

# NORTH WEST LEICESTERSHIRE DISTRICT COUNCIL

CABINET – 31 AUGUST 2010

Title of report	<b>REVOCATION OF REGIONAL SPATIAL STRATEGIES AND IMPLICATIONS FOR CORE STRATEGY</b>
Key Decision	a) Financial No b) Community Yes
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Purpose of report	To outline for members the potential implications of the revocation of the Regional Spatial Strategy for the Core Strategy and to advise on how the Council can move forward with the Core Strategy
Reason for Decision	To provide a direction of travel for further work and discussions
Strategic aims	Sustainable Communities
Implications:	
Financial/Staff	Allowed for within existing budgets
Link to relevant CAT	Place Shaping Local Prosperity Cleaner Greener
Risk Management	A risk assessment of the project has been undertaken. As far as possible control measures have been put in place to minimise these risks, including monthly updates to the Corporate Leadership Team.
Equalities Impact Assessment	The Core Strategy will have to ensure that any policies have taken account of any diversity and equality issues. Therefore all new policies will be subject to an Equality Impact Assessment as part of their preparation.
Human Rights	None discernible

Transformational Government	Not applicable
Comments of Head of Paid Service	The report is satisfactory
Comments of Section 151 Officer	The report is satisfactory
Comments of Monitoring Officer	The report is satisfactory
Consultees	None
Background papers	<p>Letter from Secretary of State to Chief Planning officers dated 6 July 2010 regarding Revocation of Regional Strategies. This can be viewed at <a href="http://www.communities.gov.uk/documents/planningandbuilding/pdf/1631904.pdf">http://www.communities.gov.uk/documents/planningandbuilding/pdf/1631904.pdf</a></p> <p>Report to Cabinet on 20<sup>th</sup> October 2009</p> <p>Information on the River Mease Special Area of Conservation can be found at <a href="#">Developments Within the Catchment Area of the River Mease Special Area of Conservation - North West Leicestershire District Council</a></p> <p>Scoping and Outline Water Cycle Study can be viewed at <a href="#">Evidence Base - North West Leicestershire District Council</a></p> <p>Copy of the Packington Nook Decision Letter is held and can be viewed in Room 101</p> <p>The considerations of the River Mease – Impact on Development Working Party can be viewed at <a href="#">Scrutiny - Current Projects - North West Leicestershire District Council</a></p>
Recommendations	<p><b>(I) THAT CABINET CONSIDER THE CONCLUSIONS SET OUT IN THIS REPORT AND ADVISE HOW THEY WISH TO RESPOND;</b></p> <p><b>(II) THAT FURTHER CONSULTATION BE MADE IN RESPECT OF THE CONCLUSIONS AGREED BY CABINET AND</b></p> <p><b>(III) THAT THE DIRECTOR OF ENVIRONMENT IN CONSULTATION WITH THE APPROPRIATE PORTFOLIO HOLDER BE DELEGATED TO CONSIDER THE RESPONSES TO THE CONSULTATION PRIOR TO THE CORE STRATEGY BEING TAKEN TO FULL COUNCIL</b></p>

## 1.0 INTRODUCTION

- 1.1 On 6<sup>th</sup> July 2010 the Secretary Of State for Communities and Local Government announced the formal revocation of all Regional [Spatial] Strategies with immediate effect. This was a key component of the Coalition Government's programme to “ *rapidly abolish Regional Spatial Strategies and return decision-making powers on housing and planning to local councils*”. The government has made it clear that it will publish a ‘Localism’ Bill later on this year and that this will set out “*New ways for local authorities to address the strategic planning and infrastructure issues based on cooperation..*”.
- 1.2 Members will be aware that the Regional Spatial Strategy (RSS) together with the Local Development Framework (LDF) (and the current local plan until such time as it is replaced by the LDF) form the Development Plan for North West Leicestershire. It was a requirement that the LDF conform to the RSS. However, the revocation of the RSS has taken away this requirement and has created a potential policy vacuum.
- 1.3 To help overcome this, the announcement was also accompanied by a guidance note. A key message in the advice note is that the Coalition Government expects local planning authorities to continue to prepare LDFs. It states that “*Local planning authorities should continue to develop LDF core strategies and other development plan documents, reflecting local people's aspirations and decisions on important issues such as climate change, housing and economic development.*”
- 1.4 Members will recall that a number of reports have previously been considered by Cabinet in respect of the Core Strategy, including outlining the responses to various consultations which have been undertaken. From these reports Cabinet has provided a steer on a range of key issues.
- 1.5 This report outlines for Members those key parts of the Core Strategy which Cabinet have previously provided a steer on and how these could be affected by the revocation of the RSS and how the Council can move forward on these issues, namely:
  - Overall Strategy
  - Housing numbers;
  - Gypsies and Travellers;
  - Strategic Distribution and
  - Green Wedge

For each area there is a brief conclusion as to how to proceed and it is these that form the basis of the recommendations above.

- 1.6 The report also considers the potential implications for housing arising from the River Mease issues and how these could be dealt with in the Core strategy.
- 1.7 Members should note that a legal challenge to the decision to revoke RSSs has been made by a major house builder. Whilst this challenge relates to the South East region, the implications of a successful challenge would affect all Local Planning Authorities not just those covered by the South East RSS.
- 1.8 At the time of writing this report, no date had been set for a hearing, although the developer is pushing for a date early in September. Whilst it is not possible to predict what

the outcome of the challenge will be, Members should appreciate that there is likelihood that it will be successful. If this were to be the case then it will be appreciated that this will impact upon the Core Strategy in terms of its content and timing.

## **2.0 OVERALL STRATEGY**

- 2.1 Members will recall that the overall strategy of the emerging Core Strategy was to focus most new development upon Coalville in accordance with the RSS which had identified Coalville as a Sub-Regional Centre. Outside of Coalville the development was to be directed to Rural Towns (i.e. Ashby, Castle Donington, Ibstock, Kegworth and Measham).
- 2.2 It is considered that the revocation of the RSS does not require any change to the overall strategy as, provisions of the RSS notwithstanding, the approach to concentrate development in Coalville is entirely consistent with other national policies to concentrate new development in those settlements with the best range of services and facilities. It also supports the Council's priority to revitalise Coalville Town Centre.

### **Conclusion**

- 2.3 That no change be made to the overall strategy in view of the revocation of the RSS, but that it would be appropriate to no longer refer to Coalville as a Sub-Regional Centre. It is suggested that the term Main Town be used instead.

## **3.0 HOUSING NUMBERS**

- 3.1 It is clear from statements by the Coalition Government that the revocation of the RSS does not, as has been suggested by some commentators, mean an end to new housing development. The Government remains committed to new housing growth. As part of the forthcoming 'Localism' Bill the Government will set out how financial incentives will be used to encourage local communities to support the construction of new homes. It is understood that this (referred to as a 'New Homes Bonus') will take the form of the Council receiving all of the Council Tax of any new houses for a specified period of time. A consultation is expected following the completion of the Comprehensive Spending Review and until such time as it is confirmed it can only be considered as a proposal.
- 3.2 On the issue of housing numbers the advice note states that "*Local planning authorities will be responsible for establishing the right level of local housing provision in their area, and identifying a long term supply of housing land without the burden of regional housing targets. Some authorities may decide to retain their existing housing targets that were set out in the revoked Regional Strategies. Others may decide to review their housing targets. We would expect that those authorities should quickly signal their intention to undertake an early review so that communities and land owners know where they stand*".
- 3.3 The advice also makes it clear that any housing numbers will still need to be justified and that this should be done "*in line with current policy in [Planning Policy Statement] PPS3*". It also goes on to make it clear that local authorities are still required to maintain a 5 year supply of housing land notwithstanding that fact that "*the overall ambition for housing growth may change..*".
- 3.4 In the Conservative Party's Green Paper (Open Source Planning) published prior to the general election, reference was made to local authorities using 'Option1' figures from

RSSs instead of the final figures included in the respective RSS. The advice note has now clarified that 'Option 1' figures are those which were "*submitted to the original Regional Spatial Strategy examination*". The advice notes makes it clear that 'Option 1' figures can be used instead of the final RSS figures and, if necessary, supplement this with "*more recent information as appropriate*".

- 3.5 Members will recall that the final housing figures in the RSS required the provision of 10,200 dwellings in the district over the period 2006-2026 (i.e. 510 dwellings per annum). The 'Option 1' figure for North West Leicestershire which was included in the RSS and which was subject to public examination in 2007, was 480 dwellings per annum or 9600 dwellings for the period 2006-2026.
- 3.6 Clearly the 'Option 1' figure is not significantly different to the final figure, only being some 600 dwellings less in total. As such there would be little merit in using this instead of the final RSS figure.
- 3.7 However, as noted above, the advice note refers to the use of more recent information as appropriate to support new housing figures and that any housing numbers still need to be justified in line with the advice in PPS3. It is not clear as to which specific advice in PPS3 is being referred to, but it is assumed to be paragraph 33. This advises that account should be taken of evidence regarding local (and sub-regional) evidence of current and future levels of need and demand for housing, including:
- Strategic Housing Market Assessments (SHMA);
  - advice published by the National Housing and Planning Advice Unit (NHPAU);
  - the Government's latest published household projection;
  - information available on the supply of housing land, for example in a Strategic Housing Land Availability Assessment (SHLAA);
  - Affordability issues;
  - Impact upon infrastructure and
  - A Sustainability Appraisal of the environmental, social and economic implications, including costs, benefits and risks of development
- 3.8 Each of these is considered in more detail at Appendix A.

## **Conclusion**

- 3.9 In terms of the issue of housing numbers there are a number of key conclusions based on the available evidence at this time:
- There is, and will continue to be, a need for a significant number of new dwellings based on current household/population projections. However, these projections are trend-based and changes in policy together with more recent data raises questions about the reliability of those which provided the basis for the RSS.
  - There is a significant potential supply of housing land, but it cannot be assumed that all of this potential supply is on appropriate sites.
  - There is a significant need for affordable housing.
  - There is considerable local concern about the impact of new development on infrastructure and
  - There are doubts about the ability to meet the RSS target, particularly in view of the low build rate to date and the implications of the River Mease SAC issue.

- 3.10 Having regard to the Government's advice note there is a clear expectation that local authorities will still make provision for new housing, having regard to the available evidence. Officers are of the view that that the RSS housing figure represents the most robust figures available. However, having regard to the comments in Appendix A, it is considered that a case could be made for having a lower housing figure in the Core Strategy than that set out in the RSS if Cabinet consider that is the appropriate approach to take.
- 3.11 The question is what would be an appropriate figure to use? Whatever figure is used need to be backed up by evidence. On the basis of all the most recent household projections, a figure of up to about 12,000 dwellings could be justified in terms of potential need. Any figure less than this would mean that the likely future needs will not be met and the Council will in effect be recognising that not all identified needs would be met.
- 3.12 Having regard to the available evidence, officers have identified two possible options for considering the most appropriate housing numbers. These are based on looking at historic build rates (Option A) on the one hand and the Council's previous stated position on this issue as part of early iterations of the RSS (Option B). The two options are considered below.

#### Option A

- 3.13 The advice note published by the government refers to being able to demonstrate a supply of housing land for at least 15 years from the date of the adoption the plan. This is currently estimated to be late 2011/early 2012. Therefore, a plan period to 2026 along the lines previously assumed would seem appropriate. It would also be appropriate to continue to look at housing requirements from 2006 as it would ensure continuity from the (theoretical) end date of the adopted Local Plan. Therefore, a plan period of 20 years would be appropriate.
- 3.14 Historic build rates cover the 19 year period from 1991 to 2010, virtually the same length of time as 2006 to 2026. It should be noted that this 19 year period covers a whole economic cycle from depressed housing market in the early 1990's to a booming one in the late 1990's through to about 2007/08 when the market again dipped. This shows an annual build rate of 406 dwellings. If this annual build rate) was used for 2006-2026 this would provide a figure of 8120 dwellings (i.e. 20 x 406). Allowing for what has been built to date since 2006 (1156) would leave a residual of 6964 dwellings to be built at an annual rate of 435 dwellings per annum.
- 3.15 This rate of development is virtually the same as that achieved over the shorter period 1991-2006 as shown in Appendix A. It is, therefore, considered that the overall figure of 8120 dwellings for 2006-2026 represents, on the basis of historical trends going back to 1991, which as noted previously covers a whole economic cycle, and the evidence regarding supply, a reasonable balance between meeting the identified need of the projections and reducing the impact of development upon local communities to a more satisfactory level
- 3.16 Members had previously agreed how development should be distributed across the district on the basis of the figure in the RSS of 10,200 dwellings. Using the same proportions for individual settlements as previously agreed but taking account of dwellings under

constriction and those with planning permission as at 31 March 2010 the table below identifies the revised distribution based on the figure of 8120 dwellings.

	<b>Total no of dwellings required (a)</b>	<b>Built 2006-10 (b)</b>	<b>Under construction at 31 March 2010 (c )</b>	<b>Planning permission at 31 March 2010 (d)</b>	<b>Remaining (a-b-c-d) (i.e. dwellings still to find)</b>
Ashby	796	358	24	167	247
Coalville	5175	512	41	222	4400
Ibstock	398	34	0	22	342
Kegworth	239	28	2	154	55
Castle Donington	796	46	2	7	741
Measham	318	42	7	56	213
Rest of district	398	136	40	142	80
<b>Total</b>	<b>8120</b>	<b>1156</b>	<b>116</b>	<b>770</b>	<b>6078</b>

### Option B

- 3.17 The initial consultation on the RSS in 2005 put forward a range of possible options (some nine in total) for the amount of development in each district, depending upon the overall strategy pursued. The (then) Executive Board considered a report on the consultation in January 2006 and concluded that it favoured either Option 2b (460 dwellings per annum) or Option 2c (390 dwellings per annum).
- 3.18 The table below compares the build rate required to meet the RSS figure and Options 2b and 2c, taking account of what has already been built as at 31<sup>st</sup> March 2010 (1156 dwellings at 289 dwellings per annum)

<b>Source</b>	<b>Total 2006-2026</b>	<b>Annual requirement (a)</b>	<b>Built 2006-2010 (b)</b>	<b>Average build rate required from 2010 - 2026 (a-b)</b>
<b>Regional Plan</b>	10200	510	1156	606
<b>Option 2b</b>	9200	460	1156	503
<b>Option 2c</b>	7800	390	1156	415

- 3.19 From the above table it can be seen that the required build rate at 2010 for Option 2c is virtually identical to that achieved over the longer period of 1991-2010 as set out in Appendix A, whilst Option 2b is not dissimilar to that initially required by the RSS. On the basis of historical trends and the evidence regarding supply, it is considered that the Option 2c figure of 7800 dwellings for 2006-2026 would achieve a reasonable balance between meeting the identified need of the projections and reducing the impact of development upon local communities to a more satisfactory level.
- 3.20 As noted at paragraph 3.16 Members had previously agreed how development should be distributed across the district on the basis of the figure in the RSS of 10,200 dwellings.

Undertaking a similar assessment to that at paragraph 3.16, the table below identifies the revised distribution based on the figure of 7800 dwellings.

	<b>Total no of dwellings required (a)</b>	<b>Built 2006-10 (b)</b>	<b>Under construction at 31 March 2010 (c )</b>	<b>Planning permission at 31 March 2010 (d)</b>	<b>Remaining (a-b-c-d) (i.e. dwellings still to find)</b>
Ashby	765	358	24	167	216
Coalville	4970	512	41	222	4195
Ibstock	384	34	0	22	328
Kegworth	227	28	2	154	43
Castle Donington	765	46	2	7	710
Measham	305	42	7	56	200
Rest of district	384	136	40	142	66
<b>Total</b>	<b>7800</b>	<b>1156</b>	<b>116</b>	<b>770</b>	<b>5758</b>

### Summary

- 3.21 It should be appreciated that whichever Option is chosen, means that the needs identified by the latest household projections would not be met. The actual difference between the two options (i.e. 320 dwellings over a twenty year period) is not that significant.
- 3.22 Of the two Options, officers consider that Option A is the most appropriate. Whilst both options would, as outlined above, result in all of the need not being met, Option A is based on a consideration of historic build rates and deliverability issues. As such this option reflects the likely reality of what can be achieved in the future whilst also seeking to protect local communities. Option B on the other hand is based on a household projection which has already been superseded by subsequent projections which show higher need figures. As a result, Option B carries a degree more risk than Option A.
- 3.23 Cabinet are asked to advise on which of the two options presented they would wish to support, assuming that they do not wish to continue with the figures in the RSS. In doing so, Members may wish to be mindful of the fact that, as outlined earlier, the Government is looking to introduce a system of financial incentives to encourage the provision of new housing. Therefore, the lower the housing figure the lower the amount of money which the Council can expect to receive as a result of new housing development.

## **4.0 GYPSIES AND TRAVELLERS**

- 4.1 Members will recall that the RSS required the provision of a minimum of 32 additional pitches for gypsies and travellers up to 2016 plus 10 transit pitches and 8 plots for travelling showpeople. It had been agreed that the Core Strategy would set out a criteria based policy to be used to identify sites in the future, either via an Allocations Document or through the consideration of planning applications.
- 4.2 The advice note states that *“local authorities will be responsible for determining the right level of site provision, reflecting local need and historic demand, and for bringing forward land in DPDs”*. It goes on to say that *“They [LPA] should continue to do this in line with*



*current policy. Gypsy and Traveller Accommodation Assessments (GTAAAs) have been undertaken by all local authorities and if local authorities decide to review the levels of provision these assessments will form a good starting point. However, local authorities are not bound by them”.*

- 4.3 As with housing number, the Government are keen to allow local authorities to determine the appropriate level of provision. However, again evidence is a key issue.
- 4.4 The GTAA for the Leicester and Leicestershire Housing Market Area was published in 2007 and identified a need for 32 additional pitches for gypsies and travellers plus 10 transit pitches and 8 plots for travelling showpeople for 2006-11 and a further 11 gypsy and traveller pitches and 2 for travelling showpeople for 2011-16.

### **Conclusion**

- 4.5 It is considered that the Core Strategy should continue to include a criteria based policy. In respect of the issue of need, in the absence of any more up to date evidence, and the continuing need to make provision for Gypsies and Travellers, that the findings of the GTAA should continue to provide the basis for making provision

## **5.0 STRATEGIC DISTRIBUTION**

- 51 Members will recall that Policy 21 of the RSS identified the need to make provision of sites for strategic distribution purposes. It did not identify where these should specifically be other than within certain housing market areas, including the Leicester and Leicestershire Housing Market Area.
- 5.2 Members will also recall that three potential sites for Strategic Distribution had been included in the 2008 Core Strategy consultation. However, on the basis that there was no firm evidence to suggest that provision should be made in North West Leicestershire; Cabinet agreed that a criteria-based policy would be the appropriate to deal with issue.
- 5.3 In May 2010 EMDA published a study which they had commissioned to provide more guidance as to the most appropriate locations for sites for Strategic Distribution. This concluded that there were three preferred sites, of which one is in North West Leicestershire to the north of East Midlands Airport and west of Junction 24. The study was comprehensive and considered a wide range of potential sites across the study area (the Three Cities area of the RSS). In reaching its conclusions regard was had to a range of factors including accessibility to the rail and road network, access to labour market and impact upon environmental factors such as flooding and ecology.

### **Conclusion**

- 5.4 There is now evidence to show where the preferred location for this type of use is in the sub-region. Whilst it is appreciated that the 2008 consultation demonstrated considerable opposition to this proposal, this has to be weighed against this new evidence.
- 5.5 The development of this site will involve significant cost to the developer for the provision of infrastructure, including road and rail access, the latter involving the construction of 3km of new railway. The EMDA report notes that “*Access to the rail network is identified as a*

*potential risk area*". However, the report also notes that "*The developer has calculated the cost of this rail link and it has been deemed to be viable by a number of parties including Network Rail*".

- 5.6 As noted above there was significant opposition to this proposal in the 2008 consultation. This was largely due to the potential impact upon the nearby settlements including Lockington and Hemington. The EMDA study concludes that "*Environmental impacts [from this site] should be manageable*".
- 5.7 On the balance of the available evidence officers have concluded that continuing with a criteria-based policy would not, in the circumstances, be appropriate and that the Core Strategy should deal with this issue by way of a preferred location. It is considered that to not do so in the face of the independent evidence would result some risk that the Core Strategy could be found unsound.

## **6.0 GREEN WEDGE**

- 6.1 The RSS did not include any specific policies regarding the Green Wedge. However, the supporting text to Policy Three Cities SRS 2 (Sub Regional Priorities for Green Belt Areas) made it clear that existing Green Wedges would be reviewed as part of LDFs.
- 6.2 The statement in the RSS merely reflects the fact that as part of the LDF it is necessary to reassess all existing local plan policies, allocations and designations anyway. The fact, therefore, that the RSS has now been revoked does not change this situation. A detailed assessment of the Green Wedge was undertaken prior to the 2008 consultation and it remains the case that officers consider that its continued designation as a Green Wedge can no longer be justified.
- 6.3 In terms of whether the Green Wedge is required for development, it will be necessary to consider what the most suitable location for new development is within the Coalville area and what the likely build rate within any individual location is likely to be. However, in view of the Green Wedge's close proximity to the centre of Coalville, with all its services and facilities, it is clearly a sustainable location and hence some of the Green wedge likely to be required.

### **Conclusion**

- 6.4 There is no change at this stage in respect of the Green Wedge from those conclusions previously agreed.

## **7.0 IMPLICATIONS FOR HOUSING ARISING FROM RIVER MEASE ISSUES**

- 7.1 As noted elsewhere aware in this report (and previous ones considered by Cabinet), water quality of the River Mease, which is a Special Area of Conservation (SAC), has become a critical issue in respect of new development in the River Mease catchment area. For example this was one of the key reasons why earlier on this year the (then) Secretary of State refused planning permission for 1100 dwellings at Packington Nook, south of Ashby de la Zouch.
- 7.2 As noted in the October 2009 report considered by Cabinet, the implications of this will need to be addressed in the Core Strategy.

- 7.3 Whilst the issues associated with the River Mease are now largely understood, both by the Council (for example the Environment Scrutiny Committee has established a Working Party to look at this matter) and other partners, at the present time there is no identified solution to this issue. Work on finding a solution (or solutions) is ongoing, including commissioning the production of a Detailed Water Cycle Study.
- 7.4 In order to enable the Core Strategy to move forward in the absence of any agreed solutions to this issue, it is suggested that this be done by the inclusion of a policy which redirects the amount of development proposed within the River Mease catchment to other parts of the district in the event of the issues not being resolved in a reasonable time period. In this way it will be possible to ensure that the overall housing requirements can be met within the plan period.
- 7.5 A reasonable time period needs to be one which strikes a balance between the need to allow time to try and resolve the issues, whilst also ensuring that in the event of a solution not being found, that a sufficient period of time remains to ensure that enough development can take place to meet the housing requirement figure.
- 7.6 The end date for the Core Strategy is 2026. It is considered that, in the event that a solution cannot be found, a period of at least ten years would be required to ensure that the housing requirement is still met. Therefore, a cut off date of 2016 is suggested.

## **8.0 NEXT STEPS**

- 8.1 As has previously been noted the decision as to what should go into the Core Strategy is to be made by the Full Council. It had been envisaged that this would take place in late October. However, if Members agree with the conclusions set out in this report, particularly in respect of the issue of housing numbers, it would be advisable to undertake further consultation in respect of the issues considered in this report, including the River Mease issue which has not been subject to previous formal consultation. This will help to ensure that local communities are involved in the discussion on these issues, consistent with the stated aims of the Coalition Government.
- 8.2 Allowing for a six week period for consultation, which is normally the case, the following indicative timetable is proposed for the Core Strategy.

<b>What?</b>	<b>When?</b>
Consultation on outcome of Cabinet Report	6 September to 17 October
Consider responses and finalise Sustainability Appraisal	17 October onwards
Council meeting to agree Core Strategy	14 December
Pre-submission consultation	January/February 2011
Submission to Secretary of State	March 2011
Public Examination	September 2011
Adoption	Late 2011/early 2012

- 8.3 It is not proposed as part of this timetable to report back to Cabinet the responses from the consultation in advance of going to Council. Instead delegated authority is sought to the

Director of Environment in consultation with the appropriate Portfolio Holder to consider the responses and include any provisions and recommend any revisions to Council in due course.

- 8.4 It should be appreciated that this timetable is indicative at this time and is dependent upon the outcome of the consultation resulting from this report and also the Legal Challenge to the revocation of the RSS referred to previously. It is possible that the results of this challenge will be known part way through the consultation outlined above.
- 8.5 The later stages of the timetable is the also dependent upon the outcome of the Pre-Submission consultation as well as the ability of the Planning Inspectorate to provide a Planning Inspector to fit with these timescales.

## APPENDIX A

### Strategic Housing Market Assessment (SHMA)

The published SHMA for Leicester and Leicestershire identifies a figure for North West Leicestershire of 9508 dwellings for the period 2006-2026 (475 dwellings per annum), although this was based on the then draft Regional Plan. As such, therefore, it is not that dissimilar to the final figure in the Regional Plan of 510 dwellings per annum.

### National Housing and Planning Advice Unit (NHPAU)

This has now been abolished. The latest published information from the NHPAU was for July 2009 and covered the regional level only. The issue of projections is covered in more detail below.

### Household Projections

The figures in the RSS are based upon the 2004 Household projections published by the then Government. The review of the RSS, which had commenced last year, was using the 2006 Household projections. In respect of North West Leicestershire the respective number of households being projected was as follows:

<b>Year</b>	<b>No of households 2004 projections</b>	<b>No of households 2006 projections</b>
<b>2006</b>	38000	38000
<b>2011</b>	41000	40000
<b>2016</b>	43000	44000
<b>2021</b>	46000	47000
<b>2026</b>	49000	50000

It is clearly apparent from the latest household forecasts that there will continue to be a significant need for new housing over the next 15+ years. The final figure in the RSS (i.e. 10,200 dwellings) is in line, albeit slightly below, these projections.

However, it should be appreciated that the household projections are purely trend based and they do not take any account of possible policy interventions, either locally, nationally or internationally which could affect the final figure. The Coalition Government has recently announced its intention to set a cap on the number of immigrants from non-EU countries. This would impact upon the migration component of the household forecasts (the other elements being natural change and change in household size) although to what extent is not clear. Indeed, the 2008 population projections (the population projections inform household projections) noted that whilst people were living slightly longer than the 2006 population projections, the level of net migration to the UK was 0.2 million (0.3%) less than the 2006 projections.

### Supply of housing land

The latest published Strategic Housing Land Availability Assessment (SHLAA) for 2009 identified sites capable of accommodating potentially about 16,200 dwellings up to 2026. This is significantly above the RSS figure, but it should be appreciated that inclusion of any site in the SHLAA does not automatically mean it is suitable for development as the guidance makes it clear that the SHLAA should not be used to make policy judgements as that is the remit of the LDF. As

such, therefore, it will be the case that not all of these sites would be considered suitable for development. However, the scale of potential development identified in the SHLAA is such that it is unlikely that the number of sites which would not be appropriate would mean that the RSS figure could not be theoretically met.

### Affordability Issues

The SHMA identified and affordable housing need for 355 dwellings per annum. Whilst it is generally accepted that all of an areas need for affordable housing will not be met, any reduction in overall numbers would impact upon ability to deliver additional affordable housing.

### Impact upon infrastructure

Discussions are currently ongoing with various infrastructure providers to assess the potential implications of the RSS figure. However, a concern expressed by a large number of the local community in their response to the 2008 consultation on the merging Core Strategy related to the impact upon local services such as schools and doctors.

Clearly the greater the amount of development the greater the impact upon infrastructure. However, the greater the amount of development the more likely it is that more additional infrastructure will be provided by the new development itself, for example by way of financial contributions. There is more on this issue in the considerations below.

### A Sustainability Appraisal of the Environmental, social and economic implications, including costs, benefits and risks of development

An initial Sustainability Appraisal (SA) was undertaken of the various options considered in the 2008 consultation. This supported the approach of the then Preferred Option but it did not consider the issue of housing numbers as these were already given by the RSS. Instead the SA was concerned more with the strategy. A comprehensive SA will be undertaken prior to the Council deciding on the final Core Strategy to help inform the decision making process.

A key issue that has arisen since the SA was undertaken is that of the River Mease. As members are aware there are significant concerns about the current quality of the River Mease which is designated as a Special Area of Conservation (SAC). As a result there is considerable doubt about when, or if, new development will be able to take place in the catchment area, which includes Ashby de la Zouch and Measham, both identified as Rural Towns in the emerging Core Strategy and hence suitable locations for some development.

There are, therefore, significant potential risks from an environmental point of view about new development in the River Mease catchment. Whilst the RSS was subject to a Sustainability Appraisal and the River Mease issue was highlighted, the full extent of the issue was not known and hence, it can be argued, the full implications for new development were not fully considered in the RSS. Had the issue been more fully understood it is possible (although not certain) that a lower figure would have been included in the RSS for North West Leicestershire.

The inability to permit new development in River Mease catchment at the present time (and possibly for some time in the future) has potential implications regarding the issue of deliverability of the number of houses required to meet the RSS figure. However, there are also wider concerns about deliverability.

An assessment of historic build rates dating back to 1991 has been undertaken and the results set out below. For clarification, 1991 is the start date for the current Local Plan whilst 2006 is the start date for the RSS and Core Strategy.

<b>Period</b>	<b>Total number of dwellings built</b>	<b>Annual average</b>
<b>1991 - 2006</b>	6559	437
<b>1991 – 2010</b>	7715	406
<b>2006 - 2010</b>	1156	289

From the above it can be seen that RSS build rate (510 dwellings per annum) significantly exceeds the historic build rate up to 2006 (by about 17%). This is not unique to this district but reflects the household projections used to inform the RSS. The build rate is also higher than the longer term build rate from 1991-2010 by about 26%.

It will also be noted that the actual build rate from 2006 is significantly below that of the RSS by about 43%. This is largely a reflection of the credit crunch and the subsequent economic recession which have hit the housing market.

If an allowance is also made for those dwellings under construction as at 31 March 2010 (116 dwellings) the build rate now required to meet the RSS figure of 10,200 dwellings by 2010 has increased to 558 dwellings which is about 9% higher than the initial target.

There is no clear agreed indication as to when the housing market is likely to improve. Unlike previous recessions in the housing market the current problems are largely around the availability (or lack of) finance for both house builders and potential house purchasers. Until such time as both issues are resolved there remains the potential for continuing problems in the housing market.

The issue of lack of finance also raises questions about the ability of new development to support the provision of new infrastructure. As finance, both in the public and private sector, is restricted then it is not clear how the impact of new development can be mitigated. If it is not possible to mitigate the impact of development then new development cannot be easily permitted.

As each year goes by without the RSS figure of 510 dwellings being met, then the annual number needed to meet the RSS figure rises further and becomes more unrealistic.