

**NORTH WEST LEICESTERSHIRE DISTRICT COUNCIL**

**LOCAL PLAN ADVISORY COMMITTEE – 12 NOVEMBER 2014**

Title of report	<b>DEVELOPMENT STRATEGY</b>
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Purpose of report	To outline for members the suggested approach in respect of the Development Strategy for the Local Plan
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	None.
Link to relevant CAT	None
Risk Management	At this time there is uncertainty regarding the amount of new development which will need to be provided for as part of the Local Plan and so it is suggested that to allow for this a flexibility allowance be applied. In this way the potential for the plan to be found unsound should be minimised
Equalities Impact Assessment	None
Human Rights	None
Transformational Government	Not applicable

Comments of Head of Paid Service	The Report is Satisfactory
Comments of Section 151 Officer	The Report is Satisfactory
Comments of Monitoring Officer	The Report is Satisfactory
Consultees	Local Plan Project Board
Background papers	National Planning Policy Framework which can be found at <a href="http://www.gov.uk/government/publications?topics%5B%5D=planning-and-building">www.gov.uk/government/publications?topics%5B%5D=planning-and-building</a>  Leicester and Leicestershire Strategic Housing Market Assessment which can be found at <a href="http://www.nwleics.gov.uk/pages/shma_5_year_housing_land_supply">www.nwleics.gov.uk/pages/shma_5_year_housing_land_supply</a>
Recommendations	<b>THAT THE ADVISORY COMMITTEE:</b> <b>(I) NOTES AND COMMENTS ON THE SUGGESTION TO HAVE A FLEXIBILITY ALLOWANCE;</b> <b>(II) NOTES AND COMMENTS ON THE SUGGESTED SETTLEMENT HIERARCHY; AND</b> <b>(III) NOTES AND COMMENTS ON THE SUGGESTED GUIDING PRINCIPLES FOR ALLOCATING SITES</b>

## 1.0 BACKGROUND

- 1.1 A key issue for the new Local Plan to address is that of what the development strategy ought to be. Any development strategy will comprise of a number of elements:
- A settlement hierarchy which defines the different levels and roles of settlements across the district in order to guide the location of new development, whether this is determined as part of the local plan or in determining a planning application;
  - Allocation of amounts of development to different settlements and;
  - Allocation of specific sites for development
- 1.2 All local plans have to be supported by a Sustainability Appraisal/Strategic Environmental Assessment (SA/SEA) to demonstrate what account has been taken of sustainability issues in preparing the plan and to show what the likely impacts of the plan will be in sustainability terms. The SA/SEA identifies a number of objectives covering a wide range of economic, environmental and social issues against which the sustainability credentials of the local Plan can be assessed. As part of the SA/SEA process it is necessary to consider all reasonable alternative options when preparing policies and strategies.
- 1.3 The purpose of this report is to:

- Consider what options there might be for the settlement hierarchy;
- Identify the suggested settlement hierarchy and possible scale of housing growth and
- Establish some key principles to help guide considerations in respect of the allocation of sites

1.4 Before looking at the possible options it is necessary to consider what scale of development should be planned for.

## **2.0 SCALE OF DEVELOPMENT**

2.1 In respect of housing, the Strategic Housing Market Assessment (SHMA) provides the starting point and the key piece of evidence in respect of future housing needs. Members will recall that this has suggested a requirement figure for the district of 350 dwellings each year for the period 2011 to 2031, a total of 7,000 new homes. This is what has also been agreed as part of the Memorandum of Understanding which has been agreed with all of the Housing Market Area (HMA) authorities.

2.2 Notwithstanding the Memorandum of Understanding, it is considered that at this time it would be prudent to apply a flexibility allowance to the SHMA figures. A flexibility allowance is suggested to allow for the possible non-delivery of sites which are currently in the pipeline and which may come to light as part of ongoing evidence gathering.

2.3 In considering what a suitable flexibility allowance might be, it is suggested that this should as a minimum be 20% of the overall SHMA requirement of 7,000 dwellings. The figure of 20% reflects the NPPF which requires a 20% additional provision where a local authority has a track record of persistent under-delivery. However, the SHMA considered a number of scenarios with the highest figure for the district being 478 dwellings each year. This is 37% higher than the figure preferred by the SHMA.

2.4 On balance it is suggested that the most prudent approach would be to assume a flexibility allowance of 30%, slightly below the maximum level of housing suggested in the SHMA; i.e. 2,100 dwellings or a total of 9,100.

2.5 It should be noted that such a flexibility allowance is for planning and testing purposes at this stage only to enable officers to make progress in drafting the Local Plan and there will be an opportunity at a later date to decide the actual provision to go into the plan in the light of the information at that time.

2.6 Such information will include the provisions of other strategies. As is noted in the SHMA, the SHMA figures “*provide a ‘policy off’ assessment of housing need. In translating this into housing targets in development plans, the commissioning local authorities will need to consider whether there is a case for adjusting the level of housing provision to align with their evidence regarding local economic growth potential and to address where relevant any unmet needs from adjoining authorities*”.

2.7 Furthermore, paragraph 158, the National Planning Policy Framework (NPPF) sets out that local planning authorities should ensure that their assessments of and strategies for housing, employment and other uses are integrated, and that they take full account of relevant market and economic signals.

- 2.8 In terms of economic growth potential, Members will be aware that the Leicester and Leicestershire Enterprise Partnership (LLEP) has produced a Strategic Economic Plan which was principally prepared as a bidding document for funding from government. It is understood that this may be subject to a review which will potentially provide different economic projections. In addition, the Council is currently consulting on a Local Growth Plan.
- 2.9 It has become apparent from recent reports in the planning press that whilst documents such as the Strategic Economic Plan were primarily intended to assist with bidding for government funding, Planning Inspector's are attaching some weight to their statements about future economic growth when considering what is the appropriate level of housing that should be provided for as part of Local Plans.
- 2.10 in view of the above figures for the Local Plan may, therefore, need to be adjusted to reflect any changes in the Strategic Economic Plan or Local Growth Plan.
- 2.11 When a requirement for employment land has been established it is considered that it would also be prudent to build in a flexibility allowance to the employment land requirement as well.
- 2.12 It should be noted that the issue of housing and employment numbers should not be approached with such a degree of exactitude as to be unreasonable (i.e. not one dwelling more than the requirement), instead there will be a need to be flexible to ensure proper planning (for example, when allocating sites that any boundaries are logical rather than being determined arbitrarily to provide the exact numbers required).

### **3.0 SETTLEMENT HIERACHY**

- 3.1 As noted above as part of the SA/SEA process it is necessary to consider all reasonable alternative policy options. This does not mean all options, but only those which can be considered to be reasonable.
- 3.2 The following sections consider what these options might be and starts with some context from the now withdrawn Core Strategy.

#### What did the Core Strategy propose?

- 3.3 In the now withdrawn Core Strategy the following settlement hierarchy was proposed (Policy CS7):
- Coalville Urban Area – where most new housing and employment would be located;
  - Rural Centres: Ashby de la Zouch, Castle Donington, Ibstock, Kegworth and Measham – where most of the remaining housing and employment would be located;
  - Sustainable Villages (defined as those which had access to five of eight essential services) – where small scale housing and employment development would be allowed ;

- Rural Villages – where development would be restricted to that to meet a local need and
- Countryside

3.4 The Core Strategy was prepared having regard to the provisions of the then Regional Plan which included a requirement for “most” new development to be directed to the Coalville area. As the Regional Plan has now been revoked there is no longer a need to do this.

What are the options?

3.5 In considering reasonable alternatives it is also necessary to have regard to the provisions of the National Planning Policy Framework (NPPF) when considering the most appropriate policy approach to take in a local plan. Amongst the 12 principles set out in the NPPF is that planning should:

- *“take account of the different roles and character of different areas, promoting the vitality of our main urban areas... recognising the intrinsic character and beauty of the countryside and supporting thriving rural communities within it”.*
- *“actively manage patterns of growth to make the make the fullest possible use of public transport, walking and cycling, and focus significant development in locations which are or can be made sustainable”.*

3.6 The following settlements have the best range of services and facilities and/or serve a hinterland which suggests that these settlements should be to towards the top of any settlement hierarchy (in alphabetical order);

- Ashby de la Zouch;
- Castle Donington;
- Coalville urban area
- Ibstock;
- Kegworth and
- Measham

3.7 In terms of the remaining settlements, there are differences in respect of the level of services and facilities available within different settlements. For example, some may have a primary school but no shop; some may have employment but no public transport. It is considered that having regard to the provisions of the NPPF as outlined above, it remains appropriate and reasonable to distinguish between settlements in terms of their sustainability credentials. Further work will need to be undertaken to agree this, but for the purposes of this report the terminology used in the Core Strategy (i.e. sustainable villages, rural villages etc) will be used.

3.8 Notwithstanding the fact that the Regional Plan with its significant emphasis upon directing development to the Coalville area (identified as a Sub Regional Centre) has been revoked, it remains the case that the Coalville Urban Area (including Hugglescote, Thringstone and Whitwick) is the largest settlement within the district (population as at 2011 Census was

estimated to be 36,800) and that it has the most comprehensive range of services and facilities.

- 3.9 It is considered, therefore, that any settlement hierarchy should recognise this and accordingly should designate the Coalville Urban Area as the Principal Town to which 'the largest amount of development' should be directed. Note that this is not the same as the former Regional Plan which referred to 'most' development (implying at least 50% of all development). The exact amount of development would need to be determined once the overall settlement hierarchy is agreed.
- 3.10 Beneath the Principal Town there could be Rural Centres (as in the Core Strategy) or Main Towns and then Rural Centres. The approach in the Core Strategy of having just Rural Centres reflected the then Regional Plan which did not distinguish between settlements outside of the Sub Regional Centres such as Coalville. Some consultation responses to the Core Strategy had suggested that either Ashby and/or Castle Donington should be recognised as being different to the other Rural Centres due their size and/or range of services and facilities available.
- 3.11 There is merit in considering such options as part of the Local Plan. Ashby is significantly larger in population terms (12,380 as at the 2011 Census) than any of the other settlements outside of the Coalville Urban Area and also has an extensive range of services and facilities. One option, therefore, could be to identify Ashby as a Main Town on its own.
- 3.12 Whilst Castle Donington does not have as large a population as Ashby (6,350 as at the 2011 Census), it does have a good range of services and facilities (with the possible exception of secondary education which currently only goes to age 14) but, as with Ashby, it provides a significant number of employment opportunities within and close to it. However, there are also some significant infrastructure issues, such as highways, which need to be addressed. Therefore, it too could be identified as a Main Town alongside (rather than instead of) Ashby although it has to be recognised that there is no scope for additional development beyond what the Council has already resolved to approve.
- 3.13 None of the other larger settlements are so populous or have such an extensive range of services and facilities that they could be considered as Main Towns.
- 3.14 Beneath Main Towns and/or Rural Centres there could then be sustainable villages and rural villages.
- 3.15 Whatever hierarchy is chosen, the potential for growth would be greater in a settlement which is in a higher order settlement than a settlement beneath it, although the scale of any growth may differ from another settlement in the same category.
- 3.16 It is also appropriate to have regard to the scale and distribution of new housing which has already been permitted or resolved to be approved, as any development strategy will need to be deliverable. Table 1 below sets out these figures. It should be noted that the completions cover the period to 31 March 2014, whilst those for permissions and resolutions are up to 30 September 2014. It should be noted that the resolution for the development of 450 dwellings at Measham Waterside is not included in the figures due the uncertainty associated with the delivery of the site as a result of HS2.

**Table 1 – housing provision**

<b>Settlement</b>	<b>Completions 2011-14</b>	<b>Planning permissions</b>	<b>Resolution to grant planning permission</b>	<b>Total</b>
Coalville	249	1,320	922	2,491
Ashby	112	823	145	1,080
Castle Donington	153	147	895	1,195
Ibstock	181	369	142	692
Kegworth	131	183	181	495
Measham	52	85	20	157
Rest of District	152	525	218	945
<b>Total</b>	<b>1,030</b>	<b>3,452</b>	<b>2,392</b>	<b>7,055</b>

3.17 Having regard to the above factors the following two options are presented for further consideration at this time.

<b>Option A</b>	<b>Option B</b>
Coalville (Principal Town)	Coalville (Principal Town)
Ashby/Castle Donington/Ibstock/Kegworth/Measham (Rural Centres)	Ashby/Castle Donington (Main Towns)
Sustainable Villages	Ibstock/Kegworth/Measham (Rural Centres)
Rural Villages	Sustainable Villages
	Rural Villages

3.18 A further option which officers have considered is that of a new Settlement. However, it is not clear that there would be sufficient development required to justify a new settlement. In addition, this option is not being promoted by any landowner/developer and so at this time deliverability of such an option within the plan period is considered to be unlikely. Thus this option is not considered to be a reasonable option and is not taken any further forward.

Consideration of Options

3.19 Each of these options is considered below. It should be noted that this consideration is based on a planning judgement and that all the options would also need to be considered assessed against the SA/SEA.

Option A

3.20 This option represents a continuation of that proposed as part of the withdrawn Core Strategy. It recognises the fact that Coalville is the largest settlement in the district with the greatest range of services and facilities. It also recognises that the Rural Centres do perform a different role to other settlements across the district. However, it can be argued that it fails to adequately reflect the role and function that some of the other larger settlements outside of Coalville play in meeting the needs of local communities whilst also

over emphasising Coalville's role and function. The housing provision figures in Table 1 illustrate this.

### Option B

- 3.21 This option recognises the important role played by Coalville, but also recognises that Ashby and Castle Donington are different to the other larger settlements outside Coalville in terms of population size (Ashby has the second highest population after the Coalville Urban Area whilst Castle Donington is the third largest in population terms) and the range of services and facilities available. For example, the retail capacity study demonstrates that Ashby has a strong town centre with a hinterland that covers a large part of the south-west of the district whilst Castle Donington provides significant employment within and close by which draws people from a wide area that goes beyond the district.
- 3.22 As with option A this option recognises that the Rural Centres perform a different role to other settlements.
- 3.23 Of the two options, it is considered that option B more accurately reflects reality than option A, for example as illustrated in respect of the current distribution of housing as set out in Table 1 and so it is suggested that this should be, subject to the outcome of any assessment as part of the SA/SEA, the settlement hierarchy in the Local Plan.

### What might the settlement hierarchy look like in terms of scale of growth?

- 3.24 Having regard to section 2 of this report where it was concluded that a 20% flexibility allowance should be made and working on the basis of option B, table 2 below sets out (for illustrative purposes) possible housing growth ranges for each of the settlement categories. The minimum figure is the rounded total in Table 1 whilst the maximum figure allows for the additional 20% referred to above and has had regard to the distribution of existing planning permissions and resolutions (as set out in Table 1) and the potential scope for development having regard to the Strategic Housing Land Availability Assessment.
- 3.25 It will be noted that no range is presented for Castle Donington because, as already noted, there is no scope for additional development beyond what the Council has already resolved to approve.
- 3.26 It should be stressed that at this time these figures, particularly the maximum figures have no status and that Members are not being asked to agree these figures which are for testing and planning purposes only.



**Table 2 – possible distribution of housing**

<b>Settlement</b>	<b>Minimum</b>	<b>Maximum</b>
Coalville	2,500	3,200
Ashby	1,100	1,350
Castle Donington	1,200	1,200
Ibstock	700	800
Kegworth	500	650
Measham	150	600
Rest of District	950	1,300
Total	7,100	9,100

#### **4.0 ALLOCATION OF SITES – GUIDING PRINCIPLES**

4.1 In considering the identification of the most appropriate allocations it will be necessary to have regard to a range of factors, including:

- What existing commitments there are and how these are distributed;
- Deliverability;
- In respect of housing land, the ability to contribute towards maintaining a 5-year supply of housing land;
- How allocations might contribute towards other possible plan objectives;
- Normal planning considerations including visual impact, highways etc;

4.2 All potential allocations will need also to be subject to SA/SEA as referred to earlier in this report.

4.3 It would also be appropriate to consider the allocation of a site (or sites) which numerically are more than required but which would then a) allow some flexibility to bring forward a development in the event that build rates elsewhere do not meet expectations and b) allow for proper long-term planning of infrastructure rather than incremental provision.