

North West Leicestershire Local Plan Examination

Charnwood Borough Council response to EX70 Employment Land Requirements, Implications for local plan arising from the publication of the HEDNA

Background

1. The Housing and Economic Development Needs Assessment 2016 (the HEDNA) identifies a baseline growth in jobs 2011-2031 of 68,200 jobs in the Functional Economic Market Area (the FEMA) of which 10,900 jobs are in North West Leicestershire. The HEDNA adjusts this scenario to take into account planned/committed investment and, amongst other things, displacement and indirect jobs creation (paragraph 4.24 of HEDNA) to identify growth in jobs 2011-2031 of 16,700 for NWL and 91,900 for the FEMA (Table 20, HEDNA)
2. The HEDNA calculates the economically active population required to meet this jobs growth and through this modelling identifies an OAN for NWL of 481 homes per year 2011-2031 to support an objectively assessed need for employment land in NWL as follows:

B1a/b	B1c/2	Non-strategic B8
45-46ha	3ha	17ha

3. The HEDNA also recognises demand for Strategic B8 uses across Leicester and Leicestershire. It reports a forecasted need 2011-2031 for 361ha. There are no figures for demand at a local planning authority level. The HEDNA notes (paragraph 12.74) that future decisions about the locations for new strategic distribution development may require some reconsideration of the distribution of housing through the Duty to Cooperate.

Commentary

4. The HEDNA provides an integrated housing and employment assessment for Leicester and Leicestershire as required by the Framework (paragraph 158). The statement on housing land requirements provided by NWL (EX69) says the plan is based on the economic led housing OAN of 481 homes a year. The employment land statement provided by NWL (EX70) recognises a total employment land OAN of 65-66ha (the sum of B1a/b, B1c/2 and non-strategic B8). It also notes a supply of these uses that amounts to 37ha with the possibility of an additional 16ha, assuming land allocated at Money Hill is brought forward for those uses. The statement recognises this amounts to a theoretical supply of 53ha and that there is an undersupply of 13ha (EX70: paragraph 5.1). The statement then considers an additional requirement for loss of employment land to other uses that would result in a total residual requirement of 23ha (EX70: paragraph 5.8).
5. The NWL statement on employment land supply concludes that no further land needs to be released to meet this undersupply due to there being 'no immediate urgency to address a perceived shortfall' (EX70: paragraph 5.11). However, the

Local Plan provides for the period 2011-31 and should seek to meet the need for employment development in accordance with paragraph 182 of the Framework.

6. The HEDNA also provides an OAN of 361ha for Strategic B8 at the HMA level. The employment land supply statement recognises the availability of 248ha of supply in NWL (EX70: paragraph 3.4) and that this is 69% of the HMA demand. The HEDNA (paragraph 11.26) confirms that the employment growth [in HEDNA] is compatible with the forecast of Strategic B8 growth, thereby ensuring that the level of housing associated with Strategic B8 across the HMA is included within the housing OAN. HEDNA takes account of supply from consents in the planned growth scenario used to inform the economic led housing need figures. The employment led OAN of 481 homes per year 2011-2031 is therefore informed, in part, by the supply of Strategic B8. HEDNA states at paragraph 11.26 that there could be some redistribution of the Strategic B8 need once the supply is established across the HMA; however, currently there is no opportunity to consider the impact this may have for the distribution of homes and Strategic B8 uses within the HMA, a task that HEDNA recognises is required.
7. In the absence of any work to understand the strategic distribution of homes and jobs, there is a prospect of double counting of households in the HMA (as described at paragraphs 7 and 10 of Charnwood Borough Council's response to EX69).
8. NWL rely on the economic led housing OAN to inform the local plan. That housing OAN for 481 homes per year integrates with an OAN for employment land of 65-66ha. However, NWL recognise there is an employment land undersupply of 23ha and yet propose a housing requirement of 520 homes a year which exceeds the economic led housing OAN. The housing and employment land requirements within the plan are not reconciled.
9. Charnwood Borough Council agrees with the findings of HEDNA. However, the proposed housing requirement is above the demographic OAN of 425 homes a year without a distribution process having been undertaken for the HMA through proper process. The rationale for pursuing the economic led OAN for 481 homes a year is also based on an employment land OAN for 65-66ha. As it currently stands, the plan does not meet that OAN. As a result, the plan does not propose a strategy that responds to the integrated assessment of housing and employment.

Summary

10. The Council has considered the context for this issue; that the HMA partners are working together on the Leicester and Leicestershire Strategic Growth Plan, that housing supply in NWL is reported to support a housing requirement of 520 homes per year and that the NWL local plan is proposed to be modified by way of a policy that triggers a review in the event that unmet need is distributed to NWL.
11. Fundamentally, the trigger policy is intended to require a review of a sound plan in the event that unmet need is distributed to that area. The circumstance we have here is that plan does not meet the employment OAN evidenced by HEDNA.

Furthermore, the housing OAN for NWL is justified by, and integrated through evidence with, that employment OAN. Unfortunately, the plan seeks to exceed the housing OAN whilst undersupplying against the employment land OAN.

12. This causes difficulties in that the relationship between homes and jobs, migration and commuting are not integrated, understood or reconciled (paragraphs 158 and 159 of the Framework). It also means that the plan is not based on a clear understanding of business needs (paragraph 160 of the Framework). Nor is there an agreed position on reconciliation of homes and jobs through re-distribution (paragraph 181 of the Framework).
13. Charnwood Borough Council considers that these matters are capable of being addressed through the joint work in the Housing Market Area.