

NORTH WEST LEICESTERSHIRE CORE STRATEGY (CS) EXAMINATION
INSPECTOR'S INITIAL NOTE TO NORTH WEST LEICESTERSHIRE DISTRICT
COUNCIL

1. While I have yet to fully complete my preparatory work, I have identified a number of matters that potentially involve serious concerns of soundness and/or legal compliance. For the avoidance of doubt, these comments do not represent the complete list of the matters, issues and questions that I intend to raise: those will be set out in more detail before the main hearings commence, assuming that the examination reaches that stage. At present, I have restricted my comments to those concerns that, on the basis of the evidence before me, appear most likely to threaten the Plan's legal compliance and soundness.
2. Please give these comments your urgent consideration and provide me with a written response by **Tuesday 23 July 2013**. I will then reach a view on how the examination should proceed. Potentially, this could involve holding an exploratory meeting (which would be procedural only, with no testing of evidence) or the setting up of one or more hearing sessions to consider specific topics in advance of the main body of hearings. For the avoidance of doubt, these comments are made without prejudice to any final report that I may prepare.
3. I look forward to hearing from you. If you have any queries about this letter, then please contact me via the Programme Officer.

Pre-Submission Changes to the Core Strategy

4. I note that the Council proposes a substantial number of changes to the April 2012 version of the Core Strategy that was subject to the statutory consultation period. These are set out in two documents, titled Significant and Minor Changes¹. However, it is not clear from your submission letter whether you are submitting for examination (1) the April 2012 version of the Plan² or (2) the tracked changes version of the Plan that takes into account the above-noted pre-submission changes³. If it is the former, then I would (in line with usual practice) consider the pre-submission changes along with the other changes being sought by representors – i.e. in the event of my writing a report that required recommendations to be made, I would consider whether these were required for reasons of soundness/legal compliance.
5. If however the Council is seeking to submit the 'Submission Version Core Strategy (Tracked Changes)' for examination then I would need confirmation that the changes concerned have been subject to public consultation in accordance with the Regulations and your Statement of Community Involvement. From the evidence before me, this does not seem to have been the case: first, the 2013 consultation appears to have been limited to respondents to the previous consultation and, second, consultation on the schedule of minor changes (which contains some amendments that, on an initial view, may be more material than the 'Minor Changes' heading might imply) does not appear to have taken place at all. The details of the new Infrastructure Plan (replacing the previous Appendix 3) do not appear in either of the changes schedules. In addition

¹ Documents 1.8 and 1.9 respectively.

² Document 2.1

³ Document 1.1

it is unclear to what extent the revised Sustainability Appraisal and Habitat Regulations Appraisal have been subject to consultation. Can you clarify these points and confirm which version of the Plan is intended as the submission document?

Assessing Housing Needs

6. At paragraph 47, the National Planning Policy Framework states that to boost significantly the supply of housing, local planning authorities should (among other matters) use their evidence base to ensure that their Local Plan meets 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 Framework. Paragraph 182 of the Framework includes the requirement that Local Plans should be positively prepared – i.e. based on a strategy which seeks to meet objectively assessed development and infrastructure requirements, including unmet requirements from neighbouring authorities where it is reasonable to do so and consistent with achieving sustainable development.
7. Bearing this in mind, a robust evidence base should be in place to objectively quantify the District's housing needs. On the basis of my initial assessment, I have a number of concerns in this respect. Specifically:
 - (a) The 2007/8 Leicester and Leicestershire Strategic Housing Market Assessment (SHMA) does not appear to reflect recent market conditions and does not cover the full Plan period to 2031. It is a requirement of the Framework (paragraph 159) that Councils should prepare a SHMA to assess their full housing needs, working with neighbouring authorities where housing market areas cross administrative boundaries. In the absence of an up-to-date SHMA, it will be difficult to conclude that the CS meets the Framework's soundness requirements that a Plan should be justified and consistent with national planning policy.
 - (b) I note that you suggest changes to policy CS1, stating first that the Council will prepare a SHMA in co-operation with other planning authorities and second that a change of 10% in housing provision (greater or less) arising from the SHMA would trigger a Core Strategy review. This suggests that the Council accepts that the current SHMA is not sufficiently robust. However, given the above-noted Framework requirements, a policy that states that evidence will be prepared is unlikely to be an appropriate substitute for having the evidence in place prior to submission. Furthermore, the suggested changes set no timescale for future SHMA preparation and contain no fallback position should this be delayed.
 - (c) The stated CS housing target (an average of 388 dwellings per year 2006-2031) derives from the Leicester and Leicestershire Housing Requirements Study (LLHRS)⁴. However, on its own terms⁵, the LLHRS is only one of a range of factors which need to be considered in determining housing requirements through the Local Plan process. It is unclear how (or indeed whether) other factors have influenced the Plan's housing target.

⁴ Document 13.1

⁵ For example at section 8.

- (d) The CS target is substantially lower than the 510 dwellings per year figure for the District in the (now revoked) East Midlands Regional Plan (EMRP). However, the LLHRS states that an annual provision for the housing market area (HMA) of 4,000-4,500 homes per annum would represent a positive planning framework which would ensure that housing provision did not constrain the ability of the sub-region's economy to achieve a level of growth above the baseline forecast. This is similar to (or higher than) the EMRP's requirement for the HMA (of 4,020 dwellings per annum). Taken together, these factors suggest that the CS figure may result in a shortfall within the HMA as a whole. It should be remembered that paragraph 47 of the Framework refers to meeting needs in the market area.
 - (e) In that context, a number of other planning authorities within the HMA have objected to the CS housing target, raising concerns that this would not enable a strategic policy approach to be taken to the distribution of housing development within the HMA. This is a matter that I will need to consider both in terms of the Plan's soundness and the legal duty to co-operate under section 33A of the Act (as amended).
 - (f) In addition, it is unclear whether the projection-based approach of the LLHRS has taken into account any previous shortfalls in housing provision within the District.
8. Failure to demonstrate that the requirements of paragraph 47 of the Framework have been met is unlikely to result in a finding of soundness, while failure to satisfy the legal duty to co-operate cannot be remedied. It therefore follows that the above matters are very serious concerns with the potential to prevent further progress with the examination.

Housing Supply

9. Up-to-date and detailed information on the District's housing land supply position (including relevant assumptions such as any windfall estimates or discounting) has not been supplied. This should be made available. However, it appears from the evidence that I have seen, including a 2012 appeal decision at Coalville⁶, that there is a demonstrable and significant shortfall in the District's five year housing land supply.
10. Given this background, and mindful of the Framework's requirement that Local Plans should plan positively for the development and infrastructure required in the area, it is unclear why specific housing allocations are not being proposed in the Core Strategy. Neither the April 2012 version nor the more recent changes would, in themselves, bring forward new housing sites. A significant housing land supply shortfall would remain. Can the Council explain what it is doing to remedy this – and why it is not allocating sites in the present Plan?
11. In that context, the status of proposals such as the Strategic Development Area in South East Coalville (at least 3,500 dwellings) and broad location at Ashby de la Zouche (at least 605 additional dwellings) is uncertain in the Plan's April 2012 version: the references to these schemes progressing

⁶ Appeal ref. APP/G2435/A/11/2158154, dated 20 August 2012. This should be added to the Core Strategy evidence base.

by means of masterplans rather than allocations appears at odds with the plan-led system encouraged by the Framework. While the Council's changes mention the proposed Allocations and Development Management Policies Plan, this is not likely to be adopted (from the Council's 2013 Local Development Scheme) before 2016. The changes also appear to allow developments to come forward in advance of that Plan. This has the potential to fail the Framework's soundness requirement that a Local Plan should be positively prepared.

Traveller Sites

12. Policy B of the Planning Policy for Traveller Sites (PPTS) (which replaced previous national policy in March 2012) sets out a number of requirements for Local Plans in respect of this issue. Among other matters, it is necessary to set pitch targets for gypsies and travellers and plot targets for travelling showpeople. A supply should be identified for years 1-5, years 6-10 and, where possible, years 11-15.
13. However, the targets set out in CS policy CS20 only extend to 2016, while no actual allocations are proposed. Although new pitch requirements are set out in the Gypsy and Traveller Needs Assessment Refresh⁷, these have not been incorporated into the Plan itself. In order to reach a finding of soundness, the Council will need to demonstrate that the requirements of the PPTS can be satisfied.

Viability

14. Paragraph 173 of the Framework requires that careful attention is given to viability and costs in plan-making. The Core Strategy imposes a variety of infrastructure and other requirements on new development. However, it is unclear to what extent these have been subject to viability testing. The submitted affordable housing viability report⁸ dates from 2009 and was written in the context of the larger EMRP housing target. Are its findings still valid? Has it fully modelled the Core Strategy's particular policy requirements (for example those imposed by policies CS24, CS25, CS26 and CS30)? Can the Council show that these requirements will not adversely affect development viability?
15. In addition, it is unclear whether the infrastructure requirements set out in respect of the Plan's broad locations for development have been adequately assessed in terms of need, properly costed and subjected to viability testing. Can the Council demonstrate that the developments proposed would be viable and deliverable given the combination of policy and infrastructure requirements that are set out in the Core Strategy?
16. The Plan's infrastructure provisions are the subject of significant suggested changes. A new Infrastructure Plan (a replacement of CS Appendix 3) is proposed and amendments are suggested to a number of CS policies. However, bearing in mind my comments above about the scope of the Council's consultation exercise, it is unclear whether these changes have been subject to sufficient engagement with relevant stakeholders. Some amendments appear to represent substantial departures from the April 2012 version of the Plan - for example the inclusion of a 'Bardon Link

⁷ Document 13.14

⁸ Document 13.6

Road' (costed at £8.5 million)⁹. On the other hand, many infrastructure items in the revised Appendix 3 have not been costed at all. Taken together, these factors raise serious concerns about whether the Plan is effective and justified.

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9 July 2013

⁹ The relationship between this requirement and the Bardon Relief Road (mentioned in paragraph 8.96 of the April 2012 version of the Plan) should also be clarified.