

EXAMINATION OF HARBOROUGH LOCAL PLAN
MATTER 2 – THE HOUSING REQUIREMENT AND ITS DELIVERY

Inspector's issues and questions in bold type.

This Hearing Statement is made for and on behalf of the HBF which should be read in conjunction with our representations to the pre-submission Local Plan consultation dated 3rd November 2017. This representation answers specific questions as set out in the Inspector's Matters, Issues & Questions document dated 15th August 2018.

2.1 Is the uplift of 25 dpa associated with growth at Magna Park appropriate?

It is appropriate for the Council to separately consider an economic led growth scenario for growth at Magna Park. As set out in the Leicester & Leicestershire (L&L) HEDNA 2017 at the Housing Market Area (HMA) level there is no economic growth led adjustment to Objectively Assessed Housing Needs (OAHN) because the demographic projections plus market signal adjustments exceed economic led forecasts. The HBF and other parties have previously criticised the HEDNA's approach of no adjustment to support economic growth indeed the HEDNA's Planned Growth Scenario does not take account of the proposed major distribution scheme located within the M6, M69 and M1 triangle at Harborough. The Council's own Magna Park Employment Growth Sensitivity Study 2017 takes into account proposed employment growth of 700,000 square metres of B8 floor space at the 223 hectare strategic & warehousing logistics distribution park at Magna Park up to 2031. The Council's Study aligns employment growth and housing by increasing the housing requirement by a modest uplift of +25 dwellings per annum above the HEDNA OAHN to accommodate the new workers expected to be employed at Magna Park and to reduce out commuting thereby increasing self-containment from 19% to 25% over the plan period as set out in Objective 2 of the Local Plan.

The updated re-modelling as set out in Document IC3 results in 533 dwellings per annum rather than 557 dwellings per annum due to lower projected population growth in the oldest age groups because of reduced life expectancy assumptions in the 2016 SNPP data. The HBF agrees with the Council that the housing requirement figure falls within a margin of error associated with uncertainties in projecting economic growth over the long term so this latest evidence does not point to a meaningful change which would justify any downward adjustment of the housing requirement.

It is agreed that higher in migration is required to support the potential growth of Magna Park and to align housing and economic strategies of the Harborough Local Plan but the HBF only partially agree that this is a first stage re-distribution of housing provision within the HMA which contributes to both workforce growth within the District and meeting unmet needs (see page

25 of Document IC3). If the Council is asserting that all additional growth is drawn exclusively from Leicester's unmet housing needs then this is not supported by evidence. It may be that increased job opportunities at Magna Park attract households from a wide area extending beyond the L&L HMA. A similar assertion was subject to prolonged discussion at the Stratford Upon Avon Core Strategy Examination. The Inspector (Pete Drew) concluded that only a "very modest" component of the OAHN would contribute to the unmet needs of others rather than the Council's argument that anything above the basic demographic need is "surplus" to the District's requirements and available to meet the unmet needs of others (see paras 57 – 71 of the Final Report dated 20th June 2016 in attached Appendix pages 2 - 7). The uplift of Harborough's housing requirement to support economic growth should not be confused with meeting Leicester's unmet housing needs which are separate matters.

2.2 What are the risks to the achievement of the plan's housing delivery, in terms of infrastructure or other impediments to delivery?

Other impediments to housing delivery include :-

- Whether or not there is sufficient flexibility in overall housing land supply (see HBF answer to Q2.4) and ;
- requirements under Policies H2, H4 and H5 (to be discussed under Matter 4).

2.3 Are the assumptions about delivery start dates and rates from the SDAs reasonable?

The Council's assumptions on lead-in times and delivery rates for the Strategic Development Areas (SDA) should be realistic and supported by parties responsible for delivery of these developments.

2.4 Is it sound to rely on the headroom provided by the currently calculated supply of 12,948 dwellings (IC3) to cater for both unmet need from Leicestershire and any contingency allowance for slower than anticipated delivery from allocated and committed sites?

It is not sound to rely on the headroom (+1,808 dwellings) provided by the housing land supply of 12,948 dwellings against a minimum housing requirement for Harborough of 11,140 dwellings to cater for both unmet need from Leicester and any contingency for slower than anticipated delivery from allocated / committed sites, non-implementation of existing consents, economic change and to provide choice in the housing market.

The HBF agree that the Council should apply a flexibility contingency to its overall Housing Land Supply (HLS) so the Local Plan is responsive to changing circumstances and the housing requirement is treated as a minimum rather than a maximum ceiling. The HBF acknowledge that there can be no numerical formula to determine the appropriate quantum for a flexibility contingency but where a Local Plan or a particular settlement / locality is highly dependent upon one or relatively few large strategic sites greater numerical flexibility is necessary than in cases where supply is more diversified. As identified in Sir Oliver Letwin's interim findings large housing

sites may be held back by numerous constraints including discharge of pre-commencement planning conditions, limited availability of skilled labour, limited supplies of building materials, limited availability of capital, constrained logistics of sites, slow speed of installation by utility companies, difficulties of land remediation, provision of local transport infrastructure, absorption sales rates of open market housing and limitations on open market housing receipts to cross subsidise affordable housing. Therefore, the HBF suggests as large a contingency as possible (usually at least 20%) because as any proposed contingency becomes smaller so any in built flexibility reduces. If during the Examination any of the Council's assumptions on lapse rates, windfall allowances and delivery rates were to be adjusted or any proposed housing site allocations were to be found unsound then any proposed contingency would be eroded. The Council's proposed 16% contingency is too low to provide enough flexibility to meet its own minimum housing requirement and it is inappropriate to assert that it is also sufficient to meet unmet needs from Leicester.

2.5 Given that the housing requirement would be the basis for the calculation of the 5 year housing supply, should it be increased beyond 11,140 dwellings or 557 dpa now in order to allow for a proportion of unmet need for Leicester, or should there be a trigger in the plan which increases the requirement once the amount of unmet need has been quantified?

As set out in the National Planning Policy Framework (NPPF) a fundamental outcome of compliance with the Duty to Co-operate is the delivery of full OAHN for market and affordable housing in the HMA. The NPPG states that a key element of examination is ensuring that there is sufficient certainty through formal agreements that an effective strategy will be in place to deal with strategic matters such as unmet housing needs when Local Plans are adopted (ID 9-017). This approach is re-enforced by the revised NPPF (para 35c) published in July 2018 which states that Local Plans are examined to assess whether they have been prepared in accordance with legal and procedural requirements and whether they are sound. A Local Plan is sound if it is effective meaning that it is deliverable over the plan period and based on effective joint working on cross boundary strategic matters that have been dealt with rather than deferred as evidenced by a Statement of Common Ground (the HBF emphasis is underlined).

To date the L&L HMA authorities have failed to resolve the re-distribution of declared unmet needs from Leicester. Since the beginning of the Charnwood Core Strategy Examination in March 2014 and the publication of the 2014 SHMA it has been common knowledge that beyond 2028 Leicester would not be able to meet its own OAHN. The HBF do not believe that the extent of the unmet need from Leicester is as unquantified / unknown as the Council contends in its evidence. On 13th February 2017 Leicester City Council formally wrote to L&L HMA authorities declaring unmet needs (as at February 2017) of potentially up to 11,840 dwellings by 2031 (see attached Appendix page 8 - 10). The L&L HMA authorities are procrastinating rather than resolving this key outcome from co-operation.

An early review as proposed by the Council is not the optimum policy mechanism by which to resolve unmet housing need because of the slow responsiveness of such reviews. It is suggested that ahead of any early review additional flexibility is provided by a larger contingency within the overall HLS which is greater than the currently proposed 16% (see HBF answer to Q2.4). The Council should also consider the allocation of developable reserve sites together with an appropriate release mechanism (see HBF answer to Matter 3 Q3.3).

If there is to be an early Local Plan Review as proposed in Policy IMR1 to deal with unmet needs from Leicester then any trigger in the policy has to be meaningful. There is always the concern that a Council will not deliver at all or in a timely manner on its commitment to an early review. In Policy IMR1 there are three proposed review triggers which are (a) negative outcomes measured against the monitoring framework, (b) collaborative working with other L&L HMA authorities establishing further provision of OAHN in Harborough and (c) the non-statutory Leicester & Leicestershire Strategic Growth Plan (L&L SGP) setting out a different scale and distribution of development in Harborough. If an early review is triggered by (b) or (c) it will be commenced within 12 months. The problem is the lack of any timetable to initiate trigger (b). The concern is that after years of collaborative working between the L&L HMA authorities identified and declared unmet needs from Leicester continue to go unmet. It is possible that trigger (b) will never be initiated so it is totally ineffective. Trigger (c) is also ineffective in dealing with Leicester's unmet housing needs. From the Draft L&L SGP consultation (ended on 5th April 2018) it is understood that the distribution of Leicester's unmet housing need will be agreed and set out in a Memorandum of Understanding (MoU) signed by the L&L HMA authorities which will form the basis for Local Plan preparation and review. The Draft L&L SGP states that the agreed distribution for the period 2011 – 2036 will be set out in a MoU which will be used as the basis for preparing or reviewing Local Plans with 2036 as an end date. The L&L SGP is for the period post 2036 to 2050.

For Policy IMR1 to be effective there should be a timetable. It is suggested that the wording is changed so that under Bullet Point (2) the Council commit to "complete" rather than "commence" and under Bullet Point (3) the review will be "commenced within 3 months and submitted for Examination within 2 years". Such modifications will ensure consistency with the North West Leicestershire Local Plan which also dealt with the same issue of unmet needs in the L&L HMA and was modified accordingly in its recently concluded Examination (see attached Appendix page 11).

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**EXTRACT FROM STRATFORD UPON AVON CORE STRATEGY
INSPECTOR'S FINAL REPORT**



The Planning Inspectorate

Report to Stratford-on-Avon District Council

by Pete Drew BSc (Hons), Dip TP (Dist) MRTPI

an Inspector appointed by the Secretary of State for Communities and Local Government

Date 20 June 2016

PLANNING AND COMPULSORY PURCHASE ACT 2004 (AS AMENDED)

SECTION 20

**REPORT ON THE EXAMINATION INTO THE STRATFORD-ON-AVON
CORE STRATEGY**

Document submitted for examination on 30 September 2014

Hearings held between 6 and 29 January 2015 and 12 and 21 January 2016

Accompanied site inspections made on 2 and 3 February 2015 and 21 January 2016

File Ref: J3720/429/2

Dealing with unmet housing needs from outside the District

57. There is a marked difference of opinion between i) the Council and other LPAs; and ii) the development industry, as to how this should be dealt with. In short the Council and its partner authorities argue that anything above the basic demographic need is 'surplus' to the District's requirements and available to meet the unmet needs of others, i.e. Birmingham and Coventry. The Council argues that across the Country as a whole all that is required is a level of housing that meets the demographic need and hence any additional dwellings to meet economic needs are effectively meeting the unmet needs of others. Hence anything above the basic demographic need [28] would contribute towards meeting those unmet needs, which include migrants to the wider HMAs who would otherwise live in the cities and commute into the District. Pursuant to this rationale there is a Memorandum of Understanding [MoU] between the Councils of Stratford, Birmingham, Solihull, Redditch and Bromsgrove that records Stratford will take 165 dpa of Birmingham's need [3,300 homes] on that basis¹⁰³. There is a draft MoU with all the Warwickshire LPAs in which Stratford says it will take just over 100 dpa from Coventry¹⁰⁴.
58. At the other end of the spectrum, representatives of the development industry submit that the OAN meets the needs of the District and that the unmet needs of others should be in addition to that assessment. Discussion at the resumed Hearing sought to explore whether there might be any middle ground, given the acknowledgement by one participant that: *"there is a logic to the Council's proposition, as the purpose of the uplift to align with economic growth is to provide homes for additional workers to move into the District who may well come from elsewhere in the HMA"*¹⁰⁵. There was no agreement at the Hearing.
59. Echoing the point made by PAS¹⁰⁶, there appears to be a lack of guidance as to how to deal with this issue, which is only beginning to crystallise in the West Midlands as a result of emerging plans reaching a more advanced stage. In particular Birmingham's unmet need is now quantified at 37,900 dwellings¹⁰⁷ following issue of the Inspector's report into the examination of that Plan. The only independent source of advice to which reference has been made is the updated PAS advice. Figure 4.1 thereof 'Assessing needs and setting targets' comprises a flow diagram in which 'Cross-boundary unmet need' is identified as a policy and supply factor that needs to be taken into account after the OAN has been quantified. Its stated rationale is: *"Cross-boundary imported need belongs below the line, for two main reasons. One reason for this is that unmet need in neighbouring authorities results from a policy change in neighbouring authorities: if those authorities supply less development land than they did in the past demand in the subject authority will rise above past trends, resulting in cross-boundary unmet need. Another reason is that how much of that need the subject authority should accommodate depends partly on its own constraints, including policy constraints"*¹⁰⁸.
60. In considering the spectrum, with the Council at one end and the development

¹⁰³ Document Ref. CD.12.

¹⁰⁴ Document Ref. ED.13.10a.

¹⁰⁵ Source of quote: Matter A Hearing Statement HS-14, December 2015.

¹⁰⁶ Paragraph 4.4, PAS, Ibid, HD.77.

¹⁰⁷ Paragraph 2.1, Document Ref. CD.12.

¹⁰⁸ Source of quote: third bullet-point, paragraph 4.5, PAS, Ibid, HD.77.

industry at the other, the PAS rationale suggests that the starting point must be that any unmet needs should be in addition to the assessment of the OAN. The economic led projection, whilst well above the basic demographic need, is required to meet the level of jobs being created and so meets the needs of the District. Nevertheless it is reasonable to say a: "very modest"¹⁰⁹ component of the OAN would contribute to the unmet needs of others. If it were otherwise there would be no purpose in an assessment being conducted at the HMA level: the District could simply focus on meeting its own needs. However the demand for housing transcends administrative boundaries for a number of reasons, such as those identified in the Guidance¹¹⁰. To give an example, a person who works in Birmingham might choose to live in Stratford because of family, cultural or environmental reasons. The housing need strictly arises in Birmingham but is met in Stratford and the census and travel to work data can estimate the scale of that functional relationship. Since a proportion of the existing housing stock is meeting the needs of others this could be used as a proxy for the proportion of the new stock that would be similarly used.

61. The Council says that any soundly based method for allocating unmet need should take account of the strength of the functional relationship between potential recipient LPAs and the 'deficit areas'; I agree. To take an extreme example there is no point trying to meet the unmet needs of Birmingham in Glasgow because the socio-economic links would be lost. A co-ordinated approach under the DtC needs to agree the precise parameters for any relationship but, as the PAS guidance infers, this needs to take account of policy and practical constraints. For example some Greater Birmingham authorities might not be able to fulfil their share of the unmet need arising from an approach that simply considered the functional relationship, whether because they are substantially built-up, and hence have the same capacity constraint as Birmingham, or for policy reasons, such as Green Belt.
62. On the evidence before this examination it would appear that a comprehensive approach has yet to be agreed in the Birmingham HMA. The MoU says: "As at the date of this statement the necessary technical work required to reach a collective agreement on the way forward is being progressed but is not complete"¹¹¹. Accordingly there appears to be some way to go before the relevant proportion of Birmingham's unmet need can be quantified for Stratford. A holistic response is required by the DtC rather than chipping away at the total. The MoU has identified a figure but this is based on an incorrect assumption that everything over and above the demographic need is 'surplus' and available to meet the needs of others. Given that misconception it would not be appropriate to hold the Council to the figure in the MoU. Moreover it is unclear whether the Council has agreed with other members of the CW HMA¹¹² how to address the Birmingham HMA shortfall because, as noted elsewhere [57], it is not signed by other members of the CW HMA. It is material that Fig 4.1 of the PAS advice is pitched at the HMA level and hence any: "Cross-boundary unmet need" feeds in at that level, not to each District, even if only certain Warwickshire Districts are within both HMAs.

¹⁰⁹ Source of quote: Matter A Hearing Statement HS-14, December 2015.

¹¹⁰ Paragraph ID 2a-012-20140306.

¹¹¹ Source of quote: paragraph 2.3, Document Ref. CD.12, dated December 2015.

¹¹² As per Policy CS.xx and its reasoned justification.

63. The position in Coventry is the opposite in the sense that the mechanism for distribution within the HMA appears to have a large measure of agreement and the basis for the split, which under the DtC is ultimately a matter for the Councils concerned, appears to be founded on sound principles¹¹³. However, whilst Table 53 of the SHMA Update¹¹⁴ identifies that roughly half of the HMA OAN is in Coventry, this figure has yet to be tested at examination. Moreover there might be policy or other constraints that restrict the capacity of the City to accommodate its housing need within its administrative boundary more severely than is currently envisaged. In short, whilst the mechanism is broadly agreed the precise scale of Coventry's unmet need that Stratford might have to accommodate is not known at the present time.
64. In light of the above it is not possible for me to identify what PAS, in Figure 4.1, describe as the housing provision target because the quantum of unmet needs arising from elsewhere is not precisely known at present. At the CW HMA level there is a good evidence base but that 'target' will be refined over time as a result of future examinations particularly because, as envisaged in Figure 4.1, a proportion of the unmet needs of Birmingham will have to be added to that total. However, applying the pragmatic approach that the Government seeks, this is not a reason to find the Plan unsound because it contains mechanisms to address the unmet need at the point that it is known. Firstly the Council has planned for a level of housing supply above the housing requirement, which is examined in Issue 5. Second there is a proposed Plan review policy and third is the reserve sites policy, which are examined in turn.
65. Policy CS.16D commits the Council to bringing forward a review of the Plan, in accordance with Policy 'CS.xx', if it is clear that the level of unmet need is beyond that which can be addressed by other mechanisms. Whilst focussed at the CW HMA part b. of Policy 'CS.xx' envisages other evidence of housing need arising from outside of the HMA, which is reinforced by the [unnumbered] last paragraph of the reasoned justification¹¹⁵. It is therefore a comprehensive approach which, following the PAS advice, is correctly focussed at the HMA level and so I reject the view that it would be ineffective. It is, however, an approach of last resort. The fact is that the CS will have taken some 9 years to get to the point at which it might be adopted. Whilst a review might be quicker, getting a strategic plan adopted is slow and expensive. So whilst I recommend Policy 'CS.xx' and the reasoned justification as a MM [MM35] to ensure that the Plan is positively prepared, in line with paragraph 182, it is a policy response of last resort because it is not the optimum mechanism to meet the identified level of unmet need at the point at which it is quantified.
66. In the May 2016 consultation responses a number of parties did however flag that the range in the first sentence of the reasoned justification is out-of-date and should be amended to align with the latest agreed position in the HMA¹¹⁶. Because the policy arose from the Hearings in January 2015 it had not been revisited and hence this had been overlooked. I recommend it be updated and whilst the Council has referred to an absolute figure of 4,277 given that the Memorandum is a draft and there is reference in the report to a higher figure

¹¹³ See Document Ref. ED.13.10 and ED.13.10a.

¹¹⁴ Document Ref. ED.14.3.2.

¹¹⁵ The last unnumbered paragraph on page 99 of Document Ref. ED.11.2a.

¹¹⁶ See ED.14.3.2 and ED.13.10a, including paragraph 1 of the draft Memorandum.

this should contain the caveat: "*at least*". This aligns it with the terminology of Policy CS.16 whilst also not excluding the higher figure in the report.

67. Policy CS.16D also commits the Council to allocate reserve sites in the SAP to fulfil 4 roles: i) to meet a shortfall in housing supply; ii) to meet the needs of JLR if the 100 ha site comes forward; iii) to meet the needs of the CW HMA; and, iv) to meet the needs of the Birmingham HMA. The Council has confirmed that it seeks to retain its figure of 10 % which, expressed as a proportion of the new housing requirement, would be 1,460 dwellings. The issue is whether 10 % is adequate, on the basis of existing information, to play all these roles?
68. The Council has sought to quantify its share of the unmet need from Coventry and Birmingham. It says, based on the current approach, the Council: "*would be expected to take 5.9 % of Coventry's unmet need of 890 dpa, or 53 dpa, and 2.1 % of Birmingham's unmet need of 1,895 dpa, or 40 dpa*"¹¹⁷. Over the 20-year life of the Plan this equals 1,860 dwellings¹¹⁸. On the basis of the Council's own calculation it is therefore evident that a 10 % reserve would be inadequate to meet the obligations that might arise from iii) and iv). Crucially this is without building in a reserve to meet: i) any shortfall in housing supply due to unforeseen circumstances; and, ii) the potentially very significant implications of bringing forward the 100 ha JLR allocation. Acknowledging that a very modest component¹¹⁹ of the OAN might contribute towards the unmet needs of others, there can be no question that it is necessary to increase the scale of the reserve to 20 % to provide a positive and effective mechanism. Ultimately there would be no jeopardy from adopting this approach. If reserve sites are not needed to fulfil these roles they do not need to come forward, but they would be available to provide a flexible response to any identified need.
69. In this context the issue is whether it is appropriate for 2,920 dwellings to be identified in this manner. The SAP was always envisaged to be a subsidiary Plan to the CS that would take a lead from it in terms of the spatial strategy. The Options Assessment¹²⁰ is evidence that the Council is not short of options to make up this scale of reserve, even without considering non-strategic scale sites. I therefore reject the view that an increase above 10 % should trigger a strategic plan review. For various reasons the role of the SAP has diminished over time, such that its main role would be to identify reserve sites. Without this role there must be doubt as to whether the need for this additional Plan is justified having regard to paragraph 153 of the Framework. The SAP would otherwise have a limited residual role identifying opportunities for small scale business, GI assets, retail development and Built-Up Area Boundaries [BUABs] for villages. The finding that the size of the reserve needs to increase does not mean that this role cannot be effectively undertaken in that Plan. It is properly something that can be delegated to the SAP, which the Local Development Scheme¹²¹ [LDS] identifies is scheduled to be adopted in spring 2017, well within the 3-year period that is set out within the Birmingham Development

¹¹⁷ Source of quote: page 11, Matter A Hearing Statement HS-33, December 2015.

¹¹⁸ The maths are $53 + 40 = 93 \times 20$ [years] = 1,860.

¹¹⁹ I suggested that it might be 8 % but the Council has, quite properly, criticised the derivation of that figure [see Document Refs. HD.74 and HD.75, respectively]. Pending further work in this area it would only be appropriate to attach this estimate very limited weight and so it does not dissuade me from the view that the 10 % reserve is inadequate.

¹²⁰ Document Ref. ED.13.4.

¹²¹ Document Ref. ED.13.8a.

Plan¹²², and on this basis would form part of the current round of Plan making activity. In the circumstances the claim that the CS needs to set a deadline for the production of the SAP is not accepted. For reasons explored elsewhere [526] it is in the Council's own interest to identify reserve sites.

70. Although the adopted Local Plan identified 3 reserve sites it is evident from paragraph 2.4.12 of that Plan that a key factor which informed that approach was that the date of adoption was much less than 10 years from the end of the Plan period, whereas the national advice at the time was that a Plan should make provision for at least 10 years potential supply of housing. That can be distinguished from the position here, where the Plan period is to 2031, 15-years ahead, reflecting paragraph 157 of the Framework. This examination is not geared up to fulfil a similar role by identifying strategic reserve sites which, at this late stage of the examination, would delay the date of adoption.
71. In passing it is material to note that 2 of the reserve sites identified in the Local Plan have been built and the third, the land west of Shottery, has planning permission. In other words, from the land owner and developer's perspective, such a mechanism has a proven track record in this District. The point is considered further, in terms of spatial distribution, in due course [276], but for the above reasons this approach is appropriate. Accordingly I recommend that the 10 % reserve be increased to 20 % [MM33] to ensure the Plan is positively prepared in line with the Framework.

LETTER FROM LEICESTER CITY COUNCIL TO L&L HMA AUTHORITIES

Please ask for: Grant Butterworth
Telephone: (0116) 454 1000
Email: planning@leicester.gov.uk
Date: 13th February 2017



Mr D Atkinson
Harborough District Council
The Symington Building
Adam and Eve Street
Market Harborough
Leicestershire
LE16 7AG

Planning
115 Charles Street
Leicester LE1 1FZ
www.leicester.gov.uk/planning

Dear Mr Atkinson

Implications for Leicester City Council, of the Housing and Economic Development Needs Assessment (HEDNA).

The Housing and Economic Development Needs Assessment (HEDNA) was approved by the Members Advisory Group on Thursday 26 January 2017. The HEDNA establishes a new objectively assessed need (OAN) for the Leicester and Leicestershire Housing Market Area (HMA), and for each local planning authority within the HMA. The HEDNA OAN replaces the OAN set out in the Strategic Housing Market Assessment (SHMA 2014).

The HEDNA establishes an OAN for the HMA of 96,580 dwellings for the period 2011-2031 (or 4,829 per year). For Leicester City over the same period the OAN is 33,840 dwellings (or 1,692 per year). Just over one third of the total OAN for the HMA arises within the city.

The HEDNA sets out a housing need significantly above that established in previous assessments of housing need, including the SHMA 2014 and in previous local, sub-regional and regional plans (including the Leicester Core Strategy 2014, Regional Plan 2009 and Structure Plan 2005).

The HEDNA also sets out increased new requirements for Employment land for Leicester :-

- 115,000 sqm (6ha) required for offices
- 15ha for warehousing/distribution
- 36ha for general employment

The HEDNA has significant implications regarding the ability of the city to continue to accommodate its full objectively assessed need for housing and employment within the administrative area of the city. The city's tightly drawn boundaries and built up nature, coupled with areas of significant flood risk means that there is limited land available for further development. Whilst the City is currently unable to provide a

definitive figure for the shortfall in the city (in advance of work on the emerging local plan), the scale of the need set out in the HEDNA is of such magnitude that it is concluded that there will be an unmet need arising in the city.

We will be working to meet these needs in our new Local Plan. However we will need support and co-operation from HMA partners. The Strategic Growth Plan will be the vehicle for these conversations.

The City Council looks forward to working closely with yourselves and the other HMA partners on ensuring the full OAN for the HMA is accommodated within the HMA by ensuring emerging plans are flexible enough to respond to addressing any unmet need which may be required to be addressed within those plans.

The attached note (Appendix 1) provides further background on the emerging land supply position in the city however it should be noted that further work on the capacity of the city, including potential new land allocations, is currently being undertaken through work on the new local plan for the city.

Yours sincerely,



Grant Butterworth
Head of Planning
Leicester City Council

Appendix 1

Housing Completions in Leicester since 2011

The table below shows housing completions in Leicester since 2011 compared to the HEDNA OAN. The table shows that the rate of housing completions in the city falls significantly below the HEDNA OAN. There is already a shortfall of 2,917 dwellings since 2011 (around 580 per year). Completions rates in the city have been relatively constant since the mid-2000s at around 1,100 per year. It does not seem likely that the rate of completions in the city will increase significantly above that level.

Year	Completions	HEDNA 2017 (2031)	Shortfall
2011/12	977	1,692	-715
2012/13	1,147	1,692	-545
2013/14	1,126	1,692	-566
2014/15	1,162	1,692	-530
2015/16	1,131	1,692	-561
Total	5,543	8,460	2,917

Should rates of completions in the city remain at around 1,100 per year, around 22,000 dwellings could be built between 2011 and 2031. This would leave a shortfall of around 11,840 against the HEDNA OAN to 2031.

It should also be noted that student completions account for a significant proportion of completions up to 2015/16 and, in light of the HEDNA (paragraphs 9.53-9.54), the City Council are currently reviewing the way in which student completions are counted towards meeting the OAN.

Current supply of housing land in Leicester

The City Council are in the process of finalising an updated SHLAA to represent the position as at 31st March 2016, and this is due to be published shortly. The draft figures from this were used to set out the city's total capacity figure in table 1 of the Statement of Co-operation.

The draft SHLAA currently shows a total capacity for the city up to 2031 of 25,006 (including completions since 2011, commitments, windfall and other SHLAA sites). This is a shortfall of 8,834 over the HEDNA OAN to 2031).

Emerging Local Plan position

The City Council intend to consult on the next stage of the new local plan later this year. This will include consultation on a wide range of sites. Following this the City Council will work towards a draft plan which is due to be published in spring 2018. Submission of the plan will follow in early 2019.

Given that the city currently does not have sufficient land allocated or identified to meet the level of need set out in the HEDNA we will be seeking to allocate new sites to help meet this need.

However at this early stage in the plan process it is not possible to know how many sites will be suitable, available and viable for housing development, nor how many of those will be successfully allocated in the final adopted plan. It is therefore not possible to know with any certainty, what contribution those sites can make towards addressing the housing OAN for the city and any consequent reduction in any unmet need remaining in the city. However it is clear that even if a significant number of new sites are identified, the scale of the need set out in the HEDNA is of such magnitude that it is concluded that there will be an unmet need arising in the city.

EXTRACT FROM NORTH WEST LEICESTERSHIRE ADOPTED LOCAL PLAN

Policy S1 – Future housing and economic development needs

Over the plan period to 2031 provision will be made to meet the housing and employment land needs of the district as identified in the Leicester and Leicestershire Housing and Economic Development Needs Assessment (January 2017).

This means that:

- provision will be made for the development of a minimum of 9,620 dwellings (481 dwellings per annum) which is the Objectively Assessed Need (OAN) and Housing Requirement for the district;
- provision will be made for 66 hectares of land for employment purposes (B1, B2 and B8 of less than 9,000sq metres)

Provision will also be made for 7,300sq metres for shopping purposes.

The Council will continue to work collaboratively with the Leicester & Leicestershire Housing Market Area (HMA) authorities to establish the scale and distribution of any additional provision that may be necessary in North West Leicestershire and elsewhere in the HMA as a result of the inability of one or more authority to accommodate its own needs as identified in the Leicester and Leicestershire Housing and Economic Development Needs Assessment.

The District Council will commence a review of this Local Plan (defined as being publication of an invitation to make representations in accordance with Regulation 18 of The Town and Country Planning (Local Planning) (England) Regulations 2012) by the end of January 2018 or within 3 months of the adoption of this Local Plan (whichever is the later). The Plan Review will be submitted for examination within two years from the commencement of the review. In the event that the reviewed plan is not submitted within two years then this Local Plan will be deemed to be out of date.