

NORTH WEST LEICESTERSHIRE DISTRICT COUNCIL

CABINET – 21 OCTOBER 2014

Title of report	MEMORANDUM OF UNDERSTANDING RELATING TO OBJECTIVELY ASSESSED NEED FOR HOUSING
Key Decision	a) Financial No b) Community Yes
Contacts	Councillor Trevor Pendleton 01509 569746 trevor.pendleton@nwleicestershire.gov.uk Chief Executive 01530 454500 christine.fisher@nwleicestershire.gov.uk Director of Services 01530 454555 steve.bambrick@nwleicestershire.gov.uk
Purpose of report	To seek approval from Members for the authority to sign the Leicester and Leicestershire Housing Market Area Memorandum of Understanding relating to the objectively assessed need for housing.
Reason for Decision	In developing their Local Plans, authorities must demonstrate the Duty to Co-operate ((Localism Act 2011). To demonstrate how the District Council is working with other local planning authorities in the Housing Market Area in accordance with the requirements of the Duty to Cooperate.
Council Priorities	Business and Jobs Green Footprints Challenge Homes and Communities Value for Money
Implications:	None
Financial/Staff	None
Link to relevant CAT	None
Risk Management	None

Equalities Impact Screening	None
Human Rights	None
Transformational Government	The Memorandum of Understanding outlines how the Council is working with other local planning authorities in the Housing Market Area. Each individual authority will be responsible for delivering their own planning services
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	The Strategic Housing Market Assessment (SHMA) and Strategic Housing Land Availability Assessment (SHLAA) documents have been the subject of public consultation with Various stake holders; estate agents, planning consultants, commercial property agents, landowners, developers, local businesses and other stakeholders including Parish and Town Councils who were consulted in respect of the SHMA and SHLAA. Leicestershire County Council has been consulted to provide specialist highways and ecological input.
Background papers	Strategic Housing Market Assessment (SHMA) Strategic Housing Land Availability Assessment (SHLAA) National Planning Policy Framework (NPPF) Localism Act 2011
Recommendations	THAT CABINET RECOMMEND TO FULL COUNCIL THAT THE SIGNING OF THE LEICESTER AND LEICESTERSHIRE HOUSING MARKET AREA MOU RELATING TO THE OBJECTIVELY ASSESSED NEED FOR HOUSING BE DELEGATED TO THE CHIEF EXECUTIVE /DIRECTOR OF SERVICES IN CONSULTATION WITH THE PORTFOLIO HOLDER

1.0 Background

- 1.1 It is a government requirement that all local planning authorities must prepare a local plan which sets planning policies in a local authority area. Independent planning inspectors must examine all local plan documents that local authorities in England prepare. The

examination is the last stage of the process for producing a local plan.

- 1.2 The Government aim is for every area to have a clear local plan which sets out local people's views of how they wish their community to develop, consistent with the framework and against which planning applications for planning permission will be judged.
- 1.3 Local plans must be positively prepared, justified, effective and consistent with national policy in accordance with the National Planning Policy Framework.
- 1.4 The first test at an examination in to the Local Plan is whether the process followed has satisfied the Duty to Cooperate as required by the Localism Act 2011. A failure to satisfy the Duty to Cooperate will result in a plan being found unsound. It is not a matter which can be redressed retrospectively.
- 1.5 It is essential, therefore, that all of the local planning authorities in the Leicester and Leicestershire Housing Market Area (HMA) cooperate on those matters which are of strategic importance. There is a strong track record locally, of officers from all Leicestershire authorities having worked constructively together to ensure the necessary evidence to support local plans can be put in place as quickly as possible; and, as part of this, to identify a clear and agreed approach to establishing and formally agreeing the levels of housing need across the (HMA) to carry forward into all local plans. For example, the Strategic Housing Market Assessment (SHMA) and the Strategic Land Availability Assessments (SHLAAs) have both been revised in 2014, to provide the basis for identifying the housing needs across the HMA.
- 1.6 However, it is necessary in order to demonstrate compliance with the Duty to Cooperate to formally set out how the duty has been complied with. To do this a Memorandum of Understanding (MOU) has been developed. The purpose of the MOU document is to formally record and make public, the local authorities' agreement to the distribution of objectively assessed housing need and to support the resumption of the Examination of the Charnwood Borough Local Plan, whilst providing a strong platform for moving forward on other plans.

2.0 Establishing the level of future housing need

- 2.1 The SHMA work has been undertaken on behalf of all the authorities in the HMA by G.L. Hearn. This reflects the requirements of the NPPF and the more recent National Planning Practice Guidance. It establishes levels of housing need to 2031 and 2036. The SHMA is now completed and the Planning Officers Forum (POF) and the Strategic Planning Group (SPG) which oversaw the work are content with the findings. The revised SHMA was presented and endorsed at the meeting of the Members Advisory Group (MAG) on 26 June 2014.

3.0 Understanding the capacity to accommodate the levels of growth in the SHMA

- 3.1 Each planning authority has undertaken a SHLAA to an agreed common methodology. Based upon these technical SHLAA assessments and transport capacity work led by the County Council, all authorities are able to accommodate the upper figure in table 3.4 of the MOU within their own area.

4.0 Leicester & Leicestershire Housing Market Area – Memorandum of Understanding relating to Objectively Assessed Need for Housing

4.1 The MOU document, attached at Appendix A, has been drafted and its content agreed by all of the Leicestershire authorities, the County Council and the LLEP. The MOU includes the following key elements:

- An introduction, setting out national planning policy and explaining the document's purpose;
- A brief explanation of the position on the key evidence that has informed the authorities' position on need/unmet need, i.e. through the SHMA, SHLAAs and infrastructure capacity work;
- The stated position on the levels of need/unmet need to 2028, including any caveats with regard to the timescales for the majority of plans; and
- The stated position on the other two stages of the three-stage approach, which are agreed as being necessary to support the majority of plans across the HMA.

4.2 Members of the MAG discussed the MOU document at their meeting on 24 July 2014 and have endorsed the approach to future growth across the HMA.

4.3 An objective view has also been sought from the Planning Advisory Service, who agrees that this is the most appropriate approach to take in the circumstances. The other question raised about the MOU is the status of any figures included in it. Legal advice is that as long as the MOU does not stray into spatial options or approaches within the HMA it is an evidence, rather than policy, based document. This status is reinforced by reference to key evidence from the SHMA and SHLAAs/transport modelling and would not, therefore, fetter authorities following Charnwood BC in consideration of their own local plan targets. The MOU provides a good basis for future iterations, which are likely to be needed to support subsequent plan reviews across the HMA.

5.0 Further work planned to support Local Plan reviews

5.1 To inform agreement on levels of growth between 2028 and 2031, further transport modelling will be completed by the County and City highway authorities. This work is currently being commissioned and is referred to in more detail in section 4.0 of the MOU document

6.0 Longer Term Growth Strategy Beyond 2031

6.1 Beyond 2031 a longer term strategy for the spatial development of the HMA will be developed. Plans for the development of this are underway.

7.0 Governance procedures

7.1 Each authority that is party to the MOU agreement is seeking approval through its own governance procedures.

Leicester & Leicestershire Housing Market Area

A Memorandum of Understanding relating to Objectively Assessed Need for Housing – July 2014

1.0 Introduction

- 1.1 The National Planning Policy Framework (NPPF) requires local planning authorities to have a clear understanding of housing needs in their area. To achieve this, they should prepare a Strategic Housing Market Assessment (SHMA) to assess their full housing needs, working with neighbouring authorities where housing market areas cross administrative boundaries. The SHMA should identify the scale and mix of housing and the range of tenures that the local population is likely to need over the plan period¹. This is a key part of the evidence base to address the NPPF requirement of ensuring that Local Plans meet the full, objectively assessed needs for market and affordable housing in the housing market area, as far as is consistent with the policies set out in the Framework².
- 1.2 The Localism Act 2011 places a Duty to Co-operate on local planning authorities and county councils³. This requires them to engage constructively, actively and on an on-going basis in the preparation of development plan documents where this involves strategic matters. National policy in the NPPF adds to this statutory duty as it expects local planning authorities to demonstrate evidence of having effectively cooperated to plan for issues with cross-boundary impacts.

2.0 The Leicester and Leicestershire Housing Market Area

- 2.1 The Leicester and Leicestershire Housing Market Area covers the administrative areas of all nine Leicester and Leicestershire local authorities, all of whom are signatories to this Memorandum, namely:
- Blaby District Council

¹ National Planning Policy Framework, paragraph 159.

² NPPF, paragraph 47.

³ Localism Act 2011, section 110.

- Charnwood Borough Council
- Harborough District Council
- Hinckley and Bosworth Borough Council
- Leicester City Council
- Leicestershire County Council
- Melton Borough Council
- North West Leicestershire District Council
- Oadby and Wigston Borough Council

3.0 Demonstrating the Duty to Co-operate and meeting the requirements of the National Planning Policy Framework

- 3.1 The purpose of this Memorandum of Understanding (MOU) between the authorities is to support the Charnwood Borough Local Plan, which is the subject of an Examination; and to set out how the local authorities will collaborate further to ensure the necessary joint evidence is in place to support subsequent Local Plans that will come forward. In this respect, it is intended to demonstrate evidence of having effectively cooperated to plan for issues with cross-boundary impacts⁴.
- 3.2 The eight district and city planning authorities within the Housing Market Area, together with Leicestershire County Council, have collaborated to meet the requirements of the NPPF as set out in section 1.0. The main output from this collaboration is a joint SHMA⁵, which identifies the scale and mix of housing needed across the Area between 2011 and 2031; and between 2011 and 2036.
- 3.3 National policy requires the authorities to be able to demonstrate both that they have a clear understanding of their full housing needs across the Housing Market Area; and whether they can meet this need in full in their own area⁶. To enable an understanding of capacity to accommodate additional housing, the NPPF further requires local planning authorities to prepare a Strategic Housing Land Availability Assessment (SHLAA) to establish realistic assumptions about the availability, suitability and the likely economic viability of land to meet the identified need for housing over the plan period⁷.

⁴ NPPF, paragraph 181.

⁵ *The Leicester and Leicestershire Strategic Housing Market Assessment*, June 2014.

⁶ Paragraph 179 of the NPPF says: 'Joint working should enable local planning authorities to work together to meet development requirements which cannot wholly be met within their own areas – for instance, because of a lack of physical capacity or because to do so would cause significant harm to the principles and policies of this Framework'.

⁷ NPPF, paragraph 159.

- 3.4 The table below sets out the objectively assessed need for additional housing in the Housing Market Area between 2011 and 2028, which is the period covered by the Charnwood Borough Local Plan.

Local Authority	Objectively Assessed Need 2011 to 2028⁸
Blaby District Council	6,120 - 7,140
Charnwood Borough Council	13,770 - 13,940
Harborough District Council	7,055 - 8,075
Hinckley and Bosworth Borough Council	6,375 - 7,650
Leicester City Council	21,250 - 22,950
Melton Borough Council	3,400 - 4,250
North West Leicestershire District Council	4,845 - 5,950
Oadby and Wigston Borough Council	1,360 - 1,700
HMA TOTAL	64,175 - 71,655

Source: Strategic Housing Market Assessment

- 3.5 All authorities in the Area have completed their own SHLAA to an agreed common methodology. Based on these technical assessments and transport capacity work led by the County Council, all authorities are able to accommodate the upper figure in the above table within their own area.
- 3.6 In determining housing targets in their Local Plans, local authorities should take account of the requirements of national policy and local circumstances, including basing those plans on a strategy that seeks to meet the objectively assessed need for homes. In this regard, it should be noted that all authorities in the Housing Market Area are at different stages of plan preparation. Those authorities that do not have an up-to-date adopted plan or are reviewing an adopted plan are likely to be progressing plans with horizon dates of 2031 or 2036. In determining their housing target over the relevant plan period each authority will take account of all relevant evidence.
- 3.7 Against this background, the authorities are able to confirm that for the purposes of the Charnwood Borough Local Plan examination the full

⁸ The figures in this column are derived by annualising the objectively assessed need from the SHMA for the period 2011 to 2031 and applying these figures to the period 2011 to 2028. The figures are, therefore, the same as the SHMA except that they cover three years less.

need for homes within the Housing Market Area in the above table can be met, meaning there is no unmet requirement in the Housing Market Area to at least 2028.

4.0 Further work to support Local Plan reviews

- 4.1 To cover the period from 2028 to 2031, specific transport modelling for significant new development proposals will be completed, as appropriate by the County and City highway authorities, within a time period to meet the respective local plan preparation programmes for each authority. The programme of transport modelling required will be agreed and commissioned by the relevant local planning and highway authorities as soon as possible and authorities will use their best endeavours to ensure completion no later than the end of January 2015.
- 4.2 Beyond 2031 there is a need to articulate a longer term strategy for the spatial development of the Housing Market Area to ensure that opportunities for future economic growth are maximised. This strategy will need to set out how future growth and development will be promoted and accommodated through Local Plans, particularly those with end dates of 2036. A project plan and timeline will be developed for this work as soon as possible. The work will be commissioned and managed by the Housing, Planning and Infrastructure Group and be completed in accordance with the agreed timetable to be included in the project plan.

5.0 Conclusion

- 5.1 The purpose of this MOU is formally to record and make public the local authorities' agreement under the Duty to Co-operate to the position as set out in this Memorandum. This MOU has been endorsed by Members of each of the nine local authorities at a meeting of the joint Member Advisory Group on 24th July 2014.
- 5.2 The nine authorities that form signatories to this Memorandum agree, therefore, that the figures in the table above represent the level of objectively assessed need in each district in order to meet the overall identified need for additional housing within the Leicester and Leicestershire Housing Market Area between 2011 and 2028; and that based on SHLAAs and transport capacity work led by the County Council such levels of additional housing are able to be accommodated by each district in which the need arises.