

NORTH WEST LEICESTERSHIRE DISTRICT COUNCIL

LOCAL PLAN COMMITTEE – 26 JUNE 2019

Title of report	LOCAL PLAN REVIEW – RESPONSES TO CONSULTATION UPDATE
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Purpose of report	To consider the responses to the latest consultation on the local plan review and to update members on other matters related to the Local Plan review.
Council Priorities	<ul style="list-style-type: none"> - Building Confidence in Coalville - Homes and Communities - Businesses and Jobs
<p>Implications:</p> <p>Financial/Staff</p> <p>Risk Management</p> <p>Equalities Impact Screening</p> <p>Human Rights</p> <p>Transformational Government</p>	<p>The cost of the review is met from existing budgets.</p> <p>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 Project Board meetings where risk is reviewed.</p> <p>An Equalities Impact Assessment of the Local Plan review will be undertaken as part of the Sustainability Appraisal.</p> <p>None discernible</p> <p>Not applicable</p>
Comments of Deputy Head of Paid Service	The Report is Satisfactory
Comments of Section 151 Officer	The Report is Satisfactory

Comments of Deputy Monitoring Officer	The Report is Satisfactory
Consultees	None
Background papers	<p>Report to Local Plan Committee of 7 November 2018 https://minutes-1.nwleics.gov.uk/ieListDocuments.aspx?CId=344&MId=1949&Ver=4</p> <p>Local Plan Review – emerging options consultation November 2018 https://www.nwleics.gov.uk/pages/emerging_options</p> <p>Report to Local Plan Committee of 27 February 2019 https://minutes-1.nwleics.gov.uk/documents/s21446/Local%20Plan%20Review%20-%20Update%20Report.pdf</p>
Recommendations	<p>THAT THE LOCAL PLAN COMMITTEE:</p> <p>(I) NOTES THE LEVEL OF RESPONSES TO THE RECENT CONSULTATION ON THE LOCAL PLAN REVIEW;</p> <p>(II) NOTES THE COMMISSIONING OF ADDITIONAL EVIDENCE REGARDING EMPLOYMENT LAND INCLUDING A LEICESTER AND LEICESTERSHIRE WIDE STRATEGIC DISTRIBUTION STUDY (PARAGRAPHS 2.21 AND 2.22 OF REPORT) ;</p> <p>(III) AGREES IN PRINCIPLE TO INCLUDING A FLEXIBILITY ALLOWANCE WHEN PLANNING FOR HOUSING PROVISION (TO BE REFERRED TO AS A CONTINGENCY ALLOWANCE) AND THIS BE SET AT 15% OF THE OVERALL HOUSING REQUIREMENT (PARAGRAPHS 1.4 , 2.11 AND 3.8 OF APPENDIX A);</p> <p>(IV) NOTE THAT THE REVIEW WILL BE LIKELY TO HAVE TO ALLOW FOR SOME DEVELOPMENT GOING BEYOND THE END OF THE PLAN PERIOD (PARAGRAPH 5.5 OF APPENDIX A);</p> <p>(V) AGREES IN PRINCIPLE, SUBJECT TO THE OUTCOME OF THE SUSTAINABILITY APPRAISAL, TO ALLOW FOR SOME LIMITED DEVELOPMENT IN SMALL VILLAGES WHERE THE PROPOSED DEVELOPMENT MEETS THE NEEDS OF SOMEBODY WITH A DEMONSTRABLE LOCAL CONNECTION (PARAGRAPHS 13.5 AND 14.8 OF APPENDIX A);</p> <p>(VI) AGREES TO NOT REQUIRE THE PROVISION OF SELF AND CUSTOM BUILD PLOTS AS PART OF GENERAL MARKET DEVELOPMENTS (PARAGRAPH 20.4 OF APPENDIX A) AND THAT FURTHER CONSIDERATION BE GIVEN TO THE MOST APPROPRIATE FORM OF ANY POLICY IN RESPECT OF SELF AND CUSTOM BUILD (PARAGRAPH 23.3 OF APPENDIX A);</p>

	<p>(VII) NOTE THE INTENTION TO CONTINUE TO EXPLORE THE POTENTIAL USE OF HEALTH IMPACT ASSESSMENTS (PARAGRAPH 27.3 OF APPENDIX A); AND</p> <p>(VIII) NOTE THE PROPOSAL TO ESTABLISH AN INTERNAL OFFICER GROUP TO LOOK AT THE ISSUE OF FAST FOOD/TAKEAWAYS (PARAGRAPH 29.6 OF APPENDIX A)</p>
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1.0 BACKGROUND

- 1.1 The 7 November 2018 meeting of this committee agreed to undertake a further consultation in respect of the emerging Local Plan.
- 1.2 The consultation took place between 12 November 2018 and 11 January 2019.
- 1.3 A copy of the consultation document can be viewed from this [link](#) . The document covered the following issues and included a series of questions to help guide responses:
- Making sure that we have sufficient land for housing (questions 1 to 6)
 - Making sure we have sufficient land for employment (questions 7 to 12)
 - Should we change the settlement hierarchy? (questions 13 to 15)
 - Where will new development go? (questions 16 and 17)
 - How can the review consider the issue of self and custom build housing? (questions 18 to 23)
 - How can the review address issues relating to health and wellbeing? (questions 24 to 30)
- 1.4 Comments were received from 62 consultees representing a range of organisations, as well as individuals. A summary of the comments can be viewed from this [link](#).
- 1.5 Appendix A to this report summarises the comments received by question and sets out the suggested response from the Council. Where a specific course of action is proposed this is included in the recommendations set out above.
- 1.6 The following section of this report provides an update in respect of a number of key issues where there have been changes since the consultation was agreed and which are of relevance to those matters included as part of the consultation. The comments at Appendix A take account of these updates where necessary.

2.0 UPDATE

National policies

- 2.1 The government issued a revised National Planning Policy Framework (NPPF) on 19 February 2019 along with changes to the Planning Practice Guidance (PPG). The key changes of relevance to the Local Plan review include:
- A change to the definition of local housing need which reaffirms that the housing need should be based on the outcome of the application of the government's standard method "*unless exceptional circumstances justify an alternative approach which also reflects current and future demographic trends and market signals*" (the implications of this are considered later on in this report).

- A change to the definition of deliverable such that all non-major sites (those of less than 10 dwellings or having an area of less than 0.5ha) can be considered deliverable for the purposes of 5-year supply. As it will be necessary to demonstrate a 5-years supply through the Examination process this change will have some positive, albeit fairly minor, implications.
- Confirmation that the 2014 household projections should be used to inform the calculation of local housing need, not the 2016-based projections (the implications of this are considered later on in this report).
- Additional clarity provided on the circumstances in which it might be appropriate to plan for a higher housing need than suggested by the standard method. This is considered in more detail in section 2.10 – 2.23 below.
- Additional guidance relating to assessing economic needs.

2.2 The July 2018 version of the NPPF introduced a requirement that strategic policies (those which set out an overall strategy for the pattern, scale and quality of development) should look ahead over a minimum 15-year period from the date of adoption. This approach is continued in the February 2019 version. It is becoming apparent that this may have implications for the end date of the review which it had previously been agreed should be 2036. This matter will be the subject of a report to a future meeting of this committee.

Leicester and Leicestershire Strategic Growth Plan

2.3 The Strategic Growth Plan (SGP) was signed off by all of the authorities towards the end of 2018. This is an important step forward as its provisions are intended to guide the preparation of Local Plans. Discussions regarding a Statement of Common Ground (previously referred to as a Memorandum of Understanding) are also taking place.

2.4 The SGP strategy contains two elements of direct relevance to North West Leicestershire and the Local plan review:

- The Leicestershire International Gateway; and
- Managed growth in Coalville

2.5 There is no definitive boundary for the Leicestershire International Gateway, but essentially it is focussed around the northern parts of the A42 and M1, including areas of both North West Leicestershire and Charnwood. The SGP notes that the area has the potential to accommodate about 11,000 new dwellings up to 2050. It does not provide any more guidance as to how this is to be split between the two authorities. However, based on discussion during the preparation of the SGP it is likely that at least 5,200 dwellings will be in North West Leicestershire. Officers are due to meet with representatives of Charnwood Borough Council to seek agreement on this matter.

2.6 In terms of Managed Growth in Coalville (which is the Coalville Urban Area as defined in the adopted Local Plan), the SGP notes that *“Much of this [substantial provision] has still to be built and is dependent upon new local infrastructure. Further sustainable development should be consistent with the need to support local growth. In particular, there are aspirations for continued town centre regeneration and better services”*

2.7 The Local Plan review will need to address these as part of the development strategy to be pursued.

2.8 The SGP also recognises that Leicester City will be unable to meet all its own needs post-2031. Therefore, it establishes a redistribution to ensure that all of the needs of the Leicester

and Leicestershire Housing Market Area are met. The redistribution reflects the development strategy, with the greatest uplift being in those areas related to the A46 Priority growth corridor. However, there is an uplift in North West Leicestershire to reflect the Leicestershire International Gateway.

Housing requirements

- 2.9 Members will recall that the government has introduced a standard method to be used to identify housing requirements.
- 2.10 As noted above (paragraph 2.1) the government has now confirmed that the 2014-based household projections should be used, rather than the later 2016-based projections.
- 2.11 Applying the 2014 household projections to the standard method (and taking account of the latest affordability ratio published in April 2019) results in a housing need of 379 dwellings every year. It should be noted that this is slightly higher than the figure previously reported to this committee (368 dwellings) as a result of the new affordability ratio which is higher than previous. As the affordability ratio is published annually it will mean that the needs figure could also change regularly.
- 2.12 This figure is significantly less than the housing requirement in the adopted Local Plan, which is 481 dwellings every year. This was based on the Leicester & Leicestershire Housing and Economic Development Needs Assessment (HEDNA). For the period post-2031 the HEDNA identified a need of 448 dwellings every year. Again the standard method figure is significantly less.
- 2.13 The NPPF makes it clear that the standard method “*identifies a minimum annual housing need figure*”. It goes on to state “*unless exceptional circumstances justify an alternative approach which also reflects current and future demographic trends and market signals*”.
- 2.14 Further clarification is provided in the PPG which states that “*The standard method for assessing local housing need provides a minimum starting point in determining the number of homes needed in an area*”. It goes on to state that “*there will be circumstances where it is appropriate to consider whether actual housing need is higher than the standard method indicates*”.
- 2.15 As noted above, the government has published amendments to national policies which provides some clarification as to what such circumstances might entail. The PPG states that:

“Circumstances where this may be appropriate include, but are not limited to situations where increases in housing need are likely to exceed past trends because of:

- *growth strategies for the area that are likely to be deliverable, for example where funding is in place to promote and facilitate additional growth (e.g. Housing Deals);*
- *strategic infrastructure improvements that are likely to drive an increase in the homes needed locally; or*
 - *an authority agreeing to take on unmet need from neighbouring authorities, as set out in a statement of common ground[*this is picked up later*];*

There may, occasionally, also be situations where previous levels of housing delivery in an area, or previous assessments of need (such as a recently-produced Strategic Housing Market Assessment) are significantly greater than the outcome from the standard method.

Authorities will need to take this into account when considering whether it is appropriate to plan for a higher level of need than the standard model suggests”.

- 2.16 It is clear, therefore, that at this time the figure of 379 dwellings using the standard method can only be regarded as a minimum figure and a starting point. Additional work is being undertaken to assess whether a higher alternative figure is required. This will be the subject of a report to a future meeting of this committee.

Employment land issues

- 2.17 The HEDNA identifies the amount of employment land required to 2031 and 2036. For the period 2011-36 it identified the following requirements:

- For B1a/b (which is essentially offices and research & development) there is a requirement of nearly 56 hectares;
- For B1c/B2 (light and general industry) a requirement of just over 4 hectares;
- For small scale B8 (storage and distribution units of under 9000sqm) there is a requirement of 21 hectares.

- 2.18 The requirements for strategic B8 (units of over 9000sqm) have been identified separately in another study (see paragraph 2.29 below).

- 2.19 The consultation undertaken in late 2018 asked a specific question regarding the suitability of the HEDNA as an evidence base. Whilst there was a good level of support for the HEDNA, there were some representations which questioned its continuing validity for a number of reasons, including:

- The latest evidence from the Office of National Statistics shows that the overall level of jobs located in North West Leicestershire has increased substantially;
- The HEDNA was based on assumptions that were overly optimistic with the future supply of workers and overly-pessimistic regarding the future demands of employers;
- It over-simplifies the need and demands for employment land and how economic investment is realised;
- It fails to address the relationships with employment land supply, need and demand in the West Midlands with which North West Leicestershire has a functional relationship;
- The evidence presented in the HEDNA on the take-up of employment land is questionable, when compared to Valuation Office Agency data.

- 2.20 Officers have concerns regarding the amount of land which it is suggested is required for B1a/b uses, not least because such an amount is contrary to past trends and also to what the market appears to want which is more B8 uses (both large and small).

- 2.21 Therefore, additional evidence has been commissioned to assess the HEDNA and (if necessary) to produce some alternative forecasts.

- 2.22 In terms of strategic B8 requirements, the requirements for this are set out in the Leicester and Leicestershire Strategic Distribution Study 2014, which was updated in 2016. It has been agreed by the Leicester and Leicestershire authorities to commission updated evidence on this issue.