There are four stages at which these proposals will be scrutinised:

- East Midlands Regional Plan*
- 2.2 The eco-town site has not been rejected as a broad location for development in the preparation of the RSS. The RSS, which is currently at the Proposed Changes stage and nearing adoption, considered the prospect of a Sustainable Urban Extension (SUE) in this location and not a new settlement or eco-town – so therefore considered an entirely different proposal to that currently proposed.
- 2.3 The sustainability appraisal work carried out by Hyder Consulting and referenced in the Halcrow Report specifically looked at the sustainability of a Leicestershire SUE. It should be noted that south east Leicestershire scored the same or better than two of the SUE locations proposed in the RSS with the exception of transport infrastructure and access to employment activities,

both of which have now been addressed in the Masterplan Vision. The Proposed Changes (paragraph 4.2.29) does not state that the location is unacceptable for development. The location has not therefore been ruled out for development.

Response – the Proposed Changes to the East Midlands Regional Plan make it clear that virtually all housing needs can be met from existing allocations and the proposals contained in the Plan. This does not include Pennbury. The Plan actually states in paragraph 4.2.29: “However 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”. The County Council believe that as Pennbury has not been included, as it could only be considered with sustained and significant transport infrastructure investment and as the Co-op are not planning to do this then it is appropriate to say that Pennbury has been ruled out. Factors which would be taken into consideration in assessing any major development would be the same whether they are a new settlement or a SUE.

Regardless of any comparisons between Pennbury and other locations, the critical point about the Hyder work is that it does not recommend that the Pennbury area be carried forward as an area for development. It cites transport concerns, landscape and heritage constraints and environmental concerns as reasons for not pursuing it. One of the experts who gave evidence to the Scrutiny Panel commented that it was a really excellent report which explained clearly why development was not appropriate at Pennbury.

- 2.4 The Panel Report references a study undertaken by Roger Tym and Partners into the potential of various sites across the County to accommodate housing growth during the Regional Plan period. This study actually supports housing development in the subject area, rather than discounts it as suggested by the Panel Report.

Response - the Roger Tym Study concludes that the Regional Plan requirements can be largely met from already identified sites together with the proposed Sustainable Urban Extensions (SUEs). This does not include the Pennbury area (classed as Zone 3 in the Roger Tym work). The Study did, however, identify a shortfall of 1500 units and the suggestion was made that this could be met from small SUEs of 500 to 1000 units. Zone 3 is mentioned as one possibility (along with others) but this would be subject to overcoming major transport concerns and a number of other very real concerns which are set out in the Roger Tym report. The County Council therefore believes that the possibility of Pennbury being used for a small SUE is very remote. The Roger Tym report certainly does not countenance development of the scale of Pennbury.

Housing solutions

- 2.5 The sequential approach to selecting housing land as set out in national planning guidance (Planning Policy Statement 3: Housing) outlines the possible housing solutions that should be considered. This includes the 'expansion of settlements through urban extension and the creation of freestanding settlements'. The promoter notes that the sequential approach recommended in the Panel Report conflicts with this guidance.

Response – the crucial point about the sequential test is the fact that for many years Government planning policy has favoured the development of brown field and other urban sites ahead of green field sites. The County Council would want to stress the continued importance of this in the context of Pennbury. Reference may be made to freestanding settlements but development priorities remain with brown field and other urban sites.

Government and promoter commitment to the normal planning process

- 2.6 The promoter is committed to supporting the consideration of the eco-town through the regional plan and local plan review process. They would like to highlight that there should not be a distinction between a developer-led and plan-led proposal as the two processes are not separate. All development is inevitably developer-led during the planning process and the majority of plans are directly influenced by the involvement of developers. Indeed, planning policy requires a close dialogue between planning authorities and developers in plan-making to ensure that approved policy actually delivers proposals which match the aspirations of policy within the required timeframe to satisfy wider needs.

Response – the County Council recognises the role that developers play in the plan-led system but would point out that developers should be part of this system and not, as is the case with eco-towns, leading it. A dialogue to ensure that policy can be delivered is clearly important which is why the Scrutiny Panel received information from different developers/builders. This was part of the evidence which identified uncertainties and risks which collectively raised doubts as to whether Pennbury could be delivered. It was also surprising that there was no evidence that the Co-op had engaged in a similar dialogue with local developers/builders.

Relevance of current planning policy to future planning proposals

- 2.7 The Panel Report considers the proposals against current planning policies. It should be noted that the commitment to progression through the RSS and LDF review processes means that existing policies are likely to have been superseded by the time that a future planning application for an eco-town is submitted and therefore assessment of the eco-town against these policies should be given little weight.

Response – these points were put to the Panel and it was made clear that while some policies had expired, others had not. Notwithstanding this, existing policies provide important contextual information and there is a body of opinion which states that local authorities must have regard to policies in statutory plans until they are replaced by new ones. Investment decisions will have been based on existing policies and to disregard them would be unreasonable.

3.0 Land Use and Densities

Land Use Form

- 3.1 The Report concludes that the eco-town is more like a Sustainable Urban Extension than an eco-town. The eco-town proposal is a freestanding settlement, providing its own services, infrastructure, employment, housing and surrounded by a Great Park. This is a fundamentally different concept to a SUE as defined by the County Council in its own assessment work for the last RSS review. The two concepts differ in a variety of ways: physical proximity to an existing settlement being less important than function.

Response – the fact that Pennbury would be within some 150 metres of Oadby and Great Glen and would engulf the existing development at Chestnut Drive in Great Glen suggests that Pennbury would not be freestanding. It is noted that the Government has not specified what it means by “freestanding” but such proximity does not seem compatible with the term “freestanding”. The Co-op’s transport strategy which includes trying to provide improved links to Leicester City Centre and other employment areas suggests that Pennbury will not be self contained and will be relying on other areas for jobs, services and facilities.

Eco-town boundary

- 3.2 The promoters would disagree that the eco-town will be very urban in form. The eco-town will change the landscape to a degree, however, the use of the Great Park for landscaping and boundary treatment and the high proportion of the town that will be dedicated to open space, at 30% of the gross development area, will create a form of development that is respectful of its setting. As the scheme is progressed through the planning system to a planning application, a landscape or visual impact assessment would be undertaken, which would assess this issue in detail.

Response – building 15,000 houses at an average density of 60 dwellings per hectare (rising to 75 in places) by definition means that the development will be very urban in form. In many areas this will necessitate building at five storeys or more which to most people would constitute urban in form and would not be in keeping with its rural setting.

Leicester Aeroclub

- 3.3 The Report comments on the impact of the eco-town on Leicester Aeroclub. The promoters have consistently stated that its discussions with the aeroclub are confidential to respect their position. They will not therefore comment on the statement made in the Panel Report.

Response – the Co-op’s position is noted but this does not get away from the fact that the Panel received evidence from the Aeroclub who are very concerned that a much needed and much used facility would be lost and that the chances of a replacement are very remote. The Co-op may not want to comment on this but the Aeroclub do.

4.0 Transport

Transport solution required for Leicester city region

- 4.1 The promoters consider that with or without the eco-town, significant public transport investment is required to support the city region as it delivers approximately 100,000 additional homes by 2026. A business as usual approach will create gridlock and damage the city region's economic competitiveness. There is no approved or deliverable strategic transport policy within Leicestershire to address this challenge (the recent Regional Plan Examination in Public Panel having dismissed the proposed transport strategy as unsound) and the promoters consider that the eco-town transport solutions offer a realistic way of progressing such a strategy. Transport modelling work undertaken jointly by Leicestershire County Council, Leicester City, the Highways Agency and the promoters indicated that the transport solution proposed for the eco-town offered a viable solution with only a modest impact on the transport network. This indicates that the eco-town proposal does offer a viable way forward. We do however recognise that significant additional work is still required to refine the transport proposals within the context of a city region wide revision of transport strategy

Response – the proposals for the SUEs which will help to meet future housing needs were accompanied by transport proposals with indicative costs which has not been the case with the Co-op's proposals. It is, however, acknowledged that further more detailed work is needed on this aspect of the SUEs. The Co-op has put forward a Transport Strategy for Pennbury but the County Council's Transportation Team having examined the proposals do not believe they can be delivered. This is documented in the Panel Report. Separate consultants White Young Green have also assessed the Transport Strategy and have similar concerns about it – these are set out in the Cabinet report.

5.0 Housing

Housing need

- 5.1 The Panel Report considers that there is less need for housing due to the current financial crisis and therefore there is no need to review RSS to increase the housing requirement in the region. This assertion is contrary to the intentions of the regional planning body, which has set out in its draft Project Plan for the Partial Review of RSS that irrespective of the current financial climate, there is a need to address household growth in the East Midlands in the long term and that planning should continue to address this need.
- 5.2 The difference between housing need and demand should also be clarified. Whilst it is recognised that purchase of new dwellings may fall as a result of increased difficulty in obtaining mortgages, this does not mean that fewer people require homes to live in. The significant drop in construction rates for new homes is in fact likely to create additional unmet demand, which will need to be satisfied when the mortgage market returns to normal operating patterns

- 5.3 The Panel Report states that housing need has fallen: the promoter believes that it is far too early to make such an assumption. The present credit crisis has resulted in a temporary market paralysis but this is unlikely to change the majority of underlying factors which are affecting overall housing need. While it may reduce the immediate pressure to rebalance the supply side of the housing market to deliver greater general affordability, an assessment of the patterns in housing values over the last economic cycles shows that values continue to grow faster than available income. The Leicestershire Strategic Housing Market Assessment Final Report (December 2008) estimates that there is a shortfall of 2,654 units per year in the delivery of affordable homes and that total need going forwards is 68% of the housing supply at the level of current RSS provision. This suggests that the structural imbalance of demand and supply remains serious.

Response – contrary to what the Co-op seem to think, the Panel Report specifically calls for a further review of housing need through the RSS to take account of the current financial crisis and changing migration assumptions. These matters are immense in terms of their importance and housing need should be reviewed to reflect them. The Panel Report also concludes that there is a need for more affordable housing and calls for every effort to be made to increase the supply. The overall amount of land allocated for housing (the 100,000 additional homes the Co-op refer to in paragraph 4.1 above) is sufficient to meet needs to 2026 but delivering the 30% affordable housing remains a problem.

- 5.4 Reference is made to the House of Commons Environment audit committee paper “Green Homes for the Future” and the Panel Report claims that this study supports the notion that fewer homes are needed in the medium to longer term. The environment committee recognise that the “*Government should review the assumptions on which its 3 million new homes target is based*”. The committee recognise that there are a number of competing factors that could push down overall need for housing land, but that there is as yet no clear evidence to indicate how that might express itself in the medium and longer term.

- 5.5 The Environment Committee also recommend that the Government promote more zero carbon homes, and “*seize the opportunity to help the economy by investing in the skills and supply chains needed for a step change in environmental standards*”. The report also recommends that eco-towns have “good public transport links, and are located close to commercial centres and employment opportunities”. The committee also supports the promotion of investment in skills and training and eco-towns being located close to existing settlements – two key elements of the Pennbury proposal.

Response – the Environment Committee does in fact state that eco-towns should be “located close to commercial centres and employment opportunities”. If this is the case then it suggests that eco-towns could provide fewer jobs than originally envisaged meaning that more people will travel out of the eco-town to go to work with the consequent transport problems which this would create. Of more relevance however, is the fact that the House of Commons Environmental Audit Committee, in holding its Inquiry into the Government’s house building plans, has actually urged the Government to rethink its target to build three million new homes by 2020 in light of the economic downturn. The

Committee has warned that pressure to provide land for so many homes - which may not be needed now the housing market has slowed - could lead to greenfield sites being developed unnecessarily, and that measures favouring brown field sites over greenfield land should be reintroduced. The Committee is also calling for all new houses to meet high environmental standards not just those that may be built in eco-towns.

- 5.6 In regards to the Panel Report's comments on the Barker Review of Housing Supply. – the promoter is of the view that it is not possible to assume long-term statistical correlations between factors affecting the housing market outlined in the panel report, given the short-term impacts presently being identified in the market. Housing supply has always been to do with more than the simple availability of land: it is the availability of homes at prices that people can afford. There is a legitimate question to be considered as to the overall supply side balance needed in a housing market where prices have fallen, but the present critically low levels of mortgage availability and the low loan to value levels of mortgage offers cannot be seen as sound evidence of a long term predictable change in housing need. It is also worth noting that average house prices in Leicestershire actually fell at a lower rate than the national average last year, indicating that national trends are not being replicated at the local level.

Response – the Panel Report acknowledges that there are many factors which come into play when considering housing need and supply. The purpose of the reference to the Barker reports was to show that the availability of housing is not just related to the availability of housing land – financial markets, the credit crunch and the lending policies of banks and building societies are also relevant. The answer to current housing concerns is not to simply allocate more land but to consider wider issues.

Deliverability of SUEs

- 5.7 If the deliverability of homes in the current financial crisis is to be questioned, this must also require an urgent reconsideration of the deliverability studies undertaken to identify SUEs that were proposed in the last review of RSS and which may come forward as part of local authorities' core strategies. The County Council undertook an assessment of the transport and other infrastructure costs associated with proposed SUEs¹ which assumed a residential land value of between £1 million and £1.1 million per acre. This must now be revisited to assess whether these sites are deliverable. Land values have dropped substantially and, if this is considered to represent a long term rebalancing of the market, then it is essential to reconsider the land value assumptions made to support potential SUE locations.

Response – the key issue here is that the SUEs have come forward through the established plan led approach and development costs can be reduced as the SUEs will be able to make use of existing infrastructure in a variety of ways. Having said that, it is accepted that further work will be required to assess viability and deliverability of the SUEs in more detail.

¹ Further Assessment of Highways and Transportation Implications of Sustainable Urban Extensions at Selected Broad Locations in Leicestershire , Technical Report, April 2007

Housing allocations in Leicestershire

- 5.8 The Panel Report states that sufficient land is already allocated to meet virtually all of the need in Leicestershire of 4,000 dwellings per annum between 2006 and 2026. This is incorrect and misleading. The Regional Plan Proposed Changes Policy 13 makes provision for 4,000 dwellings per year in Leicestershire, apportioning this across the Leicestershire authorities and setting targets for the proportion of housing to be provided within or adjacent to the Leicester Principal Urban Area. The policy makes provision for this allocation to be redistributed within the Housing Market Area (HMA) through the delivery of joint core strategies, providing a degree of fluidity regarding each local authority's allocation. The broad location of SUEs is not included in the policy, which provides local authorities with a choice as to where they propose any required SUEs. None of the Leicestershire local authorities have yet adopted a Core Strategy allocating land for housing. Correspondingly, sufficient land has not yet been allocated to meet the regional housing requirement. The eco-town could be part of the existing housing need, if considered as part of local core strategies.

Response – the County Council accepts that the details of the Regional Plan proposals will be worked up in the various core strategies. The fact remains, however, that sufficient land has been allocated to meet virtually all of the need identified in the Regional Plan without Pennbury. It is also true that the Pennbury area has a number of constraints which is why it was not included as a development area in the studies referred to earlier in this report.

Need in Pennbury locality

- 5.10 The Panel Report specifies that there is no evidence of a need for housing emerging from the Pennbury locality. Housing need should be assessed on the basis of the HMA and not assessed on a highly localised basis as is suggested in the Panel Report. A HMA based approach is set out in national planning policy guidance (PPS 3: Housing) and in its accompanying best practice guidance, 'Strategic Housing Markets Assessments – Practice Guidance, 2007', HMSO.

Response – the County Council acknowledge that housing need in strategic terms is often considered at the HMA level. The Scrutiny Panel Report makes reference to housing need at the more local level because it received expert evidence that related to a more local level. In coming to any overall decisions about Pennbury, the Council believes that it is essential to be aware of local factors and not to simply consider matters at the strategic level.

Eco-towns are not 'uncharted territory'

- 5.11 The Panel Report describes eco-towns as 'uncharted territory' and specifies that only one pilot eco-town should be brought forward at this stage. Eco-towns are new settlements. New settlements have been brought forward in the UK, their early form being Ebenezer Howard's garden cities, such as Welwyn and Letchworth and later form being the post-war new towns, of which there are successful examples, such as Milton Keynes. New settlements are also an established part of current national planning policy

guidance² and are currently being brought forward in locations such as Northstowe in Cambridgeshire and Cranbrook in Devon. There are also international examples of new eco-towns and cities. Whilst these may not be directly replicable in the UK, they provide an extensive evidence base upon which to draw.

Response – the comments in the Panel Report about ‘unchartered territory’ come directly from views expressed by developers/builders. The Report goes into great detail to explain how and why eco-towns would be very different from any existing new settlements. It is unfortunate that the Co-op do not seem to have had similar dialogue with the building industry – if they had, they may be more aware of what those involved in the industry really think.

² Planning Policy Statement 3: Housing

Appendix 6

Detailed comments on the Co-operative Group/HCA's critique of the Halcrow Pennbury Strategic Assessment work

N.B. The Co-op/HCA's comments in their critique are quoted verbatim, and set in italics within speech marks.

1. Co-op/HCA's comments on the overall approach to the Halcrow work:

1.1 *"The remit given to the report's authors included..... a ban on any contact with the promoters"*

The Halcrow Steering Group made a deliberate and considered decision to exclude the Co-op from the assessment work when drawing up the study brief. The commissioning authorities were adamant that the study needed to be absolutely free from any suggestion that it was subject to influence by the proposers. Halcrow agreed with this approach saying that if they did engage with the Co-op then it would be difficult to resist other approaches e.g. from CASCET or other interested parties, and the whole tenor of their work which was objective, professional, technical and independent could be compromised.

1.2 *"The Report claims that there is a lack of detailed information on the eco-town proposals at this stage of the planning process. However, this conclusion appears to have been made on the basis of assessing the scheme as a planning application and not a Masterplan 'Vision', which demonstrates a lack of understanding on the part of the authors of the stage the proposal has reached in the planning process." "It is inaccurate to report that the Masterplan Vision is already a final 'Masterplan'. Indeed the Report's Executive Summary repeatedly refers to the Masterplan...."*

This is sophistry. The term "Masterplan" is used in the Halcrow report as a shorthand version of "Masterplan Vision" and the Halcrow report is not alone in doing so - the Co-op's own website does likewise on a number of occasions, viz.:

- Home page: "We propose to do this by creating a Masterplan for our landholding..."
- Masterplan (sic) page: the column on the LHS is headed "Masterplan". This column also contains the sub-headings: "The Masterplan" and "Masterplanning principles".
- Reports and archive page: "These plans have led to the evolution of the current masterplan."
"Masterplanning will continue, taking on the feedback through the Your Views form..."
- Your Views page: "The masterplan is not a planning application."
"If you live locally to the proposed eco-town, your views on the masterplan....."

It is frankly absurd to maintain that a planning consultancy such as Halcrow were not aware that the Co-op/HCA's work is at an early, pre-planning application, stage and to suggest that Halcrow have such a complete lack of understanding of the planning process.

The Halcrow report could only comment on data that was available. Further, the Halcrow report identifies a detailed list of work that the Co-op will need to undertake and which the Co-op recognises as necessary.

1.3 *"The Report recognises the author's lack of experience in assessing exemplar environmental schemes and the consequential difficulty in making any reasonable judgements on the scheme."*

This statement is bordering on the mischievous. The report does not "recognise the author's (my emphasis) lack of experience", it talks about a lack of examples relevant to the UK model, viz.: "European experience provides some interesting examples of low carbon development, high quality public transport and higher density, urban living; many of the better known examples are cited in the various Government eco-town publications. However, the experience of these places is not directly transferable to Pennbury, since the political, social, economic and financial framework within which they have been developed is very different to that in the UK."

1.4 *"It is also important to note that the Report has considered 5 of the 9 key development themes that form the eco-town proposal and which are set out in the Masterplan Vision Document. It is, therefore, an incomplete assessment of the eco-town proposal."*

The report focused on 5 of the 9 key development themes for two reasons:

- To focus on the key assumptions and areas of interdependence which go to the heart of the question of what the impacts and consequences of Pennbury might be.
- At the time of commissioning the work the Co-op had published very little information on the other 4 themes.

Adding the other 4 topics into the remit of the Halcrow work would not have any material impact on the conclusions drawn either overall or for the topics that were included.

1.5 *"The draft Eco-towns Planning Policy Statement indicates that eco-towns should ideally be dealt with through the strategic planning process."*

The draft Eco-towns Planning Policy Statement is not definitively clear on this point.

2. Co-op/HCA's comments on specific topics:

2.1 Housing

2.1.1 *"The report assumes that the housing to be delivered through the eco-town would be in addition to existing projected requirements. CLG has previously explained to local authorities that this is not the case"*

We are unaware of CLG having made a definitive pronouncement on this key aspect. Indeed, in meetings with CLG, they have stressed there will be a need for more housing in addition to that already identified in the Regional Plan and this could also be inferred from DCLG's "Eco-towns – Living a Greener Future" where new settlements are described as: "one element in increasing (my emphasis) our housing supply".

In fact a key point made in the Co-op's housing technical paper is that the household forecasts in the current RSS are based on 2004 population projections, whilst the 2006 projections show considerable increases on the 2004 figures (an additional 440,000 people by 2026). The Co-op argues that this will require c. 200,000 additional houses to meet that demand, a number which Pennbury could help to meet.

Further, if Pennbury is simply an alternative vehicle to deliver already planned levels of housing then this site has already been tested against the alternatives and rejected.

2.1.2 "Recommendations that a sub-housing market area review be undertaken to consider the appropriate make up of housing in the town run contrary to published guidance and established practice supported by Inspector decisions at planning inquiry, all of which confirm that housing market areas should be considered as a single unit."

The recently-completed Leicester and Leicestershire Strategic Housing Market Assessment (SHMA) study acknowledges that there would be more work to do if Pennbury was approved as an eco-town site, and that it would not necessarily involve the whole SHMA area.

Also, a conclusion of the SHMA was that the Housing Market Area (i.e. Leicester and Leicestershire) contained a number of sub-housing market areas.

2.1.3 The above paragraph goes on to say "While an apparently minor technical point, this recommendation shows a lack of basic experience in the creation and application of planning policy." Again, it is ludicrous to lay such a charge against a planning consultancy with the pedigree and experience of Halcrow.

2.2 Employment:

2.2.1 "The Report uses an out-of-date report as the basis for a critique of the eco-town employment strategy and therefore its findings are invalid."

The out-of-date report referred to is the interim employment technical report of June 2008. The fact that this had been formally withdrawn was never advised by the Co-op.

2.2.2 The Co-op claim that the Masterplan Vision document, the employment section of which apparently replaced the June 2008 report, "sets out a strategy for employment in the town". Halcrow considered this to be vague and insubstantial, and in particular contains insufficient information to give confidence that sufficient jobs for Pennbury residents can be created.

2.2.3 The Co-op/HCA's critique makes much of the fact that the Masterplan Vision section on employment demonstrates a synergy between the regional economic development policies and Pennbury, but the Halcrow report fails to recognise this. This really is rather breathtaking since neither the RSS nor the RES make any provision for such a development and in the case of RSS specifically rejected the site in favour of preferred alternatives.

It is true to say that the Masterplan Vision does set out some synergies and consistencies, however the Halcrow report makes the point that these claimed synergies are generalised and lack substance. In particular: "The Co-op/HCA have produced no convincing evidence to demonstrate that the economic roles envisaged for the town will actually produce the number of jobs required."

2.2.4 *"The Report questions the deliverability of jobs in sustainable and environmental technologies due to the lack of skills in the sub-region. This appears to question the sub-regional strategy set out in Vision 2020 and the Leicestershire Sustainable Community Strategy which focuses on the need to increase skill levels in order to attract high knowledge based sectors". "...also fails to consider the education and local procurement strategies for the eco-town, which are designed to promote the necessary skills and ensure that new business and labour is contracted locally."*

The Halcrow report makes the point "there is little detail provided on the skills required for these jobs, how the eco-town will link to local Universities and to what extent it may drain more skilled workers from Leicester and the surrounding towns." However it is acknowledged that the potential benefits of the Co-op/HCA's proposals re education and local procurement strategies are not fully considered in the Halcrow report.

2.3 Impact on Leicester City Regeneration:

2.3.1 *"The Report contradicts itself as to how the scheme will impact on regeneration initiatives in Leicester city. The Strategic Sites Review element of the Report is clear that there will not be a fundamental risk to regeneration in Leicester city whilst the Policy Review finds the eco-town vision incompatible with policies which support the regeneration of Leicester city...."*

It is disingenuous for the Co-op/HCA's critique to say that the "there will not be a fundamental (my emphasis) risk", particularly as this is pitched to then imply there is little risk. The Halcrow report identifies that there are notable risks; the risk level of the potential impact of Pennbury on city sites as being:

- Waterside: major
- Abbey Meadows: moderate
- New Business Quarter: major
- St. Georges: major
- Retail Quarter: moderate
- Ashton Green: fundamental
- Hamilton: moderate

As there are notable risks, the Co-op/HCA's argument that the Major Sites Review is contradictory to the Policy Review falls apart.

2.4 Transport:

2.4.1 *“The Report has failed to demonstrate a basic understanding of these rapid transit route proposals. It describes the rapid transit route as via Stoughton Road whereas both the tram and bus options are clearly shown on the plans as going via Manor Road.”*

Understanding of the Co-op's proposals for routing of the rapid transport has not been assisted by several changes made; their original proposal provided for a new link between Gartree Road and the A6 at Oadby with no mention of routing via Stoughton Road (Oadby) and Manor Road. On the other hand, officers have always understood that the tram would not be routed via Stoughton Road, and the Halcrow report does not suggest this.

There are two Stoughton Roads in the immediate vicinity of Pennbury; one runs on from the city end of Gartree Road to London Road, (Stoughton Rd Leicester) the other from Gartree Rd. to the eastern end of Manor Road (Stoughton Road Oadby). The Co-op/HCA's Masterplan Vision contains a diagram of transport routes, showing that the Stoughton Road Oadby will be used to access Manor Road.

That being said none of the transport conclusions of the Halcrow report are lead by which route outside the city boundary is considered – not least as most of the transport issues re road space and the lack of adequate capacity apply further in towards the city on London Road.

2.4.2 The Co-op claims that the Halcrow report incorrectly says that *“..the rapid transit route will necessitate road widening which could possibly affect ‘hundreds of properties’.”*

The report does not state that *“the rapid transit route will (my emphasis) necessitate road widening”* but *“Any significant widening on the rapid transport route could affect hundreds of individual property owners”*.

WYG examined the bus elements ('BRT', park and ride, local services) of the Co-op/HCA's proposals and concluded that if the Co-op/HCA's bus timings are to be achieved in reality more extensive bus priority measures appear to be required, i.e. additional bus lanes.

Given that any further measures would need to be provided on a 'capacity neutral' basis and that the (relatively) more straightforward lengths of bus lane have already been provided, the WYG conclusion was that any further measures will require land and have an adverse impact of properties and the nature of the conservation area.

Halcrow state that there *“are very real difficulties involved in implementing the Co-op/HCA's proposed public transport improvements in respect of the A6 and A47”*. They then quite rightly identify what would be needed instead. (Views that have subsequently been endorsed by the work of WYG).

2.4.3 *“The Report, despite being published months after the completion of the transport modelling work, has been completed whilst the transport modelling work was only part complete...”*

The transport modelling work was undertaken in parallel to the Halcrow work, and was constantly changing. However the conclusions of the Halcrow report

reasonably reflect the outcomes of the modelling work. It was never purported to be comprehensive in transport terms, as it makes reference to the far more detailed work that the Co-op/HCA, County and City were jointly undertaking.

2.4.3 *“The critical assessment offered within the report appears also to be based on a complete lack of understanding of the nature of the transport modelling work. The report suggest that TRICS data was used in the PTOLEMY model, however, this model does not use TRICS and nor is it based on ‘containment levels’. The author’s conclusions are therefore invalid.”*

It is accepted that Ptolemy does not use TRICS data, however the issue is around the findings of the Ptolemy work – which raise a number of questions about the feasibility of the proposed transport solutions. The author’s conclusions are not therefore invalid.

2.4.4 *“The report has failed to review Smarter Choices innovations, which are a key element of the Eco-town for Leicestershire transport solution.”*

It is true to say that the Halcrow report does not review the Smarter Choices innovations; this, as the critique states, reflects a tacit support for them. But they are not central to the overall transport solution.

2.5. Landscape and design

“The report makes unsubstantiated statements about the potential landscape impacts of the eco-town and these should be withdrawn in the absence of any independent technical work by the report’s authors”.

Halcrow’s comments on Landscape and Design are independent. They are the product of a common sense view of the scale of the proposed development, the height of buildings required to meet the density targets, and the rural nature of the setting. Halcrow acknowledge that a full Visual Impact Study will be necessary but they have considerable expertise in this field and independent technical work to validate the Halcrow’s broad conclusions was not necessary at this stage.

2.6 Environment and Landscape:

2.6.1 *“The report requires information equivalent to that contained within an Environmental Impact Assessment, which would only normally be required at a planning application stage”. “The Report would appear to demonstrate a lack of understanding regarding the nature of eco-town shortlisting process and the level of detail which is appropriate at this stage”.*

The report identifies a range of information that is not available in the Masterplan Vision, and indeed specifies a range of further work that will be needed to be done which the Co-op has already accepted in principle.

2.7 Ecology

“The report incorrectly states that the Eco-town Masterplan is based on desk-based analysis of the main environmental assets of the site, however, survey work has been undertaken.”

The fact that some field work has been undertaken, rather than all work being desk-based, is welcomed but it is of marginal significance.