

# **HOUSING**

## **'MEETING NEEDS, WIDENING CHOICE'**

### **An Eco-town for Leicestershire**

#### **A consultation paper**

## Overview

Delivering more homes and improving the opportunities for people to rent or buy a property that meets their needs is one of the central drivers behind the Government's eco-town policy.

Housing supply has increased substantially in the last few years and in 2007 was at its highest level since the 1980s. Supply, however, is still not keeping up with rising demand created in part by our ageing and growing population.

An under-supply of good quality housing – coupled with the affordability gap between average earnings and average house prices – means that more and more people are struggling to get onto the housing ladder or to afford a home that meets their needs.

The Government has set a target of building three million new homes by 2020. At the same time, the Government is pushing for new homes to achieve the highest possible standards of sustainability in the effort to reduce CO<sub>2</sub> emissions and to tackle climate change. Eco-towns will part of the solution for meeting these twin objectives.

The Co-operative Group is working with English Partnerships, the national regeneration agency, which owns part of the land being proposed for the eco-town. English Partnerships helps the Government to support high quality sustainable growth in England. It does this by:

- Unlocking and increasing the supply of land – particularly surplus public sector sites – to meet housing and other growth needs; minimising greenfield development and tackling visual and economic blight.
- Creating and sustaining well-served mixed communities where people enjoy living and working, using its skills and expertise to help local authorities and other partners deliver their vision.
- Increasing quality of life and improving the environment through innovation and raising standards, and promoting the importance of good design, planning and build in underpinning the well-being of communities.

In addition to this experience because the Co-operative Group is a mutual business owned by its members and strongly rooted in the community, we believe that we are uniquely placed to deliver an eco-town where people genuinely want to live, can afford to live and will want to stay.

- We believe that using some of our land south east of Leicester to build an eco-town for Leicestershire is important for the longer-term success of the area and of the city region.
- We believe that our understanding of agriculture and of what makes communities work, developed over more than a century of Co-operative trading, gives us the skills and capability to make an eco-town for Leicestershire a success.
- We believe that, with community input and ideas that will help us to shape our proposals, we can ensure that the eco-town provides a positive legacy locally, for Leicester, and across the region.

**This consultation paper explains our proposals for housing and new homes. We are proposing a potential 12,000 to 15,000 new homes within a sustainable overall development. Approximately 4,000 to 5,000 of these would be “affordable”.**

We would welcome your comments, ideas and opinions on what we are proposing and the questions listed. Please see details on ‘How to respond’ at the end of the document.

### **Housing issues facing the region today**

Leicestershire and the East Midlands is facing many of the same housing issues that are prevalent nationwide. **Affordability, choice, and quality (in terms of environmental performance) of housing stock are the fundamental concerns.**

People aspire to live in a comfortable home that provides what they, and potentially their families, need. Currently, these opportunities are being denied to more and more people because of the supply/demand balance of the housing market.

Although house prices are under pressure more today than they have been for many years, prices are still out of reach for many people in terms of the balance between income, cost, and mortgage repayments. House prices may, in some cases, be coming down but, equally, many banks and lenders are restricting mortgage products so financing a home remains an impossibility for many. This lack of access to appropriate housing is a major constraint to people’s opportunities.

We believe that we can be part of the solution and that an eco-town for Leicestershire can deliver significant benefits for the region.

The new homes we are proposing will **help to meet the existing and future housing needs of the Leicestershire Housing Market Area.** We are proposing a balanced community with

a range of different types of home. Importantly, our proposals focus on delivering housing that cannot be effectively delivered from existing brownfield sites or within Leicester itself over the medium term. This is to ensure that we develop the eco-town to be complementary to ongoing regeneration ambitions for the city (see more details on this in our 'Community & Regeneration' consultation paper). Our proposals include larger family housing to meet identified local needs; affordable homes to assist with the overcrowding that currently exists in Leicester; 'Lifetime' homes which will be flexible to meet residents' changing needs over time; and homes for key workers. We are proposing that the affordable homes will be provided through a range of tenure options to help people to get onto the housing ladder. A proportion of these would be permanently affordable due to specific tenure agreements which we can put in place, including mutual home ownership.

There is currently a **marked growth in the annual shortage of affordable homes in Leicestershire**. Leicester City Council updated its housing needs assessment in 2006 and found that the growth in annual shortage of affordable homes had increased from 2003 when last monitored. It had risen from 272 per annum in 2003 to 1,181 per annum in 2006. In the Government's 'Eco-towns: living a greener future' document, the Government identifies how our proposals 'would deliver 4,000 affordable housing units in comparison with current delivery of 210 annually in the relevant local authority areas'. It cites that current households on the waiting list are: 3,000 in Harborough and Oadby & Wigston; and 1,045 in Leicester. We can make a significant difference to meeting this local demand.

There are also **acknowledged problems with overcrowding of households in Leicester**. The 2001 census shows 10 per cent overcrowding in Leicester. As the affordability issue has become worse, so too has overcrowding. By providing an increased range of homes (from starter flats and houses through to family homes), we will be able to reduce this pressure and provide increased choice.

The success of the East Midlands economy is attracting people from the UK to want to come and be part of the region's success story. For the economy to continue to grow, having suitable housing stock that meets people's needs is vital.

All of this – coupled with changes in the way people live with more people living in single household units and more people living longer – increases the need to do something to respond.

Just as there is a need for more homes, equally we are sensitive to the fact that any development must be of appropriate scale for its location. We do not hide from the fact that we are promoting a significant number of new homes. As people consider the issues about local housing supply in more detail, they will see why we have conviction in our proposals.

Homes are also about much more than bricks and mortar. They are about people and communities. **We believe that there is a strong demand for people to want to live more sustainably** – and that we can help to meet that demand. We also believe that people want to live in a secure, inclusive, well-connected and attractive location where they have access to employment, services and community facilities and where they can have ownership of the issues that affect them. We believe that the co-operative model can help meet these aspirations and that the eco-town can be a catalyst for change and improvement locally and countywide.

### The Government's call to eco-town developers

In line with the Government's Eco Town Prospectus, the Co-operative Group's and English Partnerships' proposal for an eco-town in Leicestershire needs to:

- Exceed the minimum target for proposed homes of 5,000-10,000 within a new and distinct settlement which is separate from any existing towns but well linked to them
- Provide affordable housing at between 30 to 50 per cent of the total number of new homes and provide a wide range and distribution of tenures in a mixed community
- Provide a particular emphasis on larger family homes
- Establish a management body which will help develop the town, provide support for people moving into the new community, for businesses and to co-ordinate delivery of services and to manage facilities
- Ensure that the development as a whole reaches 'zero carbon' standards and that the town becomes an exemplar in at least one area of environmental sustainability

### Our initiatives

We believe that we have three advantages which mean that, first and foremost, we can provide new homes but that we can also do this in a way which no other eco-town or ordinary developer could achieve.

Firstly, the **size and scale of our landholding**. Together with our land partner English Partnerships, we own more than 4,000 acres (1,700 hectares) of land south east of Leicester. This means **we can approach development in a unique way**, looking to use only part of the site for the proposed new community and retaining the vast majority for ongoing agricultural use and as open space. We are proposing to use, at most, 40 per cent of the site to create the eco-town itself, keeping 60 per cent for farming and countryside uses.

Secondly, the Co-operative Group's **agricultural experience as the UK's largest farmer** means that we understand the relationship between land, food and people. We believe that,

as part of the eco-town approach for more sustainable living, we can **connect the town to the land** and, by doing so, create an environment for a healthier way to live.

Thirdly, we believe that our experience, over more than 150 years of trading in businesses ranging from retail to financial services and pharmacies to funerals, means that we can **help to establish a successful community for the eco-town**. Our co-operative structure, and the values and principles of our business, mean that we understand how to create **successful community ownership and community management** models.

Specifically, in the way we approach delivering new homes for the eco-town, we will work with the local authorities and housing partners to understand local needs and develop homes that respond to these. We will push for the highest standards of sustainability in housing design and construction building on the Carbon Challenge initiative being run by English Partnerships, and we will develop a masterplan for the eco-town which connects homes with jobs, shops, services, transport links and open spaces. We want the way that homes and streets are designed to create successful neighbourhoods. Getting the design right is the first part of building a successful community.

It is also important to understand the **timescales** involved. We are not talking about building a new community overnight. This would, potentially, be a development in three distinct phases over at least a 15 year period.

Importantly, we are also committing to putting **the right infrastructure in place to support the community's needs** as it evolves. This would start with putting the infrastructure and services in place to match the requirements of the first residents and, as the town grows, expanding the infrastructure provision to match. This approach would ensure the integrity of the development while also enabling it to adapt and adjust to changing needs over time.

We know that the eco-town needs to evolve – and we cannot predict now what it, or any other town in the region, will look like or need in 20 years time. The important thing for us is to develop a design approach which allows flexibility and for the town to adapt over time while also having a clear identity, character and sense of purpose.

#### **Headline commitments – what can we do that's different?**

**We will design homes that people want to live in.** They will be suitable for all ages and for different types of occupiers, from starter homes and flats to larger family homes. They will be available to rent or buy through a range of different types of tenure. Ultimately, we want to build homes that meet people's needs and support people's aspirations for a better quality of life while also matching the character and nature of the location in which they are built.

**We will deliver flexible, affordable and adaptable homes to meet local and regional needs, with 4,000-5,000 affordable homes within the proposed total of 12,000-15,000 homes.** We will provide new homes in a new community which offers an attractive, safe and supportive environment where people will want to live and to stay.

**New homes will set a new benchmark in environmental performance on an urban scale, representing a significant leap forward from today's typical housing stock. They will be among the most energy-efficient in the UK and make it easier for people to reduce the amount of energy, water and resources they use in the home.** We will design houses which promote sustainable living and make it easier for people to reduce CO<sub>2</sub> emissions and their consumption of – and therefore expenditure on – domestic resources.

**Question 1 - What do you think about our initiatives for meeting housing needs in Leicestershire?**

**Question 2 - What do you think are the most significant issues for local people in terms of owning or renting a home?**

## A more detailed look

### Affordable Housing

Delivering affordable housing development on a major scale and creating a new community is a challenging task – one requiring long-term vision and commitment. The Co-operative Group has a history of taking on challenges and being innovative in how it responds. Through our own experience, and by **working with development partners** with a strong track record on delivering social housing, we can be confident that the eco-town will provide both the range and type of accommodation to meet the housing need for the region.

Together with English Partnerships, we will match the Regional Spatial Strategy target of 30 per cent affordable housing in all new developments adding a significant number of new affordable homes – and homes for key workers – to those that are currently available in the region.

The eco-town will also enable people to adjust the way they think about household budgets and their expenditure on a home. By designing a community where it is easier for people to walk or to take public transport to work – and where a car is not a necessity for everyday life – residents of the eco-town can reduce expenditure on fuel costs tremendously. At the same time, by living in more energy-efficient homes, people can also reduce their domestic energy bills. Both are costs which, in the climate of rising fuel and energy bills, are putting household budgets under pressure and are only likely to increase. By offering a different way of living,

the eco-town can help insulate people from these costs. As a result, people can re-configure the proportion of their income they can afford to spend on rent or on a mortgage.

This is about looking at traditional challenges in a new way and is yet another example of how living in the eco-town can make a real difference to people's ability to afford a home that meets their needs.

**Question 3** - What are your views on affordable housing in Leicestershire and what does 'affordable' mean to you and your family? Would you support new ways of keeping housing permanently affordable for future generations?

### **Design and Development Advisory Panel**

We plan to establish a Design and Development Advisory Panel to ensure that the eco-town for Leicestershire becomes a truly sustainable town. This panel will be chaired by The Co-operative Group and comprise representatives from English Partnerships, housing organisations, environmental groups and the private sector. Members will be chosen for their leading edge expertise in specialist areas. We will also encourage residents and local businesses to participate. We believe that this is important for developing the right homes in the right way to meet demand.

### **Lifetime homes and a mixed community**

We want to make sure that, as people's circumstances change, they do not have to uproot themselves and move away from the community in which they live. Currently, many people are forced to move away from their community in order to find a larger family home, if they are downsizing, or if they are moving into property better suited to more elderly residents. We will design the town to provide mixed neighbourhoods and a blend of different types of homes making choices available to people close to where they already live.

At the same time, we will work with architects to provide homes that are flexible and suitable for people's changing needs over the years. This means intelligent design which ensures a property can meet people's different needs, not just 'standard' homes targeted at specific occupier profile groups.

**Question 4** - Do you think there is a shortage of family homes in Leicestershire? Starter homes? Homes for older people?

Just as we are looking at new ways of designing homes, so too we want to explore new thinking on construction. We will use 'modern methods of construction' (MMC), which help to

make assembly and construction of homes more efficient, cutting down on waste and improving quality. Linked to this is our proposal for a freight hub at a new station at Great Glen. Using this hub to bring construction materials close to the site by rail, we expect to make the overall supply chain for building new homes considerably more efficient than traditional methods.

This approach also brings significant opportunities for improving skills within the construction industry. We will work with our partners in construction to help train and raise standards so that, as they work on construction of the eco-town, they will have and develop market-leading skills. In this way, we see the opportunity for local people and businesses to develop new skills which will give them a clear competitive advantage.

### **Homes with character**

We are proposing homes that are in keeping with the character of Leicestershire and the surrounding towns and villages. From their design to the materials from which they are built, we want to ensure that we provide attractive places where people want to live.

To achieve the standards of sustainability and environmental performance we are pushing for, we will not shy away from being innovative. At the same time, however, we understand the need for homes to sit appropriately within their environment. We will build homes which make sustainable living easier but which also have character.

As outlined in our 'Environment' consultation paper, we also have the ability to protect key landscape features and views in terms of locating new housing. The character of the new community will be enhanced by making good use of woodland areas on our site through masterplanning and with the express views of local residents.

Because we are only using 40 per cent of our total landholding to develop the town – and because approximately 30 per cent of the town area will itself be open space, parkland, verges and green space – we believe that we can create a town with a unique character. We think we can combine the best of the town with the best of the country, integrating developed and undeveloped spaces together and creating a town with a clear village feel.

**Question 5 - What views do you have about how homes should be designed? How should these be integrated into the existing landscape?**

### **Supporting local villages**

Developing the eco-town can help support local villages. Firstly, the eco-town can accommodate a significant proportion of Leicestershire's need for housing growth. By

allocating housing to the eco-town – and by delivering this within a clear masterplan framework – existing villages can be protected from incremental creep and expansion in the future. Opportunities exist for putting green ‘buffer zones’ around existing villages within the potential masterplan and our land ownership offers a great deal of flexibility over the final shape and location of the eco-town. We are committed to working with the local community to find the best solution.

Equally – and if felt appropriate – housing growth delivered through the eco-town could help to create new facilities and services in existing villages. For example, additional homes created by the eco-town could provide sufficient demand for new community facilities, like a community centre within existing local centres. As detailed in our consultation paper on transport, the eco-town allows for the introduction of integrated public transport to remote areas for the first time.

### **A live / work community**

We are proposing a community which combines homes with jobs. The eco-town will create new jobs itself and many people are expected to work locally. At the same time, we want to design homes which enable people, where their jobs allow, to work from home. IT infrastructure (‘Fibre to the Home’) will be embedded into the eco-town from the outset, meaning that people can work effectively from home if their job affords them that choice.

**Question 6** - Do you have an opinion on how homes can be better designed / equipped to make working from home easier? Do you think this is an important consideration in how new homes are designed?

During the second phase of consultation, from July to October 2008, eco-town developers are required to work up detailed masterplans that encompass their own initiatives and drawing upon the views submitted through the initial public consultation period. The Department of Communities and Local Government (CLG) will be making decisions on a final shortlist of eco-towns following this second phase.

At this stage, there is no requirement for developers to have specific location plans for housing settlements within the land that they have brought forward. We see this as an advantage in that it allows public views on ‘design’ to be shared at a very early stage in masterplanning. Whilst our landholding does have some restrictions, such as heritage sites, which we will protect from development, overall there are a range of choices for how the final design could be decided.

Through our ongoing consultation – and by listening to people’s feedback on our proposals – we will be able to set the priorities which people feel are most important for the design. The approach of creating a masterplan in this way helps to resolve the tensions between potentially competing demands, allowing us to pursue the best solution that matches what the majority of people have said is important to them.

We have the land, ideas, business model and innovation to deliver the right community whatever its shape and size. Your views are vital in finding the optimum solutions.

**Question 7** - Do you have any general views about how mixed communities are delivered? Would you prefer neighbourhoods with mixed sizes and ownerships of homes together?

**Question 8** – What views do you have on the benefits of locating an eco-town close to or far from existing settlements? What criteria should be used to protect existing settlements and ensure that they benefit from new open spaces and services?

**Question 9** – Do you have any other views on housing issues not covered in this paper?

## How to Respond:

Please direct any comments or responses to [www.ecotownforleicestershire.coop](http://www.ecotownforleicestershire.coop) and complete the online response form in the “your views” section, with **Housing** in the subject heading. In order to help with the feedback process, please make clear to which questions you are responding in your feedback.

Due to the volume of submissions we are receiving it may not be possible to respond to each individual submission at this stage. However, all comments are noted and are very important to the development of a best-in-class eco-town.

This is just one of a number of consultation themes which we are exploring in the early phase of consultation. You can share views that you have on specific elements of transportation, environment, community, health and employment in response to our wider range of consultation documents. Any other views that you have at this stage can be submitted to the website.

We are also holding a series of local events at which we would be delighted to hear your thoughts on the specific questions posed in this consultation paper. You can also submit written responses to this and future consultation papers to members of the team at the events. Please check our website and news releases for the latest dates.