

Charnwood Local Plan Examination

Matter 10: LEICESTER AND LEICESTERSHIRE HOUSING AND EMPLOYMENT LAND NEEDS

Barkby Road, Queniborough and Cossington Road,
Sileby

Prepared by Fisher German LLP on behalf of David Wilson
Homes East Midlands

Project Title

Land at Barkby Road, Queniborough and Cossington Road, Sileby

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1. Introduction

1.1 This Hearing Statement has been prepared on behalf of David Wilson Homes East Midlands in respect of their land interests at Barkby Road, Queniborough (SHELAA Reference PSH316) and Cossington Road, Sileby (SHELAA Reference PSH474) as illustrated on Figure 1 and 2 below. These sites are omission sites in the emerging Charnwood Local Plan. Both sites are suitable for allocation should the Inspector find that further housing sites are required to enable the Local Plan to be found sound (as David Wilson Homes consider to be the case as demonstrated through their Statements to Matters 1 and 4).



Figure 1: Barkby Road, Queniborough, Site Location Plan



Figure 2: Cossington Road, Sileby, Site Location Plan

- 1.2 The Barkby Road site (Figure 1 above) is located to the southern edge of Queniborough. The adopted Core Strategy, and emerging Local Plan, identifies Queniborough as one of Charnwood's 12 'Other Settlements' which are acknowledged to be sustainable settlements, located approximately 9km to the northeast of the centre of Leicester, just south of the A607. The existing facilities and services in Queniborough, and nearby Syston, are within walking distance of the application site. The site, at the time of writing, is subject to a live outline planning application for up to 150 dwellings (reference P/20/2380/2).
- 1.3 The Cossington Road site (Figure 2) is located to the south of Sileby. The adopted Core Strategy, and emerging Local Plan, identifies Sileby as one of Charnwood's six 'Service Centres' which are acknowledged to be some of Charnwood's most sustainable settlements, located approximately 9km to the north of the centre of Leicester, east of the A60. The existing services of Sileby and Cossington are in walking distance of the site, including Sileby train station. The site was subject of a planning application for up to 170 dwellings (reference P/21/0491/2). This was refused in September 2021 and has since been subject to a planning appeal, including a 7-day public inquiry (reference APP/X2410/W/21/3287864), which was allowed and forms a commitment. In this context it would be of use to the Council for the sites status to be recognised as an allocation.
- 1.4 David Wilson Homes are a respected national housebuilder who deliver high quality new residential development and who have a strong track record of delivery in the local area. The Company is proud to have been awarded the Home Builders Federation (HBF) 5 Star Home Builder status for thirteen consecutive years. This accolade demonstrates the quality of both our client's product and service; awarded only to housebuilders who receive a higher than 90% recommendation by their customers.
- 1.5 The land promoted within these representations are 'shovel ready' and promoted by a national housebuilder who is able and willing to deliver in the short term. A Reserved Matters application for the Cossington Road, Sileby site is to be submitted in the short term, with David Wilson Homes committed to expedited delivery. The sites are optimally positioned to meet any requirement to meet a shortfall in housing land supply, an increase in housing requirement and/or a requirement to find further sites to meet the overall residential development requirement.

2. MATTER 10: LEICESTER AND LEICESTERSHIRE HOUSING AND EMPLOYMENT LAND NEEDS

Issue 1: The Assessment of Housing Need

Q10.2: Is the HENA (Exam 44a) assessment of Leicester and Leicestershire's housing need from 2020 to 2036 (91,408 dwellings) based on a robust assessment of relevant factors? Are there any exceptional circumstances which would justify planning for a lower or a higher figure?

- 2.1 It is considered that there is no specific justification to support a reduction in Local Housing Need (LHN). Leicestershire is not severely constrained and there are more than sufficient housing sites across the County to ensure that the delivery of LHN, at the very minimum, is delivered. Leicestershire is not covered in large areas where Footnote 7 of the NPPF is applicable, unlike neighbouring Derbyshire and Nottinghamshire. There are no demographic arguments applicable which would appropriately and demonstrably suggest deviation from Local Housing Need forming the minimum starting point in respect of individual authorities housing requirements.
- 2.2 Just because one constituent member of the HMA, namely Leicester City, cannot meet its identified needs, does not mean that the quantum as a whole is incorrect or non-deliverable. This has been demonstrated largely through the Statement of Common Ground relating to Housing and Employment Land Needs (April 2022).
- 2.3 In Charnwood (as set out in our Matter 4 statement), and likely other areas of Leicestershire, there is significant justification for an increase from LHN when establishing the housing requirement. In the context of declining affordability, increasing the housing requirement will have two key benefits, firstly the delivery of new market housing, increasing supply and slowing the rate of house price growth. Secondly, increasing the level of housing delivered per sae will directly increase the quantum of affordable housing. There is significant justification, in the context of the affordable housing shortfall and worsening affordability, for the Council to take positive action to reverse this trend, beyond that engaged by the standard method affordability adjustment. Given the availability of land in sustainable settlements, we do not consider the Council's failure to uplift to account for affordable housing is justified or consistent with national policy which seeks to boost significantly the supply of housing and ensure specific housing needs are met.

- 2.4 In the context that there is no demographic or delivery issues relating to the delivery of the LHN in full, clearly no exceptional circumstances can be said to exist to justify a reduction in LHN.

Q10.3 What implications, if any, do the levels of net migration in the 2018 Sub National Household Projections compared with the 2014 projections (on which the standard method is based) have for the standard method of assessing housing need for Leicester and Leicestershire? Is the use of an alternative internal migration assumption justified and if so, why? (Table 5.13)

- 2.5 The PPG is unequivocal that there is an expectation that the Standard Method should be used, and that other methods will only be acceptable in exceptional circumstances. The Government was well aware during recent revisions to planning policy that there were differing pictures emanating from both the 2016 and 2018 projections but kept the 2014 projection as the dataset for calculating LHN due to the drastic need to deliver 300,000 dwellings per annum nationally and to ensure issues such as suppressed household formation rates, overcrowding, affordability, etc be rectified. Whilst there are some allowances to utilise updated demographic information, this should only occur in exceptional circumstances.

Q10.5 Notwithstanding that the Charnwood Local Plan has been submitted for Examination, is the use of 2020 affordability data for Charnwood (HENA para 8.13) justified? Would the use of 2021 affordability data for Charnwood feeding into the standard method affect the calculation of housing need for Charnwood in Table 8.1? If so, how?

- 2.6 The Council utilised the correct LHN when the Plan was initially submitted for Examination. However, since the Plan was submitted, and prior to the commencement of the Examination, updated affordability data for 2021 was published. This resulted in an increase from 7.89 in 2020 to 8.41 in 2021, an increase of 6.6%. This led to an increase in LHN as established from the Standard Method from 1,111 per annum to 1,156 per annum, an increase of 4%.

- 2.7 The PPG is clear that when establishing a housing requirement using LHN as the starting point, the "most recent median workplace-based affordability ratios, published by the Office for National Statistics at a local authority level, should be used" (PPG Housing and economic needs assessment). In this case obviously the most recent are those within the 2021 data. Whilst the difference may seem small, given affordability this year is likely to be significantly worse, providing extra housing will be even more important. The cost-of-living crisis is likely to significantly impact housing affordability in the coming years, thus the need for more housing and more affordable housing

will become even more apparent. As such, it would seem entirely sensible to adopt the higher figure.

Q10.6 What are the implications, if any, of Charnwood having a 12% increase in population 2011-19 but a 9.2% increase in dwelling stock over the same period as indicated in the HENA (Table 5.16)? Does this point to a level of suppressed household formation which would justify an uplift in the level of need? Does this trend have any implications for the future distribution of development as indicated at paragraph 5.36 of the HENA?

- 2.8 As set out in our Matter 4 representations, there is significant justification for adopting a higher housing requirement than base Local Housing Need. The overall paradigm in recent years has been a pattern of increasing numbers of households in part due to higher rates of household formation, with more people choosing to live in part of smaller households. The fact that Charnwood's population has increased disproportionately when compared against household formation likely demonstrates that there are likely to be issues in relation to household suppression in Charnwood. This will result in households existing that may be overcrowded or would otherwise not exist in their current form had suitable and affordable housing been available. This however is a separate issue and should be added onto Charnwood's LHN independently from increase to absorb unmet needs arising from Leicester City.
- 2.9 They must be considered as separate needs that require meeting. Increasing LHN to meet one, by definition cannot be argued to be meeting the other. If a dwelling is occupied by a household moving from the City, then clearly it will not be available to serve the needs of those living within suppressed households within Charnwood.
- 2.10 Given they are separate needs, it is not considered that it should have any relevance on the distribution of development. Both require satisfying and Charnwood has suitable and available land to meet the needs of both.

Issue 2: – The Scale of the Unmet Need for Housing

Q10.7: Is the 18,700 dwelling figure a reasonable working assumption for Leicester's unmet need from 2020 to 2036 as set out in the Housing Distribution Paper (paragraph 3.7) (Exam 45) and the SoCG (paragraph 3.19), pending further testing through the Leicester Local Plan? Is it a reasonable basis on which to apportion the unmet need across the Leicestershire authorities?

- 2.11 Whilst not yet examined, the figure provided by Leicester City is the most robust figure and a sensible figure to utilise. There is clearly an acceptance from nearly all of the HMA that the figure is likely to be robust, given it formed the basis of the SoCG. There has been no credible suggestion of another figure. As such, it is an entirely reasonable basis on which to base the apportionment of unmet need at this time. Obviously, there is some potential that through the examination process, sites may be removed or added from Leicester City's Local Plan, but until this time it forms the best evidence-based figure. The only alternative to using this figure would be to effectively pause all plan making in Leicestershire until such a time as Leicester City's Local Plan had completed examination. This would delay plan making for a number of years and would be entirely reliant on the Leicester City Local Plan going through examination without being found unsound or withdrawn. This is not an appropriate approach to adopt given the associated delays and high-levels of uncertainty. Whilst the 18,700 dwelling figure may, in the fullness of time, be found to be inappropriate, for being too high or too low, it is not considered that the difference would be so large as to render the Local Plan's of other Leicestershire Authorities out of date given each are only taking a percentage of the overall total. Differences on an authority basis are likely to be little more than negligible and can be addressed through programmed Local Plan reviews.

Q10.9: If the scale of the unmet need of 18,700 dwellings changes as a result of the Leicester Local Plan Examination, how would this be addressed by the respective Leicester and Leicestershire local authorities under the Duty to Cooperate? What would the implications be for plan making in other authorities in the Housing Market Area?

- 2.12 This issue, which is by no means unlikely, could be handled in two ways. The first would be to agree a new distribution of unmet need through an updated SoCG process, the other would be for the current levels to be fixed as a percentage of the overall need, with that percentage being automatically applied to an established unmet need through Leicester City's Local Plan Examination. Our favoured approach would be the latter as it would be quicker and negate the need to go through significant amounts of bureaucracy and delay associated with the Statement of Common Ground Process. Regardless of the approach adopted, policies within the individual

Local Plans should be clear that changes to distributed unmet needs will be implemented through scheduled Local Plan reviews (every 5 years). Review policies within individual Local Plans should however stipulate that should the changes to distributed unmet needs, through either a new SoCG or as a fixed percentage, for that authority be so sizeable, say in excess of 10%, then this should activate an immediate Local Plan review.

- 2.13 As set out previously, whilst there is a level of uncertainty associated with Leicester City's final quantum of unmet needs, this will only be resolved when the Plan completes its examination. In the context that a slight deviation of distributed unmet needs should not be considered completely unpalatable, then the sensible option endorsed by Government is for Plan making to proceed within the HMA until that time. This is particularly pertinent in places like Charnwood where the Local Plan is out of date and there are considerable issues relating to five-year housing land supply.

Issue 3: – Apportionment of the Unmet Housing Need

Q10.11: Are the following factors set out in the Housing Distribution Paper a robust and logical basis for the apportionment of the unmet need of 18,700 dwellings to 2036:

- *the functional relationships between the respective Leicestershire authorities and Leicester City based on migration and commuting patterns;*
- *balancing the provision of jobs and homes;*
- *deliverability, based on potential supply, the rate of housing growth and adjustments to support a sustainable and deliverable distribution of development.*

Are there any other relevant factors which should be taken into consideration?

- 2.14 Ultimately it is accepted that there are a number of different methodologies that could be adopted when calculating the distribution of Leicester City's unmet need. Just because there is the presence of alternatives does not make the option chosen unsound, unless there can be shown to be flaws with the approach adopted or significant and demonstrable benefits to another option which would better result in the delivery of sustainable development. In this case the Authorities through their consultants, Iceni, have followed a staged process to calculate the share of unmet need applicable to each authority.
- 2.15 The first stage relates to establishing the functional relationship of each of the outlying authorities with the City to establish to what extent there are already existing patterns of commuting and thus likely service share, for example. The Iceni consultation document, *L&L HENA Housing Distribution*

Paper (June 2022), sets out correctly that the 35% uplift applied to the largest urban areas should be met by the cities themselves, unless it would conflict with national policy or legal obligations. However, where this is clearly not possible, such as Leicester City which is largely built to the Authority boundary, there is clearly logic in locating this need spatially close to the City. We agree with this, albeit consider that areas that are further away but otherwise which benefit from high levels of connectivity are likely also to be acceptable.

- 2.16 To quantify this relationship, Icenii begin by looking at patterns of migration and commuting. For migration, Table 4.1 of the Distribution Paper unsurprisingly concludes that there is most significant inter-connectivity with Charnwood, Blaby and Oadby and Wigston, something acknowledged by the report to be broadly consistent with the Leicester Urban Area geography. Tellingly, Charnwood actually is assessed to have the second largest migration flow with Leicester City, alone equating to a quarter (25%) of all migration between Leicester City and the outlying districts and being broadly comparable to Oadby and Wigston (27%) and Blaby (24%). Beyond these settlements however the level of connectivity drops significantly, with Harborough and Hinckley & Bosworth at 9% and 8% respectively, whereas North West Leicestershire and Melton receive only 4% and 2% respectively.
- 2.17 It is noted however that whilst the above relates to gross migration data (inbound and outbound), outbound data alone was not used as it could be influenced by housing land supply, thus resulting in suppressed trends which may also feed into gross migration. However, the overall pattern is likely to be reflective and thus useful. If out migration from Leicester is used, Charnwood is the largest destination within Leicestershire (29%), which demonstrates its acceptability for Leicester City residents (Table 4.2 of the Distribution Paper).
- 2.18 Having regard for commuting patterns, Charnwood again is shown to have a high-functional relationship with Leicester City (Table 4.3 of the Distribution Paper), with the highest level of population heading into the City for work 15,359 (27%)¹. In respect of commuting out of the City's boundaries Blaby is the key destination, accounting for 37% of trips from the city to Leicestershire, whilst Charnwood comes joint second with Oadby and Wigston with 18% each. However, in the context of unmet needs the ability to commute into the City, and access its wide range of services and facilities, is the most important factor given it is dealing with the displacement of people who likely will still hold strong ties with the City, when considered at a population level.

¹ 2011 Census Data somewhat dated, but overall trends not expected to have changes significantly

- 2.19 When considering gross commuting relationships, Charnwood again accounts for essentially a quarter of all commuting to and from the City (Table 4.4 of the Distribution Paper), behind Blaby with 29% and ahead of Oadby and Wigston with 18%.
- 2.20 IcenI recommend a blended approach between migration and commuting to quantify functional relationship in a usable way. Whilst by no means perfect, and missing localised nuance and opportunity, we consider the approach is sufficiently robust to be useful in this context and reflects our localised knowledge. On a blended approach Charnwood again accounts for a quarter of the 'blended average', narrowly behind Blaby (Table 4.5 of the Distribution Paper). We consider that this is reflective of its spatial role and connectivity. If this blended average was used in isolation, it would result in a redistribution of 289 dwellings per annum to Charnwood.
- 2.21 IcenI then however set out that there is a need to balance the redistribution of housing with economic led housing needs, predominantly being drawn from North West Leicestershire and Melton. The report assumes that housing distributed from Leicester City will serve to fill that specific economic driven need. That assumes that people will leave current employment to work locally within NW Leicestershire and Melton. Clearly this cannot be assumed and highly depends on the nature of the people leaving. It also needs to be balanced against the provision of employment adjacent to the Leicester Urban area and ensuring that there remains sufficient workforce there to cater for economic growth, including the City's employment unmet needs which are only directed to Charnwood, for example. Clearly the distribution of housing needs must also reflect the distribution of Leicester City's employment needs. Given none of the employment is being located anywhere else than Charnwood, this needs to be accurately accounted for.
- 2.22 IcenI also refer to job densities, which infer that there must be a level of in commuting to particularly Blaby and North West Leicestershire. It is noted that Melton currently does not suffer from this issue, but the reasons for its higher level of housing growth is demographic issues arising over the next Local Plan period. Regardless, it seems overly simple to assume unmet needs can automatically equate to the increase in working population that these authorities require. New housing, separate from unmet needs, are likely to serve in-migration from a wider area, including people moving specifically for work opportunities, rather than forced displacement due to a lack of housing.
- 2.23 The third stage relates to delivery considerations. This demonstrates that there are likely to be significant available sites to meet the housing needs of the HMA in full, albeit a more detailed

assessment is likely to be required and the figures included at this stage at best represent an estimate of available land.

- 2.24 It is considered that the above methodology is largely sensible. Whilst the Iceni report suggests for example looking at patterns of in and out commuting to establish where there are currently lower levels of commuting during peak hours, which theoretically may have greater capacity, this is not explored in any great detail nor is it recommended as a metric to inform the distribution of growth. Other options that could be looked at is the capacity of bus and rail, considering levels of service and average capacity. However, this is likely difficult to quantify in a way which would directly serve the objective of distributing the need. Traffic and congestion is another issue which can assist through local knowledge, but without detailed highway modelling is again likely unquantifiable. On this basis we consider the overall approach in respect of this criterion is justified and can be supported.

Q7.12: Is the proposed 1.4% 'cap' to the redistribution of housing provision justified as a general approach and in relation to Charnwood in particular? What effect does the 1.4% cap applied to Charnwood have on the redistribution of the residual unmet need across the other Leicestershire authorities?

- 2.25 Whilst we largely agree with the methodology adopted by Iceni, we have concerns in respect of the 1.4% cap informed by housing stock growth rates. Iceni set out that in not applying a cap risks issues of over-concentration of development, risk of non-delivery due to lack of market absorption and resultant unsustainable patterns of development. Charnwood must be considered somewhat uniquely in the context of the outlying districts. It benefits from Loughborough which is one of the most successful market towns in Leicestershire - also benefitting from a university. There remain significant opportunities for sustainable development within Charnwood. Charnwood is already established by the Iceni report to benefit from very strong functional relationship with Leicester City. Charnwood also has a number of sustainable settlements spatially very close to Leicester City or otherwise with strong existing connectivity, particularly via bus or rail. Given existing patterns of outmigration from Leicester City to Charnwood, it is not considered that there will be a lack of purchasers. Given Charnwood's existing affordability issues, the provision of higher levels of housing may assist in stalling house price growth. Charnwood is also the identified recipient of all of Leicester City's unmet employment needs. In that context moving people disproportionately away from job growth does not seem consistent with the Iceni report's

comments in relation to needing to locate people close to generator of the growth.

- 2.26 The real risk in downplaying the likelihood that those moving from Leicester City to Charnwood, or accepting but limiting housing growth anyway, is that people will seek to live there regardless. Given the connectivity and spatial relationship, Charnwood will always be a natural location for those leaving the City, regardless of the level of housing delivered. As such, if sufficient housing is not provided for within Charnwood, the issue of house price growth and issues of affordability will deteriorate more quickly than is currently being experienced, with devastating consequences on the people of Charnwood who will suffer further house and rent price growth, forcing lower earners away from the areas where they may have been brought up. The report has acknowledged that Charnwood has both sufficient land and a very strong relationship with Leicester City which when quantified equated to about 25%, depending on the various method of assessment, despite Charnwood being 1 of 6 outlying authorities. However, through the implementation of the cap Charnwood' unmet need provision is limited to just 78 dwellings per annum, only 6.7% of the overall total of annual distributed unmet need – a figure significantly lower than the initial Stage 1 redistribution figures prepared by Iceni on a blended average of gross migration and commuting which resulted in a redistribution of unmet needs to Charnwood of 289 dwellings per annum.
- 2.27 The Iceni report goes on to review current land supply positions as well as potential supply within the HMA. Charnwood indicates a significant potential additional capacity (some 19,938 dwellings) through SHLAA studies, resulting in a possible surplus of 23,041 dwellings above its LHN (Table 6.4), and some 18,411 dwellings over and above the Stage 1 initial redistribution (LHN + 289 dpa =1,400 dpa overall) – Table 6.5). This clearly indicates that Charnwood is very able to accommodate more of the City's unmet needs – when others, such as Oadby & Wigston – a small authority has land supply constraints.
- 2.28 Accordingly, the rationale for the cap is not supported by any evidence, merely possible scenarios which may occur if growth rates occur above 1.4%, as such it is not sufficiently justified. The report sets out that there are rarely examples where housing provision stays above 1.4% for an extended period, but it must be noted that Charnwood lies adjacent to one of the fastest growing cities in the UK which has essentially already ran out of supply and is not delivering enough housing now, let alone in the future. In this context we consider it likely that higher levels of growth than are regularly seen are achievable. Charnwood will also continue to appeal to those outside of Leicestershire, which again will increase housing pressure.

2.29 We do not consider that the 1.4% cap is justified. More concerning is that its implementation has resulted in a proposed pattern of distribution which is entirely out of kilter with the pattern of development derived from evidence, particularly the functional relationship which is likely to be the most robust metric available and resulted in 289 dwellings per annum to Charnwood. The cap should be removed or at the very least moved upward and the redistribution of dwellings redistributed, to ensure the most sustainable pattern of development is delivered reflecting existing relationships and patterns.

Q10.16: Overall, is the apportionment of 78 dwellings per year to Charnwood over the period 2020 - 2036 to contribute towards the unmet need of 18,700 dwellings justified by the evidence, robustly based and will it support a sustainable pattern of development as required by NPPF paragraph 11?

2.30 No, for the reasons discussed above the apportionment of 78 dwellings per year is not appropriate. The application of the 1.4% cap is based on theoretical concerns not supported in convincing evidence. Its application is largely arbitrary. The quantified and justified evidence backed total for Charnwood results in circa 289 dwellings for Charnwood. Whilst there may be some justification for this to be reduced, the reduction to 78 is not justified. The application of the cap will see development being directed to locations further away and with worse connectivity. This will result in an increased dependency on cars generally, and longer car journeys, both of which will adversely contribute to the achievement of the most sustainable pattern of development.

2.31 There is evidence to support that there is sufficient land within Charnwood for this higher total to be met. We are aware of a number of sites which are spatially well located close to Leicester City and actively being promoted for development. It is not considered Charnwood will have significant issues of market absorption, particularly due to its close proximity to Leicester City. It is noted that Charnwood's adopted strategy, which was developed prior to any formal acknowledgement that Charnwood would need to take on unmet needs, locates significant development on Leicester City's fringe at Birstall. This in itself is an acknowledgement of the interconnectivity of Leicester City and Charnwood and will provide significant opportunities for those displaced from Leicester City. Charnwood can therefore deliver additional housing throughout its Borough to meet its own needs.

2.32 Whilst the Council's acknowledgement that it intends to meet unmet needs is appreciated, the figure in the SoCG is not appropriate and a higher figure is clearly required. Failure to do so will result in an HMA wide strategy that will be demonstrably less sustainable than the distribution set

out by IcenI. The justification for the cap is not supported by robust evidence and is largely arbitrary.