

## **APPENDIX B**

### **Joint Statement of Co-operation relating to Objectively Assessed Needs for Housing Draft submitted to Counsel for Opinion (Version of 20 January 2017)**

#### **1.0 The Leicester and Leicestershire HMA**

1.1 The Leicester and Leicestershire Housing Market Area (HMA) covers the administrative areas of eight local authorities and two highway authorities. The eight local planning authorities are:

- Blaby District Council
- Charnwood Borough Council
- Harborough District Council
- Hinckley & Bosworth Borough Council
- Leicester City Council
- Melton Borough Council
- North West Leicestershire District Council
- Oadby & Wigston Borough Council

1.2 The two highways authorities are:

- Leicester City Council
- Leicestershire County Council

1.3 The purpose of this Joint Statement of Co-operation (the 'Joint Statement') is to support those authorities which are seeking to produce a Local Plan in advance of the Strategic Growth Plan (SGP), and to set out how the local authorities will collaborate further to ensure that the necessary joint evidence is in place to support subsequent Local Plans. All of the above authorities are signatories to this Joint Statement.

#### **2.0 Background**

##### *Duty to Cooperate*

2.1 The Joint Statement is intended to provide evidence of effective co-operation on planning for issues with cross-boundary impacts. A Housing and Economic Development Needs Assessment (HEDNA) has been completed, the purpose of which is to identify the Objectively Assessed Need (OAN) for housing and employment for the HMA and Functional Economic Market Area (FEMA) in the periods 2011-2031 and 2011-2036. In the case of Leicester & Leicestershire, the HMA and FEMA are coincident. The HEDNA has been commissioned jointly by the nine local authorities together with the Leicester & Leicestershire Enterprise Partnership (LLEP).

### *Objectively Assessed Needs for Housing*

- 2.2 The National Planning Policy Framework (NPPF) requires local planning authorities to ensure that their Local Plans meet the full OAN for market and affordable housing in the HMA as far as is consistent with the policies set out the NPPF (paragraph 47).
- 2.3 To enable an understanding of capacity to accommodate additional housing, the NPPF further requires local planning authorities prepare a Strategic Housing Land Availability Assessment (SHLAA) to establish realistic assumptions about availability, suitability and likely economic viability of land to meet the identified need for housing over the plan period (paragraph 159). In Leicester & Leicestershire, the SHLAA has been prepared using an agreed methodology across the HMA as a whole.
- 2.4 Table 1 has been prepared using the outputs of the joint HEDNA and SHLAA. It provides a summary of the agreed OAN for housing, and the theoretical capacity of both the HMA and each local authority; the theoretical capacity has been derived from an understanding of existing commitments and SHLAA information. The partner authorities agree that the OAN for the HMA (and each local authority) is that set out in the table.
- 2.5 The HEDNA explains that the OAN is set at the level of the HMA although the OAN for each local authority is also identified; the OAN for each individual authority is considered to be secondary to that of the HMA as a whole. Table 1 indicates that the OAN for the HMA as a whole, based on demographic analysis, is some 96,580 dwellings for the period 2011-31 (4,829 dpa). For the period, 2011-2036, the figure is some 117,900 dwellings (4,716 dpa).
- 2.6 A similar analysis has been undertaken of the need for housing based on the economic development needs of the area; in this case, it has been concluded that the need for new housing, based on economic development needs across the FEMA, is lower than the demographic need. On that basis, there is no need for adjustment of this figure at the level of the HMA/FEMA although there is some misalignment at the level of individual authorities. As a result, there may be a need for an alternative distribution of housing to meet economic needs; this would ensure that the demographic need of 4,829 dpa is met across the HMA/FEMA as a whole in line with paragraph 13.33 of the NPPF.
- 2.7 In terms of the housing capacity, Table 1 also indicates that there is potential capacity for some 207,092 dwellings across the HMA as a whole. When this is set against the OAN of 96,580 dwellings, it is clear that there is considerable flexibility to meet the defined housing need across the HMA.
- 2.8 At present there is no declared unmet need in the HMA but it is recognised that the ability of each local authority to meet its own OAN will vary. Table 1 demonstrates that, theoretically and with the exception of Leicester City Council and Oadby & Wigston Borough Council, all authorities are able to accommodate their own needs. It is important to note, however, that that further testing will be required by the respective authorities through their Local Plan process. Should an authority identify,

quantify and provide robust evidence to demonstrate an unmet need in the future, it will be incumbent upon that authority to resolve any cross-boundary matters with HMA partners under the Duty to Cooperate.

- 2.9 In terms of determining housing targets to be included in their Local Plans, local planning authorities should take account of the requirements of both national policy and local circumstances, including the need to base Local Plans on a strategy that seeks to meet the OAN for housing. In this regard, it is recognised that all authorities are at different stages of plan preparation and that this situation must be accommodated. In determining their housing target over the relevant plan period, therefore, each authority will take into account the HEDNA and other relevant evidence.
- 2.10 In addition, the nine local authorities and the LLEP have jointly agreed to produce a Strategic Growth Plan, a non-statutory strategic plan looking to around 2050. As part of their work on the Strategic Growth Plan, the partner organisations may choose to redistribute development across the HMA as appropriate but the process of preparing the Strategic Growth Plan is not anticipated to be complete until the end of 2017/early 2018 and will not, therefore, be available for all authorities to use prior to preparing their Local Plans. At the same time, Government has made it clear that it wants Local Plans for individual authorities to be in place by early 2017; where no Local Plan has been produced, Government may choose intervene in the process. As a result, the partner organisations understand that some authorities might wish to progress their Local Plans in advance of the Strategic Growth Plan.
- 2.11 The Written Ministerial Statement by the Minister for Housing and Local Government (21 July 2016) re-emphasises that Local Authorities cannot plan in isolation and must work together to provide the land for the housing needed across HMAs. It states: “*As we have made clear in planning guidance a commitment to an early review of a Local Plan may be appropriate as a way of ensuring that a Local Plan is not unnecessarily delayed by seeking to resolve matters which are not critical to the plans soundness or legal competence as a whole*”. It also refers to a note prepared by the Planning Advisory Service which local authorities should consider; this sets out circumstances in which Local Plans have been found sound, subject to a commitment to an early review.
- 2.12 Taking this into account, the HMA authorities reached agreement in summer 2016 on appropriate trigger mechanisms that would be inserted into all Local Plans coming forward before the Strategic Growth Plan. In this respect the partner authorities agree that should the Strategic Growth Plan identify a significant change which would require local authorities to re-consider the amount of housing and employment land, an early review or partial review of affected Plan(s) will be brought forward to address this matter, unless there is sufficient flexibility already provided for within the Plan. Such flexibility may be secured by a local plan that specifies a requirement which materially exceeds the FOAN identified by the HEDNA. The agreement is based on the principle that the trigger mechanisms would be applied on a consistent basis across the HMA, ensuring that all Local Plans submitted in advance of the Strategic Growth Plan contain the necessary flexibility to respond to any significant change that might arise.

**Table 1**

<b>Authority</b>	<b>OAN HEDNA (2031)</b>	<b>OAN HEDNA (2036)</b>	<b>Total Capacity**</b>
Blaby	7,400	9,025	24,096
Charnwood	20,620	24,850	34,756
Harborough	10,640	12,850	30,762
Hinckley & Bosworth	9,420	11,350	25,498
Leicester City	33,840	41,700	26,230
Melton	3,720	4,250	36,650
Northwest Leics	9,620	11,200	26,301
Oadby & Wigston	2,960	3,875	2,799
<b>HMA Total*</b>	<b>96,580</b>	<b>117,900</b>	<b>207,092</b>

\* The Total received OAN for the HMA is lower than the sum of the individual authorities OANs as Melton and NWLDC has been increased to meet economic needs locally.

\*\* Includes completions, commitments, windfalls (in some authorities) and SHLAAs