

NORTH WEST LEICESTERSHIRE DISTRICT COUNCIL

LOCAL PLAN COMMITTEE – 27 OCTOBER 2021



<b>Title of Report</b>	<b>LOCAL PLAN SUBSTANTIVE REVIEW - DEVELOPMENT STRATEGY</b>	
<b>Presented by</b>	Councillor Keith Merrie 07596 112270 <a href="mailto:Keith.merrie@nwleicestershire.gov.uk">Keith.merrie@nwleicestershire.gov.uk</a>	
<b>Background Papers</b>	<p><a href="#">National Planning Policy Framework</a></p> <p><a href="#">Planning Practice Guidance</a></p> <p><a href="#">Local Plan Substantive Review: Interim Sustainability Appraisal Report of the Spatial Options</a></p> <p><a href="#">Report to Local Plan Committee 10 December 2020</a></p> <p><a href="#">Report to Local Plan Committee 31 March 2021</a></p> <p><a href="#">Strategic Housing and Economic Land Availability Assessment</a></p> <p><a href="#">Adopted North West Leicestershire Local plan</a></p> <p><a href="#">start-to-finish_what-factors-affect-the-build-out-rates-of-large-scale-housing-sites.pdf (lichfields.uk)</a></p> <p>Labour Market Profile – North West Leicestershire Nomis <a href="#">Labour Market Profile - Nomis - Official Labour Market Statistics (nomisweb.co.uk)</a></p>	<p><b>Public Report:</b> Yes</p> <p><b>Key Decision:</b> Yes</p>
<b>Financial Implications</b>	<p>The cost of the Sustainability Appraisal study is met from existing budgets which are reviewed as part of the annual budget setting process.</p> <p><b>Signed off by the Section 151 Officer:</b> Yes</p>	

<b>Legal Implications</b>	It is necessary as part of the preparation of the Local Plan to consider reasonable alternatives. 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: Yes</b>
<b>Staffing and Corporate Implications</b>	No staffing implications associated with the specific content of this report. Links with the Council's Priorities are set out at the end of the report.
	<b>Signed off by the Head of Paid Service: Yes</b>
<b>Purpose of Report</b>	<p>The purpose of this report is to consider the outcome from the Sustainability Appraisal of the growth scenarios and potential distribution options alongside other relevant information to then be able to determine what, at this stage, are:</p> <ul style="list-style-type: none"> <li>• the preferred growth scenario</li> <li>• the preferred distribution option</li> </ul>
<b>Recommendations</b>	<p><b>THAT THE LOCAL PLAN COMMITTEE AGREES THAT AT THIS STAGE THE FOLLOWING ARE THE PREFERRED HOUSING GROWTH AND DISTRIBUTION OPTIONS AND THAT THESE BE TAKEN FORWARD FOR CONSULTATION</b></p> <p><b>I) HIGH 1 GROWTH SCENARIO (1,000 DWELLINGS) – DISTRIBUTION OPTION 3A; AND</b></p> <p><b>II) HIGH 2 GROWTH SCENARIO (5,100 DWELLINGS) – DISTRIBUTION OPTION 7B</b></p>

## 1 INTRODUCTION

- 1.1 The National Planning Policy Framework (NPPF, 2021 paragraph 20) requires that strategic policies in plans should “*set out an overall strategy for the pattern, scale and design quality of places and make sufficient provision for: a) housing (including affordable housing), employment, retail, leisure and other commercial development ...*”.
- 1.2 Therefore, a key part of the local plan preparation process is to set out a development strategy that identifies both:
- the overall amount of new development that needs to be provided for, principally housing and employment, and
  - where this development should go.
- 1.3 There is no single right approach, but to satisfy the test of soundness it must be (NPPF paragraph 35) “*an appropriate strategy, taking in to account the reasonable alternatives, and based on proportionate evidence*”.
- 1.4 The purpose of this report is to consider and agree what an appropriate development strategy for the Local Plan might be.
- 1.5 The report includes the following sections:

- A summary of previous reports on this matter;
- An outline of what a Sustainability Appraisal is;
- An outline of the growth scenarios;
- An outline of the distribution options;
- An outline of the outcome from the Sustainability Appraisal;
- An outline of other considerations to be taken in to account;
- A discussion regarding which growth scenarios should be preferred at this stage;
- A discussion which distribution options should be preferred at this stage;
- A summary and;
- Next steps

## 2 PREVIOUS REPORTS

2.1 As a recap for Members this section of the report outlines reports to date on this matter.

### Local Plan Committee 10 December 2020

2.2 This report, amongst other matters, outlined the need for the Local Plan review to consider the future development strategy. It outlined the need to consider reasonable alternatives as part of the Sustainability Appraisal process. The report also identified a number of potential options in respect of future housing requirements.

2.3 The report can be viewed from the link at the beginning of this report.

### Local Plan Committee 31 March 2021

2.4 Immediately prior to Christmas 2020 the government announced changes to the standard method. This necessitated a need to reconsider the issue of housing requirements. This was done in a further report to this Committee at its meeting of 31 March 2021. This report noted that as a result of the changes the level of unmet need in Leicester City had increased to about 18,000 dwellings (up from about 8,000).

2.5 It was also noted that the discussion amongst the Leicester and Leicestershire authorities to resolve this issue was continuing, but that until there was agreement amongst all of the authorities there would not be absolute certainty about the level of housing which needed to be planned for as part of the Local Plan review.

2.6 The report proposed, and it was agreed, to test a range of potential annual housing requirements through the Sustainability Appraisal process.

These were:

- 359 dwellings (standard method) (or such other figure following the publication of new affordability data)
- 448 dwellings (HEDNA)
- 512 dwellings (Strategic Growth Plan)
- 730 dwellings (2018-based household projections plus allowance for vacancy rate)

2.7 The report also noted that these options resulted in the following over provision/shortfall:

Scenario	Annual Amount	Total Requirement 2020-39	Total projected provision	Over provision/ Shortfall
Standard Method	359	6,103	8,784	+2,681
HEDNA	448	8,512	8,784	+272
Strategic Growth Plan	512	9,728	8,784	-944
2018-based projections	730	13,870	8,784	-5,086

2.8 It should be noted that these figures were based on data as at April 2020. As the plan moves forward it will be necessary to update the base date for the plan.

2.9 The report (paragraph 6.1) also noted that:

*“The four growth scenarios outlined above will be taken forward for testing as part of the Sustainability Appraisal process. It will be necessary to develop scenarios for how any additional growth might be distributed across the district. For example, one option would be to mirror the split of development in the adopted Local Plan, whilst another option might be to focus growth upon the main settlements such as Coalville, Ashby de la Zouch or Castle Donington whilst other options might include a new settlement.”*

2.10 The report can be viewed from the link at the beginning of this report.

### **3 WHAT IS A SUSTAINABILITY APPRAISAL?**

3.1 Before outlining the options that have been developed and tested and the outcome, it is considered it would be helpful to outline for members’ benefit what a Sustainability Appraisal is and its role.

3.2 Sustainability Appraisal (SA) is a tool used to appraise planning policy documents in order to promote sustainable development. It is a legal requirement (sections 19 of the Planning and Compulsory Purchase Act 2004) as well as being required by the NPPF (July 2021).

3.3 The SA does not make a decision, but instead it informs a decision alongside other relevant factors that are not taken into account as part of the SA process such as viability and deliverability.

3.4 It is an iterative process (i.e. a continuous process of refinement carried on through the life of preparing the Local Plan in response to new information). In particular, it is used to assess ‘reasonable alternatives’ which a plan must consider in order to meet the test of being ‘sound’.

3.5 The SA is undertaken on behalf of the Council by its consultants who are SA experts. This helps to provide a degree of independent verification.

3.6 Policies and proposals are assessed against a range of social, environmental and economic objectives (referred to as a Sustainability Appraisal Framework) to understand how they will contribute towards the sustainable development of the district. In the case of the North West Leicestershire Sustainability Appraisal, there are a total of 17 Sustainability Objectives (numbered SA1 to SA17). A full list of the SA Objectives is set out at Appendix A of this report.

- 3.7 Typically, a Red, Amber, Green (RAG) status is used to denote whether a policy or proposal is likely to be negative (Red) or more positive (Green) and also includes an assessment of the significance of any effect (for example, is it a significant positive or negative effect or is in a minor positive or negative effects). The effects are also considered in terms of whether they are direct, indirect or cumulative.
- 3.8 Results are typically shown in a matrix to provide an overview, as well as providing an easy comparison between the options, and then supported by more detailed assessments.
- 3.9 The various options identified (see section 5 and 6 of this report) were assessed against the Sustainability Appraisal Framework and rated using a combination of a RAG rating and a significance score. As the assessment was based primarily on available Geographical Information System (GIS) data a number of objectives (SA5 (Economy), SA7 (Employment) and SA16 (Water resources)) were not included as part of the assessment.
- 3.10 A copy of the SA Interim Report can be viewed from this [link](#).

#### **4 WHAT GROWTH SCENARIOS WERE CONSIDERED?**

- 4.1 The scenarios assessed were those agreed by LPC on 31 March 2021, save for the fact that the standard method figure was revised up to 368 dwellings as a result of a change to the affordability ratio used to inform the standard method calculation. Therefore, the following scenarios were used:
- 368 dwellings (standard method) – referred to as Low scenario
  - 448 dwellings (HEDNA) – referred to as Medium scenario
  - 512 dwellings (Strategic Growth Plan) – referred to as High1 scenario
  - 730 dwellings (2018-based household projections) – referred to as High 2 scenario
- 4.2 This report hereafter refers to these scenarios as Low/ Medium/High 1 and High 2.

#### **5 WHAT DISTRIBUTION OPTIONS WERE CONSIDERED?**

- 5.1 The starting point for developing potential distribution options was the settlement hierarchy established in the adopted Local Plan. The settlement hierarchy distinguishes between the roles and functions of different settlements, with the respective position in the hierarchy determined by the availability of services and facilities that communities need (i.e. settlements with a similar range and level of services and facilities are at the same level in the hierarchy).
- 5.2 A summary of the current settlement hierarchy is set out in Appendix B of this report.
- 5.3 The Council's Strategic Housing and Economic Land Availability Assessment (SHELAA) of 2019 included the identification of two sites located south of the airport and adjoining each other and which separately had been proposed as potential new settlements of 2,400 and 2,340 dwellings respectively (site references IW1 and IW2). Subsequently, the two site promoters agreed to work together to promote a single new settlement (site IW1 in the 2021 SHELAA).
- 5.4 Therefore, it was considered appropriate to include a New Settlement as a potential option in combination with other Options but also on its own.

5.5 The 2021 version of the SHELAA also identified a further potential new settlement to the west of Belton (site Be4). However, it was concluded that the site was not suitable, not available and not achievable. Therefore, this is not considered to be a reasonable alternative and so does not form part of the New Settlement option.

5.6 In total 9 options were developed as set out below.

Table 1 – spatial distribution options

Option 1	As per adopted Local Plan
Option 2	Principal Town and Key Service Centres
Option 3	Principal Town and Key Service Centres and Local Service Centres
Option 4	Principal Town and New settlement
Option 5	Principal Town, New settlement and Key Service Centres
Option 6	Principal Town, New settlement and Key Service Centres and Local Service Centres
Option 7	Principal Town, New settlement and Key Service Centres and Local Service Centres and Sustainable Villages
Option 8	New settlement
Option 9	Principal Town, New settlement and Key Service Centres and Local Service Centres, Sustainable Villages and Small Villages

5.7 A report elsewhere on the agenda for this meeting considers some minor changes to the settlement hierarchy. In particular, it proposes to change the Small Villages category to Local Housing Needs Villages. It also proposes that a number of settlements which were previously identified as Small Villages are not identified as Local Housing Needs Villages. Whilst this is different to the options which have been tested as part of the SA, it is considered that this does not change the outcome of the scoring as essentially the Small Villages/Local Housing Needs Villages are settlements where development is very restricted.

5.8 As was noted in the report to Local Plan Committee on 31 March 2021, when account is taken of commitments which are likely to be built by 2039 (the proposed end date for the Local Plan Review) then both the Low scenario (368 dwellings) and the Medium scenario (448 dwellings) would not require any additional land to be allocated. In contrast, the High 1 option results in a residual requirement of about 1,000 dwellings and High 2 a residual requirement of about 5,100 dwellings and so both these would require the allocation of additional land for housing development.

5.9 As Option 1 (As per adopted Local plan) would not require any new allocations and so there is no change to the baseline as set out in the adopted Local Plan, this option has only been tested against the low and medium scenarios.

5.10 Of the remaining options, Options 2-7 and Option 9 have been assessed against the High 1 and High 2 scenarios, whilst Option 8 was only assessed against the High 2 scenario as the residual requirement under the High 1 scenario (about 1,000 dwellings) would be too small to deliver the necessary infrastructure and supporting facilities and so was not considered to be a reasonable alternative.

5.11 For Options 2-7 and Option 9, various theoretical amounts of growth were assigned to the different settlement categories so as to test the potential sustainability implications. For example, in Option 2 growth levels of 600 dwellings and 3,060 dwellings were considered for the Coalville area under the High1 and High 2

scenarios respectively. It is important to note that the figures are for settlement categories rather than individual settlements (with the exception of the Coalville Urban Area which is in a category of its own).

- 5.12 It is important to note that the figures for settlement categories are not absolutes – i.e. they can go higher or lower, but this would need to be assessed as part of later iteration. At this stage the purpose is to provide some approximate proportions to test the various options for their likely effects.
- 5.13 These options are combined with the different growth scenarios to result in 16 options for distribution (the spatial options) as set out below

Table 2 – spatial and growth options tested

<b>Option No</b>	<b>Description</b>
<b>Low and Medium scenario (368-448 dwellings)</b>	
Option 1	Baseline Option (Continuation of adopted Local Plan)
<b>High 1 scenario (1,000 dwellings)</b>	
Option 2a	Principal Town (Coalville – 600 dwellings) and Key Service Centres (KSC) (Castle Donington and Ashby de la Zouch – 400 dwellings)
Option 3a	Principal Town (500 dwellings), Key Service Centres (300 dwellings) and Local Service Centres (LSC) (200 dwellings)
Option 4a	Principal Town (400 dwellings) and New Settlement (600 dwellings)
Option 5a	Principal Town (450 dwellings), New Settlement (450 dwellings) and KSC (100 dwellings)
Option 6a	Principal Town (350 dwellings), New Settlement (350 dwellings), KSC (200 dwellings) and LSC (100 dwellings)
Option 7a	Principal Town (350 dwellings), New Settlement (350 dwellings), KSC (150 dwellings), LSC (100 dwellings) and Sustainable Villages (50 dwellings)
Option 9a	Principal Town (200 dwellings), New Settlement (350 dwellings), KSC 90 dwellings), LSC (50 dwellings), Sustainable Villages (270 dwellings) and Small Villages (40 dwellings)
<b>New Settlement (5,100 dwellings)</b>	
Option 8	New Settlement
<b>High 2 scenario (5,100 dwellings)</b>	
Option 2b	Principal Town (3,060 dwellings) and Key Service Centres (2,040 dwellings))
Option 3b	Principal Town (2,550 dwellings), Key Service Centres (1,530 dwellings) and LSC (1,020 dwellings)
Option 4b	Principal Town (2,040 dwellings) and New Settlement (3,060 dwellings)
Option 5b	Principal Town (2,295 dwellings), New Settlement (2,295 dwellings) and KSC (510 dwellings)
Option 6b	Principal Town (1,785 dwellings), New Settlement (1,785 dwellings), KSC (1,020 dwellings) and LSC (510 dwellings)
Option 7b	Principal Town (1,785 dwellings), New Settlement (1,785 dwellings), KSC (765 dwellings), LSC (510 dwellings) and Sustainable Villages (255 dwellings)

Option 9b	Principal Town (1,020 dwellings), New Settlement (1,785 dwellings), KSC (459 dwellings), LSC (255 dwellings), Sustainable Villages (1,377 dwellings) and Small Villages (204 dwellings)
-----------	---

## 6 WHAT WAS THE OUTCOME FROM THE SUSTAINABILITY APPRAISAL?

- 6.1 A copy of the SA report can be viewed from this [link](#). A summary of the results can be found on pages 37 and 38.
- 6.2 Before considering the outcome from the SA assessment, it is important to note that the assessment is what is known as a 'high level assessment' as at this stage there are not specific details of which sites would make up any specific option. Depending upon which specific sites eventually make up the development strategy could change the scoring.
- 6.3 It should also be noted that no mitigation measures are allowed for in the assessment. The inclusion of possible mitigation measures at later stage may alter some of the initial judgements. For example, landscaping provisions as part of a development could mitigate the impact upon the surrounding landscape (SA13). Similarly, at this stage the appraisal of options it is not possible to assess the potential for cumulative effects in full (cumulative effects do need to be taken fully in to account and so will be addressed at the stage when site options are assessed).
- 6.4 This is the standard approach to SA, which it has already been noted is an iterative process.
- 6.5 All of this means that SA Objectives SA12 (Bio/geodiversity), SA13 (Landscape/Townscape) and SA14 (Land Use) record negative impacts against the majority of options or uncertainty against all other options (save for option 1). This is partly because, as already noted, no mitigation measures are identified as part of the assessment undertaken. It is reasonable to assume that if specific sites associated with each of the options were known then appropriate mitigation measures would improve the scoring.
- 6.6 In addition, except for option 8, the majority of options record a negative score against SA1 (Health) and SA2 (Inequalities). This is largely because the exact location of development sites has yet to be determined and depending upon which sites are allocated and the amount of development could again change the scoring.
- 6.7 Conversely, other than option 1, all options perform positively against SA4 (Housing) and most perform positively against SA6 and half perform well against SA10 (Carbon emissions).
- 6.8 The following summary of the results is taken from the SA Report (page 39):

Generally, all options except Option 1 (as per the local plan) have performed positively in relation to SA4 (good quality homes to meet local need), as they will aid in the delivery of housing to meet local needs. In particular, Options 7a, 7b, 9a and 9b will deliver housing throughout all areas of the District. Those options which deliver greater levels of housing are likely to further enhance this potential positive effect.

SA6 (enhance the vitality and viability of existing town and village centres) has generally scored positively for options which focus development into existing town and village centres, as this is expected to help increase footfall and subsequently

vitality of the areas. The exceptions for this are Option 8, which focusses development into a single new settlement area and Options 9a and 9b, which allow for development to occur in some rural settlements.

It is also noted that options which focus development into already urbanised town centre and key service centre areas (Options 1 to 4b) have been recorded as having potential for a positive effect on SA10 (reduce carbon emissions). This is due to there being greater opportunities in urban areas for potential development to be located near to significant waste heat sources, which could be used in district heating networks, particularly on larger sites.

In contrast, Options 4a-9b, which encourage development across the District, including within a new settlement, have been identified as options with potential for greater adverse negative effects on SA13 (conserve and enhance the quality of the District's landscape and townscape character). This is due to higher proportions of development being directed into a new settlement area and the rural areas of the district.

As described in Section 2.1, Option 8 ('New Settlement SW of East Midlands Airport') would create a new settlement within the District and focus all development into a single location. There is therefore a disparity between the performance of this option and most other options, as there is potential to cluster future infrastructure need (and as a consequence, development of required services) into a single area. There are some Local Wildlife Sites and one Ancient Woodland site located near to the potential new settlement which may experience indirect negative effects from development on SA12 (to protect and enhance the District's biodiversity and protect areas identified for their nature conservation and geological importance). The development of 5,100 homes in this area of the District could also increase recreational pressure, which could degrade current sensitive biological and geodiversity receptors. Hence, a potential significant negative effect has been identified for this option in relation to SA12.

Uncertainty has been recorded in the assessment of most options for SA15 (conserve and enhance the character, diversity, and local distinctiveness of the District's built and historic heritage), and SA17 (ensure efficient use of natural resources including waste generation), as development impacts on the historic environment and natural resources are hard to determine without specific details of development sites and design. It may be possible for these uncertain effects to be mitigated through Local Plan policies which focus on design which is considerate and complimentary to such receptors.

Overall, the assessment has found that Options 1, 7a, 7b, 8, 9a and 9b tend to perform better and have more potential significant positive effects compared with the other options where no potential significant positive effects were identified. A higher number of potential significant negative effects were also recorded for the High 2 (5,100 dwellings) growth options (2b, 3b, 4b, 5b, 6b, 7b and 9b), due to the greater level of development required compared with High 1 (1,100 dwellings).

To conclude, once further details and evidence base become available this should improve the certainty of these assessments and could modify some uncertain effects identified, which will help further inform the development of a 'preferred spatial strategy option'. This will be developed following consultation and engagement on the Spatial Strategy Options and through the consideration of site allocations and policies against the agreed SA framework.

## 7 OTHER CONSIDERATIONS

- 7.1 The SA is not the only consideration that needs to be taken in to account when determining which of the growth scenarios and distribution options should be taken forward. Ultimately, whatever development strategy is included in the plan must be consistent with national policies. In particular, this means planning for the appropriate amount of development by having regard to not only the outcome from the standard method, but also other factors which will influence future housing needs. In addition, any strategy, and subsequently allocation, must be deliverable. For a Local Plan to be considered 'sound' it must be effective; that is "*deliverable over the plan period*" (NPPF paragraph 35).
- 7.2 Therefore, the following sections of this report have regard to not only the SA assessment, but also other factors in considering the relative merits of the scenarios and options.

## 8 WHICH GROWTH OPTION(S) SHOULD BE PREFERRED AT THIS STAGE?

- 8.1 Before considering the various spatial options, consideration is given to which of the growth scenarios are the most appropriate to take forward at this stage.
- 8.2 For ease of reference these scenarios were:
- Low scenario - 368 dwellings (standard method)
  - Medium scenario - 448 dwellings (HEDNA)
  - High 1 scenario - 512 dwellings (Strategic Growth Plan)
  - High 2 scenario - 730 dwellings (2018-based household projections plus allowance for vacancy rate)
- 8.3 National policy is clear that when setting a housing requirement the starting point is the standard method developed by the government. For example, the National Planning Policy Framework (NPPF) (paragraph 61) is clear that "*To determine the minimum number of homes needed, strategic policies should be informed by a local housing need assessment, conducted using the standard method in national planning guidance – unless exceptional circumstances justify an alternative approach which also reflects current and future demographic trends and market signals. In addition to the local housing need figure, any needs that cannot be met within neighbouring areas should also be taken into account in establishing the amount of housing to be planned for.*"
- 8.4 Further guidance is provided by the Planning Practice Guidance (PPG) which identifies (Paragraph: 010 Reference ID: 2a-010-20201216) 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
- 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.

8.5 From the above there are a number of factors which will influence whether a local housing need figure should be higher than the outcome from the standard method:

- demographic trends
- build rates (market signals)
- unmet need
- deliverable growth strategies

8.6 Each of these is considered below.

#### Demographic trends

8.7 The latest demographic trends are provided by the 2018-based household projections. These have been rejected by the government for use with the standard method, but this does not mean they are irrelevant. The projections contain 5 different projections as set out below:

<b>Projection</b>	<b>Annual household growth 2020-39</b>
10-year variant	370
Alternative internal	570
Principal (or Main) Projection	707
Low International migration	661
High international migration	752

#### Build rates (market signals)

8.8 The reference to market signals in the NPPF could be taken to refer to build rates as an indicator of market demand. Since the start of the adopted Local Plan (2011) build rates have averaged 619 dwellings per annum (2011-21), although a higher figure (770 dwellings) has been achieved since 2016/17.

8.9 The 10-year average is 29% more than that required in the adopted Local Plan (481 dwellings per annum) and 68% more than the standard method (i.e. the Low scenario).

8.10 The latest Housing and Economic Development Assessment (which equates to a Strategic Housing Market Assessment) is from 2017 and includes two requirement figures: one to 2031 (481 dwellings) and one to 2036 (448 dwellings). Build rates are significantly more than both of these.

#### Unmet need

8.11 As already noted, discussions amongst the Leicester and Leicestershire authorities to resolve the issue of how to redistribute the unmet need from Leicester City of about 18,000 dwellings are continuing under the Duty to Cooperate, including considering alternative options for redistribution.

8.12 Whilst there is not an agreement at this time, it is reasonable to assume that some of this is likely to be redirected towards North West Leicestershire.

Deliverable growth strategy

8.13 Members will be aware that there is a Strategic Growth Plan (SGP) in place for Leicester and Leicestershire. This identifies a figure for North West Leicestershire for 2031-50 of 512 dwellings per annum. This figure allows for a degree of redistribution from Leicester City and also Oadby and Wigston as unmet need was understood at the time that the SGP was prepared. Based on more recent information the level of unmet need is now greater than anticipated. This scale of growth (i.e. 512 dwellings per annum) is likely to be deliverable based on the available evidence, including the recently published Strategic Housing and Economic Land Availability Assessment (SHELAA).

8.14 The following table considers each of the growth scenarios against these factors

Table 3– Growth scenarios compared to factors

Growth Scenario	Factors			
	Demographic trends	Build rates (market signals)	Unmet need	Deliverable growth strategy
<b>Low scenario (368 dwellings per annum)</b>	This scenario is below each of the 5 main projections.	These are 68% more than the standard method (i.e. the Low scenario). As such this must be regarded as being <i>“significantly greater than the outcome from the standard method”</i> as advised in the PPG	National policy is clear that the standard method is the minimum requirement and any unmet need should then be added to this. This scenario does not allow for this to happen and so would conflict with national policy. If the Council was to resist taking any unmet need this would raise significant issues for the Local Plan in respect of the Duty to Cooperate.	The growth envisaged in the SGP is significantly more than allowed for under this scenario and assumed a lower level of unmet need from Leicester City.
<b>Medium scenario (448 dwellings per annum)</b>	This scenario is above the 10-year variant projection, but otherwise significantly below the other 4 projections,	These are 38% more than allowed for under this scenario which is based on a lower figure than the	Under this scenario there would be a reasonable buffer of 80 dwellings per annum compared to	The growth envisaged in the SGP is more than allowed for under this scenario.

	including being 58% below the Principal Projection.	adopted Local Plan (481 dwellings) and is based on the 2017 Housing and Economic Development Needs Assessment.	the standard method.	
<b>High 1 scenario (512 dwellings per annum)</b>	This scenario is above the 10-year variant projection, but otherwise significantly below the other 4 projections, including being 38% below the Principal Projection.	These are 21% more than allowed for under this scenario, even though it is based on a higher figure than the adopted Local Plan (481 dwellings).	Under this scenario there would be a reasonable buffer of 144 dwellings per annum compared to the standard method.	The growth allowed for in this scenario is the same as that in the SGP.
<b>High 2 scenario (730 dwellings per annum)</b>	This scenario is above all the projections, other than the High International Migration projection. It is 3% more than the Principal Projection.	These are 18% less than allowed for under this scenario, although more recent rates are above this.	Under this scenario there would be a significant buffer of 362 dwellings per annum compared to the standard method.	The growth allowed for under this scenario is significantly more than envisaged in the SGP.

Overall conclusion regarding growth scenarios

8.15 Having regard to the various factors it is concluded that:

Low scenario - this would not be an appropriate basis on which to continue planning for future as it performs poorly against all the factors.

Medium scenario – Having regard to the above factors, it is considered that the medium scenario would not be an appropriate basis on which to continue planning for future. Whilst the level of growth would provide a buffer for accommodating any unmet need from Leicester City, over the plan period this would represent about 1,500 dwellings. However, the unmet need is about 18,000 dwellings and so the buffer may not be sufficient. Planning for this level of growth would represent a risk and potentially require additional work at a later date.

High 1 scenario – this scenario is more balanced in terms of these factors than either the Low or Medium scenarios. The level of growth would provide a good buffer for accommodating unmet need from Leicester City, although it is not clear at this time whether it would be sufficient and so it would still represent a risk. This level of growth is consistent with the SGP. However, the level of growth is well below both

demographic trends and build rates. On balance, it is considered that it represents a potentially suitable scenario.

High 2 scenario - Having regard to all of the factors, this scenario clearly performs the best. It provides a very significant degree of flexibility to help address issues of unmet need. The PPG also notes that the standard method “*does not attempt to predict the impact that future government policies, changing economic circumstances or other factors might have on demographic behaviour*”. In terms of economic circumstances, the district is already a net importer of labour as measured using the Office for National Statistics job density rate which results in in-commuting to the district. This trend is almost certain to continue into the future. It is also worth noting that the HEDNA which informed the adopted Local Plan housing requirement figure, included an upwards adjustment for economic need.

- 8.16 Members will be aware that proposals are currently being developed for both a Freeport and a Development Corporation, both of which take in the northern part of the district around East Midlands Airport. Whilst these proposals are not yet fully developed and nor are they confirmed, they have the potential to be a significant economic generator which would create additional employment opportunities. This adds further argument in favour of the High2 scenario.
- 8.17 Overall, it is considered that the High 2 scenario should be the preferred scenario at this time, but that it would also be prudent to maintain the High1 scenario as an option until such time as there is more certainty.

## **9 WHICH DISTRIBUTION OPTIONS SHOULD BE PREFERRED AT THIS STAGE?**

- 9.1 Having identified the most appropriate growth scenario to take forward, the next section of this report considers which of the 16 distribution options are appropriate to take forward. In doing so a key consideration is the outcome from the SA, but as already noted, it is not the only consideration. A summary of the SA outcomes in terms of positives and negative effects is set out under the various options for ease of reference.
- 9.2 As noted previously, a number of SA Objectives score poorly for most distribution options, particularly SA1 (Health), SA2 (Inequalities), SA8 (Sustainable travel), SA11 (Climate change), SA12 (Bio/geodiversity), SA13 (Landscape/Townscape) and SA14 (Land Use). Generally, options score positively against SA4 (Housing) and SA6 (Town centres) whilst half score positively against SA10 (Carbon Emissions). Therefore, at this time the SA assessment is not showing significant differences in scoring between the various options.
- 9.3 For the reasons set out in the previous section, it is considered that neither the Low or Medium scenarios represent appropriate scenarios and so Option1 is likewise not appropriate to take forward.
- 9.4 However, it was concluded that both the High 1 and High 2 scenarios were appropriate to take forward at this time. In terms of the remaining distribution options (Options 2 -9) these are considered below, in terms of the outcome from the SA but also having regard to other considerations.

### **High 1**

- 9.5 Options 4a to 9a all include the New Settlement as an element of the potential strategy. The overall potential scale of growth at the New Settlement is estimated to

be about 4,700 dwellings. However, as set out in Table 2, the scale of growth under options 4a to 9a is only 350 to 600 dwellings. On its own such a scale of growth is too small to be likely to be viable or to be able to deliver the necessary infrastructure. Therefore, they would need to be seen in the context of the New Settlement as a longer-term proposal, going well beyond the end of the plan period (2039). The revised NPPF specifically recognises that such large-scale developments can form part of a strategy but that they should then be set within “*a vision that looks further ahead (at least 30 years), to take in to account the likely timescale for delivery*” (paragraph 22).

- 9.6 Notwithstanding this recognition in the NPPF, a strategy which sought to defer the vast majority of development of a new settlement beyond the plan period does carry an element of risk, not least in terms of the long-term commitment that this would require from the developer/landowner. It is not known at this time as to whether such a proposition would be likely to be supported.
- 9.7 On balance, it is considered that having regard to the above that options 4a to 9a should not be taken forward under this growth option.
- 9.8 This would therefore leave only Options 2a and 3a under the High 1 scenario.

#### **SA summary**

##### Option2a

2 negative effects - - SA1 (Health) and SA8 (Sustainable travel)  
3 positive effects - SA4 (Housing), SA6 (Town Centres) and SA10 (Carbon emissions)

##### Options 3a

1 significant effect – SA8 (Sustainable travel)  
2 negative effects - SA2 (Inequalities) and SA11 (Climate change)  
3 positive effects - SA4 (Housing), SA6 (Town Centres) and SA10 (Carbon emissions)

These two options score virtually the same in terms of the SA assessment, save for option 3a scores a significant negative affect against SA8 (Sustainable travel) which reflects the fact that under this option growth would be dispersed down to Local Service Centres (Ibstock, Kegworth and Measham). The SA assessment notes that:

*“This [is] due to public transport services being infrequent and there being fairly low levels of connectivity in the Local Service Centres, as well as lack of designated walkways and cycle paths linking settlements which may discourage sustainable travel.”*

Whilst the level of public transport provision is not as significant in Local Service Centres, it is the case that all are served by services to higher order centres, not just those in the district but beyond (e.g. Derby, Leicester, Burton upon Trent and Loughborough). Development in these centres would also potentially provide an opportunity to enhance walking and cycling provision, something noted in the detailed assessment.

Similarly, there would be some benefits to the local centres (i.e. shops) of the Local Service Centres which would not arise from Option 2a, although this would be countered to some degree by fewer benefits for the town centres of Coalville, Ashby de la Zouch and Castle Donington if residents were to shop in the Local Service Centres.  
Both options score positively against SA4 (Housing).

### Other considerations

- 9.9 Option 2a would result in development being concentrated in a more limited number of settlements and hence sites than Option 3a. This would not provide flexibility or choice in the housing market and represents a potential risk in terms of deliverability and would also provide fewer benefits from a housing perspective.
- 9.10 Both Options 2a and 3a would not provide much support for the NPPF advice to “*identify opportunities for villages to grow and thrive*” (paragraph 79), although Option 3a would provide slightly more opportunities than 2a.
- 9.11 Whilst there is not much to choose between Options 2a and 3a, it is considered that the concerns about deliverability outlined above and the greater opportunity afforded by Option 3a for growth in villages, are such that it is considered that under the High 1 scenario that only Option 3a should be taken forward.

### High 2

- 9.12 Before considering the various options under the High 2 scenario, it is worth considering that the identification of land for a further 5,100 dwellings would inevitably require the allocation of some significant sites in terms of size, potentially including a New Settlement as allowed for in Options 4b, 5b, 6b, 7b, 9b and 8.
- 9.13 Large scale development such as a new settlement have the potential to deliver significant benefits in terms of new homes but also new infrastructure. However, such large schemes take a significant amount of time to bring to fruition. For example, the development of South-east Coalville was initially granted planning permission in 2012 and development did not commence until 2018/19. Similarly, outline permission was granted for 605 dwellings as part of the Money Hill development at Ashby de la Zouch in August 2016, but five years later development has yet to commence.
- 9.14 Research published by Lichfields (2020) (an established and respected planning consultancy firm) confirms the above as they found that large schemes can take 5 or more years to start, with sites of 2,000 or more dwellings taking on average 8.4 years from validation of the first planning application to the first dwelling being completed.

### Option 2b - Principal Town (3,060 dwellings) and Key Service Centres (2,040 dwellings)

#### **SA summary**

1 significant negative effect – SA2 (Inequalities)  
2 negative effects – SA1 (Health) and SA8 (Sustainable travel)  
3 positive effects - SA4 (Housing), SA6 (Town centres) and SA10 (Carbon emissions).

This option has the least number of significant negative effects of all High 2 options.

### Other considerations

- 9.15 Whilst Option 2b performs well against the SA, as development is limited to two settlement categories and 3 settlements (Coalville, Ashby de la Zouch and Castle Donington) this provides little flexibility or choice for the market which is important for ensuring sustainable delivery rates. If delivery rates are not sustained, then this represents a risk to the 5-year housing land supply which is required to ensure that the plan does not become out-of-date.
- 9.16 Historically, the housing market in the Coalville area has been weaker than other parts of the district. For the period 2011-21 the average build rate in the Coalville Urban Area was 180 dwellings. It did rise to 267 dwellings for the period 2016-21. Under this option the build rate, allowing for what is already committed for the period 2020-31 (3,164 dwellings) and what would be required from the additional development (3,060 dwellings) would require a build rate of 328 dwellings per annum. This is 82% more than was achieved in the last 10 years and 23% in the last 5 years. Therefore, there are significant doubts about the ability of the market to deliver such a scale of growth having regard to recent build rates.
- 9.17 The scale of growth is such that it is almost inevitable that some large-scale sites would be required. For example, looking at the recently published SHELAA to accommodate growth in the Key Service Centres would be likely to require identifying a site of 1,400 dwellings west of Castle Donington or 800 dwellings at Packington Nook Ashby de la Zouch. As already noted, it takes time for large scale sites such as these to begin to deliver. Again, any slippage in delivery would impact upon the 5-year housing land supply, and so represents a risk to ensuring that the plan does not become out-of-date.
- 9.18 Therefore, for the above reasons it is considered that Option 2b should not be taken forward.

### Option 3b - Principal Town (2,550 dwellings), Key Service Centres (1,530 dwellings) and LSC (1,020 dwellings)

#### **SA summary**

3 significant negative effect – SA1 (Health), SA2 (Inequalities) and SA8 (Sustainable travel)

1 negative effect – SA11 (Climate change)

3 positive effects - SA4 (Housing), SA6 (Town centres) and SA10 (Carbon emissions).

Overall, this option performs better than 4b but not as well a 2b.

### Other considerations

- 9.19 Under Option 3b, growth would be more spread out than option 2b with growth at 3 settlement categories and 6 settlements (Coalville, Ashby de la Zouch, Castle Donington, Ibstock, Kegworth and Measham) and so concerns about over concentration in a limited number of areas is less relevant.
- 9.20 However, the scale of growth in Coalville under this option (2,550 dwellings) is a cause for concern having regard to recent build rates, similar to option 2b. Under this option the build rate in Coalville, allowing for what is already committed for the period

2020-31 (3,164 dwellings) and what would be required from the additional development (2,550 dwellings) would require a build rate of 301 dwellings per annum. This is 67% more than was achieved in the last 10 years and 13% in the last 5 years. So once again there are significant doubts about the ability of the market to deliver such a scale of growth in Coalville having regard to recent build rates.

- 9.21 Therefore, for the above reasons it is considered that Option 3b should not be taken forward.

Option 4b - Principal Town (2,040 dwellings) and New Settlement (3,060 dwellings)

**SA summary**

4 significant negative effect –SA2 (Inequalities), SA12 (Bio/geodiversity), SA13 (Landscape/Townscape) and SA14 (Land Use)  
2 negative effect – SA6 (Town Centres) and SA11 (Climate change)  
2 positive effects - SA4 (Housing) and SA10 (Carbon emissions).

Overall, this option performs similar to other options, particularly in terms of the significant negative effects

Other considerations

- 9.22 This option raises questions regarding the deliverability of the new settlement element of this option (3,060 dwellings up to 2039). As noted above, large scale development such as a new settlement take a significant amount of time to bring to fruition.
- 9.23 If a new settlement was included as part of the Local Plan and this was adopted in 2023 with planning permission being granted simultaneously (which is unlikely) and assuming it took 5-years for development to start and a build rate of 250 dwellings per annum (which may be optimistic as the research from Lichfields referred to above found that sites of 2,000 or more dwellings had an average build rate of 160 dwellings per annum) then between 2028 and 2039 only 2,750 dwellings would be built. This would be short of the number of new homes required under this option.
- 9.24 Whilst it would be possible to adjust the figures in this Option (i.e. reduce the anticipated number from the new settlement and increase those anticipated from the Principal Town), it is focussed in just two settlement categories (Principal Town and New Settlement) which provides little flexibility or choice for the market which is important for ensuring sustainable delivery rates. If delivery rates are not sustained, then this represents a risk to the 5-year housing land supply which is required to ensure that the plan does not become out-of-date.
- 9.25 In addition, concentrating too much development within a small area, such as the Principal Town (i.e. Coalville), represents a potential risk in terms of the ability of the market to deliver, which has already been noted is a test of a plan being 'sound'.
- 9.26 Therefore, it is considered that Option 4b should not be taken forward.

Option 5b - Principal Town (2,295 dwellings), New Settlement (2,295 dwellings) and KSC (510 dwellings)

**SA summary**

6 significant negative effect –SA2 (Inequalities, SA8 (Sustainable travel), SA11 (Climate change), SA12 (Bio/geodiversity), SA13 (Landscape/Townscape) and SA14 (Land Use)

1 negative effect – SA1 (Health)

2 positive effects - SA4 (Housing) and SA6 (Town Centres)

This option has more significant negative effects than any of the other options under the High 2 growth scenario

Other considerations

- 9.27 Growth would be more spread out than options 2b and 4b, but not as well spread out as Option 3b as it would be concentrated in 4 settlements (Coalville, new settlement, Ashby de la Zouch and Castle Donington) compared to 6.
- 9.28 The scale of growth in Coalville is not much less than Option 3b (2,295 dwellings compared to 2,550 dwellings). Under this option the build rate, allowing for what is already committed for the period 2020-31 (3,164 dwellings) and what would be required from the additional development (2,295 dwellings) would require a build rate of 287 dwellings per annum. This is 59% more than was achieved in the last 10 years and 8% in the last 5 years. So once again there are doubts about the ability of the market to deliver such a scale of growth in Coalville having regard to build rates, particularly over the longer 10-year period.
- 9.29 Deliverability of the New Settlement is potentially of less concern than Option 4b, but there is not much flexibility for slippage.
- 9.30 In view of the number of significant negative effects and the concern regarding deliverability, it is considered that Option 5b should not be taken forward.

Option 6b- Principal Town (1,785 dwellings), New Settlement (1,785 dwellings), KSC (1,020 dwellings) and LSC (510 dwellings)

Option 7b - Principal Town (1,785 dwellings), New Settlement (1,785 dwellings), KSC (765 dwellings), LSC (510 dwellings) and Sustainable Villages (255 dwellings)

Option 9b - Principal Town (1,020 dwellings), New Settlement (1,785 dwellings), KSC (459 dwellings), LSC (255 dwellings), Sustainable Villages (1,377 dwellings) and Small Villages (204 dwellings)

**SA summary**

These options are considered together in view of the fact that their scores are very similar.

Option 6b

3 significant negative effects - SA11(Climate Change), SA12 (Bio/geodiversity) and SA13 (Landscape/Townscape)

2 negative effects – SA1 (Health and SA8 (Sustainable travel)  
1 positive effect – SA4 (Housing)

#### Option 7b

5 significant negative effects – SA2 (Inequalities), SA11(Climate Change), SA12 (Bio/geodiversity) and SA13 (Landscape/Townscape) and SA14 (Land use)  
2 negative effects - SA1 (Health) and SA8 (Sustainable travel)  
2 significant positive effects – SA4 (Housing) and SA6 (Town Centres)

#### Option 9b

5 significant negative effect - SA2 (Inequalities), SA11(Climate Change), SA12 (Bio/geodiversity) and SA13 (Landscape/Townscape) and SA14 (Land use)  
2 negative effects – SA6 (Town Centres) and SA8 (Sustainable travel)  
1 significant positive effect – SA4 Housing

With the exception of options 1, 2a and 3a, option 6b has the least number of significant negative scores (3) all of which are common to the majority of options.

In terms of Option 7b, only option 8 has more significant positive scores (3).

The SA Report comments that in respect of SA4, which is concerned with Housing, that Option 7b “*SA4 (good quality homes to meet local needs) has been identified as a potential significant positive as under this option development is spread across the entire District rather than in a limited number of locations, ensuring that there is an increase in the number and mix of housing whilst also providing an element of affordable housing to meet the needs of the population, particularly at this higher quantum of growth*”. Similar wording is used in respect of option 9b.

In effect, both options 7b and 9b would benefit local communities as they would provide opportunities for people to remain in their local community whilst moving on to or up the housing ladder.

#### Other considerations

- 9.31 Option 6b results in the least dispersed pattern of development and would only be concentrated in Local Service Centres and above (including a new settlement). This would leave a significant number of settlements without any development, potentially to the detriment of those services and facilities in these settlements which rely upon regular customers. Such an approach would not sit comfortably with the NPPF (paragraph 79) which seeks to ensure that “*Planning policies should identify opportunities for villages to grow and thrive, especially where this will support local services*”. Conversely, the pressure upon services and facilities in the higher order centres would be much greater.
- 9.32 In contrast, Option 7b would include development in sustainable villages whilst option 9b would also include development in small villages. Option 7b would, with the exception a new settlement, represent a continuation of the strategy in the adopted Local Plan; a strategy which has a demonstrable strong delivery record.
- 9.33 Option 9b would represent a significant departure from the current strategy as it would focus more development on the lower order settlements where there are fewer service and facilities (as identified in another report on the agenda regarding the

Settlement Hierarchy). It would have the potential to provide a significant number of smaller sites which could benefit small and medium sized developers, something which the NPPF requires Local Plans to support. However, option 7b would potentially also provide such opportunities, albeit perhaps not to the same extent, as it would include development in Sustainable Villages. Option 6b would be likely to provide a more limited number of opportunities in this respect.

- 9.34 Having a greater number of sites in a greater number of locations as in options 7b and 9b would also represent less of a risk in terms of deliverability.
- 9.35 On balance, it is considered that whilst Option 6b scores well from an SA perspective, the fact that it would result in development being concentrated in a more limited number of settlements and hence sites, it represents something of a risk in terms of deliverability. In addition, it would also provide less benefits from a housing perspective means that it should not be taken forward.
- 9.36 This leaves options 7b and 9b. In SA terms they score virtually the same, although 7b would potentially provide greater benefit to existing town and local centres (SA4).
- 9.37 The NPPF is clear that *“all plans should promote a sustainable pattern of development that seeks to: meet the development needs of their area; align growth and infrastructure; improve the environment; mitigate climate change (including by making effective use of land in urban areas) and adapt to its effects”*.
- 9.38 Whilst Option 9b would satisfy the requirements of paragraph 79 of the NPPF regarding promoting development in villages, it would result in a less sustainable pattern of development than option 7b as it would put more development in those settlements with fewer services and facilities. In particular, the Small Villages (or Local Housing Needs Villages) have very limited services and facilities compared to other more sustainable settlements, including more limited access to public transport, meaning that people would need to use cars on a regular basis. This would conflict with the aims of national policy to address climate change related issues. The proposed settlement hierarchy considered in item xx of this meeting would support some small-scale development in the lowest order settlements, provided it was to meet a local need.
- 9.39 Therefore, it is recommended that neither Option 6b or 9b be taken forward and that Option 7b be the preferred option under the High 2 growth scenario.

#### Option 8 – New Settlement (5,100 dwellings)

- 9.40 Under this option all new housing development (other than existing commitments) would be focussed on a single new settlement. This option performs well under the SA assessment with more positive scores than any other option (6) of which 3 are judged to be ‘significant positive effects’.
- 9.41 This strategy would be unlikely to satisfy the NPPF requirement regarding deliverability. This is because it offers no flexibility in the event that for whatever reason development did not proceed as envisaged and so would be a very high-risk approach. It would also conflict with the NPPF which states that *“it is important that a sufficient amount and variety of land can come forward where it is needed [emphasis added]”* (NPPF paragraph 60).
- 9.42 The NPPF requires (paragraph 73d) that assumptions about delivery rates need to be realistic when planning new settlements (or significant extensions to settlements).

Having regard to the comments made at the beginning of this section regarding the time taken for new large-scale development to come to fruition, deliverability of 5,100 dwellings by 2039 at the new settlement would be unrealistic.

- 9.43 As noted under Option 4b allowing for the grant of planning permission and build rate of 250 dwellings per annum, only 2,750 dwellings would be built by 2039. This would only just be just over half of the number of new homes required.
- 9.44 Therefore, it is considered that Option 8 should not be taken forward.

**Overall conclusion regarding distribution options**

- 9.45 Having regard to a combination of the outcome from the SA and also other factors, it is considered that under the High 1 scenario Option 3a should be the preferred option at this stage whilst under the High 2 scenario Option 7b should be the preferred option at this stage. These are summarised below.

Table 4 - options to be taken forward

<b>Option No</b>	<b>Description</b>
<b>High 1 scenario (1,000 dwellings)</b>	
Option 3a	Principal Town (500 dwellings), Key Service Centres (300 dwellings) and Local Service Centres (LSC) (200 dwellings)
<b>High 2 scenario (5,100 dwellings)</b>	
Option 7b	Principal Town (1,785 dwellings), New Settlement (1,785 dwellings), KSC (765 dwellings), LSC (510 dwellings) and Sustainable Villages (255 dwellings)

- 9.46 In terms of a New Settlement, the scale of development is such that this this would go beyond plan period. The recently revised NPPF recognises that the strategy for an area could include such sites subject to being set within a vision that looks further ahead. Guidance is currently awaited from government of this, but this recent change to the NPPF would support a new settlement as part of the district’s strategy.

**10 SUMMARY**

- 10.1 There remains uncertainty regarding the scale of new housing that needs to be provided for as part of the Local Plan Substantive Review. Whilst all of the Leicester and Leicestershire authorities are working together to address the issue of redistribution of unmet need from Leicester City, this will take some time to be finalised. In view of the challenging timetable for the review the Council cannot afford to wait until the redistribution issue has been addressed.
- 10.2 For the reasons outlined in section 8 of this report, it is considered that at this time two potential growth scenarios should remain on the table: High 1 and High 2. It is highly unlikely that the redistribution work will result in figures which match these two scenarios exactly, but as they result in very different requirements it is hoped that they will provide sufficient flexibility to enable the local plan to be further developed.
- 10.3 Through the Sustainability Appraisal 16 different options have been assessed for how new development might be distributed across the district to ensure that all ‘reasonable alternatives’ are considered as part of the plan making process. For the reasons outlined in section 9 of this report, it is considered that under the High 1

scenario distribution option 3a should be taken forward whilst under the High 2 scenario distribution option 7b should be taken forward.

10.4 The distribution options have had various levels of growth assigned to the different settlement categories. These numbers were to provide a means of assessing the sustainability credentials of the different options, but they are not set in stone. As work on the review progresses the distribution will be refined further.

## 11 NEXT STEPS

11.1 Subject to the recommendations of this report being agreed, it is proposed that a report be taken to the meeting of Cabinet on 7 December 2021 to seek their backing for the recommendations. It is then proposed that consultation in the New Year be undertaken with stakeholders on the proposed direction of travel. This would identify the preferred growth and distribution options as proposed in this report but would also seeks views on the other scenarios and options to provide an opportunity to inform a final decision.

11.2 In addition to the above, the consultation would also include a number of other issues which have been discussed at previous meetings of this committee. In particular, it will include consultation on the following:

- objectives;
- housing standards;
- health and wellbeing;
- climate change issues;
- self and custom build;
- settlement hierarchy;
- employment matters
- Town centres

<b>Policies and other considerations, as appropriate</b>	
Council Priorities:	<ul style="list-style-type: none"> <li>- Our communities are safe, healthy and connected</li> <li>- Local people live in high quality, affordable homes</li> <li>- Developing a clean and green district</li> </ul>
Policy Considerations:	None
Safeguarding:	None discernible
Equalities/Diversity:	The Local Plan Review as an entity will be subject to an Equalities Impact Assessment.
Customer Impact:	None specific
Economic and Social Impact:	The decision, of itself, will have no specific impact. The Substantive Local Plan Review as a whole will Aim to deliver positive economic and social impacts and these will be recorded through the Sustainability Appraisal.
Environment and Climate Change:	The decision, of itself, will have no specific impact. The Substantive Local Plan Review as a whole will

	Aim to deliver positive environmental and climate change benefits and these will be recorded through the Sustainability Appraisal.
Consultation/Community Engagement:	In due course the planning policy considerations outlined in the report will be incorporated in a consultation document for the Substantive Local Plan Review. The consultation arrangements will be governed by requirements in the Statement of Community Involvement
Risks:	A risk assessment for the Local Plan Review has been prepared and is kept up to date. As far as possible control measures have been put in place to minimise risks, including regular Project Board meetings where risk is reviewed.
Officer Contact	Ian Nelson Planning Policy and Land Charges Team Manager 01530 454677 <a href="mailto:ian.nelson@nwleicestershire.gov.uk">ian.nelson@nwleicestershire.gov.uk</a>

## APPENDIX A

## SUSTAINABILITY OBJECTIVES

SA1 Improve the health and wellbeing of the District's population.

SA2 Reduce inequalities and ensure fair and equal access and opportunities for all residents

SA3 Help create the conditions for communities to thrive.

SA4 Provide good quality homes that meet local needs in terms of number, type and tenure in locations where it can deliver the greatest benefits and sustainable access to services and jobs.

SA5 Support economic growth throughout the District

SA6 Enhance the vitality and viability of existing town centres and village centres.

SA7 Provision of a diverse range of employment opportunities that match the skills and needs of local residents

SA8 Reduce the need to travel and increase numbers of people walking, cycling or using the bus for their day-to-day travel needs.

SA9 Reduce air, light and noise pollution to avoid damage to natural systems and protect human health.

SA10 Reduce carbon emissions throughout the District.

SA11 Ensure the District is resilient to the impacts of climate change.

SA12 Protect and enhance the District's biodiversity and protect areas identified for their nature conservation and geological importance.

SA13 Conserve and enhance the quality of the District's landscape and townscape character.

SA14 Ensure land is used efficiently and effectively.

SA15 Conserve and enhance the character, diversity and local distinctiveness of the District's built and historic heritage.

SA16 Protect water resources and ensure they are used efficiently.

SA17 Ensure the efficient use of natural resources, including reducing waste generation.

## APPENDIX B

## ADOPTED LOCAL PLAN – SETTLEMENT HIERACHY

Settlement Classification	Settlement(s)
<p><b>Principal Town</b></p> <p>The primary settlement in the district which provides an extensive range of services and facilities including employment, leisure and shopping and which is accessible by sustainable transport from surrounding areas and to other large settlements outside the district. The largest amount of new development will be directed here, including retail development, to support the regeneration of Coalville Town Centre.</p>	<p>Coalville Urban Area which comprises of Coalville, Donington-le-Heath, Greenhill, Hugglescote, Snibston, Thringstone and Whitwick as well as the Bardon employment area.</p>
<p><b>Key Service Centre</b></p> <p>Smaller than the Principal Town in terms of population and also the range of services and facilities they provide, they play an important role providing services and facilities to the surrounding area and are accessible by some sustainable transport. A significant amount of development will take place in these settlements but less than that in the Principal Town.</p>	<p>Ashby de la Zouch Castle Donington</p>
<p><b>Local Service Centre</b></p> <p>Settlements which provide some services and facilities primarily of a local nature meeting day-to-day needs and where a reasonable amount of new development will take place.</p>	<p>Ibstock Kegworth Measham</p>
<p><b>Sustainable Villages</b></p> <p>Settlements which have a limited range of services and facilities where a limited amount of growth will take place within the defined Limits to Development.</p>	<p>Albert Village, Appleby Magna, Belton, Blackfordby, Breedon on the Hill, Coleorton (the Lower Moor Road area only), Diseworth, Donisthorpe, Ellistown, Heather, Long Whatton, Moira (including Norris Hill), Oakthorpe, Packington, Ravenstone,</p>

	Swannington, Worthington.
<p><b>Small Village</b></p> <p>Settlements with very limited services and where development will be restricted to conversions of existing buildings or the redevelopment of previously developed land (as defined in the National Planning Policy Framework) or affordable housing in accordance with Policy H5 (Rural Exceptions Sites for Affordable Housing).</p>	<p><i>Battram, Coleorton (the part not considered to be a Sustainable Village), Griffydam, Hemington, Lockington, Lount, Newbold, Newton Burgoland, Osgathorpe, Peggs Green, Sinope, Snarestone, Swebstone, Spring Cottage, Tonge, Wilson.</i></p>
<p><b>Hamlets</b></p> <p>Small groups of dwellings with no services and facilities and where development will be considered in the context of the countryside policy (Policy S3).</p>	