

## North West Leicestershire Local Plan Examination

### Charnwood Borough Council response to EX69 Housing Land Requirements, Implications for local plan arising from the publication of the HEDNA

#### Background

1. The Housing and Economic Development Needs Assessment 2017 (the HEDNA) takes the 2014 Subnational Population Projections (SNPP14) as its starting point. In order to arrive at an objectively assessed need for homes (OAN) it makes adjustments to take into account 10-year migration trends and affordability. The HEDNA also considers an economic led scenario, which in the case of North West Leicestershire (NWL), concludes a need for homes that is above the adjusted demographic scenario. The HEDNA recommends the economic led scenario as the basis for the OAN for North West Leicestershire. The OAN for all other authorities in the Housing Market Area, save for Melton, is based upon the adjusted demographic scenario.
2. The SNPP14 projection for NWL is 314 homes per year 2011-2031 [Table 13, HEDNA]. The HEDNA reports the overall conclusions on OAN for NWL in Table 89 as follows:

<b>Demographic Need (10 Year Migration Trends)</b>	<b>Affordability Adjustment</b>	<b>Supporting Economic Growth</b>	<b>Objectively-Assessed Need</b>
386	39	56	481

3. Table 89 is accompanied by a note which explains that the HMA total does not match the sum of its LA [sic] parts. This is further explained in paragraph 12.37 which reports that:

*The conclusions recognise that there is no need to adjust upwards the assessed need to support economic growth when the demographic and economic-led projections are compared with one another at the HMA level, and that economic growth in individual authorities could therefore be supported by agreeing an alternative distribution of housing provision through the Duty to Cooperate.*

4. The HEDNA provides further commentary on this at paragraph 12.40 which says that:

*In a plan-making context, the higher economic-driven need in Melton and North West Leicestershire could potentially be met through agreeing an alternative distribution of housing provision through the Duty to Cooperate. Against this context the need for above trend in-migration to support economic growth in Melton and North West Leicestershire does not imply a higher housing need at an HMA level and can be addressed by the local authorities working collaboratively to agree an alternative distribution of housing provision through the Duty to Cooperate. Any unmet housing need*

*should be calculated based on the demographic need plus affordability adjustment.*

5. The HEDNA provides further advice on this (paragraph 5.3) noting that:

*Clearly it would be illogical for an area to increase population growth above the levels shown in trend-based demographic projections (and hence increase housing need) through increased in-migration without consideration of the impact this would have on other locations (where an increase in out-migration might be expected).*

#### Commentary

6. The OAN for NWL is identified as 481 homes per year 2011-2031. This figure is significantly above the SNPP14 starting point of 314 homes per year. It is also significantly above the demographic led need for 386 homes (which takes account of longer term migration trends) and the uplifted need (to take into account affordability) of 425 homes a year. The 56 homes a year increase (to support economic growth) takes the 425 homes scenario to 481 homes a year. This is 1,120 homes over the plan period 2011-31 and will require above trend migration to North West Leicestershire. Such a change in migration patterns will necessitate a reduction in the requirements for other authorities through a redistribution process. A redistribution process has yet to take place.
7. In the absence of redistribution to reconcile the adjustment to support economic growth in NWL there is double counting of households in the HMA which will have the obvious effect of falsely identifying need within the OAN and generating an illusion of unmet need [as the households that are double counted can only reside in one authority area] and the authority area within which households will choose to live will be uncertain. The pursuit of an above demographic housing requirement will, therefore, not be based upon a reconciled relationship between homes and jobs or properly have accounted for unmet need. This position is further exacerbated by the housing requirement of 520 homes per year 2011-2031 proposed by NWL in the local plan, which is an additional 39 homes a year and a further 780 homes over the plan period. It should also be noted that the plan does not seek to meet the objectively assessed need for employment land identified by the HEDNA and as such will not play out the scenario for jobs growth that supports the higher than demographic housing OAN (see Charnwood Borough Council response to EX70).
8. Charnwood Borough Council agrees with the findings of HEDNA. However, the proposed housing requirement has not been informed by a HMA wide distribution process and therefore any requirement above the demographic OAN of 425 homes a year has not yet been reconciled through proper process. As a result, there is no effective basis to determine what role North West Leicestershire should have in meeting the needs of the HMA and what the appropriate level of housing provision should be to achieve this. The HEDNA signals that this is necessary in order to pursue an OAN of 481 homes per year and, by the same logic, a need for distribution arises for a decision to plan for 520 homes per year. In simple terms, NWL is planning for at least 1,120 homes, and possibly 1,900

homes, for the period 2011-2031 which are reliant on housing need that arises from elsewhere in the HMA and cannot be explained through existing migration patterns.

### Summary

9. 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.
10. 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 the plan is reliant on need being distributed to it by a process that has not yet been undertaken. That will have the obvious effect of meaning that there is double counting in the HMA until that process takes place (with impacts for unmet need and constraints to the supply of land under paragraph 47 of the Framework). It also means that the plan is not based on a clear understanding of housing needs, particularly with regards to migration and demographic change (paragraph 159 of the Framework) with no agreed position on re-distribution (paragraph 181 of the Framework).
11. Charnwood Borough Council considers that these matters are capable of being addressed through the joint work in the Housing Market Area.