

**NORTH WEST LEICESTERSHIRE DISTRICT COUNCIL**

**LOCAL PLAN ADVISORY COMMITTEE – 3 JUNE 2014**

Title of report	<b>STRATEGIC HOUSING MARKET ASSESSMENT</b>
Contacts	<p>Councillor Trevor Pendleton 01509 569746 <a href="mailto:trevor.pendleton@nwleicestershire.gov.uk">trevor.pendleton@nwleicestershire.gov.uk</a></p> <p>Director of Services 01530 454555 <a href="mailto:steve.bambrick@nwleicestershire.gov.uk">steve.bambrick@nwleicestershire.gov.uk</a></p> <p>Head of Regeneration and Planning 01530 454782 <a href="mailto:david.hughes@nwleicestershire.gov.uk">david.hughes@nwleicestershire.gov.uk</a></p> <p>Planning Policy and Business Focus Team Manager 01530 454677 <a href="mailto:ian.nelson@nwleicestershire.gov.uk">ian.nelson@nwleicestershire.gov.uk</a></p>
Purpose of report	To advise members of the findings of the Strategic Housing Market Assessment
Council Priorities	Value for Money Business and Jobs Homes and Communities Green Footprints Challenge
Implications:	
Financial/Staff	The Council has contributed towards the preparation of the Strategic Housing Market Assessment along with all other authorities in the Housing Market Area. The cost of this has been met from within existing budgets.
Link to relevant CAT	None
Risk Management	The preparation of the Strategic Housing Market Assessment (SHMA) is a key piece of evidence to demonstrate that the Council is making adequate provision for housing as part of the local plan. Failure to have an up-to-date SHMA would represent a significant risk that the local plan would be found unsound.
Equalities Impact Assessment	None

Human Rights	None
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	On the advice of external solicitors, the report is satisfactory.
Consultees	None
Background papers	<p>National Planning Policy Framework which can be found at <a href="http://www.planningguidance.planningportal.gov.uk/">http://www.planningguidance.planningportal.gov.uk/</a></p> <p>National Planning Practice Guidance which can be found at <a href="http://planningguidance.planningportal.gov.uk/blog/guidance/local-plans/">http://planningguidance.planningportal.gov.uk/blog/guidance/local-plans/</a></p> <p>Leicester and Leicestershire Strategic Housing Market Assessment – copies of the report are held by the Planning policy Team (Room 102).</p>
Recommendations	<p><b>THAT THE ADVISORY COMMITTEE NOTES;</b></p> <p><b>(I) THE FINDINGS OF THE SHMA; AND</b></p> <p><b>(II) THE NEXT STEPS FOR AGREEING THE AMOUNT AND DISTRIBUTION OF HOUSING ACROSS THE HOUSING MARKET AREA.</b></p>

## 1.0 BACKGROUND

1.1 Members will be aware that a key concern of the Planning Inspector appointed to consider the Council's Core Strategy was that there was not an up-to-date Strategic Housing Market Assessment (SHMA) upon which the housing requirements in the Core Strategy were based. Therefore, he recommended that the Council withdraw the Core Strategy (a request which the Council agreed to).

1.2 The SHMA is a technical piece of work which covers a housing market area (HMA). According to the National Planning Policy Framework (NPPF) a 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 period which:*

- *meets household and population projections, taking account of migration and demographic change;*

- *addresses the need for all types of housing, including affordable housing and the needs of different groups in the community (such as, but not limited to, families with children, older people, people with disabilities, service families and people wishing to build their own homes); and*
- *caters for housing demand and the scale of housing supply necessary to meet this demand”*

- 1.3 In the case of North West Leicestershire, the previous Regional Plan identified the district as being part of the Leicester and Leicestershire HMA. Therefore a new SHMA was commissioned jointly by all of the authorities which make up the Leicester and Leicestershire HMA.
- 1.4 The government has recently published as part of the National Planning Practice Guidance advice regarding undertaking housing and economic development needs assessments such as SHMAs. The approach taken in undertaking the SHMA is consistent with this advice.
- 1.5 A number of iterations of the SHMA report have been viewed and commented on by officers of the HMA local authorities. It is anticipated that the final report will have been received by the time of the meeting of this committee. The following section summarises the findings on the basis of the last report reviewed by officers. In the event that there are changes to any of the key findings these will be reported verbally at the meeting.

## 2.0 THE SHMA FINDINGS

- 2.1 The key finding in respect of the SHMA relates to the amount of new housing which it is estimated is needed to ensure that the ‘objectively assessed needs’ (as referred to in the NPPF) for the HMA and each authority are identified.
- 2.2 Two different projections have been produced; one covering the period 2011 to 2031 and one covering 2011 to 2036. The tables below set out the findings:

Table 1 – housing needs 2011-2031

	<b>Recommended level of need per annum</b>	<b>Recommended level of need 2011-2031</b>
<b>HMA</b>	3,775 - 4,215	75,500 – 84,300
<b>Blaby</b>	360 - 420	7,200 – 8,400
<b>Charnwood</b>	810 – 820	16,200 – 16,400
<b>Harborough</b>	415 – 475	8,300 – 9,500
<b>Hinckley &amp; Bosworth</b>	375 – 450	7,500 – 9,000
<b>Leicester City</b>	1,250 – 1,350	25,000 – 27,000
<b>Melton</b>	200 – 250	4,000 – 5,000
<b>NWL</b>	285 – 350	5,700 – 7,000
<b>Oadby &amp; Wigston</b>	80 - 100	1,600 – 2,000

Table 2 – housing needs 2011-2036

	<b>Recommended</b>	<b>Recommended level</b>
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	<b>level of need per annum</b>	<b>of need 2011-2036</b>
<b>HMA</b>	3,630 – 4,060	90,750 – 101,500
<b>Blaby</b>	340 – 400	8,500 – 10,000
<b>Charnwood</b>	770 – 780	19,250 – 19,500
<b>Harborough</b>	400 – 460	10,000 – 11,500
<b>Hinckley &amp; Bosworth</b>	350 – 420	8,750 – 10,500
<b>Leicester City</b>	1,230 – 1,330	30,750 – 33,250
<b>Melton</b>	195 – 245	4,875 – 6,125
<b>NWL</b>	270 – 330	6,750 – 8,250
<b>Oadby &amp; Wigston</b>	75 - 95	1,875 – 2,375

2.3 To put these figures into context, the Council's Core Strategy of 2013 was proposing an annual figure of 388 dwellings per annum which is very close to the above figures.

2.4 Other key findings relate to the type and amount of housing required. For North West Leicestershire it is suggested that the following percentage provision would be required for market and affordable housing.

	<b>1 Bedroom</b>	<b>2 Bedroom</b>	<b>3 Bedroom</b>	<b>4+ Bedroom</b>
<b>Market housing</b>	5-10%	35-40%	45-50%	5-10%
<b>Affordable Housing</b>	30-35%	35-40%	20-25%	5-10%

2.5 The report also identifies a potential need for between 1,312 and 2,593 specialist housing for older people.

2.6 Comparable figures were not available from the previous SHMA so it is not possible to make any comparison as to how the structure of the housing market area has changed in respect of these matters.

### **3.0 NEXT STEPS**

3.1 The completion of the SHMA represents a significant step forward in the evidence base for the new local plan. However, at this stage the figures for individual districts need to be treated with caution as they do not necessarily represent the final requirement that will need to be provided in the new local plan.

3.2 The SHMA is a technical piece of work. Whilst it identifies what the housing need is for the HMA as a whole and the constituent local authorities, in itself it does not determine the actual level of provision to be made across the HMA or how it will be distributed. Instead that is a matter which needs to be determined and agreed by all of the constituent HMA authorities, particularly having regard to Duty to Cooperate as required under the Localism Act.

3.3 HMA wide it has been accepted that there is a need for some form of agreement in respect of both the amount and distribution of housing in order to demonstrate compliance with the Duty to Cooperate.

3.4 The first step in reaching such an agreement will require each authority to consider, having regard to its most recent Strategic Housing Land Availability Assessment (SHLAA),

whether the amount identified in the SHMA is capable of being met from the potential sites which have been identified in the SHLAAs. In addition, each authority will need to consider whether there are any constraints which would restrict the amount of development in a particular local authority (for example, highways issues or recognised environmental constraints such as flooding issues or infrastructure constraints).

- 3.5 It is expected that each authority should accommodate its own needs as identified in the SHMA if at all possible. However, it should be appreciated that the outcome of the above exercise may be that one or more local authority is not able to do this. In order to ensure that the overall HMA need is still met; consideration will need to be given to redistributing the shortfall amongst other authorities.
- 3.6 In the event that some redistribution is required it will be essential to ensure that whatever is agreed it is properly justified in planning terms. This will necessitate looking at range of technical issues including transportation, infrastructure and environmental constraints.
- 3.7 At the end of this process there will need to be some formal agreement amongst all of the authorities in the HMA. To oversee this process a Member Advisory Group (MAG) consisting of Councillors from all the HMA authorities has been established.
- 3.8 The results of the SHMA are to be discussed at a meeting of MAG on 26 June 2014. In addition, the meeting will consider the results of each authority's assessment against their respective SHLAAs. At that point in time it will be clearer what (if any) redistribution may be required.
- 3.9 At the MAG meeting of 26 June 2014 the timetable and process for reaching an agreement will be discussed. The outcome of this and its potential impact upon the timetable and the Council's process for the Local Plan will then need to be considered.

**NORTH WEST LEICESTERSHIRE DISTRICT COUNCIL**

**LOCAL PLAN ADVISORY COMMITTEE – 3 JUNE 2014**

Title of report	<b>LOCAL PLAN TIMETABLE</b>
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Purpose of report	To advise members of the proposed timetable for producing the new Local Plan
Council Priorities	Value for Money Business and Jobs Homes and Communities Green Footprints Challenge
Implications:	
Financial/Staff	Budget provision has been made for 2014/15. Future costs will be assessed and the Council makes budget provision each year in anticipation of these costs.
Link to relevant CAT	None
Risk Management	Having an agreed timetable will ensure that the new Local Plan is in place as soon as possible and so minimise the risk to the Council from proposed developments which the Council would wish to resist.
Equalities Impact Assessment	None
Human Rights	None

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	On the advice of external solicitors, the report is satisfactory.
Consultees	None
Background papers	<p>The Town and Country Planning (Local Planning)(England) Regulations 2012 which can found at <a href="http://www.legislation.gov.uk/ukxi/2012/767/pdfs/ukxi_20120767_en.pdf">http://www.legislation.gov.uk/ukxi/2012/767/pdfs/ukxi_20120767_en.pdf</a></p> <p>The Planning and Compulsory Purchase Act 2004 which can be found at <a href="http://www.legislation.gov.uk/ukpga/2004/5/contents">http://www.legislation.gov.uk/ukpga/2004/5/contents</a></p>
Recommendations	<p><b>THAT THE ADVISORY COMMITTEE NOTES</b></p> <p><b>(I) THE SUGGESTED TIMETABLE FOR PRODUCING THE LOCAL PLAN AND</b></p> <p><b>(II) THE DATES FOR FUTURE MEETINGS OF THE LOCAL PLAN ADVISORY COMMITTEE</b></p>

## 1.0 BACKGROUND

- 1.1 A report to the 1 July 2014 Council meeting will report on the outcome of the two meetings of the Local Plan Advisory Committee (LPAC) that have been held so far, including the recommendation of the 18 March 2014 meeting that a new Local Plan be prepared .
- 1.2 On the assumption that Council agree to this recommendation it will be essential that a timetable for the production of the new Local Plan is established. This report outlines the suggested timetable.

## 2.0 FACTORS INFLUENCING A TIMETABLE

- 2.1 It is important that the Council gets a new local plan in place as early as possible in order to provide an up-to-date framework for making planning decisions. However, speed of production needs to be balanced against other considerations, in particular the need to ensure that both the process and the final document are robust so as to minimise the risk that the local plan is found unsound.

- 2.2 There are a number of factors which need to be taken in to account in determining the timetable. Some of these factors are within the control of the Council, but others are not. The key factors to be considered are:
- Legal requirements including the Duty To Cooperate;
  - Evidence base and
  - Staff and financial resources.

#### Legal requirements

- 2.3 In terms of the overall process this is governed by legislation and regulations. Members will be aware that it is necessary for a local plan to be submitted to the Secretary of State for independent examination (Section 20 of the Planning and Compulsory Purchase Act 2004). Before submission the Town and Country Planning (Local Planning) (England) Regulations 2012 requires a local planning authority to:
- invite “*representations ... about what a local plan ... ought to contain*” and to take any representations in to account (Regulation18);
  - make the plan available for inspection and that representations be invited; (Regulation19)
- 2.4 There is also a need to undertake a Strategic Environmental Assessment/ Sustainability Appraisal (SEA/SA) of the local plan and to produce a report of the findings of such an appraisal. In effect, this appraisal report sets out the environmental, social and economic implications of the plan and its policies and how any adverse impacts will be managed. The first stage in the production of this is the preparation of a Scoping Report. The Scoping Report used to inform the SEA/SA of the Core Strategy dates from 2005 and can now be considered out of date. Therefore, a new Scoping Report has been commissioned. The Scoping Report will, once completed, be required to be subject to consultation.
- 2.5 It will also be necessary to demonstrate that the Council has complied with the Duty to Cooperate on matters of strategic significance. A key issue in respect of this will be in relation to the amount and distribution of housing across the Housing Market Area. This matter is considered in more detail in item 5 of this agenda.

#### Evidence base

- 2.6 Members will be aware that a local plan needs to be supported by an appropriate evidence base. The evidence base will be wide ranging and some evidence will need to be in place before other evidence can be gathered.
- 2.7 A key piece of evidence will be in relation to housing requirements. Item 5 of this agenda details progress to date on the Strategic Housing Market Assessment (SHMA). It is only when this has been finalised that it will be possible to be absolutely clear about the districts housing requirements and hence how much land needs to be allocated for development.
- 2.8 Other parts of the evidence base will not be able to be put in to place until later on in the process. For example, there will be a requirement to undertake a viability assessment of the policies and proposals contained in the local plan. However, this cannot be done until quite late on in the process when policies and proposals have been drafted. These in turn will be dependent upon evidence to justify them.



### Staff and financial resources

- 2.9 There will be a need to ensure that sufficient resources are available to produce the local plan as speedily as possible. Resources are not finite and so resource availability needs to be taken in to account in determining the timetable for production of the local plan.

### **3.0 THE TIMETABLE**

- 3.1 Having regard to all of the above factors a timetable has been prepared as set out at Appendix A to this report. As noted in Item 5, the meeting of MAG on 26 June 2014 will determine the timetable and process for reaching agreement across the HMA on the distribution of housing. The timetable set out at Appendix A may; therefore, need to be reviewed in the light of the outcome of these discussions.
- 3.2 In terms of the timetable it will be noted that it is planned to commence engagement on both the new Statement of Community Involvement (SCI) and an initial consultation on the Local Plan shortly. In respect of the latter, this will address the requirement, as noted in paragraph 2.3 above, to invite representations on what the local plan ought to contain.
- 3.3 The Council is required to set out its timetable for preparing a local plan in a Local Development Scheme (LDS). A new LDS will be prepared and made available as soon as practicable based on this timetable. Under the Council's constitution this is a matter delegated to the Portfolio Holder for Regeneration and Planning.
- 3.4 Moving forward it is anticipated that a number of special Member's Planning Forums will be arranged to provide a forum for members and officers to consider issues such as limits to development and the future development strategy.

### **4.0 FUTURE MEETINGS OF THIS ADVISORY COMMITTEE**

- 4.1 Having established a timetable for the production of the local plan it is considered that it would also be appropriate to agree dates for future meetings of the Advisory Committee. Having regard to the Terms of Reference which require a meeting every two months the following dates are suggested:
- Tuesday 9 September 2014
  - Wednesday 12 November 2014
  - Tuesday 20 January 2015
  - Wednesday 4 March 2015
- 4.2 At this time it is not possible to say what matters will be considered at each meeting, but it is intended that there will be regular progress updates. In addition, it is envisaged that as options for possible policies are developed these will be brought to meetings to obtain the views of the Advisory Committee in order that these can be fed in to the decisions of Council, initially on a draft plan (June 2015) and on the Council's preferred plan (December 2015).

