

NORTH WEST LEICESTERSHIRE DISTRICT COUNCIL

LOCAL PLAN ADVISORY COMMITTEE – TUESDAY, 21 FEBRUARY 2017

Title of report	LOCAL PLAN PROGRESS UPDATE: EXAMINATION, HEDNA AND NEXT STEPS
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Purpose of report	<p>To update members on :</p> <ul style="list-style-type: none"> i) the outcomes of the Local Plan Examination Hearing sessions undertaken so far; ii) the latest position with the Housing and Economic Development Needs Assessment (HEDNA) and its implications for the Local Plan; iii) the Examination Inspector’s proposed next steps and revised timetable.
Council priorities	<p>Value for Money Business and Jobs Homes and Communities Green Footprints Challenge</p>
<p>Implications:</p> <p>Financial/Staff</p> <p>Link to relevant CAT</p> <p>Risk Management</p>	<p>None</p> <p>None</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>

Equalities Impact Screening	An Equalities Impact Assessment of the Local Plan has been undertaken
Human Rights	None discernible
Transformational Government	Not applicable
Comments of Deputy Chief Executive	The report is satisfactory.
Comments of Deputy Section 151 Officer	The report is satisfactory.
Comments of Deputy Monitoring Officer	The report is satisfactory.
Consultees	None
Background papers	Local Plan Examination website: http://www.nwleics.gov.uk/pages/local_plan_examination Housing and Economic Development Needs Assessment (HEDNA): http://www.nwleics.gov.uk/pages/housing_and_economic_development_need_assessment_hedna
Recommendations	THAT THE ADVISORY COMMITTEE: (i) NOTES THE MAIN ISSUES ARISING OUT OF THE LOCAL PLAN EXAMINATION HEARING SESSIONS HELD SO FAR (ii) NOTES THE MAIN FINDINGS OF THE HEDNA AND THE RESULTING IMPLICATIONS FOR THE LOCAL PLAN (iii) NOTES THE INSPECTOR'S PROPOSED NEXT STEPS AND REVISED TIMETABLE

1.0 BACKGROUND

1.1 The North West Leicestershire Local Plan was submitted for examination on 6th October 2016. Inspector Brian Sims was appointed to oversee the Examination, and the Hearing sessions were programmed to be held between 5th January and 16th January 2017 at the Heartwood conference centre in Coalville.

2.0 EXAMINATION HEARING SESSIONS

2.1 Hearing sessions were held on each of the following issues:

- Legal Compliance and Future Plan Review
- Vision, Objectives and Spatial Strategy
- Housing Land Requirement
- Affordable Housing and Viability
- Housing Land Supply
- Employment
- Countryside and Open Space
- Environmental and Heritage

2.2 In addition, the Inspector determined that issues regarding retail and implementation & monitoring could be dealt with through written representations and no Hearing session was required.

2.3 A wide variety of participants attended, and gave evidence at, the Hearing sessions, including Council officers, developers and their agents, neighbouring local authorities, local residents, district, town and parish councillors and local interest groups.

2.4 During the Hearing sessions, there were a number of issues that the Inspector sought either further clarification, or more detail, on, or where he requested that the Council put forward a modification to the Plan. The Inspector's list of issues can be found here:

http://www.nwleics.gov.uk/files/documents/in08/IN08_Further%20Guidance%20from%20the%20inspector%20Jan2017%20FINAL.pdf

2.5 In particular, the Inspector requested that the Council put forward main modifications to the Plan in relation to the following:

- a. proposed Main Modifications (MM) to the wording of Policy S1 (and others as appropriate) to establish clear criteria for review of the Plan and the submission of any review for examination within specified timescales in response to changed circumstances and in particular altered housing and employment development needs demonstrated by the new HEDNA.
- b. Proposed MM to Policies S2 and S3 to provide flexibility for proposals for the sustainable redevelopment of suitable brownfield or other sites situated outside defined settlement limits.
- c. Proposed MM to include a policy encouraging sustainable transport with respect to climate change.
- d. Proposed MM to Policy Ec2 (and others as appropriate) to introduce flexibility for proposals for sustainable housing or employment or other development within the M42 corridor.
- e. Consideration of how a MM might be made to Policy H4 to enable the affordable housing thresholds or percentages to be adjusted for brownfield sites in preference to individual viability assessment and negotiation.
- f. Proposed MM to require a comprehensive master plan (or development framework) for the strategic mixed allocation at Money Hill, Ashby de la Zouch.

- g. Proposed MM to Policy H3c for the allocation of one or both of the alternative sites in Measham with respect to the potential effects of HS2, specifying a total overall capacity.

2.6 Officers have now provided responses to all of the points made in the Inspector's note. These include the proposed main modifications requested. In accordance with the resolution of Council of 28 June 2016 the wording of such possible modifications is delegated to the Director of Services who has consulted with the Portfolio Holder for Planning and Regeneration. The responses can be found here:

http://www.nwleics.gov.uk/files/documents/nwldc_response_to_in08/NWLDC%20Response%20to%20IN08.pdf

2.7 One of the key issues raised at the Hearing sessions was in relation to the (then) impending publication of the Housing and Economic Development Needs Assessment (HEDNA – see section 3.0 below), and how that would have direct relevance to what should be included in the Local Plan in terms of the amount of land allocated for housing and employment use. Anticipating that the HEDNA was likely to be published part-way through the Examination period, Council officers wrote to the Inspector in December 2016 to advise him of this. The Inspector determined that he was content to undertake the Hearing sessions as programmed, whilst acknowledging that, once published, the HEDNA would become a material consideration and further consultation/Hearing session(s) may be necessary when its content was known.

2.8 Once it was confirmed that the HEDNA would indeed be published during the Examination period, the Inspector determined that a further Hearing session would be needed, to take place on 21st March 2017 (with an additional reserve day set aside on 23rd March).

3.0 HOUSING AND ECONOMIC DEVELOPMENT NEEDS ASSESSMENT (HEDNA)

3.1 The Leicester and Leicestershire authorities and the Local Enterprise Partnership (LEP) have commissioned a Housing and Economic Development Needs Assessment (HEDNA) to assess future housing needs, the scale of future economic growth and the quantity of land and floorspace required for economic development uses between 2011 and 2031/36.

3.2 The HEDNA replaces both the Strategic Housing Market Needs Assessment (SHMA) undertaken jointly with all of the other Leicester and Leicestershire authorities in 2014, and the JGC study undertaken by the district council in 2015, which itself was undertaken to update the housing requirement figures contained in the SHMA to take into account the approved Strategic Rail Freight Interchange (SRFI) at Roxhill. It also replaces the Leicester and Leicestershire Employment Land study completed in 2013.

3.3 The HEDNA was formally received by all the Leicester and Leicestershire authorities at the Member's Advisory Group meeting on 26th January, and was then made public on 27th January 2017.

3.4 The HEDNA (and an executive summary) can be found here:

http://www.nwleics.gov.uk/pages/housing_and_economic_development_need_assessment_hedna

3.5 The main outputs of the HEDNA that are relevant to North West Leicestershire and the Local Plan are:

- An objectively assessed housing need (OAN) for the district of 481 dwellings per annum to 2031. This figure includes an upward adjustment to take into account economic driven need.
- This OAN is less than the 520 dwellings allowed for in Policy S1 of the submitted Local Plan but is higher than the OAN identified in the 2014 SHMA (350 dwellings). Over the whole plan period the OAN reduces from 10,400 dwellings to 9,620 dwellings, a difference of 780 dwellings.
- A plan period requirement for the district for additional employment land, split as follows:

2011-2031 (Ha)			TOTAL
B1a/b	B1c/B2	Small B8	
45-46	3	17	65-66

- Small B8 is defined as floorspace of less than 9,000sq metres. For floorspace of more than 9,000sq metres (strategic B8) the HEDNA repeats the finding of the Strategic Distribution Study (EC/02) which identifies a need for 361 Ha up to 2031 for the HMA as a whole but there is no distribution below HMA level.
- The requirement for B1a/b (45-46ha) in the HEDNA is significantly higher than that identified in the PACEC study (7.98ha) whilst the requirement for B1c/B2 and small B8 (17ha) is significantly less in HEDNA than PACEC (35.5ha). The overall requirement for B1a/b and B1c/B2 and small B8 (65-66ha) is also significantly more in HEDNA than that identified in PACEC (43.5ha) by about 20ha.

4.0 KEY IMPLICATIONS OF HEDNA ON LOCAL PLAN AND EXAMINATION

Housing

4.1 Whilst the level of provision proposed in the submission Local Plan (requirement) is greater than the OAN it is appropriate for the local plan to retain this level of provision because:

- Having an over provision is consistent with the National Planning Policy Frameworks aim of 'boosting significantly the supply of housing land';
- Such an over provision will provide a degree of flexibility which will ensure that the OAN will be met as a minimum and will also deal with any unforeseen circumstances (for example if a site does not come forward at the rate predicted or if new household forecasts are published);
- In the event that there were a need to redistribute some development from elsewhere within the LLHMA, and if as a consequence it were agreed that some of the redistribution should go to North West Leicestershire, then the over provision provides headroom which may mean that an early review of the plan is not required.

- 4.2 Based on the HEDNA, the Local Plan exceeds the full OAN and thus complies with National Policy in this regard.
- 4.3 This will remain the position unless/until there all of the following are satisfied:
- a declaration of an unmet need elsewhere within the HMA and
 - the Strategic Growth Plan which the HMA Authorities together with the Leicester and Leicestershire Enterprise Partnership have agreed jointly to prepare, or a Memorandum of Understanding agreed by the HMA Authorities identifies a requirement for all or part of the declared unmet need to be accommodated within North West Leicestershire and
 - there is insufficient flexibility provided for within the Local Plan, in which case the Local Plan will be reviewed in accordance with Policy S1.
- 4.4 Only when all of the above have been satisfied would it be necessary to undertake a review of the Local Plan.
- 4.5 Further detail on the implications of the HEDNA on the Local Plan housing policies can be found in the Council's response to the Examination Inspector:
http://www.nwleics.gov.uk/files/documents/hedna_implications_for_the_local_plan_housing/EX69_ImplicationsofHEDNAhousing.pdf

Employment

- 4.6 The Local Plan provision for B1 (a, b or c)/B2 and small B8 (37ha) is significantly less than the HEDNA requirement of 65-66ha by about 29ha (66ha – 37ha). The proposed allocation of 16ha of land at Money Hill (assuming it fell in to these classifications) would go some way to meeting the shortfall but there would still be a deficit in the order of about 13ha.
- 4.7 However is necessary to consider whether there are any other factors which need to be considered before concluding what the overall shortfall is.
- 4.8 The HEDNA includes an allowance for what are referred to as 'margins'. This is intended to provide for some flexibility to allow for factors such as churn within the market, error margins in forecasting and potential delays in bringing forward developments. However, it does not allow for loss of employment land to other uses.
- 4.9 The submitted local plan includes an allowance for the potential loss of employment land which was calculated at 45ha. This was based on a statistical calculation having regard to losses which have occurred dating back to 1991. This allowance was across all employment uses (B1.2 and 8) and so included strategic B8 as well. A review has been undertaken which concludes that a more reasonable allowance would be 10ha.
- 4.10 Adding this to the shortfall of 13ha compared to the HEDNA would result in a residual requirement of 23ha.
- 4.11 The Council response also makes the point that the level of provision contained in the Local Plan (152 ha excluding the East Midlands Gateway) is very significant. It accounts for 19% of all the employment land requirements for the HMA identified in the HEDNA (423ha), plus the need for strategic B8 (361 ha) (total of 784ha). The inclusion of the

139ha at the East Midlands Gateway increases this provision in NWL to 291ha or 37% of all the employment land provision across the HMA.

- 4.12 Having regard to this significant level of provision and contribution to the HMA wide needs, it is considered that there is no immediate urgency to address a perceived shortfall, particularly as there is approximately 30ha of employment land which currently has consent and a further 16ha proposed to be allocated at Money Hill.
- 4.13 Further detail on the implications of the HEDNA on the Local Plan employment policies can be found in the Council's response to the Examination Inspector:
http://www.nwleics.gov.uk/files/documents/hedna_implications_for_the_local_plan_employment/EX70_ImplicationsofHEDNAEMPLOYMENT.pdf

5.0 NEXT STEPS

- 5.1 The Council has now submitted to the Inspector all of the further information/clarification requested by him. Representors also had until 13th February 2017 to submit to the Inspector any further comments they may have had on the HEDNA or its implications for the Local Plan. All of this information is available on the Examination website:
http://www.nwleics.gov.uk/pages/local_plan_examination
- 5.2 Officers therefore now need to consider all of the additional representations made, and prepare for the additional Hearing session on 21st March (and potentially 23rd March).
- 5.3 Following the 21st March Hearing session, it is hoped that the Inspector will invite the Council to consult on all the main modifications it is proposed to make to the publication version plan. This assumes that there are no outstanding issues that the Inspector believes prevent him from considering all of the issues raised at the Examination and preparing his report (e.g. if he believes any of the issues raised by the new HEDNA are yet to be resolved, he could potentially consider to suspend the Examination until these are resolved).
- 5.4 If the Inspector is happy to proceed on this basis, then the earliest that we could expect his final report would be May 2017 – although later in the summer may be a more realistic estimate. Assuming that the Inspector finds the Local Plan sound, then we would be aiming to adopt it in September 2017.