

NORTH WEST LEICESTERSHIRE DISTRICT COUNCIL

LOCAL PLAN ADVISORY COMMITTEE – 9 SEPTEMBER 2014

Title of report	UPDATE IN RESPECT OF THE STRATEGIC HOUSING MARKET ASSESSMENT
Contacts	<p>Councillor Trevor Pendleton 01509 569746 trevor.pendleton@nwleicestershire.gov.uk</p> <p>Director of Services 01530 454555 steve.bambrick@nwleicestershire.gov.uk</p> <p>Planning Policy and Business Focus Team Manager 01530 454677 ian.nelson@nwleicestershire.gov.uk</p>
Purpose of report	To provide the Advisory Committee with an update in respect of the Strategic Housing Market Assessment
Council Priorities	<p>These are taken from the Council Delivery Plan:</p> <p>Value for Money Business and Jobs Homes and Communities Green Footprints Challenge</p>
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. For the reasons outlined in the report the preparation of an alternative SHMA represents an additional risk to the Local Plan.
Equalities Impact Screening	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	The report is satisfactory
Consultees	None
Background papers	<p>National Planning Policy Framework which can be found at http://www.planningguidance.planningportal.gov.uk/</p> <p>National Planning Practice Guidance which can be found at http://planningguidance.planningportal.gov.uk/blog/guidance/local-plans/</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>THAT THE ADVISORY COMMITTEE NOTES;</p> <p>(I) THE PROPOSAL TO AGREE A MEMORANDUM OF UNDERSTANDING IN RESPECT OF THE AMOUNT AND DISTRIBUTION OF HOUSING;</p> <p>(II) THE FACT THAT AN ALTERNATIVE SHMA HAS BEEN PRODUCED AND ANY FURTHER UPDATE WILL BE PROVIDED AT THE MEETING</p>

1.0 BACKGROUND

- 1.1 Members will recall that at the meeting of the Advisory Committee on 3 June 2014 a report was considered which outlined the findings of the Strategic Housing Market Assessment (SHMA) and the next steps in agreeing the amount and distribution of new housing across the Leicester and Leicestershire Housing Market Area (HMA).
- 1.2 This report provides an update for the Advisory Committee on these matters.

2.0 UPDATE

- 2.1 The SHMA was presented and endorsed at the meeting of the Members Advisory Group (MAG) on July 17 2014.

- 2.2 At a further meeting of MAG on 24 July 2014 it was agreed that a Memorandum of Understanding (MOU) be agreed in respect of the amount and distribution of housing across the HMA. In particular, there is consensus that up until 2031 all the authorities can meet their objectively assessed housing need without the need for any redistribution subject to some modelling by the county Highways Authority around transport.
- 2.3 A report on the MOU will be considered by Cabinet at its meeting in October and by Council in November.
- 2.4 Since the completion of the SHMA, an alternative SHMA has been produced in support of a planning application in Blaby District Council area. This application was submitted directly to the Planning Inspectorate for their determination as a result of Blaby district Council having been placed in special measures.
- 2.5 The 'alternative' SHMA suggested significantly different housing requirements from those in the Leicester and Leicestershire SHMA. Across the HMA it identified a need for 7,082 dwellings per annum compared to between 3,775 and 4,215 dwellings per annum in the Leicester and Leicestershire SHMA. In North West Leicestershire the comparable figures were 828 dwellings per annum and 350 dwellings per annum respectively.
- 2.6 The planning application itself was refused but in determining the application the Inspector considered both SHMAs. He noted that they both used as their starting point the latest CLG household projections from 2011, informed by the 2008 projections to take account of the impact of the recession on trends in household formation and factored in predictions for employment growth from a common source (albeit with slightly different dates); and both state that they have been prepared following the advice of the recently-published Planning Practice Guidance. However, he noted that they produced significantly different results.
- 2.7 The Inspector commented that "*The disparity of their output suggests strongly that certainly one, or conceivably both of the assessments will be significantly in error, but the evidence before me does not allow me to reach a definitive conclusion*".
- 2.8 The Inspector also noted that the very substantial differences between the two SHMAs amply serves to illustrate the statement in the Planning Practice Guidance issued by Government that establishing future need is not an exact science; and that no single approach will provide a definitive answer. It also emphasises how essential it is that evidence such as SHMAs must be rigorously tested in order to establish that it is robust.
- 2.9 As the Inspector noted establishing need is not an exact science. The fact that it is not an exact science means that any results are always open to challenge. Therefore, the findings of the SHMA were always potentially going to be subject to some form of challenge. Although the Inspector, given the information before him, felt unable to support either SHMA, it does not alter the fact that the Leicester and Leicestershire SHMA represents, from the point of the view of the HMA local planning authorities, the appropriate housing requirements.
- 2.10 The fact that the results of the SHMA were always going to be open to challenge represents a risk, not only to this Council's Local Plan but also the Local Plans of all the HMA authorities. It should be appreciated that it is not possible, for the reasons outlined by the Inspector in the Blaby decision, to mitigate such risks completely.

- 2.11 However, this risk can, and has, been mitigated through the employment of reputable independent consultants who have a track record of producing similar studies elsewhere and who follow national guidance in undertaking the study. The authorities across the HMA continue will look to engage GL Hearn at the appropriate time to provide evidence to inspectors where necessary to show the robust nature of the HMA SHMA.
- 2.12 Notwithstanding the above it remains the case that the production of the alternative SHMA, together with any others which may be produced, represents an additional potential risk which will be added to the risk register for the Local Plan.
- 2.13 In terms of risk assessment it is possible to be certain as to the likelihood of challenge. Members may be aware that the Charnwood Core Strategy Examination was suspended earlier on this year. The Examination is scheduled to reconvene later on in 2014 or early 2015 and so this is likely to be where the Leicester and Leicestershire SHMA will be tested.
- 2.14 There is much less certainty as to the likelihood of such a challenge being successful. This matter will need to be kept under review alongside all the other risks which could potentially affect the Local Plan. The issue of risks associated with the Local Plan is considered in the report at Item 2 of this agenda.