

Matters, Issues and Questions.

Examination Consultation on Leicester and Leicestershire
Housing and Employment Land Needs.

On behalf of Davidsons, Redrow and Helen Jean Cope Trust.

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Author: Guy Longley



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?

Leicester City, Charnwood, Blaby, Melton, Oadby and Wigston, North West Leicestershire and Leicestershire County Council have all formally agreed to sign the Statement of Common Ground.

Harborough have the Statement on their forward programme for Cabinet to consider on 14th November and it is anticipated the decision will be taken by Full Council following this.

Hinckley and Bosworth Borough Council have indicated that they are not in a position to sign the Statement of Common Ground due to the level of uncertainties linked to the national planning system. This includes the uncertainty caused by the recent statements by the two candidates for Prime Minister indicating a removal of the requirement for housing targets, the 'duty to cooperate' and the requirements to maintain a five-year housing supply.

It is therefore essential that the potential for the Statement of Common Ground not to be signed by all parties is taken into consideration when proposing any policy wording in the Charnwood Local Plan related to the unmet need distribution.

For example, the current proposed wording for Policy DS2: Leicester and Leicestershire Unmet Needs may not ever be achievable and could undermine the intention of the policy. The Publication Version of the policy states:

'Within 6 months of the agreement by all partners of the Statement of Common Ground for the apportionment of unmet housing and employment need, the Council will publish a review of this local plan.'

It may not be possible to get all partners to agree to a distribution and therefore any such trigger policy or other related policy wording should be related instead to the publication of a Statement of Common Ground for consideration by individual governance or the signing of one, as all authorities have it open to them sign the statement to say they do not agree.

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?

The HENA assessment of Leicester and Leicestershire's housing need from 2020 to 2036 using the standard national method is considered to be appropriate. The HENA provides a robust assessment of whether there are any exceptional circumstances that would require an alternative method and appropriately concludes there are not.

The evidence has consistently demonstrated that Leicester and Leicestershire is well contained as a Housing Market Area and Functional Employment Market Area.

There are no exceptional circumstances that would justify planning for a lower or higher figure for Leicester and Leicestershire.

- 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)

The 2018 Sub National Household Projections are very similar to the 2014 projections for the Leicester and Leicestershire Housing Market Area. There is a reduction in the projected households in Leicester but an increase in the projection for the county.

It is therefore considered that there are no significant implications of the 2018 net migration levels for the housing need assessment for Leicester and Leicestershire as a whole. There is no justification for an alternative internal migration assumption.

- 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)?

The use of the standard method to identify a minimum housing need figure for Charnwood is appropriate and justified.

- 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?

The local housing need figure generated by the standard method has increased since the Draft Local Plan was submitted and is now 1,160.

The increase in the Local Housing Need figure for Charnwood reflects a worsening of the affordability ratio in the Borough and this reduction in affordability in the Borough should be taken into account.

The use of 2020 affordability data is no longer justified given the delays. The 2020 ratio was used to prepare the July 2021 Pre-Submission Draft Local Plan. The data was updated in March this year and will be updated again in March next year, meaning there will be a two year gap in evidence if the plan is adopted after March next year, which seems very likely based on the current timetable for hearing sessions.



The 2021 should be used to reflect the current evidence and ensure the plan is robustly based. This would increase the local housing need to 1,160, 49 dwellings a year and 833 homes over the plan period, this is not an insignificant scale of homes, that if not provided for will continue to compound the affordability issues in the area, particularly if the ratio worsens again in the 2022 update.

- 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?

The 12 % increase in population and 9.2% increase in dwelling stock over the same period does suggest an issue with suppressed household formation, which is a consequence of an undersupply of new homes so people are unable to form new households.

The affordability ratio looks to address this issue through the standard method which highlights further the importance of using the most up to date standard method figure, as this suggests the ratio is going to continue to worsen this year.

This indication of household suppression could be used to inform the distribution of housing development in the County, and this would further support the case for Charnwood to be addressing the unmet need issue now rather than in a future review.

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?

The 18,700 figure was outlined in the Draft Leicester City Local Plan in 2020. Since then the City Council has undertaken a Regulation 18 consultation on the Draft Local Plan and continued to assess the suitability, achievability and availability of sites. It is therefore very likely that the figure that is set out in the Pre-Submission, Regulation 19 Local Plan will be higher than that announced two years ago.

It is considered that the Draft Local Plan estimate of unmet need was informed by an overreliance on the release of brownfield sites in the City, which may not be deliverable and development of green spaces, which may not be suitable.

It is accepted that a working assumption was needed to prepare the Statement of Common Ground, but it is important that the potential for this figure to significantly increase is taken into account.



The level of unmet need will not be tested until the Leicester Local Plan is examined so it is important that there a mechanism to review the unmet need figure and this is reflected in adjoining Local Plans adopted ahead of the City Local Plan, to account for the potential for the figure to increase.

Notwithstanding the fact that Charnwood may accommodate a share of the 18,700 dwellings through the current Local Plan based on the draft Statement of Common Ground, the Local Plan will still need a review policy that requires the Council to review its Plan in respect of housing numbers if the level of unmet need is found to increase during the examination of the Leicester City Local Plan.

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?

It is considered that the Sustainability Appraisal provides the necessary evidence to understand the impacts of the unmet need figure of 18,700.

Whilst 18,700 dwellings of unmet need were not specifically tested, the Sustainability Appraisal considers the potential for unmet need to increase. A 25% uplift on the identified unmet at the time was identified as a reasonable alternative, which totalled 20,000 dwellings. A lower level of unmet need was also tested and the 18,700 home figure falls within these tested scenarios of 20,000 and 7,950 homes.

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?

It is essential there is a review mechanisms built into all the local plans which are adopted ahead of the Leicester Local Plan. This includes the Charnwood Local Plan, even if the current anticipated level of unmet need is provided for in this Local Plan, as the scale of unmet need has significant potential to be higher.

It is suggested a review mechanism could be along the following lines:

Policy DS2: Leicester and Leicestershire Unmet Needs

Within 6 months of the adoption of the Leicester City Local Plan, the Council will publish a review of this local plan. Should a full or partial update be triggered by the review, the Council will commence the update (defined as being publication of an invitation to make representations in accordance with Regulation 18 of The Town and Country Planning (Local Planning) (England) Regulations 2012) within 12 months of the publication of the review. Once the update has commenced the Council will submit the Plan Update to the Planning Inspectorate for Examination within a further 24 months of the date of commencement of the update.

This would provide certainty that the Local Plans adopted ahead of the City Local Plan being finalised will be required to consider the implications of the final unmet need figure in their plan, which will need to have been informed by a Statement of Common Ground for Leicester's Examination in Public.



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?

It is appropriate to identify an interim approach whilst the foundations of a longer term and more fundamental shift in distribution is prepared for. The evidence demonstrates that the City cannot accommodate all the housing need arising within its boundaries and so there will continue to be a need for a long term plan for the surrounding areas to meet the unmet need.

- 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?

These are logical factors to take into account in apportioning the unmet need from Leicester, however the approach to assessing deliverability and the use of a cap at 1.4% housing stock growth is not clearly justified and has significant implications for the distribution identified.

Another factor which would be appropriate to consider is the affordability ratio of the authorities in the housing market area to take account of issues such as suppressed households and the focus of affordability issues in the county.

- 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 use of the 1.4% cap has a significant effect on Charnwood's housing need figure, reducing the unmet need distributed to Charnwood from 289 homes a year to 78 homes. This 211 home reduction is not clearly justified as a general approach or in the context of Charnwood.

- 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?

For the Council



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?

For the Council

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

For the Council

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?

The distribution of 78 homes a year from Leicester's unmet need to Charnwood is considered low in the context of the evidence set out in the HENA report demonstrating the strong relationship between the Borough and the City and the worsening affordability issues in the Borough and the opportunity to address this.

There are a range of suitable sites, consistent with the development strategy set out in Policy DS1 that have been subject to the sustainability process and represent suitable and deliverable opportunities for further allocation through modifications to the plan.

It is important that all alternative options for accommodating the unmet need from Leicester are considered and sustainability appraised, and we look forward to the opportunity to comment on this appraisal and preferred approach.

The Council have indicated that the increase can be met through existing allocations and new commitments, but it is important that additional suitable opportunities are also considered. The land south of Watermead Way, Loughborough offers one such opportunity which can contribute to meeting the additional needs from Leicester City.

Loughborough, the most sustainable settlement in the Borough. There is an opportunity to accommodate an additional 500 homes south-west of the town without significant landscape impacts, whilst delivering substantial benefits in terms of biodiversity and recreational access to the Charnwood Forest.

The land south of Watermead Way, Loughborough provides a unique opportunity to deliver a comprehensive green infrastructure strategy to protect and enhance the long term future of the Outwoods. This would overcome the current piecemeal approach to south and south west Loughborough development and deliver significant landscape, recreational and biodiversity benefits that would be secured through a more comprehensive solution to growth in this location including the land south of Watermead Way.

Allocating land south of Watermead Way would allow the Council to realise its vision expressed through Draft Policy EV4 to support development that: protects and enhances the biodiversity of the Charnwood Forest Regional Park; provides an improved network of public rights of way within Charnwood Forest and between nearby settlements; and improves accessibility for people with mobility issues.



We have set out our proposals for the site, which is in walking distance of the town centre, in our statements for Matter 1 Duty to Cooperate and included a vision document for the site as an appendix.

In our previous representations, we have demonstrated the suitability and deliverability of land south of Watermead Way, Loughborough. This site should be considered as an additional allocation adjacent to the largest settlement in the district to ensure the plan makes sufficient provision for the Borough's needs and the unmet needs from Leicester.

Town & Country Planning Act 1990 (as amended)
Planning and Compulsory Purchase Act 2004

East Midlands

4 The Courtyard, Church Street, Lockington,
Derbyshire, DE74 2SL

T 01509 670806

E EastMidlands@pegasusgroup.co.uk

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