



Charnwood Borough Council
Local Plan Examination

**Matter 10: Leicester and Leicestershire Housing
and Employment Land Needs**

Hearing Statement

September 2022



gladman.co.uk



01260 288888

Page intentionally left blank

MATTER 10: LEICESTER AND LEICESTERSHIRE HOUSING AND EMPLOYMENT LAND NEEDS

Introduction

- 2.1.1 This hearing statement is submitted by Gladman Developments Ltd (Gladman) in response to the additional examination consultation on new evidence in relation to Leicester and Leicestershire's Housing and Employment Land Needs.
- 2.1.2 Careful consideration has been given to the Inspector's Matters, Issues and Questions and the relevant published examination material available on Charnwood Borough Council's (CBC) Examination webpage, all of which has informed the contents of this Statement.
- 2.1.3 Gladman politely request that we are afforded the opportunity to take part in the Hearing Sessions to be held on 25th and 26th October 2022 in relation to Matter 10.

Question 10.1: What is the up-to-date position with the signing of the SoCG (Exam 43) by the Leicester and Leicestershire authorities (including the County Council)? Are there any implications for Plan preparation by the authorities and if so, what are they?

- 2.1.4 It is our understanding that the contents of the SoCG are agreed by Blaby District Council, Charnwood Borough Council, Leicestershire County Council, Leicester City Council, North West Leicestershire District Council, Melton Borough Council and Oadby & Wigston Borough Council. The Council(s) will be in a position to confirm which authorities have now signed the document.

Issue 1 – The Assessment of Housing Need

Question 10.2: 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?

- 2.1.5 The Planning Practice Guidance (PPG) (2a-002) confirms that the standard method "*identifies a minimum annual housing need figure*" and sets out clearly the range of

circumstances where it may be appropriate to provide a higher number of homes than the bare minimum local housing needs figure; albeit the list is not exhaustive and other reasons may apply (2a-010). Furthermore, the PPG encourages local authorities to consider increasing planned housing numbers where this can help to meet the identified affordable need (2a-024).

- 2.1.6 Table 9.9 of the HENA details that there is a net need for 3,076 affordable/social rented properties each year across Leicester and Leicestershire. This is a significant proportion (54%) of the minimum LHN for Leicester and Leicestershire of 5,713dpa. When the need for affordable home ownership is factored in (1,795dpa), total overall affordable housing need increases to 4,871dpa, equivalent to 85% of the overall LHN. Despite this, the HENA concludes that there is no evidence to justify an uplift to the minimum housing need figure generated by the standard method.
- 2.1.7 In previous representations to the Charnwood Local Plan (in addition to representations made to other Leicestershire authorities through respective plan-making stages) we have highlighted that the delivery of affordable housing clearly remains a challenge across Leicestershire. Whilst we accept that all affordable housing needs may not be met across the housing market area, the evidence presented in the HENA could justify applying a modest uplift over the base need indicated by the LHN, to make a greater contribution to delivering more affordable housing in an area where there is a clear and pressing need for increased provision.
- 2.1.8 The analysis through the HENA quite clearly does not point to any exceptional circumstances that would justify a downwards adjustment to the overall housing need. Furthermore, there are no exceptional circumstances, such as the presence of land designated as Green Belt, internationally recognised wildlife sites or areas of national importance in terms of their landscape, that justify an alternative approach.

Question 10.3: 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?

- 2.1.9 The HENA identifies that the difference between the two projections is expected, that the trends observed are not unique to Leicester and Leicestershire, and that they are replicated for most local authorities across the country. The higher levels of migration shown in the 2018-SNPP are in part offset by lower levels of natural change so that population growth across the whole study area is broadly similar regardless of the projection chosen. The HENA explicitly concludes that the use of the 2018 projections *"do not therefore constitute an exceptional circumstance for deviation from the standard methodology for assessing housing need"*.
- 2.1.10 Gladman agree that the use of an alternative internal migration assumption is not justified. The Government continues to apply the use of the 2014-based household projections within the standard method. The PPG states that the 2014-based household projections are used within the standard method to provide stability for planning authorities and communities, ensuring that historic under-delivery and declining affordability are reflected, and to be consistent with the Government's objective of significantly boosting the supply of homes (2a-005).

Question 10.4: Is the minimum local housing need figure for Charnwood from 2020 to 2036 of 1,111 dwellings set out in the HENA (Table 13.1) robust and justified? Does the evidence in the HENA update any of the assumptions used in the Charnwood Housing Needs Assessment (EB/HSG/1)?

- 2.1.11 Both the HENA and Housing Needs Assessment (EB/HSG/1) set out a significant need for affordable rented homes, more than 40% of the minimum LHN figure of 1,111 dpa. The Housing Needs Assessment previously concluded that it was difficult to robustly identify an overall need for affordable home ownership products in Charnwood. The HENA, however, now identifies a net-need for 372 affordable home ownership properties each year in the borough. This is striking difference and further highlights the need for increased affordable housing provision in Charnwood.
- 2.1.12 As set out above and detailed in our Matter 4 Hearing Statement, Gladman consider that the scale of affordable needs and the disparity between what is needed and what is expected to be delivered in Charnwood demonstrates a clear case for an uplift in

the overall level of the planned housing requirement to ensure sufficient affordable housing can be delivered.

Question 10.5: 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?

2.1.13 The minimum Local Housing Need figure for Charnwood of 1,111 dwellings as set out in the HENA is correctly calculated using the standard methodology. The use of the 2020 affordability data is in accordance with the PPG, given the date at which the emerging Charnwood Local Plan was submitted for examination. Charnwood's need figure is therefore treated as 'fixed'.

Issue 2 – The Scale of Unmet Need for Housing

Question 10.7: 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?

2.1.14 Gladman agree that the 18,700 dwelling figure is a reasonable working assumption and basis on which to apportion the unmet need across the Leicestershire authorities.

2.1.15 The Housing Distribution Paper and SoCG rightly acknowledge that the quantity of Leicester's unmet need may change as the Leicester Local Plan progresses (e.g. as evidence on land supply is developed further or due to fluctuations in the LHN). In the first instance, Gladman consider that any modest changes to the quantity of unmet need are capable of being accommodated proportionately through the proposed distribution of housing as there will be a need for some supply-side contingency in each Council's emerging local plans in any event.

2.1.16 If the unmet need changes significantly because of testing through the Leicester Local Plan, then it is critical that the SoCG is reviewed and updated as appropriate in a quick

and efficient manner. To safeguard against this possibility, a review policy should be maintained within the emerging Charnwood Local Plan (as well as subsequent emerging Local Plans across Leicestershire) which contains a trigger mechanism to undertake a plan review should the outcome of the Leicester Local Plan substantially increase the amount of unmet housing need. Further consideration to this is given in our response to Question 10.9 below.

Question 10.8: Why is an unmet need of 15,900 dwellings tested through the Sustainability Appraisal (Exam 47a) and how was this figure arrived at? Has the figure of 18,700 dwellings been tested?

2.1.17 The working assumption of 15,900 dwellings tested through the Sustainability Appraisal is based on the June 2021 SoCG and reflected the LHN for Leicester City at that point in time. This level of unmet need was assessed through the Sustainability Appraisal (SA) as Growth Scenario A.

2.1.18 In March 2022, the Government published new affordability ratio data which is required to be considered as part of the Standard Method for calculating housing need. As a result, housing need in Leicester City increased by a further 2,800 homes to 2036. The City's need now stands at 39,421 between 2020 and 2036. When compared to a supply of 20,720 homes, this leaves an unmet need of 18,700 homes.

2.1.19 It does not appear that the figure of 18,700 dwellings has been explicitly tested through the SA. Nonetheless the SA process did address the potential for unmet need to increase. Through the SA, the authorities considered that a 25% uplift on identified unmet needs was a reasonable alternative (i.e. 20,000 dwellings), this is referred to as Growth Scenario B.

2.1.20 The current working assumption of 18,700 dwelling unmet need falls between the two growth scenarios assessed through the SA. In regard to Growth Scenario B, the SA identifies that when increasing the scale of unmet needs to be delivered to 20,000 dwellings the effects are very similar to the corresponding options under Growth Scenario A. In the main, where uncertain effects have been identified for the options in Growth Scenario A, these become more certain for the corresponding options under Growth Scenario B. However, as a result of the potential for mitigation as well

as some potential to spread growth across a large number of sites, not all sustainability themes would see this anticipated exaggeration of effects. Positive effects upon health and wellbeing, transport, housing and economy are predicted with more certainty.

- 2.1.21 In this sense, whilst the unmet need figure of 18,700 dwellings has not been explicitly tested, the SA has robustly considered how an increased scale of unmet housing need could be proportionately accommodated across Leicestershire. The findings of the SA demonstrate that the HENA distribution option performs as well or better than the alternatives for most sustainability topics in both Growth Scenario A and B. This serves to provide confidence that following the recommendations of the HENA would be an appropriate approach to take to meeting the unmet housing need of 18,700 dwellings.

Question 10.9: 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?

- 2.1.22 Gladman consider that having a residual unmet need is not appropriate if Leicester City's unmet housing need increases through their Local Plan Examination. If such a position were to arise, then it could be contended that the authorities have collectively failed to discharge the Duty to Cooperate. If the extent of unmet housing need increases, then the SoCG should be jointly reviewed and updated as appropriate as quickly as possible.
- 2.1.23 For Charnwood's emerging Local Plan, which is currently the most advanced across the housing market area, it is essential that there is an effective and implementable review mechanism in place to address the possibility that the unmet housing need could increase and/or may not be met in full. Gladman contend, therefore, that the Local Plan for Charnwood should maintain a review policy which includes a trigger mechanism linked to the publication of a revised SoCG and/or new satisfactory evidence of an increased unmet housing need at the Regulation 19 stage of the Local Plan for Leicester City. Such an approach will enable the Council to adopt an up-to-

date Local Plan whilst at the same time being pro-active to the possibility of accommodating further unmet need from Leicester City.

- 2.1.24 A review mechanism in the Charnwood Local Plan is also essential given that Hinckley & Bosworth Borough Council (HBBC) does not agree to the final step in the HENA Housing Distribution Paper methodology from paragraph 6.21 to 6.24 and the apportionment of 187dpa of Leicester's unmet housing need (equivalent to nearly 3,000 homes over 16 years). HBBC's disagreement with the final step in the HENA impacts on Charnwood as this step reallocates 85dpa (1,360 dwellings) from Charnwood to Hinckley & Bosworth.
- 2.1.25 In our view there is a significant risk that this proportion of the unmet need will not be met if HBBC refuse to sign the SoCG. If HBBC were to proceed along these lines, the absence of SoCG dealing with the unmet need issue would clearly demonstrate to the Planning Inspectorate how HBBC has failed to discharge the Duty to Cooperate. Whilst it is hoped that HBBC ultimately sign up to the SoCG, the risk that a proportion of unmet housing needs may not be met further justifies the inclusion of a review mechanism in the Charnwood Local Plan as this would demonstrate that the Council are committed to addressing a possible residual need should a proportion of existing unmet needs fail to be delivered.
- 2.1.26 Outside of the above, given all other Leicestershire authorities agree with the apportionment as detailed in the SoCG, it has hoped that any risks to unmet housing needs not being met in full are considerably lower. If Leicester City Council publish their Regulation 19 Local Plan later this year as anticipated, this should provide enhanced clarity for all other Leicestershire authorities in respect of the scale of unmet housing need and whether this is substantially different from the current working assumption of 18,700 dwellings. For Melton, Oadby & Wigston, Blaby, North West Leicestershire & Harborough, given the relatively formative stages of their emerging plans, it is expected that any changes to the scale of unmet housing need (as evidenced through either the Leicester City Regulation 19 Plan and/or revised SoCG) could be addressed through respective plan-making processes. If these emerging plans should proceed ahead of the publication of the Leicester City Local Plan, then it is essential they also include a policy trigger for a review that is tied to the plan

preparation stages of the emerging Leicester Local Plan (specifically Regulation 19 stage) and/or the publication of a revised SoCG.

Issue 3 – Apportionment of Unmet Need for Housing

Question 10.10: The Housing Distribution Paper (paragraph 7.3) (Exam 45) refers to the proposed distribution of the unmet need as an ‘interim arrangement’. What does this mean, is it justified and how would any changes to the evidence or other circumstances be dealt with?

2.1.27 It is our understanding that the interim arrangement refers to unmet needs arising from Leicester City up to 2036. The long-term distribution of development in the housing market area is to be informed by the review of the Strategic Growth Plan, however, as there are significant lead-in times to the delivery of major strategic sites/ growth locations, which can be 10 years or more, the HENA proposes an interim distribution of housing to address unmet needs from Leicester to 2036.

2.1.28 As detailed previously in this statement, if there are significant changes to the evidence base or circumstances dictate that levels of housing delivery envisaged to meet the identified unmet needs cannot be sustainably achieved, it would be necessary for the authorities to collectively revisit the SOCG.

Question 10.12: 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?

2.1.29 The final step in the HENA ‘caps’ Charnwood’s implied stock growth at 1.4% (down from 1.6%). This leads to an adjustment which sees 211dpa from Charnwood reapportioned to Blaby, Hinckley & Bosworth and North West Leicestershire with each authority seeing a modest upwards adjustment to their housing need to support economic growth and enable the local housing need for Leicester and Leicestershire to be met in full across the HMA.

2.1.30 Our key concern with this step, as highlighted in our response to question 10.9, is the likelihood that this could lead to unmet housing needs not being met in full as HBBC

do not agree with this methodology. As the SoCG makes clear at paragraphs 4.1, HBBC consider that an apportionment of 102 dwellings per year (85 dwellings per year lower than the proposed apportionment) to be an initial justified apportionment of Leicester's unmet need for them to test through their Local Plan work and through further strategic work. Over the period 2020-2036 this could lead to a shortfall of unmet housing need of at least 1,360 dwellings.

2.1.31 It would be unacceptable for unmet housing needs not to be met in full especially as substantial work has been undertaken on cross boundary issues within the HMA and all constituent parties (except for HBBC) are in agreement with the content of the SoCG. As previously outlined, the inclusion of an early review mechanism in the Charnwood Local Plan is justified as this would demonstrate that Charnwood Borough Council are committed to addressing a possible residual need should a proportion of existing unmet needs fail to be delivered.

2.1.32 It is Gladman's view that if a residual unmet housing need arises the 1.4% cap currently applied in the methodology should not be seen as a reason for Charnwood not to accommodate a further portion of unmet housing needs from Leicester City. As tables 6.7 and 6.8 of EXAM45 demonstrate, local authorities across Leicestershire and the wider midlands have been able to sustain housing stock growth rates exceeding 1.4% over a 7-year period outside of the weak housing market conditions between 2008-2013. This gives us confidence that any residual unmet housing need could be accommodated in Charnwood, particularly as the strength of functional relationship between the borough and Leicester City is one of the strongest across the HMA (see Table 4.5 in EXAM45) and there is ample availability of sustainable sites in Charnwood.

Question 10.14: What role will the review of the Strategic Growth Plan (EB/DS/6) have in the distribution of housing growth across the Leicester and Leicestershire Housing Market Area in the longer term?

2.1.33 The Strategic Growth Plan (SGP) for Leicester and Leicestershire provides a long-term vision for the housing market area to address the challenges and opportunities in the area to 2050.

- 2.1.34 Ongoing commitment to the SGP from all local authorities in the housing market area is crucial to ensure longer-term development needs are sustainably met across Leicestershire through a collaborative and coordinated approach. The review of the Strategic Growth Plan is therefore supported by Gladman as it demonstrates the active, ongoing, and constructive nature of cooperation between local authorities across Leicestershire.
- 2.1.35 There have been substantial changes to the evidence base that underpinned the 2018 document, most notably the publication of the 2022 HENA, which justify a review of the Growth Plan. Gladman are also aware that work is currently ongoing in respect of a Strategic Transport Assessment and the Strategic Growth Options and Constraints Mapping which take a longer-term perspective and will also form part of the evidence base for the update to the Strategic Growth Plan. We are encouraged that key stakeholders and local authorities are seeking to engage with longer-term needs across the sub-region at this juncture.

Question 10.16: 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?

- 2.1.36 As previously stated, the current approach risks being ineffective as there is no fallback position if either a proportion of current unmet housing needs are not met and/or unmet housing needs increase as evidenced through either an update to the SoCG or through the publication of the Leicester City Plan.
- 2.1.37 Gladman consider that the continued inclusion of a review policy in the Charnwood Local Plan is therefore justified and effective as it would demonstrate that the Council are committed to dealing with the possibility of accommodating any residual unmet need for housing.

Issue 5 – The Apportionment of Unmet Need for Employment

Question 10.24: Is meeting all of the unmet need for 23 hectares of employment land within Charnwood justified? Will it meet the need for different types of employment

land in a choice of locations and promote sustainable patterns of development as required by paragraph 11 of the NPPF? & Question 10.25: Should some of the unmet need be apportioned to any of the other Leicestershire authorities based on the factors outlined above?

- 2.1.38 As the Council are aware, Gladman are promoting land at Six Hills in both Charnwood Borough and Melton Borough for a strategic scale mixed-use development. The site is located on the A46 Strategic Corridor and is well placed to meet, or contribute to meeting, the identified unmet need for employment land.
- 2.1.39 Gladman would welcome further discussions with the Council in respect of Land at Six Hills and the role that it could play in meeting both the current unmet need for employment land arising from Leicester City and longer-term strategic needs.