
Report to Charnwood Borough Council

by Kevin Ward BA (Hons) MRTPI

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

Date: 21st September 2015

PLANNING AND COMPULSORY PURCHASE ACT 2004 (AS AMENDED)

SECTION 20

REPORT ON THE EXAMINATION INTO THE CHARNWOOD LOCAL PLAN:
CORE STRATEGY

Document submitted for examination on 20 December 2013

Examination hearings held on 19 and 20 March 2014 and between 9 December 2014 and 16 January 2015

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Abbreviations used in this report

AA	Appropriate Assessment
DCLG	Department for Communities and Local Government
HMA	Housing Market Area
HRP	Housing Requirements Project
HRS	Housing Requirements Study
LDS	Local Development Scheme
MM	Main Modification
NPPF	National Planning Policy Framework
OAN	Objectively assessed need for housing
PPG	Planning Practice Guidance
PUA	Principal Urban Area
SA	Sustainability Appraisal
SA and DM DPD	Site Allocations and Development Management Development Plan Document
SCI	Statement of Community Involvement
SCS	Sustainable Community Strategy
SHLAA	Strategic Housing Land Availability Assessment
SHMA	Strategic Housing Market Assessment
SUE	Sustainable Urban Extension

Non-Technical Summary

This report concludes that the Charnwood Local Plan: Core Strategy provides an appropriate basis for the planning of the Borough subject to a number of modifications being made. The Council has specifically requested me to recommend any modifications necessary to enable the plan to be adopted.

The Council has provided the detailed wording for the modifications, many of which are based on suggestions it put forward during the examination. I have recommended their inclusion after considering the representations from other parties on these issues.

The main modifications can be summarised as follows:

- Increase the annual average housing provision to 820 homes, amend the time period for housing provision to 2011-2028 and clarify that this provision is to be regarded as a minimum;
- Clarify the approach to sources of employment land and the contribution of strategic locations and ensure that the approach to the scale of housing and jobs growth is broadly aligned;
- Ensure that the figures for the distribution of housing provision reflect the overall Borough provision of 820 homes per year, cover the period 2011-2028 and take account of the extent of completions and commitments in Service Centres and other settlements.
- Include a realistic housing trajectory which reflects up to date evidence;
- Delete the Direction of Growth at Shepshed in light of the significant number of commitments that are now in place;
- Set out a clear and effective monitoring framework;
- Include a list of policies in the Borough of Charnwood Local Plan which will be superseded by policies in the Core Strategy; and
- Amend the wording of a number of policies to ensure that they are effective by providing necessary clarity and/or flexibility, that they are justified by up to date evidence and are consistent with national policy.

Introduction

1. This report contains my assessment of the Charnwood Local Plan: Core Strategy (the Core Strategy) in terms of Section 20(5) of the Planning & Compulsory Purchase Act 2004 (as amended). It considers first whether the Council has complied with the duty to co-operate in relation to the preparation of the Core Strategy, in recognition that there is no scope to remedy any failure in this regard. It then considers whether the Core Strategy is sound and whether it is compliant with the legal requirements. Paragraph 182 of the National Planning Policy Framework (NPPF) makes it clear that to be sound a local plan should be positively prepared; justified; effective and consistent with national policy.
2. The starting point for the examination is the assumption that the Council has submitted what it considers to be a sound plan. Prior to submission, the Council produced a schedule of minor changes (TP/3). The basis for my examination is the submitted Core Strategy which is the same as the Pre-Submission Draft of June 2013 incorporating the schedule of minor changes.
3. In accordance with section 20(7C) of the 2004 Act, the Council requested that I recommend any modifications needed to rectify matters that make the Core Strategy unsound/not legally compliant and thus incapable of being adopted. This report deals with the main modifications that are needed to make the Core Strategy sound and legally compliant and they are identified in bold in the report (MM). These main modifications are set out in the Appendix.
4. The main modifications relate to matters that were discussed at the examination hearings. The Council has provided the detailed wording of the main modifications, many of which are based on suggestions it put forward during the examination.
5. The main modifications have been subject to public consultation and Sustainability Appraisal (SA) and I have taken account of consultation responses and the findings of the SA in writing this report. The Written Ministerial Statement on Local Planning (HCWS42) was published on 18 June 2015, after the consultation period on the schedule of proposed main modifications had ended. This sets out revised national policy on wind energy development. A further main modification is required to ensure that Policy CS16 of the Core Strategy is consistent with this revised national policy. This further main modification has been subject to SA and consultation, which I have taken into account prior to finalising my report.
6. The proposed main modification to Policy CS3 published for consultation included an amended approach to the site size thresholds for seeking affordable housing provision. This was based on the Written Ministerial Statement on the subject published shortly before the further hearing sessions. In the light of the High Court judgement issued on 31 July 2015 (West Berkshire District Council and Reading Borough Council v SSCLG [2015] EWHC 2222 (Admin)) this aspect of the main modification is no longer required to ensure consistency with national policy and it has been amended accordingly. Given that I consider that the policy should remain as set out in the submitted plan in this specific respect, there was no need for further consultation.

7. Early in the examination I identified significant issues in relation to the duty to co-operate and soundness in terms of overall provision for housing. I held initial hearings on these matters in March 2014. Following these initial hearings I confirmed that whilst I was satisfied that the Council had complied with the duty to co-operate, the Core Strategy as submitted was not sound due to the lack of an up to date and robust assessment of housing needs within the Leicester and Leicestershire Housing Market Area (the HMA) and no clear basis to determine how such needs would be met. Given that work on an up to date joint Strategic Housing Market Assessment (the 2014 SHMA) was well underway I agreed to suspend the examination to allow this to be completed, further work to be undertaken on the capacity to accommodate housing within each of the relevant authorities¹ and discussions to take place between the authorities in relation to accommodating identified housing needs. This work was completed and a Memorandum of Understanding was agreed by all of the authorities in the HMA. In the light of this, the hearings for the examination resumed in December 2014.
8. Following the close of the hearings, the Government published the 2012-based Household Projections on 27 February 2015. The Council and others were given the opportunity to comment on the implications for the Core Strategy and I have taken account of these comments.

Assessment of Duty to Co-operate

9. Section s20(5)(c) of the 2004 Act requires that I consider whether the Council complied with any duty imposed on them by section 33A of the 2004 Act in relation to the preparation of the Core Strategy.
10. In terms of cross boundary issues, the overall provision for housing is of particular significance given patterns of commuting and migration, interrelationships in housing markets and the role that the Borough has had in accommodating growth on a sub-regional level. The Council, along with the other Leicester and Leicestershire authorities, has long acknowledged that Charnwood forms part of the wider HMA.
11. The Council has demonstrated a history of co-operation and joint working with the other authorities in the HMA in relation to strategic housing matters. There have been clear and ongoing mechanisms for co-operation between authorities at both member and officer level.
12. I am satisfied that during the preparation of the Core Strategy, the Council showed a continued willingness to plan positively for the housing needs of the wider HMA and specifically to address issues relating to the Principal Urban Area of Leicester (the PUA). I am also satisfied that this was the Council's intention in continuing to plan for the level of annual housing growth set out in the now revoked East Midlands Regional Plan (the Regional Plan).

¹ Charnwood, Leicester City, Blaby, Harborough, Hinckley and Bosworth, Melton, North West Leicestershire and Oadby and Wigston

13. The Council's ongoing positive approach to co-operation and collaboration is illustrated by the fact that in June 2013 it joined with the other authorities in the HMA to commission a new SHMA.
14. I deal below with the soundness issues in relation to identifying and meeting housing needs across the HMA. However, in terms of the duty to co-operate there is no specific requirement to have produced joint evidence on housing needs or to have reached agreement on the distribution of housing provision across the HMA at the time of submission. It is the actions of the Council in terms of co-operating with other relevant authorities which is critical to my consideration of the matter. I have also taken account of the representations made by these other authorities.
15. Although North West Leicestershire District Council had raised concern over the justification for the level of housing provision in the Pre-Submission Draft Core Strategy, this representation was subsequently withdrawn. Therefore, none of the authorities in the HMA have concerns over the level of housing provision in the Core Strategy and none have questioned the Council's compliance with the duty to co-operate.
16. Whilst it is regrettable that the work on the 2014 SHMA was not completed before the Core Strategy was submitted, I appreciate the Council's motivation for seeking to have a plan in place as soon as possible.
17. Other authorities and prescribed organisations were involved at key stages in the preparation of the Core Strategy and there are a number of examples of cross boundary joint working on other issues such as employment land requirements, Green Infrastructure and Gypsy and Traveller accommodation needs.
18. Taking all of the above factors into account and within the specific context which applies in this case, I am satisfied that the Council engaged constructively, actively and on an ongoing basis in terms of overall housing provision and indeed other strategic matters. I conclude therefore that the Council has complied with the duty to co-operate.

Assessment of Soundness

Main Issues

19. Taking account of all the representations, written evidence and the discussions that took place at the examination hearings I have identified the following main issues upon which the soundness of the Core Strategy depends.

Issue 1 – Whether the Core Strategy has been positively prepared and whether it is justified, effective and consistent with national policy in relation to the overall provision for housing

20. There is a considerable degree of consensus that Charnwood forms part of the wider Leicester and Leicestershire HMA and I am satisfied that evidence set out in the 2014 SHMA and previous studies supports this view.
21. Given this, and the national policy context provided by the NPPF, it is clearly necessary for me to consider and indeed report upon evidence concerning housing needs and the ability to meet them in the wider HMA. It would not be possible to reach conclusions on the soundness of the Core Strategy in terms of overall housing provision without first considering the housing needs of the HMA and whether there will be unmet needs from other authorities. Having said that, it must be emphasised that this examination only concerned the Core Strategy for Charnwood. References to other authorities are made within this context and Local Plans in these other areas, along with the evidence base for them, will need to be examined independently in due course. Nothing in my report should be considered to pre-determine the outcome of future examinations elsewhere.
22. The submitted Core Strategy sought to provide for 790 homes per year in the Borough between 2006 and 2028 (17,380 in total). This was essentially based on the level of annual housing growth for Charnwood set out in the now revoked Regional Plan, which in turn was derived from 2004-based household projections, adjusted to take account of the strategy of urban concentration and regeneration. A joint Leicester and Leicestershire SHMA was produced in 2008; however this focussed on the type of housing required and affordable housing and did not address overall housing needs.
23. The 2011 Leicester and Leicestershire Housing Requirements Project (HRP) report took account of 2008-based household projections and identified a range of scenarios for housing requirements for the HMA and the individual authorities. However, the figure of 790 homes per year for Charnwood was not identified as one of the specific scenarios. The HRP was published before key data from the 2011 Census was available and before updated population and household projections. It did not reach specific conclusions on levels of housing provision and it was not followed up by discussions and agreements between the authorities regarding the distribution of housing growth.
24. The Charnwood Housing Requirements Study (HRS) was published in October 2013. I have detailed concerns over the methodology and assumptions used in the HRS. More fundamentally however, it only considered the housing needs of Charnwood and not the wider HMA.
25. Therefore, at the time of submission, there was not an up to date and robust

- assessment of housing needs in the HMA. It was not clear whether there would be unmet needs from other authorities. There was not an effective basis to determine what role Charnwood should have in meeting needs within the HMA and what the appropriate level of housing provision should be to achieve this.
26. As noted above however, the Leicester and Leicestershire authorities had already commissioned a new joint SHMA. They were also committed to work on assessing the potential capacity to accommodate housing in each area and to co-operation with a view to agreeing a distribution of housing across the HMA. The examination was suspended to allow this work to be completed.
 27. The 2014 SHMA (published in June 2014) drew conclusions on the objectively assessed need for housing (OAN) in each authority and the HMA as a whole for the periods 2011 to 2031 and 2011 to 2036, giving in each case a lower and upper annual figure. All of the Leicester and Leicestershire authorities subsequently signed up to a Memorandum of Understanding which endorses figures for OAN covering 2011 to 2028 to correspond with the period covered by the Core Strategy. These are derived from the annual figures for 2011 to 2031 set out in the 2014 SHMA. On the basis of updated Strategic Housing Land Availability Assessments (SHLAAs), the Memorandum of Understanding also confirms that each authority considers that it can meet the upper figure for identified needs within its own area to 2028.
 28. The Council and the other Leicester and Leicestershire authorities all confirmed that they considered the upper figures set out in the 2014 SHMA to represent OAN. For the HMA as a whole this is 4,215 homes per year and for Charnwood 820 homes per year. They also considered it appropriate to align the base date of the Core Strategy with the 2014 SHMA i.e. 2011.
 29. The national Planning Practice Guidance (PPG) recognises that establishing future need for housing is not an exact science. It emphasises that household projections published by the Department for Communities and Local Government (DCLG) should provide the starting point, but makes it clear that there may be other factors that should be taken into account.
 30. The 2011-based interim household projections were the most up to date available at the time the 2014 SHMA was prepared. These only cover a ten year period up to 2021 however. In addition there are concerns regarding the extent to which they were influenced by economic circumstances and conditions in the housing market and specifically how this may have suppressed household formation rates. Whilst various approaches are put forward to address these concerns, it is clear that some caution needs to be applied in using the 2011-based interim household projections and it is not appropriate to simply roll them forward beyond 2021 without further analysis.
 31. In extending the 2011-based interim household projections to 2031 and 2036, I consider that the 2014 SHMA makes reasonable and justified assumptions in terms of future migration. Specifically, I am satisfied that the approach to unattributable population change (the difference between rolled forward 2011 mid-year population estimates and Census based mid-year estimates) is appropriate given the particular situation in the HMA. The scale of unattributable population change is substantial, averaging 1,269 per year for

the HMA between 2005 and 2010 with particularly significant figures in Leicester City, Charnwood and Oadby and Wigston. I consider it reasonable and pragmatic to assume that half of that is due to an underestimate of migration. The assumption on unattributable population change affects the analysis of potential OAN for each authority differently; for Leicester City there is a significant increase and for Melton a very marginal increase whereas for the other authorities it results in a lower potential OAN. Overall in the HMA however, it has a very limited effect on the potential OAN, increasing it marginally.

32. The 2014 SHMA accepts that the 2011-based household projections were affected by suppressed household formation rates and that economic and market conditions at the time were a key factor in this. However, it points out that lower household formation rates for international migrants are also likely to have had a significant effect. The extent to which 2008-based household projections can be used to assess future housing needs is subject to considerable debate, particularly in relation to whether longer term trends in household formation may return and if so over what period. The 2014 SHMA assumes that household formation rates from 2011 onwards will be at the mid-point between the 2008-based projections and the 2011-based interim projections. I consider this to be a pragmatic and justified approach.
33. Whilst it goes on to assess other factors, the 2014 SHMA states that based on demographic evidence alone, the OAN between 2011 and 2031 would be 3,774 homes per year for the HMA and 814 homes per year for Charnwood.
34. It is useful at this point to compare the findings of the 2014 SHMA in respect of demographic evidence with the 2012-based household projections published after the hearings. Converting these to figures for housing need through a vacancy allowance, the 2012-based household projections indicate a need for 3,532 homes per year in the HMA and 825 per year in Charnwood between 2011 and 2031.
35. In terms of potential employment growth, the 2014 SHMA uses baseline forecasts from "Experian" prepared in autumn 2013 which indicate jobs growth of some 7,300 in Charnwood and some 53,600 in the HMA between 2011 and 2031. The 2014 SHMA makes what I consider to be reasonable and justified assumptions on economic activity rates and the age/sex of migrants to assess levels of housing needed to meet the jobs growth forecast. It then adjusts the distribution of jobs growth between authorities to reflect the current job distribution and again I consider this to be a reasonable step in the process, given that the pattern of past jobs growth in different areas may well not be replicated in future. Whilst this affects the potential OAN for each authority based on jobs growth in different ways, it has a negligible effect on the overall potential OAN for the HMA. Taking the analysis based on jobs growth forecast in isolation, the 2014 SHMA identifies potential OAN between 2011 and 2031 of 3,854 homes per year for the HMA and 690 homes per year for Charnwood.
36. The 2014 SHMA estimates a need for 1,966 affordable homes per year across the HMA between 2011 and 2031 (180 per year in Charnwood). It raises legitimate questions in terms of the realism of meeting this need in its entirety, given the potential availability of funding and the overall level of housing need identified based on demographic and jobs growth evidence. It

also highlights the potential for some of those in need to be housed in the private rented sector. Notwithstanding this, given the scale of affordable housing needs identified relative to the demographic led projections, the 2014 SHMA suggests an upward adjustment to figures for OAN in most of the authorities to support the provision of affordable housing. In the case of Charnwood and Melton however, it considers the demographic led projections to be sufficient to support adequate affordable housing provision.

37. In terms of market signals, it identifies particular issues with house prices and the relationship with incomes in Harborough and Melton and suggests an upward adjustment to OAN for these authorities in response. Evidence on market signals does not support an uplift from demographic led projections in Charnwood or the other authorities.
38. As noted above, taking account of all of these factors the 2014 SHMA concludes that the upper end of the range for OAN between 2011 and 2031 is 4,215 homes per year for the HMA and 820 homes per year for Charnwood.
39. The figure for Charnwood is that based on demographic evidence and is higher than that considered necessary to accommodate projected jobs growth. On the basis of analysis in the 2014 SHMA, the Council clarified during the hearings that 820 homes per year could provide for an increase of some 12,000 in the working population between 2011 and 2031. The 2014 SHMA concludes that no upward adjustment to the figure for Charnwood is required to support jobs growth, nor indeed to support affordable housing needs or address market signals. The upper figures for all of the other individual authorities and the HMA as a whole are above the figures derived from demographic evidence alone, reflecting upward adjustments in terms of jobs growth, affordable housing needs and market signals.
40. The figure for Charnwood correlates almost exactly to the housing needs figure derived from the 2012-based household projections (825 homes per year). The figures for all the other authorities and the HMA as a whole are above those derived from the 2012-based household projections.
41. Whilst there are concerns regarding the extent to which the 2012-based household projections are affected by past economic conditions, they are statistically robust and cover a timeframe beyond the period covered by the Core Strategy. They are the most up to date projections available.
42. The figure for OAN in the HMA set out in the 2014 SHMA is significantly above the starting point provided by the latest household projections and provides sufficient scope to accommodate strong jobs growth, help to deliver the required number of affordable homes and respond positively to market signals.
43. Taking all of the above factors into account I am satisfied that the 2014 SHMA provides an up to date and robust assessment of housing needs in the HMA. On this basis I consider that the OAN (2011 to 2031) is 4,215 homes per year for the HMA and 820 homes per year for Charnwood.
44. The plan period up to 2028 will provide less than a 15 year time horizon from adoption. This is not a specific requirement of the NPPF however and I am satisfied that the time scale of the Core Strategy is appropriate and provides

sufficient basis for planning and development in the Borough, subject to the base date for housing provision being 2011, to align with the evidence from the 2014 SHMA.

45. For the period 2011 to 2028, the OAN would be 13,940 homes for Charnwood and 71,655 for the HMA.
46. All of the authorities in the HMA have undertaken recent updates of their SHLAAs, in accordance with a jointly agreed methodology. Analysis based on these updated SHLAAs indicates that the potential capacity of housing land between 2011 and 2028 (including completions up to 2014) exceeds the OAN for each authority, in some cases by a considerable margin. For the HMA as a whole, the analysis indicates that the potential capacity exceeds the OAN by some 63,500 homes, providing a considerable degree of flexibility.
47. The specific situation in Leicester City is less clear cut however, with the potential capacity up to 2028 only exceeding the OAN by 1,566 homes (the annual OAN figure being 1,350). Looking further ahead to 2031, the analysis indicates that potential capacity would only be marginally above the OAN. I acknowledge that there are concerns that some sites identified in the Leicester City SHLAA update will not come forward as anticipated. On the other hand, I am satisfied that the methodology used in the SHLAA updates is robust. It must also be borne in mind that Leicester City Council is preparing a new Local Plan which provides the opportunity to set out a policy framework to accommodate housing growth. Therefore, whilst there is limited flexibility in the potential capacity for housing, on the basis of evidence available at this point in time there is no reason to conclude that Leicester City would not be able to accommodate its own housing needs up to 2028 or that in overall terms there will be unmet needs within the HMA.
48. Following the close of the hearings I have been made aware that North West Leicestershire District Council is considering a potentially higher level of housing provision for its forthcoming Local Plan than that set out in the 2014 SHMA to align with increased potential jobs growth. However, I am not aware that any formal decision has been taken in this respect. The Memorandum of Understanding referred to above remains in place and there is no firm basis at this stage to suggest that the level of housing provision in Charnwood would need to be re-assessed.
49. There is no requirement to increase housing provision in Charnwood to accommodate unmet need from elsewhere. In order to meet the OAN, the Core Strategy should make provision for at least 820 homes per year (13,940 between 2011 and 2028). Main modification MM1 would increase the overall housing provision in the Core Strategy to this level, amend the timeframe for this provision and clarify that it is to be regarded as a minimum. It would also clarify the context of joint working and co-operation with the other authorities in the HMA. Subject to this modification the Core Strategy would be positively prepared, justified, effective and consistent with national policy in relation to the overall provision for housing.

Issue 2 – Whether the Core Strategy has been positively prepared and whether it is justified, effective and consistent with national policy in relation to employment and economic development

50. The submitted Core Strategy indicated that some 13,400 new jobs would be needed in the Borough between 2010 and 2031. This was based on the Leicester and Leicestershire HMA Employment Land Study of 2013. The Core Strategy seeks to provide for up to 75ha of employment land including up to 8,750sqm of office space at the Watermead Regeneration Corridor. In addition it proposes 77ha of land for an extension to the Loughborough Science and Enterprise Park (the Science and Enterprise Park).
51. As noted above, the baseline forecast used in the 2014 SHMA predicts jobs growth in Charnwood of some 7,300 between 2011 and 2031 whereas it is estimated that the OAN of 820 homes per year could provide for a growth in the workforce of some 12,000. The Council accepted during the hearings that it was necessary to align the approach to housing and jobs growth and to reflect up to date evidence.
52. There is not a specific correlation between the overall growth in jobs and the amount of employment land to be provided. Jobs will be provided across a wide range of sectors and in a variety of locations, not all on designated employment sites. Plot ratios and job densities on employment sites can also vary significantly depending on location and the particular mix of uses. It is also important to provide flexibility and choice.
53. Using what I consider to be reasonable assumptions, the Council estimated that 75ha of employment land, including provision for office based employment anticipated in the Watermead Regeneration Corridor would deliver some 8,400 jobs.
54. It is envisaged that the extension to the Science and Enterprise Park would be developed in phases and that around 40% of the site would be retained as green infrastructure. On this basis it is expected that approximately 21ha of land would be developed in the plan period. I deal with the specific proposal for the extension to the Science and Enterprise Park in more detail later in my report. However, it is likely to provide specialist forms of employment, focussing on the University's own activities and the research and development sector. I acknowledge that it will have a wide sphere of influence in the sub-regional economy and that the land in question should not be seen in the same light as sites intended for more general employment purposes. On the other hand, whilst I accept that many of those employed would live further afield, I consider that the extension to the Science and Enterprise Park would also provide significant employment potential for the Borough's residents.
55. Taking all of these factors into account I am satisfied that the provision of 75ha of employment land including specific proposals for office development at the Watermead Regeneration Corridor and in addition to the Science and Enterprise Park is justified and appropriate. Whilst this would represent an increase in take up rates compared with past trends, it would ensure flexibility and choice and assist in facilitating economic growth. In overall terms I consider that there would be a broad alignment between the scale of employment land proposed and the likely growth in the workforce associated

with the planned level of housing.

56. Whilst the overall approach to employment and economic development is appropriate, the Core Strategy lacks sufficient clarity in terms of the sources of supply of employment land and the scale of development envisaged at strategic locations during the plan period. It is also not clear that main town centre uses on employment sites will need to be considered in the light of Policy CS9 (Town Centres and Shops). Main modification MM5 would address these concerns and also clarify the timeframe for provision as 2011 to 2028. Along with main modification MM1 it would also ensure that the Core Strategy reflected up to date evidence regarding jobs growth and that the approach to housing and jobs growth was broadly aligned.
57. Subject to these modifications the Core Strategy would be positively prepared, justified, effective and consistent with national policy in relation to employment and economic development.

Issue 3 – Whether the development strategy set out in Policy CS1 is justified, effective and consistent with national policy

58. The PUA is a long standing concept reflecting the fact that the continuous built up area of Leicester extends beyond the administrative boundaries of the City Council. The PUA includes Birstall and Thurmaston in the south of Charnwood. They form part of the edge to the urban area of Leicester and have strong physical and functional links with it.
59. Whilst the PUA was a key element of the now revoked Regional Plan, it remains in my view a valid, sustainable approach to planning given the particular relationships between the urban area of Leicester and surrounding authorities such as Charnwood. The HRS estimated that 44% of the housing needs of the Borough were generated by in migration from Leicester City.
60. Loughborough is by some way the largest town in the Borough, providing a wide range of services and facilities and access to employment. It has good public transport links and acts as the focus for the north of the Borough. Although Shepshed is a distinct and separate settlement, it has clear functional links with Loughborough and strong interactions in terms of commuting patterns.
61. Anstey, Barrow upon Soar, Mountsorrel, Quorn, Rothley, Sileby and Syston are all sizeable villages (population above 3,000), have a good range of services and facilities and reasonable public transport links. They play an important role in meeting the daily needs of their own residents and those living in the surrounding areas and are defined as Service Centres.
62. Beyond this there are a number of other settlements with some key services and access to public transport and small villages and hamlets with few or no services and facilities.
63. The development strategy is one of urban concentration and regeneration, focussing development on the PUA in the south of the Borough (approximately 42% of housing and up to 46ha of employment land) and Loughborough and Shepshed in the north (approximately 37% of housing and up to 22ha of employment land). Beyond this, development is directed primarily towards

the Service Centres (approximately 18% of housing and up to 7ha of employment land) with limited development envisaged in other settlements with key services (approximately 3% of housing).

64. I deal with the specific proposals for Sustainable Urban Extensions (SUEs) and Directions of Growth in detail later in my report. The overall housing figures for the PUA, Loughborough and Shepshed, the Service Centres and other settlements set out in Policy CS1 are based on an annual Borough wide figure of 790 homes and cover 2006 to 2028. As set out above, I have concluded that the annual figure should be increased to 820 homes and provision should relate to 2011 to 2028.
65. Notwithstanding this, I consider that the development strategy and the broad distribution of housing and employment development proposed is appropriate and justified. It rightly seeks to steer the majority of development to the larger urban areas (the PUA and Loughborough and Shepshed) which provide the best access to jobs, services and public transport. At the same time it recognises the need for development (albeit on a lesser scale) across a wide range of sustainable smaller settlements with the focus being on those with the greatest range of services and best access to public transport (Service Centres).
66. Overall I consider that the development strategy strikes the right balance between urban concentration and ensuring a reasonable spread of development across suitable settlements. It provides for a considerable degree of choice and flexibility in terms of potential sites.
67. Service Centres and other settlements have clearly come under considerable pressure for housing development in recent times, not least due to the difficulty in demonstrating an adequate supply of housing land in the Borough. There have been significant levels of housing completions since 2011 and there is a substantial stock of existing commitments (sites with planning permission or subject to s106 agreements) in these settlements².
68. In addition to adjusting the specific housing provision figures in Policy CS1 to reflect an increased annual requirement of 820 and a time period covering 2011 to 2028, it is also necessary to take account of the significant scale of completions and commitments in Service Centres and other settlements. Whilst there is a need to maintain the basis of the development strategy and to ensure flexibility in terms of the balance between potential supply and planned provision, I consider it appropriate to marginally increase the proportion of planned provision in these settlements to take account of completions and commitments with a corresponding marginal reduction in the proportion planned for the PUA and Loughborough and Shepshed.
69. I am satisfied that the lists of Service Centres, other settlements and small villages and hamlets set out in Policy CS1 are appropriate and justified by evidence relating to their role and level of services. Given the reality of the situation in terms of completions and commitments, the distribution of housing between individual Service Centres and other settlements is to a large extent

² Service Centres- 778 completions since 2011 and 2,682 commitments as of Nov 2014
Other settlements- 211 completions since 2011 and 676 commitments as of Nov 2014

already established. There is no need for Policy CS1 to be more specific in this respect.

70. Given that there are seven settlements involved, Policy CS1 lacks sufficient flexibility in relation to the amount of employment land to be provided for in Service Centres.
71. Main modification MM1 would ensure that the housing figures for the PUA, Loughborough and Shepshed, Service Centres and other settlements reflected the overall Borough provision of 820 homes per year, covered the period 2011 to 2028 and took account of the extent of completions and commitments in Service Centres and other settlements. It would also ensure a more flexible approach to the amount of employment land to be provided in Service Centres.
72. Subject to this modification the development strategy set out in Policy CS1 would be justified, effective and consistent with national policy.

Issue 4 – Whether the approach towards the supply and delivery of housing land is justified, effective and consistent with national policy

73. The submitted Core Strategy included a housing trajectory based on providing for 17,380 homes between 2006 and 2028 (22years x 790 homes). During the examination the Council updated its position regarding the housing trajectory, initially to reflect the significant number of recent commitments but then also to address concerns regarding the timescales and rates of delivery for the proposed SUEs and the Direction of Growth North of Birstall. The latest trajectory produced by the Council took account of commitments as of November 2014 (PSD/74).
74. As set out above, the Core Strategy needs to make provision for at least 13,940 homes between 2011 and 2028 (17years x 820 homes). Rates of demolitions/conversions have been minimal and there is no need to increase provision to take account of this factor.
75. On the basis of the updated trajectory, the Council estimates that the supply of housing land between 2011 and 2028 would total some 15,436 homes³. This is made up of completions between 2011 and 2014 (1,802), commitments as of November 2014 (6,599) and the SUEs and Direction of Growth North of Birstall (7,035).
76. I deal with the proposed SUEs and Direction of Growth in more detail later in my report. However, I consider that the Council's most up to date trajectory takes a reasonable approach to the delivery of homes from these large strategic proposals, recognising that lead in times will be longer and the overall number of dwellings expected to be delivered by 2028 will be less than originally envisaged in the submitted Core Strategy. Whilst it remains in my view optimistic, I am satisfied that the revised trajectory takes a realistic view of likely start dates and annual rates of completions from these strategic sites.

³ This figure excludes an allowance for 130 dwellings on unspecified sites in the PUA which was included in PSD/74

77. Prior to the further hearing sessions, the Council provided detailed information on all of the individual sites and anticipated timescales for delivery on commitments as of 30 September 2014 (PSD/41). This included three sites at Shepshed categorised under the Direction of Growth. Information was also provided on other significant individual site commitments that had come forward since 30 September 2014. All of the sites that make up the commitments as of November 2014 (6,599) were individually identified therefore and in the vast majority of cases, the Council had set out anticipated annual rates of delivery.
78. During the further hearing sessions the Council confirmed its assumptions regarding lead in times and annual rates of development. It also provided a breakdown of commitments as of November 2014 by individual settlement (PSD/55), information demonstrating a low rate (approx. 2%) of lapsed planning permissions (PSD/61) and that in overall terms the number of dwellings in reserved matters permissions matched those in outline permissions (PSD/62). Further detailed information on commitments at Shepshed as of November 2014 was also provided (PSD/85). In addition, evidence showing that windfall completions on sites for less than 5 dwellings had averaged 80 per year since 2006 was submitted (PSD/57).
79. In overall terms I consider that there is sufficient evidence to support the Council's assessment of the potential supply of housing land. I am satisfied that the Council has carried out a robust and thorough assessment and has used reasonable assumptions in terms of whether sites are deliverable and developable and over what timescale.
80. There is considerable flexibility within the overall supply to compensate for some committed sites not coming forward as anticipated or for strategic sites to progress at a slower rate than expected. The trajectory does not include an allowance for windfalls which may come forward and give additional flexibility.
81. Taking account of completions to date and the extent of existing commitments, the Core Strategy makes adequate provision for housing between 2011 and 2028. In addition to providing flexibility and choice, the supply and distribution of housing land across the Borough is necessary to deliver the development strategy, focussing significant growth on the PUA, Loughborough and Shepshed.
82. The level of housing completions has been below the annual requirement set by the former Regional Plan in every year since 2008. Total completions since 2006 were below the figure required. Completions since 2011 have been well below the annual requirement of 820 homes. I consider that there has been persistent under delivery of housing. The Council accepts that this is the case. In terms of a five year supply it is appropriate to apply a 20% buffer brought forward from later in the plan period in line with paragraph 47 of the NPPF. As set out in the PPG, the aim should be to deal with undersupply within the first five years where possible.
83. As of 1 April 2015 the basic five year requirement would be for 4,100 homes

(5 x 820). Adding the under supply between 2011 and 2015⁴ (755 homes) gives a total of 4,855 homes. Applying the 20% buffer to this would give a total five year requirement of 5,826 homes.

84. The Council estimates that the five year supply of deliverable sites from 1 April 2015 would total some 6,245 homes. Approximately 75% of this supply would be made up of existing commitments with the remainder coming from the proposed strategic sites.
85. Again I consider that the Council has used reasonable and justifiable assumptions in terms of whether sites are deliverable within the five year period. I consider that the Core Strategy would provide for a five year supply of housing land while addressing the shortfall to date within the first five years and providing a 20% buffer. There would be some flexibility should sites not come forward as planned. Additional flexibility would be provided by as yet unidentified windfall sites. I am satisfied that a five year supply of housing land can be maintained.
86. Main modification MM18 is necessary to provide a realistic housing trajectory which reflects up to date evidence in relation to existing commitments. Subject to this modification the approach towards the supply and delivery of housing land would be justified, effective and consistent with national policy.

Issue 5 – Whether the approach towards strategic housing needs and affordable housing in Policy CS3 is justified, effective and consistent with national policy

87. The 2014 SHMA identifies a need for an average of 180 affordable houses per year in the Borough up to 2031. For the period between 2011 and 2028, this would equate to a total need for 3,060 affordable houses. An average of 150 affordable houses per year were delivered between 2011 and 2014.
88. Policy CS3 seeks the provision of a proportion of affordable houses as part of market housing developments. The targets for the proportion of affordable houses sought vary across different settlements, based on evidence relating to market values and the potential effect on viability. Provision would be sought on sites of 10 or more dwellings in urban areas and Service Centres and 5 or more in rural locations, reflecting the nature of development in these smaller settlements.
89. I am satisfied that evidence supports the need to seek affordable housing provision on the level envisaged and that the site size thresholds and proportions sought in different locations reflect available evidence.
90. Policy CS3 sets out a clear yet flexible approach which would take account of the effect on the viability of development proposals along with other site specific factors.
91. Main modification MM2 would ensure that the policy reflected up to date evidence from the 2014 SHMA on affordable housing needs, give consistency with Policy CS1 in terms of overall housing provision between 2011 and 2028

⁴ Calculated using actual completion figure of 723 for 2014/15 – PSD/101

and clarify that the specific locations set out in the policy related to settlements.

92. Subject to this modification the approach towards strategic housing needs and affordable housing in Policy CS3 would be justified, effective and consistent with national policy.

Issue 6 – Whether the approach towards Gypsies, Travellers and Travelling Showpeople in Policy CS5 is justified, effective and consistent with national policy

93. The Leicestershire, Leicester and Rutland Gypsy and Traveller Needs Assessment Refresh published in 2013 was commissioned jointly by the authorities in the HMA. It provides robust and up to date evidence on pitch and plot requirements up to 2031 for Charnwood and the other Leicester and Leicestershire authorities.
94. Policy CS5 is based on this evidence and seeks to meet identified needs as part of the strategic housing proposals and additional site allocations. I consider that in overall terms the policy takes a positive and proactive approach with a clear commitment to meet identified accommodation needs. It will enable a 5 year supply of deliverable sites to be achieved. Needs have been identified on a Borough wide level and there is no evidence of specific needs for sub areas within the Borough or that there are unmet needs from other authorities. Bringing forward sites for Gypsy, Traveller and Travelling Showpeople accommodation as part of the strategic housing proposals would enable them to be well related to the main urban areas, to benefit from good access to services and facilities and to be delivered as part of a comprehensively planned development.
95. Whilst the approach is broadly appropriate, Policy CS5 itself lacks sufficient clarity in terms of overall accommodation needs and how the criteria for additional sites would be applied. It also fails to recognise that the figures for pitches and plots should be expressed as minima to provide flexibility. Main modification MM4 would address these concerns, clarify the role of the Site Allocations and Development Management Development Plan Document (SA and DM DPD) and reflect other modifications in respect of development at Shepshed dealt with later in my report.
96. Subject to this modification the approach towards Gypsies, Travellers and Travelling Showpeople in Policy CS5 would be justified, effective and consistent with national policy.

Issue 7 – Whether the approach towards Town Centres and shops in Policy CS9 is justified, effective and consistent with national policy

97. Policy CS9 sets out a comprehensive approach to retailing and other main town centre uses. It is informed by the Charnwood Retail and Town Centre Study- 2013 Update which provides up to date and robust evidence for the hierarchy of centres and the requirements for additional floorspace.
98. The policy is justified in seeking to focus new development on Loughborough Town Centre and takes a proactive approach in identifying areas for new development and regeneration. The thresholds for requiring impact

assessments for development proposals are justified by evidence on the potential effect on centres.

99. However, the policy lacks sufficient clarity in terms of how the sequential approach to main town centre uses and the requirements for impact assessments would be applied. It also provides insufficient guidance on the proportion of additional floorspace envisaged in Loughborough. Given that Thurmaston Retail Park is not recognised as a centre, the specific references to it are inconsistent with the overall approach of Policy CS9 and national policy.
100. Main modification MM6 would address these issues and subject to this the approach towards Town Centres and shops in Policy CS9 is justified, effective and consistent with national policy.

Issue 8 – Whether the SUEs at the PUA and Loughborough are justified in principle

101. I have considered the proposed SUEs (and Direction of Growth for a SUE North of Birstall) in the light of my conclusions regarding overall housing and employment land requirements in the Borough, the development strategy and the approach towards the supply and delivery of housing land. I have taken account of the up to date evidence regarding housing commitments. I deal with the specific situation arising from the significant number of recent commitments in Shepshed under Issue 14.
102. As set out above, there is a need to ensure an adequate supply of housing land to meet the Borough wide requirement of 820 homes per year. In doing so it is necessary to provide for a reasonable degree of flexibility and choice and to focus growth on the PUA and Loughborough and Shepshed. Adequate provision for employment land also needs to be made in appropriate and deliverable locations in line with the development strategy.
103. Notwithstanding the scale of existing housing commitments, there is still a need to identify significant amounts of additional housing land to meet overall requirements up to 2028 and provide flexibility and choice and to provide for a five year supply of deliverable sites. I am satisfied that the Council has considered reasonable alternatives in terms of accommodating growth. There is a limited supply of potential housing land within existing built up areas. Significant extensions to settlements are inevitable in order to deliver sufficient housing.
104. There are convincing arguments in favour of large planned extensions to the urban areas. Compared with a more dispersed approach involving a number of smaller extensions to the urban areas and Service Centres, they provide better opportunities for the co-ordinated delivery of social and community infrastructure, particularly given the limitations on the pooling of developer contributions from a number of development sites. A larger scale development gives scope for employment and retail provision within the site itself. It is likely to be more self-contained in terms of travel patterns, assist in the provision of public transport and promote its use.
105. Whilst there may be physical capacity to expand Service Centres, the scale of housing required, combined with recent completions and existing

commitments, would be significant in relation to the level of services and facilities available and public transport links. It would be such that it is likely to have a significant effect on the character and separate identity of the settlements concerned.

106. Completions since 2011 and existing commitments are disproportionately focussed on the Service Centres (and other settlements) in relation to their size and role and planned levels of provision across the Borough. In order to redress the balance and to ensure that the development strategy is implemented, it is necessary to direct future growth to the PUA and Loughborough (in addition to existing commitments at Shepshed).
107. Taking these factors into account I consider that in principle the approach of identifying SUEs (and Direction of Growth for a SUE North of Birstall) is appropriate and justified.

Issue 9 – Whether the SUE North East of Leicester proposed in Policy CS19 is justified, effective and consistent with national policy

108. The Core Strategy proposes a SUE North East of Leicester. It would involve land adjacent to the PUA east of Thurmaston and north of Hamilton⁵ and is intended to accommodate approximately 4,500 homes in total. The submitted Core Strategy envisaged some 3,750 homes being delivered up to 2028 with the remainder beyond the plan period. The SUE would also be expected to provide for up to 13ha of employment land, schools, shops, a range of other social and community facilities and green infrastructure. Policy CS19 would require a site for Gypsies and Travellers and a site for Travelling Showpeople to be included within the SUE and would seek 30% affordable housing provision. A range of transport improvements and mitigation measures would also be required.
109. An application for outline planning permission for up to 4,500 dwellings, 13ha of employment land and associated social and community infrastructure was submitted to the Council in December 2013. The Council resolved to grant permission in November 2014, subject to a s106 agreement.
110. I am satisfied that the Council has considered reasonable options for a SUE in the south of the Borough and reached a justifiable conclusion in respect of the merits of the alternatives. The proposed SUE would be able to accommodate housing on a scale that would make a critical contribution to overall housing supply and bring with it significant new social and community infrastructure and transport improvements, providing for a reasonable degree of self-containment, whilst building on close physical and functional links with the wider urban area of Leicester. It provides scope for substantial areas of green infrastructure. Coupled with the topography this would allow the separate identities of surrounding settlements to be retained.
111. Options involving the SUE extending further towards Syston would be less well related to the urban area and impact on settlement identity. There are physical, environmental and practical limits to the scale of development that could be accommodated South of Anstey and North of Birstall. They would not

⁵ Hamilton forms part of the PUA and is within Leicester City

- in themselves be capable of delivering the scale of development required.
112. The scale of development proposed is necessary to ensure an adequate and flexible supply of housing for the plan period and to deliver the strategy of urban concentration. It will also enable employment opportunities and key infrastructure and social and community facilities to be brought forward comprehensively as part of the development.
113. The development of the SUE will inevitably result in some adverse impacts. There will be substantial increases in traffic flows. Without adequate mitigation this would place undue pressure on the local road network, lead to significant congestion and potentially impact on noise levels and air quality. However, Policy CS19 requires a range of transport mitigation and improvement measures including capacity improvements, a spine road through the site and improvements to public transport links. As Highway Authority, Leicestershire County Council has undertaken a thorough and robust assessment of the transport implications of the SUE and is satisfied that adequate mitigation can be put in place. On the basis of evidence available, I share this view. There would be scope to review transport mitigation measures as the development of the SUE progressed.
114. Although on the edge of the urban area, the SUE is predominantly in agricultural use and currently has an open and essentially rural character. Development on the scale proposed will clearly change the character and visual appearance of the land in question, resulting in an urbanisation of the countryside. This would be true of any substantial extension to the built up area however. In this case, it is intended to utilise the topography to provide some visual containment below ridgelines and to incorporate substantial areas of green space/landscaping. Policy CS19 makes it clear that the separate identities of Syston, Barkby and Barkby Thorpe will be protected.
115. The site itself does not contain any designated heritage assets. However, the Barkby and Barkby Thorpe Conservation Area lies very close to it. There are a number of Listed Buildings in the wider area, including several in Barkby. There are two Scheduled Monuments to the south east of the site, the Hamilton Deserted Medieval Village (approximately 280m from the boundary) and the Roman Villa (approximately 600m from the boundary).
116. It is intended to incorporate areas of greenspace/landscaping around the edge of the site. This would assist in maintaining a clear separation between the proposed built development and the surrounding heritage assets and provide some screening. Policy CS19 and other relevant policies include safeguards in terms of the impact on heritage assets. Whilst there would be some impact on the setting of the Barkby and Barkby Thorpe Conservation Area and the listed buildings at 32 Main Street, Barkby and the associated barn, this would be limited. Built development would be some distance from the Scheduled Monuments, whose setting is already influenced by substantial built development at Hamilton. Further built development as part of the SUE would have an impact on the setting of the Scheduled Monuments but again this would be limited.
117. Whilst there would be an impact on the setting of these designated heritage assets, I consider that this would constitute less than substantial harm to their

significance. Having regard to the statutory duties relating to the preservation of such assets, I have given this harm considerable importance and weight. However, the provision of a substantial number of new homes to meet the needs of the Borough, including significant amounts of affordable housing, along with employment land and social and community infrastructure represent considerable public benefits. Public benefits would also arise from the support that would be provided for jobs in construction and the wider supply chain, increased expenditure and economic activity in the area and funds through the New Homes Bonus. Taken together I consider that the public benefits of the proposed SUE would outweigh the harm to the significance of heritage assets.

118. There are no designated nature conservation sites within or close to the SUE and there is potential to enhance the ecological value of those parts of the site left undeveloped. The layout of development and mitigation measures are capable of minimising flood risk. Whilst there would be some loss of the best and most versatile agricultural land, this would be outweighed by the significant benefits of the proposal.
119. Development of the SUE will clearly bring significant change to the local area and I appreciate the strong concerns of local residents, community groups and other organisations. However, Policy CS19 and other policies in the Core Strategy provide clear mechanisms for mitigation and safeguards in terms of the potential effects of the development. The SUE will bring with it substantial benefits in terms of meeting the Borough's development needs in a sustainable manner. These benefits outweigh any residual harm associated with the SUE following mitigation.
120. The development of such a large site over many years will undoubtedly be a complex process. It will require careful planning, there are significant infrastructure requirements and costs and issues still to resolve in terms of land ownership for some of the site. However, I am satisfied that there are no insurmountable physical or other constraints and that mechanisms can be put in place to ensure that necessary infrastructure is provided as the development progresses. There is clearly strong interest in developing the site, and proposals are well progressed. On the basis of available evidence I consider that the SUE would be viable and realistically deliverable.
121. The size of the site gives some flexibility in terms of the layout of built development and in particular the location of employment development relative to areas of new housing. I see no reason in principle why all of the key elements of the SUE could not be accommodated.
122. Policy CS19 (in association with Policy CS3) provides a justified and sufficiently flexible approach to affordable housing provision as part of the SUE.
123. Given the scale and complexity of the proposal and the extent of progress to date, I consider it unrealistic to expect the first housing completions on the site in 2015/16 and for completions up to 2028 to reach the figure of 3,750 envisaged in the submitted Core Strategy. The Council acknowledged that this was the case and suggested that it was now in fact likely that the first completions would take place in 2016/17 with fewer completions expected in the first year and some 3,250 homes being delivered up to 2028. Whilst it is

still optimistic and depends on good progress and a strong housing market, I consider this to be a realistic scenario. Main modification MM11 would amend the figures accordingly.

124. This main modification would also provide necessary flexibility in terms of the size of the site for Travelling Showpeople and the size of retail units within the proposed local centre. In addition it would clarify the relationship between the site boundary on the Policies Map and the concept masterplan included in the Core Strategy for illustrative purposes. It would also provide necessary certainty by amending the site boundary to include the land required for the north west link road.
125. Taking account of all of the above I consider that subject to main modification MM11, the SUE North East of Leicester proposed in Policy CS19 is justified, effective and consistent with national policy.

Issue 10 – Whether the North of Birstall Direction of Growth proposed in Policy CS20 is justified, effective and consistent with national policy

126. Policy CS20 proposes a Direction of Growth for a SUE North of Birstall. It is intended that a site for the SUE would be allocated in the SA and DM DPD. The submitted Core Strategy envisaged at least 1,500 homes being delivered up to 2028. The SUE would also be expected to provide for up to 15ha of employment land, a primary school, shops, a range of other social and community facilities and green infrastructure. Policy CS20 would require a site for Travelling Showpeople to be included within the SUE and would seek 30% affordable housing provision. A range of transport improvements and mitigation measures would also be required.
127. There is clear interest in bringing forward a planning application for the development of a SUE in this location. The Council is working with interested parties and anticipates an application being submitted by December 2015 (see PSD/101).
128. Reasonable alternative options for an additional SUE in the south of the Borough have been considered and I am satisfied that the Council has reached a justifiable conclusion in respect of the merits of the alternatives. Although not capable of delivering development on the same scale as the SUE North East of Leicester, the proposed Direction of Growth would be able to make a significant and necessary contribution to overall housing supply and bring with it new social and community infrastructure, providing for a reasonable degree of self-containment, whilst building on close physical and functional links with the wider urban area of Leicester. It is very close to the Birstall Park and Ride facility. It provides the opportunity to incorporate significant areas of green infrastructure and work within landscape features to maintain the separate identity of Rothley.
129. The alternative option North of Glenfield would not be able to accommodate sufficient housing due to the physical constraint of the A46 and would affect a more sensitive landscape and the Green Wedge. The option south and east of Syston would significantly expand a Service Centre rather than develop adjacent to the PUA. It would reduce the separation with Thurmaston. It would also raise concerns over delivery and cumulative impact given the very

- close proximity to the SUE North East of Leicester. The option south of Anstey would again expand a Service Centre and compromise its separate identity in relation to the PUA. It also has limited capacity due to the constraints of the A46.
130. The scale of development proposed is necessary to ensure an adequate and flexible supply of housing and to deliver the strategy of urban concentration. It will also enable employment opportunities and key infrastructure and social and community facilities to be brought forward comprehensively as part of the development, whilst maintaining a reasonable degree of separation with Rothley. At the time of submission, work on a potential site allocation had not progressed sufficiently. Rather than delay the Core Strategy, the Council took what I consider to be a reasonable and pragmatic view and proceeded with a broader Direction of Growth.
 131. The character and appearance of the area will inevitably be affected by the extension of built development northwards from the existing urban area of Birstall which is currently contained by the A46. The proposal will also involve the loss of agricultural land. The intention is that built development would be largely focussed on lower lying land near the A6 however, which would reduce the impact on the wider landscape. It is also intended to incorporate a significant buffer of green space between the proposed development and Rothley, maintaining the separate identity of the village.
 132. There are no designated heritage assets within the Direction of Growth and there would be sufficient distance between built development and nearby heritage assets including the Rothley and Rothley Ridgeway Conservation Areas to avoid any harm to them or their setting. There are no nature conservation designations within or close to the Direction of Growth. Subject to appropriate improvements and mitigation measures, the increased traffic from the Direction of Growth could be accommodated safely and without undue increases in congestion.
 133. Policy CS20 and other policies in the Core Strategy provide clear mechanisms for mitigation and safeguards in terms of the potential effects of the development.
 134. I am satisfied that there are no significant physical or other constraints to development and that mechanisms can be put in place to ensure that necessary infrastructure is provided as the development progresses. There is clearly strong interest in developing the proposal. I consider on the basis of evidence available that the Direction of Growth would be viable and realistically deliverable.
 135. Policy CS20 (in association with Policy CS3) provides a justified and sufficiently flexible approach to affordable housing provision.
 136. Taking account of the scale and complexity of the proposal and the extent of progress to date, I consider it unrealistic to expect the first housing completions in 2015/16 as envisaged in the submitted Core Strategy. The Council acknowledged that this was the case and its updated trajectory is based on the first completions taking place in 2017/18 with some 1,345 homes being delivered up to 2028. Although this remains optimistic and

depends on good progress and a strong housing market, I consider it to be realistic. Main modification MM12 would amend the figures accordingly.

137. As submitted, Policy CS20 lacks sufficient flexibility in terms of the size of the site for Travelling Showpeople and the size of retail units within the proposed local centre. It also lacks sufficient clarity as to the area being considered for development and its relationship with key physical boundaries. In addition, the Council accepted that there was no longer a justification or requirement for a link road from the A6 to the Wanlip junction or a Wanlip bypass. Main modification MM12 would also address these concerns.
138. In light of the above, I consider that subject to main modification MM12, the North of Birstall Direction of Growth proposed in Policy CS20 is justified, effective and consistent with national policy.

Issue 11 – Whether the Watermead Regeneration Corridor Direction of Growth proposed in Policy CS21 is justified, effective and consistent with national policy

139. The Watermead Regeneration Corridor Direction of Growth is proposed through Policy CS21. It is intended that specific sites will be allocated in the SA and DM DPD. The proposal seeks to continue on from long standing environmental improvement initiatives by regenerating existing employment areas and creating new areas of economic activity. It also seeks to bring forward opportunities for residential and leisure development, improving links and accessibility to the Watermead Country Park.
140. The Direction of Growth is well situated in relation to the road network and the PUA and due to its accessible location provides a good opportunity to contribute to the range of employment land needed to meet strategic requirements. It also provides an opportunity to contribute towards the needs for office development which cannot be met in Leicester City. The scale of employment land envisaged (some 16ha with an additional area for office development) is justified by the potential opportunities available and the need to ensure a reasonable distribution of sites across the PUA and the Borough as a whole. The Council has worked closely with Leicester City Council to ensure that the scale of office development at Watermead is relatively modest and would not undermine efforts to focus such development on the City Centre. Given this and the evidence available, I consider that it is appropriate that the policy sets a clear limit to the amount of office floorspace (8,750sqm).
141. Whilst the policy provides necessary flexibility in terms of the types of uses that may come forward, it is not sufficiently clear that proposals for offices and other main town centre uses would need to be considered in the light of the sequential approach to such development and take account of the potential impact on centres. Main modification MM13 would address this concern by incorporating clear references to modified Policies CS6 and CS9.
142. Policy CS21 and other policies in the Core Strategy provide clear mechanisms for mitigation and safeguards in terms of the potential effects of the development including in relation to flood risk. I am satisfied that detailed proposals could be brought forward to ensure that development is compatible with the country park and to deal with the physical constraints which arise

from close proximity to water courses and bodies of water. There is clearly strong developer interest in bringing proposals forward. I consider that the Direction of Growth would be viable and realistically deliverable.

143. Subject to main modification MM13, the Watermead Regeneration Corridor Direction of Growth proposed in Policy CS21 is justified, effective and consistent with national policy.

Issue 12 – Whether the West of Loughborough Sustainable Urban Extension proposed in Policy CS22 is justified, effective and consistent with national policy

144. The submitted Core Strategy proposes a SUE West of Loughborough which is intended to accommodate approximately 3,000 homes in total. It envisages at least 2,500 homes being delivered up to 2028 with the rest beyond the plan period. The SUE would also be expected to provide for up to 16ha of employment land, schools, shops, a range of other social and community facilities and green infrastructure. Policy CS22 would require a site for Gypsies and Travellers and a site for Travelling Showpeople to be included within the SUE and would seek 30% affordable housing provision. A range of transport improvements and mitigation measures would also be required.
145. An application for outline planning permission for up to 3,200 dwellings, 16ha of employment land and associated social and community infrastructure was submitted to the Council in September 2014.
146. I have dealt with the principle of the proposed SUEs above, however it is worth re-emphasising that I consider the SUE West of Loughborough to be justified in principle both in terms of housing land supply and the development strategy. I have reached this view in the context of the updated information on commitments provided during the examination, which showed increased potential supply across the Borough and in particular a significant increase in recent commitments at Shepshed.
147. It is argued by a number of representors that the scale of recent commitments and the effect on overall housing land supply no longer justifies the SUE, or at least would only justify a proposal on a much smaller scale. I consider the SUE to be a crucial element of the overall supply of housing land in the Borough. Without it, there would be a shortfall in housing land supply over the plan period and a lack of a five year supply of deliverable sites. A much reduced proposal (a figure of 800 houses has been suggested) would remove any flexibility in overall housing land supply and could well undermine the ability to provide a five year supply of deliverable sites. This would also be the case if such a number of additional houses were allocated to Service Centres, rather than the SUE.
148. Deleting or substantially scaling down the SUE, or replacing it with a smaller number of additional houses in Service Centres, would significantly reduce the focus of new housing on Loughborough and Shepshed and undermine the overall development strategy. Furthermore, development on a much reduced scale would not provide the opportunity to deliver the proposed social and community infrastructure as part of a comprehensive scheme. In addition there is no evidence that a significantly reduced scheme would be a viable and

deliverable proposition.

149. The proposed distribution of housing set out in the submitted Core Strategy (Policy CS1 and Fig1) had already taken account of commitments as of March 2012 and specific additional provision for a Direction of Growth at Shepshed. Total provision (including completions and commitments) of at least 6,450 homes in Loughborough and Shepshed between 2006 and 2028 (293/yr) represented some 37% of the Borough total. In the light of my findings on other issues, estimated total supply in Loughborough and Shepshed between 2011 and 2028 would be 5,363 homes (315/yr) representing some 35% of the Borough total. Notwithstanding the different time periods, the scale and proportion of housing planned for Loughborough and Shepshed would be broadly in line with that planned for in the submitted Core Strategy.
150. I am satisfied that the Council has considered reasonable alternatives for the location of a SUE in the north of the Borough focussed on Loughborough and Shepshed and has reached a justifiable conclusion in respect of the merits of the alternatives. The potential to accommodate significant development to the south of Loughborough is limited by the need to avoid coalescence with the settlements of Quorn and Woodthorpe and environmental constraints. To the south west of Loughborough development potential is limited by landscape constraints and the proximity of the Charnwood Forest Regional Park. The option of a SUE west of Shepshed would have a significant landscape impact and be remote from Loughborough.
151. The option of a SUE at Cotes to the east of Loughborough would entail development being separated from the urban area of Loughborough by the wide valley and floodplain of the River Soar, limiting scope for physical links and integration with the existing urban area. There were also concerns regarding the deliverability of a SUE of an appropriate scale in this location due to the significant road improvements necessary.
152. The Council also considered the option of substantial development at Wymeswold which was proposed through public consultation. This would effectively be a new settlement, remote from the urban area. It would require substantial and costly road improvements and have significant adverse impacts on the landscape and the character and setting of rural settlements.
153. All of the options for a SUE would have some impact on heritage assets and their settings. In the case of land at Cotes, these include a Scheduled Monument (the deserted medieval village at Cotes) and Historic England⁶ considers that substantial harm would occur and that there are no opportunities for mitigation⁷.
154. As I have explained above, the scale of development proposed is necessary to ensure an adequate and flexible supply of housing for the plan period and to deliver the strategy of urban concentration. It will also enable employment opportunities and key infrastructure and social and community facilities to be brought forward comprehensively as part of the development.

⁶ On 1st April 2015 English Heritage separated into Historic England and the English Heritage Trust – Historic England deals with planning matters

⁷ Confirmed in PSD/36 and at the hearing session

155. The proposed site boundary for the SUE West of Loughborough includes Garendon Park, a Grade II Registered Park and Garden. This contains a scheduled monument and 13 listed buildings. These include the Grade I listed Triumphal Arch and Grade II* listed Temple of Venus along with a number of Grade II listed buildings and structures. Garendon Park, the Triumphal Arch and the Temple of Venus are on the national heritage at risk register.
156. The intention is that built development will be located to the north of Garendon Park although the proposed strategic distributor road would pass through it close to the junction of the M1 before linking up with the A512⁸.
157. Policy CS22 sets out criteria relating to the protection of and mitigation of impacts on historic and archaeological features, the provision of public access and the restoration and long term management of the Registered Park and Garden.
158. Historic England had originally raised serious concerns over the proposal in their representations on the Pre-Submission Draft of the Core Strategy. These related to the process of considering and selecting options for the location of a SUE, the extent of evidence on the potential impact on heritage assets, the harm due to the proximity of housing development to the Registered Park and Garden and the road passing through it and the appropriateness of proposals for restoration, long term management and public access. At that stage Historic England took the view that substantial harm would be caused to the significance of the heritage assets.
159. Historic England was subsequently involved in discussions with the Council and the promoters of the proposal. Detailed work was undertaken in relation to the planning application for the SUE and the Council produced a detailed heritage appraisal. A number of potential modifications to the Core Strategy were also discussed and agreed. On the basis of this additional work and discussions, Historic England is now satisfied that the site selection process was justified and that sufficient evidence exists in relation to the significance of the heritage assets and the potential impact of development on them. Subject to the agreed modifications to the Core Strategy, it now considers that there would be less than substantial harm to the significance of the heritage assets. Statements of common ground were submitted to that effect⁹.
160. An important aspect of the significance of Garendon Park, and the individual buildings and structures within it, is the open, rural landscape setting which remains largely intact to the north. The proposed SUE would bring about substantial change to the character and appearance of this area. The currently open, agricultural land would become largely urbanised. Whilst the impact would be mitigated to some extent by buffers of green space and additional planting, there would still be an adverse effect on the setting of the heritage assets.
161. The strategic distributor road would result in the physical loss of historic parkland along its length and the separation of an area between the road and the M1 from the rest of the parkland. It would also affect the setting of the

⁸ As shown on concept masterplan p121 of submitted Core Strategy

⁹ PSD/32 and PSD/36

- Triumphal Arch, the Temple of Venus and the Grade II listed White Lodge. Although the impact of the road could be mitigated to some extent by sensitive design, sympathetic to the historic parkland setting and by ensuring that it follows a route as close as possible to the M1, there would be an adverse effect.
162. On the basis of discussions and suggested modifications Historic England considers that subject to appropriate safeguards, the proposals for restoration of the parkland landscape and historic structures and proposals for public access would not have an adverse effect on the significance of the heritage assets. In fact it considers that there would be heritage benefits through restoration. I share this view.
163. Shepshed and Hathern Conservation Areas are both well contained within their respective built up areas and some distance from the SUE. I consider that the SUE would not adversely affect these Conservation Areas or their settings.
164. In overall terms, whilst there would be some adverse impact on designated heritage assets and their settings, I consider that subject to appropriate mitigation, this would constitute less than substantial harm to their significance. Having regard to the statutory duties relating to the preservation of such assets, I have given this harm considerable importance and weight.
165. However, the proposed SUE would provide a substantial number of new homes, making a critical contribution to the overall supply of housing land in the Borough. It would provide significant amounts of affordable housing, along with employment land and social and community infrastructure. The SUE would support jobs in construction and the wider supply chain, increase expenditure and economic activity in the area and provide funds through the New Homes Bonus. It would enable the restoration and long term management of the parkland landscape and historic structures and the introduction of public access for the first time. Taking all of this into account I consider that the proposed SUE would deliver very substantial public benefits. I conclude that the harm to the significance of the heritage assets would be outweighed by these public benefits.
166. Policy CS22 requires a range of transport mitigation and improvement measures including a strategic distributor road through the site, dualling of a stretch of the A512 up to Junction 23 of the M1, capacity improvements at Junction 23 and improvements to public transport, pedestrian and cycling links. As Highway Authority, Leicestershire County Council has undertaken a thorough and robust assessment of the transport implications of the SUE (including in respect of the planning application) and is satisfied that adequate mitigation can be put in place. The Highways Agency has confirmed in respect of the planning application that subject to conditions and improvements to Junction 23, it has no objections to the proposal. There would be scope to review transport mitigation measures as the development of the SUE progressed. I am satisfied on the basis of available evidence that the effects of the SUE on traffic and transport can be adequately mitigated.
167. Development on the scale proposed will clearly change the character and visual appearance of the area, resulting in an urbanisation of the countryside. It will significantly extend the built up area of Loughborough to the west and

north-west, reducing the gaps between Loughborough and Shepshed and between Loughborough and Hathern. However, it is intended that built development will sit below the ridgeline south of Hathern and the SUE will incorporate substantial areas of green space and additional planting. A clear separation between Loughborough and Hathern would be retained. The M1 would continue to provide a significant physical barrier between Loughborough and Shepshed. The retention of Garendon Park as a substantial area of undeveloped land, along with areas of green space around the periphery of the SUE would reinforce the sense of separate identity and avoid coalescence.

168. There are no nationally or internationally designated nature conservation sites within or close to the SUE. There are two Local Wildlife Sites within the SUE and a number of wildlife corridors run through it. Policy CS22 sets out clear safeguards in terms of the protection and enhancement of biodiversity. Adequate safeguards are also set out in relation to minimising flood risk. Whilst there would be some limited loss of the best and most versatile agricultural land, this would be outweighed by the significant benefits of the proposal.
169. I appreciate the strong concerns of local residents, community groups and other organisations over the proposed SUE. However, Policy CS22 and other policies in the Core Strategy provide clear mechanisms for mitigation and safeguards in terms of the potential effects of the development. The SUE will bring with it substantial benefits which I consider outweigh any residual harm following mitigation.
170. Policy CS22 (in association with Policy CS3) provides a justified and sufficiently flexible approach to affordable housing provision as part of the SUE.
171. As with the proposed SUE North East of Leicester, the development of such a large site over many years will undoubtedly be a complex process which will require careful planning. The proposed SUE brings with it significant infrastructure requirements and associated costs and a number of detailed issues will need to be resolved. However, I am satisfied that there are no insurmountable physical or other constraints and that mechanisms can be put in place to ensure that necessary infrastructure is provided at the appropriate time as the development progresses. There is clearly strong interest in developing the site, and proposals are well progressed. I am satisfied that the SUE would be viable and realistically deliverable.
172. However, taking account of progress to date and the scale of the proposal, I consider it unrealistic to expect the first housing completions on the site in 2015/16 as envisaged in the submitted Core Strategy. The Council acknowledged that this was the case and indicated that it was now in fact likely that the first completions would take place in 2016/17 with only a modest level of completions in the first year. The result would be a slight reduction in anticipated completions in the plan period. Although this remains optimistic, I consider it to be a realistic scenario. Main modification MM14 would amend the figures accordingly.
173. In addition, main modification MM14 would amend the concept masterplan in respect of the route of the strategic distributor road and provide necessary clarity and safeguards in terms of the effects on heritage assets and

mitigation. Historic England confirmed that the main modification would address their concerns in respect of the proposed SUE.

174. This main modification would also provide necessary flexibility in terms of the size of the site for Travelling Showpeople and the size of retail units within the proposed local centre. In addition it would clarify the relationship between the site boundary on the Policies Map and the concept masterplan included in the Core Strategy for illustrative purposes and amend the boundary to clarify that the SUE does not extend into North West Leicestershire.
175. Taking all of the above into account I consider that subject to main modification MM14, the West of Loughborough SUE proposed in Policy CS22 is justified, effective and consistent with national policy.

Issue 13 – Whether the extension to the Science and Enterprise Park proposed in Policy CS23 is justified, effective and consistent with national policy

176. Policy CS23 proposes an extension to the Loughborough Science and Enterprise Park. The existing Science and Enterprise Park has been developed over a number of years and provides a base for a range of businesses associated with the University's own activities and the wider research and development sector. It provides high quality and high value employment and is a key element in the local and sub-regional economy. It has a particular role in terms of business start-ups and innovation. The Science and Enterprise Park has proved successful with very high levels of occupancy. Evidence supports the need for further expansion of the Science and Enterprise Park and I consider that this would bring substantial economic benefits.
177. The policy seeks to ensure a high quality development providing for specialist uses associated with the University, research and development and the knowledge based sector. It is anticipated that Phase 3 of the Science and Enterprise Park would be developed in the plan period. Whilst this would cover 35ha in total, the policy requires 40% of the site to be retained as green infrastructure. This would provide for some 21ha of development in a very well landscaped setting. Phase 4, which would allow for some 25ha of development on a site of 42ha (again with 40% green infrastructure), gives flexibility and provides a clear basis for the long term development of the Science and Enterprise Park beyond the plan period.
178. I consider that the proposed extension to the Science and Enterprise Park is justified in principle and that there would be clear mechanisms through planning controls and the University's continued management to ensure that it provides for specialist businesses and does not accommodate more general employment uses which are well provided for elsewhere. I am satisfied that it is realistically deliverable.
179. Subject to the addition of specific reference to the need to protect the setting of heritage assets including Garendon Park, I consider that Policy CS23 provides adequate safeguards and mitigation in terms of the potential impacts of the proposed development, including those arising from additional traffic.
180. Policy CS23 lacks sufficient clarity in terms of the approach to ancillary uses and main town centre uses and in terms of the evidence base to support a

development framework. It also lacks sufficient flexibility with regards to the amount of floorspace to be accommodated in the various sectors.

181. Main modification MM15 would address these concerns and ensure that the need to protect the setting of heritage assets including Garendon Park is set out clearly. Subject to this main modification the extension to the Science and Enterprise Park proposed in Policy CS23 is justified, effective and consistent with national policy.

Issue 14 – Whether the Shepshed Direction of Growth proposed in Policy CS24 is justified, effective and consistent with national policy

182. A Direction of Growth adjacent to Shepshed is proposed in Policy CS24. It was intended in the submitted Core Strategy that this would accommodate at least 500 new homes by 2028 (in addition to existing commitments at the time). As explained above, I consider that the strategy of focussing development in the north of the Borough on Loughborough and Shepshed is sound.
183. Following the submission of the Core Strategy, a number of planning applications for housing were approved (or approved subject to s106 agreements) at Shepshed. The scale of commitments at Shepshed subsequently increased significantly, particularly between April and November 2014. As of November 2014 there were commitments for some 1,270 homes.
184. Taken together with commitments in Loughborough and the proposed West of Loughborough SUE, this is already sufficient to ensure that overall housing requirements are met with some flexibility and that the development strategy is achieved. In this context there is no need to promote additional strategic growth at Shepshed beyond existing commitments.
185. In light of this, I consider that the proposed Direction of Growth at Shepshed is no longer justified. It is not necessary under the circumstances for me to address other detailed matters of soundness. Main modification MM16 would delete Policy CS24 and remove references to the Direction of Growth from the Core Strategy. Along with main modification MM1 it would also clarify the situation regarding housing provision and commitments at Shepshed and ensure that the Core Strategy reflects up to date evidence. These modifications are necessary for the Core Strategy to be justified, effective and consistent with national policy in this respect.

Issue 15 – Whether other policies are justified, effective and consistent with national policy

186. Policy CS4 sets out a justified approach to houses in multiple occupation. However it fails to explain clearly that detailed policy requirements will be reviewed and set out in the SA and DM DPD. Main modification MM3 would address this concern.
187. Main modification MM7 is required to ensure that Policy CS10 is sufficiently flexible in terms of the amount of employment land at Service Centres.
188. Whilst Policy CS12 sets out a justifiable approach to green infrastructure, the Key Diagram lacks clarity in that it does not show the location of Green Wedges. Main modification MM8 would address this concern.

- 189. Main modification MM9 is required to ensure that Policy CS15 is fully consistent with national policy in respect of the protection of open space, sport and recreation facilities.
- 190. Policy CS16 sets out criteria to assess proposals for all renewable energy developments. This is no longer consistent with national policy on wind energy as set out in the Written Ministerial Statement published on 18 June 2015. Main modification MM21 would address this concern.
- 191. The Loughborough Inner Relief Road has been constructed and main modification MM10 would ensure that Policy CS18 reflects this up to date situation.
- 192. There is a need to ensure that Policy CS25 reflects the Council’s up to date position on the introduction of a Community Infrastructure Levy Charging Schedule, clarify the status of the Infrastructure Schedule set out in Appendix 2 and make it clear that this will be kept under review. Main modification MM17 would address these matters.
- 193. Subject to these main modifications, the above policies and others in the Core Strategy are justified, effective and consistent with national policy.

Issue 16 – Whether the Core Strategy would be able to be monitored effectively

- 194. The Council accepted that Appendix 3 does not set out a sufficiently clear and effective monitoring framework. Main modification MM19 would replace the monitoring framework, ensure that indicators relate to key policy aims and that the targets are relevant to these indicators. It would also enable more responsive monitoring over shorter time periods, provide baseline data where appropriate and reflect other modifications set out above. Subject to this main modification the Core Strategy will be able to be monitored effectively.

Assessment of Legal Compliance

- 195. My examination of the compliance of the Core Strategy with the legal requirements is summarised in the table below. I conclude that the Core Strategy meets them other than in terms of setting out which policies from the Borough of Charnwood Local Plan will be superseded by policies in the Core Strategy. Main modification MM20 would rectify this.

LEGAL REQUIREMENTS	
Local Development Scheme (LDS)	The Core Strategy is identified within the approved LDS (April 2013) which sets out an expected adoption date of October 2014. Although there has been slippage in the timetable for adoption due to the suspension of the examination, the content of the Core Strategy is compliant with the LDS.
Statement of Community Involvement (SCI) and	The SCI was adopted in January 2006 and consultation has been compliant with the

relevant regulations	requirements therein, including the consultation on the post-submission proposed main modifications (MM)
Sustainability Appraisal (SA)	SA has been carried out and is adequate.
Appropriate Assessment (AA)	The Habitats Regulations AA Screening Report (March 2013) sets out why AA is not necessary.
National Policy	The Core Strategy complies with national policy except where indicated and modifications are recommended.
Sustainable Community Strategy (SCS)	Satisfactory regard has been paid to the SCS.
2004 Act (as amended) and 2012 Regulations.	The Core Strategy complies with the Act and the Regulations other than in terms of setting out which policies from the Borough of Charnwood Local Plan will be superseded by policies in the Core Strategy. Main modification MM20 would rectify this.

Overall Conclusion and Recommendation

196. The Core Strategy has a number of deficiencies in relation to soundness and legal compliance for the reasons set out above which mean that I recommend non-adoption of it as submitted, in accordance with Section 20(7A) of the 2004 Act. These deficiencies have been explored in the main issues set out above.
197. The Council has requested that I recommend main modifications to make the Core Strategy sound and legally compliant and capable of adoption. I conclude that with the recommended main modifications set out in the Appendix the Charnwood Local Plan: Core Strategy satisfies the requirements of Section 20(5) of the 2004 Act and meets the criteria for soundness in the NPPF.

Kevin Ward

INSPECTOR

This report is accompanied by the Appendix containing the Main Modifications