



**Hinckley & Bosworth
Borough Council**

**Response to Charnwood Borough Councils' Local Plan (2021 – 2037)
Examination in Public Matters, Issues and Questions (MIQ's)**

22 August 2022

This document sets out Hinckley & Bosworth Borough Councils' (HBBC) response to Charnwood Borough Councils' Local Plan (2021 – 2037) Examination in Public Matters, Issues and Questions (MIQ's) which was issued on the 15 August 2022.

HBBC has provided responses (in [blue text](#)) below to some of the questions asked by the appointed inspectors where it is deemed that they are relevant to the production of the HBBC Local Plan (2020 – 2039).

It is understood that HBBC is already invited to discuss the issue of housing and employment land needs in Leicester and Leicestershire at the scheduled hearing sessions on the 25 and 26 October 2022. HBBC wishes to confirm its attendance as part of this response.

Charnwood Local Plan Examination

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EXAMINATION CONSULTATION ON LEICESTER AND LEICESTERSHIRE HOUSING AND EMPLOYMENT LAND NEEDS MATTERS, ISSUES AND QUESTIONS (MIQs)

Important: These Matters, Issues and Questions should be read in conjunction with the Inspectors' Examination Consultation Guidance Note which is available on the Examination website

<https://www.charnwood.gov.uk/pages/examination>

References in brackets () are to the document references in the Examination Library, which can be found on the website

Abbreviations

NPPF – National Planning Policy Framework

PPG – Planning Practice Guidance

Key Documents

Leicester and Leicestershire Authorities – Statement of Common Ground relating to Housing and Employment Land Needs (June 2022) (SoCG) (Exam 43)

Leicester and Leicestershire Housing and Economic Needs Assessment Final Report (HENA) (Exam 44a), Executive Summary (June 2022) (Exam 44b) and Appendices (Exam 44c)

Leicester and Leicestershire Housing and Economic Needs Assessment – Housing Distribution Paper (June 2022) (Exam 45)

Leicester and Leicestershire Housing and Economic Needs Assessment – Employment Distribution Paper (June 2022) (Exam 46)

Leicester and Leicestershire Statement of Common Ground Sustainability Appraisal Report (SA) (Exam 47a) and Non-Technical Summary (June 2022) (Exam 47b)

MATTER 10: LEICESTER AND LEICESTERSHIRE HOUSING AND EMPLOYMENT LAND NEEDS

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?

In relation to Hinckley & Bosworth Borough Council's (HBBC) position, consultation on the Local Plan (Regulation 19 stage) was completed in March 2022. The Regulation 19 Plan sets out an annual housing requirement of 444 dwellings per annum (dpa) based on the standard method. It also contains a trigger policy (Policy SS03¹, Local Plan Review, page 37) to deal with the issue of unmet housing need arising from Leicester City as a result of the ongoing work on the Housing and Economic Need Assessment (HENA, Exam 44a) with the City and the other Leicestershire authorities at that time.

Since the HBBC Regulation 19 consultation, this work has been completed and the findings are set out in the key documents section above, namely Exam 43, Exam 44a, Exam 44b, Exam 44c, Exam 45, Exam 46, Exam 47a and Exam 47b. The publication of these documents means that it is now necessary for HBBC to review the implications for the Regulation 19 Local Plan prior to submission.

HBBC's position in relation to the unmet housing need is identified in section 4.0, paragraph 4.1 – 4.3 of the SoCG (Exam 43). For the avoidance of doubt, the position remains as set out in the SoCG (Exam 43) in that HBBC does not agree with the apportionment of an additional 85 dwellings per annum (659) on top of the already apportioned 102 dwellings per annum (574) which is deemed to be an *"initial justified apportionment of Leicester's unmet need for HBBC to test through their local plan work and through further strategic work"* (para 4.1, Exam 43).

At the time of writing this response, HBBC has not currently signed up to the SoCG (Exam 43).

In his Position Statement at the Council meeting on the 6 September 2022², the Leader said in relation to the SoCG (Exam 43) that *"In view of my statements on the level of uncertainties linked to the national planning system, I will be informing Leicestershire local authorities that this Council will not be in a position to sign up to the draft Statement of Common Ground. This statement seeks to apportion additional housing and employment requirements to Leicestershire districts, including ours, to meet Leicester City's projected unmet need."*

A press release³ was issued following the Council meeting on the 7 September 2022. The press release pledged to continue to progress work on the borough's Local Plan for submission, but we would be revising our timetable with an anticipated

¹ [Local Plan Regulation 19 consultation | Hinckley & Bosworth Borough Council \(hinckley-bosworth.gov.uk\)](https://www.hinckley-bosworth.gov.uk)

² [Agenda for Council on Tuesday, 6 September 2022, 6.30 pm | Hinckley & Bosworth Borough Council \(hinckley-bosworth.gov.uk\)](https://www.hinckley-bosworth.gov.uk)

³ [Council pledges to press on with its local plan despite national uncertainties | Hinckley & Bosworth Borough Council \(hinckley-bosworth.gov.uk\)](https://www.hinckley-bosworth.gov.uk)

submission later in 2023. The statement did not make a direct reference to the signing of the SoCG but it does refer to HBBC's concerns regarding the number of additional houses that they would be required to accommodate from Leicester City's unmet need target.

The Council is fully aware of the uplift in housing numbers as a result of the HENA and the impact this has on the housing figure set out in the Regulation 19 version of the Local Plan. The Council anticipate that the implications for HBBC going forward could therefore include:

- Reviewing, and if necessary, allocating further housing land;
- Updating and completing key aspects of the evidence base including transport modelling, infrastructure delivery plan and sustainability appraisal;
- Updating the Regulation 19 version of the Plan to take account of changes in policy and evidence that have come to light since the consultation earlier this year (nutrient neutrality and biodiversity net gain for example);
- Undertaking further consultation, in due course, as necessary on any revisions to the Regulation 19 Plan, and
- Reviewing and updating the Local Development Scheme.

Work is currently ongoing to establish a more detailed timetable. However, the press release indicates submission of the Plan towards the end of 2023.

Issue 1 – The Assessment of Housing Need

Context

The Planning Practice Guidance (PPG) states that there is an expectation that the standard method for assessing housing need will be used and that any other method will be used only in exceptional circumstances. The PPG also indicates that the standard method provides a minimum starting point and that there will be circumstances where it is appropriate to consider whether actual housing need is higher than the standard method indicates. Such circumstances would include where an authority agrees to take on unmet need from neighbouring authorities, as set out in a SoCG. (PPG References 2a-003- 20190220 and 2a-010-20201216).

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?

HBBC believes that the HENA (Exam 44a), is based on a robust assessment of the relevant factors but does not, as is set out in section 4.0 of the SoCG (Exam 43) agree to the additional uplift of 85 dwellings per annum (659) as set out in the responses to question 10.1 above and 10.7 and 10.11 below.

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? (Table 5.13)

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)?

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?

10.6 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?

Issue 2 – The Scale of the Unmet Need for Housing

Context

The SoCG (Appendix B) (Exam 43) states that Leicester's minimum local housing need from 2020 - 2036 is 39,242 dwellings (2,464 dwellings per year) and the supply over the same period is 20,721 dwellings. The SoCG (paragraph 3.20) indicates that the residual unmet need of 18,700 dwellings will be tested through the Leicester Local Plan.

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?

HBBC agrees that the 18,700 is a reasonable working assumption for the unmet need for the period 2020 – 2036. However, it does not agree with the apportionment of an additional 85 dwellings per annum above an additional 102 dwellings as set out in Exam 43 and as indicated in our response to 10.1 and 10.2 above and in 10.11 below.

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?

Exam 47a sets out the SA for the SoCG. Paragraph 3.1.6 states that the "*starting point for identifying reasonable alternatives is the June 2021 statement of common ground, which highlights a working assumption of unmet need of 15,900 dwellings (rounded). For the purposes of the SA, this is referred to as growth scenario A*".

Paragraph 3.1.9 (Exam 47a) sets out that *“in addressing the potential for unmet need to increase, the authorities considered that a 25% uplift on identified unmet needs was a reasonable alternative (i.e. 20,000 dwellings). For the purpose of the SA, this is referred to as growth scenario B”*.

Paragraph 3.1.10 (Exam 47a) further states that *“in addressing the potential for unmet need to decrease, the authorities considered that a 50% reduction on unmet needs was a reasonable alternative (i.e. 7950 dwellings). For the purposes of the SA, this is referred to as growth scenario C”*.

Paragraph 5.6.7 (Exam 47a) states that *“Though the HENA figure (18,704 dwellings) is different to the unmet need figure of 15,900 identified in the June 2021 SoCG (which was the basis of the options appraisal), it is sufficiently similar to allow the authorities to understand the implications of different distributions of housing (and it also falls between Scenario A and B tested in the SA). It is therefore considered unnecessary to undertake a further round of appraisal specifically comparing options that would deliver 18,704 dwellings. This would add limited value to the process and would not lead to significantly different outcomes”*.

HBBC agrees with this approach.

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?

Given the respective timescales associated with each authority’s Local Plan, the unmet need will continue to be reviewed and updated as necessary as part of the examination process into individual local plans, along with the duty to cooperate. This is set out in paragraphs 5.4 and 5.5 of the SoCG (Exam 43).

Further increases in the scale of the unmet need will however be problematic for HBBC to accommodate and could impact further on the anticipated timescales for submission and adoption of the Local Plan. This would not be a desirable outcome as it undermines the purpose of a plan led system and reinforces the approach of planning by appeal.

Issue 3 – Apportionment of the Unmet Housing Need

Context

The PPG states that the cities and urban centres uplift is expected to be met by the cities and urban centres themselves, rather than the surrounding areas, unless it would conflict with national policy and legal obligations (PPG Reference: 2a-035-20201216).

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?

10.11 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?

HBBC considers that the factors identified above are a robust and logical basis for the apportionment of the unmet need. However, as set out in the SoCG (Exam 43), paragraphs 4.1 – 4.2, and in the response to 10.1, 10.2, 10.7 (above) and (10.12 below) HBBC does not agree to the apportionment of the additional 85 dwellings per annum as set out in table 6.9 of the distribution paper (Exam 45). This step relates to the use of the Compound Annual Growth Rates (CAGR), to ‘manually adjust’ the housing figures (paras 6.23 and 6.24, Exam 45) upward for HBBC, Blaby and North West Leicestershire (see table 6.9, Exam 45). Further evidence to support HBBC’s view is provided in the response to 10.12 below.

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?

The cap directly impacts on HBBC as it ‘manually adjusts’ (paras 6.23 and 6.24, Exam 45) the housing figures upwards. As indicated in its position in Exam 43 and the response to 10.1, 10.2, 10.7 and 10.11 (above), HBBC maintains that this step is not suitably justified.

Paragraphs 4.1 and 4.2 of Exam 43 set out specifically that:

“4.1 Hinckley & Bosworth Borough Council (HBBC) do not agree to the step in the HENA Housing Distribution Paper (2022) methodology from paragraph 6.21 to 6.24 and the subsequent table 6.9 which apportions 187 dwellings per year of Leicester’s unmet housing need. HBBC note the capping of the redistribution of Charnwood’s numbers to 1189 and believe that the accommodation of the resulting 187 dpa shortfall should be tested as part of each LPAs Local Plan process, including the current Charnwood Local Plan. HBBC consider that an apportionment of 102 dwellings per year (85 dwellings per year lower than the apportionment in Table 3) to be an initial justified apportionment of Leicester’s unmet need for HBBC to test through their Local Plan work and through further strategic work. HBBC disagrees with the methodology from para 6.21 to 6.24 and the subsequent table 6.9 as it is not suitably justified and does not follow the evidence. The use of stock growth is not a measure of deliverability. It does not consider housing need, does not reflect market demand or the deliverability of developing housing in a particular area. The capping of redistribution based on 1.4% stock growth levels is considered to be arbitrary and is not supported by the evidence. Para 6.24 seeks to justify the uplift for HBBC by

referencing job opportunities, but this has already been considered earlier in the methodology.

4.2 HBBC is of the view that the June 2021 SoCG was clear that the apportionment of unmet need would be informed by 4 pieces of work. Only two of these pieces have been completed, the HENA and the SA. Therefore, as reflected in this Statement, the apportionment is a starting point for testing and may be amended based on the completion of the Strategic Growth Options and Constraints mapping work and the Strategic Transport Assessment and the subsequently updated Sustainability Appraisal and the outcome of any local plan "testing".

10.13 Have land supply, capacity and constraints issues been assessed in the apportionment of the unmet need? If not, how will these matters be addressed?

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?

10.15 How has the SoCG Sustainability Appraisal report (Exam 47a) informed the apportionment of the unmet need?

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.

Overall, HBBC agrees that 18,700 dwellings is the unmet need figure across the Leicester and Leicestershire area based on the current position and evidence. It does not agree, however, to the last step in Exam 45 (as previously set out in 10.1, 10.2, 10.7. and 10.11 above) which apportions an additional 85 dwellings per annum to HBBC.

Issue 4 – The Assessment of Employment Need

Offices

10.17 Does the labour demand model provide the most robust method of representing future needs and does the use of a 'sensitivity' model of a 30% reduction in the labour demand need for office space (paragraph 7.20) (HENA) provide sufficient certainty around the parameters for office floor space and job needs post-pandemic? Research and Development (R&D)

10.18 What is the justification for including R&D gross completions data within overall office needs (paragraph 7.32) (HENA) (Exam 44a)? Is the use of gross completions data rather than the labour demand figures a robust basis for assessing R&D land needs? Industrial and Local Distribution and Warehousing (less than 9,000 sqm)

10.19 Is the assumption that older premises will continue to be lost, and thus will need replacing, robust (paragraph 7.33) (HENA)? Is the use of projected gross completions a robust basis for assessing industrial land needs?

10.20 What local employment land study work has taken place to date to assess the potential for, and the likelihood of, the recycling of sites on existing industrial areas?

10.21 Is the 7.5% uplift to improve vacancy rates in industrial and local distribution in relation to churn and market choice, robust (paragraph 7.38) (HENA)? 10.22 How will assessments of market performance and thus the appropriateness of planning policy figures be monitored to ensure planning policy is sufficiently responsive over the plan period?

Issue 5 – Apportionment of the Unmet Need for Employment

10.23 Are the following factors set out in the Employment Distribution Paper (Exam 46) a robust and logical basis for the apportionment of the unmet need for 23 hectares of employment land to 2036:

- Location of authorities adjoining Leicester given their accessibility to the city and associated supply of labour (Charnwood, Blaby, Harborough, Oadby and Wigston);
- Proximity to the City, preferably adjacent to the existing urban area;
- Sites well connected to the City by A roads and ideally connected to the wider strategic network (A road/motorway network).

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?

10.25 Should some of the unmet need be apportioned to any of the other Leicestershire authorities based on the factors outlined above?

10.26 What consideration has been given to meeting a proportion of the unmet need in Blaby over the longer-term in order to contribute towards maintaining an attractive supply of employment sites in the Leicester area?

10.27 Is the apportionment of all of the unmet need for employment land to Charnwood justified by the evidence and will this be effective in meeting the employment land needs of the Functional Economic Market Area as a whole? Does this allow for flexibility and choice?