

<b>Title of Report</b>	<b>LOCAL PLAN SUBSTANTIVE REVIEW – HOUSING REQUIREMENTS UPDATE</b>	
<b>Presented by</b>	Ian Nelson Policy Planning	
<b>Background Papers</b>	<a href="#">National Planning Policy Framework</a>	<b>Public Report:</b> Yes
	<a href="#">Planning Practice Guidance</a>	<b>Key Decision:</b> Yes
<b>Financial Implications</b>	The cost of the review is met from existing budgets which are reviewed as part of the annual budget setting process.	
	<b>Signed off by the Section 151 Officer:</b> Yes	
<b>Legal Implications</b>	None from the specific content of this report. In due course the planning policy implications of any housing evidence will be incorporated in a consultation document for the Substantive Local Plan Review. The Local Plan Review process as a whole must accord with the legal requirements set out in legislation and guidance.	
	<b>Signed off by the Monitoring Officer:</b> Yes	
<b>Staffing and Corporate Implications</b>	None identified	
	<b>Signed off by the Head of Paid Service:</b> Yes	
<b>Purpose of Report</b>	To provide an update for Members in respect of the Local Housing Need as a result of the announcement from the Government in respect of changes to the standard method.	
<b>Recommendations</b>	<b>THAT LOCAL PLAN COMMITTEE NOTES:</b>  <b>(I) THE REVISED LOCAL HOUSING NEED OF 359 DWELLINGS;</b> <b>(II) THAT THE LOCAL HOUSING NEED IS A MINIMUM FIGURE;</b> <b>(III) THE NEED TO CONSIDER POSSIBLE ADJUSTMENTS TO THE LOCAL HOUSING NEED FIGURE TO ACCORD WITH THE PLANNING PRACTICE GUIDANCE; AND</b> <b>(IV) THE INTENTION TO APPOINT CONSULTANTS TO PROVIDE FURTHER ADVICE ON THIS MATTER</b>	

## 1 INTRODUCTION

- 1.1 Members will recall that the 10 December 2020 meeting of this Committee considered a report in respect of both the Partial and Substantive Reviews of the adopted Local Plan.
- 1.2 In terms of the Substantive Review, the Committee agreed to test the following four housing growth options

Scenario	Annual Requirement
Low	672
Medium	910
High 1	1,153
High 2	1,384

- 1.3 The scenarios were based on the outcome from the most up-to-date household projections (2018-based) and variations on the standard method, with the high1 scenario being based on the government's preferred approach as set out in the Government consultation of August 2020.
- 1.4 On 16 December 2020 the Government announced that it had decided to further change its approach to the standard method. This method:
- reverts back to using the 2014-based household projections with the 2017 method; and
  - adds in an uplift for the 20 largest cities
- 1.5 This report outlines the requirement for North West Leicestershire resulting from the Government's announcement and the implications for the Substantive Review.

## **2. OUTCOME FROM THE REVISED STANDARD METHOD**

- 2.1 On the basis of information published alongside the announcement, for North West Leicestershire this means that the local housing need reverts back to 359 dwellings per annum. This compares to a figure of 1,153 that would have resulted from the proposed standard method published in August 2020.
- 2.2 For the period we are planning for (2020-39) an annual figure of 359 dwellings would result in an overall Local Housing Need (LHN) of 6,821 dwellings.

## **3. WHAT DOES THIS MEAN FOR THE SUBSTANTIVE REVIEW?**

- 3.1 Members will recall that the 10 December 2020 report noted that it was anticipated that some 8,784 dwellings were projected to be built on the basis of current commitments (i.e. sites with planning permission or allocated in the adopted Local Plan). This exceeds the LHN by about 2,000 dwellings. In theory this means that there would not be a need to allocate any additional land for housing.
- 3.2 However, the Planning Practice Guidance is clear that the LHN figure is a minimum and not a maximum. It also identifies a number of circumstances when it might be appropriate to plan for a higher housing need figure because of:
- growth strategies for the area that are likely to be deliverable, for example where funding is in place to promote and facilitate additional growth (e.g. Housing Deals); or
  - strategic infrastructure improvements that are likely to drive an increase in the homes needed locally; or
  - an authority agreeing to take on unmet need from neighbouring authorities, as set out in a statement of common ground; or
  - where previous levels of housing delivery in an area, or previous assessments of need (such as a recently-produced Strategic Housing Market Assessment) are significantly greater than the outcome from the standard method.
- 3.3 Of the four potential reasons to plan for a higher figure:
- two are definitely met in North West Leicestershire (there is a Strategic Growth Plan in place with a higher housing requirement (510 dwellings per annum) that is, based on the assessment referred to above at paragraph 3.1, likely to be deliverable and recent build rates are in excess of the outcome from the standard method) and
  - one is possible (unmet need from Leicester City).

- 3.4 In respect of the issue of unmet need, as members are aware, Leicester City has declared that it has an unmet need of 7,742 dwellings. The result of an uplift of 35%, because Leicester is one of the 20 largest cities, would be to increase the unmet need within Leicester City and hence the Housing Market Area by about a further 10,000 dwellings (i.e. to about 17,800 dwellings), although this has yet to be confirmed.
- 3.5 Work on a Statement of Common Ground with all of the Housing Market Area authorities dealing with a re-distribution of unmet need had built in some flexibility for an increase equivalent to 100% of the unmet need (i.e. a total unmet need of about 15,500 dwellings), so this uplift is greater still. The implications of the government announcement on the issue of unmet need is being considered by the officer group overseeing the preparation of the Statement of Common Ground.
- 3.6 The changes announced by the Government are welcomed on one level as it provides much needed clarity as to the Government's approach. It also provides an opportunity for the Council to retain control of where new development goes. Under the higher growth scenarios there would have been much less choice regarding which sites to allocate for development. However, this is offset by the fact that in the case of North West Leicestershire the change in the LHN is so significant, additional work is now required which will make the timetable even more challenging.
- 3.7 Irrespective of the outcome from the consideration of unmet need, on the basis of the Planning Practice Guidance advice outlined at paragraph 3.2 above, a figure of 359 dwellings is unlikely to be justifiable and is unlikely to represent positive planning as required by the NPPF.
- 3.8 In terms of identifying a justifiable requirement, it should be noted that a revised Housing and Economic Development Needs Assessment (HEDNA) is being commissioned by the Leicester and Leicestershire authorities as part of work on the Strategic Growth Plan. Amongst other matters, this will provide advice in respect of future housing requirements. However, this will report will not be available until summer 2021.
- 3.9 The timetable for the review which is aiming for submission by November 2022 at the latest is already challenging. We cannot afford to wait until summer 2021 to get a better understanding of future housing requirements. Therefore, consultants will be engaged to provide further advice. Once this work has been completed a further report will be brought back to this committee.

<b>Policies and other considerations, as appropriate</b>	
Council Priorities:	Our communities are safe, healthy and connected  Local people live in high quality, affordable homes  Supporting businesses and helping people into local jobs Developing a clean and green district
Policy Considerations:	None
Safeguarding:	No issues identified
Equalities/Diversity:	An Equalities Impact Assessment of the Local Plan review will be undertaken as part of the Sustainability Appraisal.
Customer Impact:	No issues identified
Economic and Social Impact:	No issues identified at this stage
Environment and Climate Change:	No issues identified at this stage
Consultation/Community Engagement:	None
Risks:	A risk assessment of the review has been undertaken

	and is reviewed at the officer Project Board meetings.
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