



CHARNWOOD LOCAL PLAN 2021-2037

Examination Statement by Charnwood Borough Council

**EXAMINATION HEARING SESSIONS 2023
MATTERS, ISSUES AND QUESTIONS**

January 2023

MATTER 4: ASSESSMENT OF HOUSING NEED, THE HOUSING REQUIREMENT AND MIX AND CHOICE OF HOUSING

Issue 1 - Is the assessment of housing need and the housing requirement positively prepared, justified by the evidence and consistent with national policy?

Supply

SUPPLEMENTARY QUESTIONS

1. *In the light of the Inspectors' findings (Exam 55) that the minimum local housing need for Charnwood is 1,189 dwellings per year, should the housing requirement in Policy DS1 of 1,111 dwellings per year be increased to 1,189 to ensure that the Plan has been positively prepared? Is there any justification for a lower or a higher figure?*

MATTER 4 - Issue 1 – Answer 1

The Inspectors' letter on Leicester and Leicestershire housing and employment land needs (Exam 55) draws a number of conclusions on housing need which provide an appropriate starting point for addressing this question. It concluded that: i) the standard method established a minimum local housing need for 91,408 dwellings across the HMA to 2036; ii) that neither the 2018-based ONS Household Projections nor the 2021 Census data provide exceptional circumstances to deviate from the use of the 2014-based Household Projections in calculating housing need; and iii) that in Charnwood's case a further uplift to support economic growth is not justified.

The letter (Exam 55) then addresses Leicester's unmet need. It confirms a figure of 18,700 as a reasonable working assumption for Leicester's unmet need. It supports the approach to the distribution of unmet need set out in the Housing Distribution Paper (Exam 45) which derives a minimum figure to 2036 of 1,189 dwellings per annum (dpa) for Charnwood, which is made up of its LHN of 1,111 dpa and a contribution of 78 dpa to 2036 to unmet needs from Leicester.

However, Exam 55 also sets out that this minimum figure will be subject to further testing at the next hearing session, taking into account local circumstances particular to Charnwood that are evident in the Housing Needs Assessment (EB/HSG/1). It also refers to the Leicester & Leicestershire Housing & Economic Needs Assessment (HENA) (Exam 44a) which identified in its conclusions that affordable housing need was a consideration in setting housing targets and there may be a case in specific Plans for considering some flexibility including due to declining affordability (paras 13.27 – 13.28).

The Housing Needs Assessment (EB/HSG/1) was published in September 2020, 1¾ years before the HENA (Exam 44). It essentially works through similar evidence and draws similar conclusions. Indeed, the author, Justin Gardner Consulting (JGC), was part of the team subsequently involved in preparing the HENA. The Assessment (EB/HSG/1) considered the standard method calculation at that time, which resulted in a need for 1,105 dpa as shown in Figure 3.1 therein. This is very similar to the 1,111 dpa figure in the HENA, showing a minimal difference of 0.5%.

The Assessment (EB/HSG/1), in section 3, reviewed demographic data, including population estimates and the 2018-based ONS Sub-National Population Projections, but concluded that these did not provide any firm evidence to move away from the standard method figure (para 3.29; Demographic Trends and Projections: Key Messages Box p74; Exec Summary para 17). This is consistent with the findings in the HENA (Exam 44). The Assessment similarly found no reason to consider a higher housing requirement to support economic growth (para 3.71), which is again consistent with the HENA and the Inspectors' letter (Exam 55).

Affordable housing need was quantified in the Assessment (EB/HSG/1), with an annual need for 476 rented affordable homes identified (Fig 4.16), with the report then considering the inter-relationships to overall housing need in paras 4.105 – 4.114. It concluded in para 4.114 that the “evidence does not point towards any need for the Council to consider a housing requirement above that shown by the standard method to increase the delivery of affordable housing.” Equally, the Assessment concluded that student housing needs did not provide any basis for adjustments to overall housing supply (Student Housing: Key Messages Box p169; Exec Summary para 60).

On that basis, it is considered that the Housing Needs Assessment does not provide any basis for deviation from the 1,189 dpa figure identified.

In terms of affordable housing need and affordability, the HENA (Exam 44) was prepared in 2021/22 and identified an annual need for 455 rented affordable homes per year (Exam 44a Table 9.9). HENA (Exam 44a) then considered the relationship between the affordable housing need and overall housing provision (paras 9.40 – 9.50) and in its conclusions (paras 13.27 & 13.28), noting the complexity of the relationship and the reasons why the two cannot be arithmetically linked.

Applying the same logic to affordable housing need for the Housing Market Area (HMA) set out in paras 13.27 & 13.28 of HENA (Exam 44a) to Charnwood, the affordability adjustments in the standard method increase housing need in Charnwood to a level 23% above the household projections; whilst the 1,189 dpa figure would represent boosting overall housing provision by 42% relative to historical delivery since 2011. These adjustments will deliver additional market and affordable housing and, as at the HMA level, the adjustments are sufficient to deal with the scale of any additional households in need (quantified as 25 units per annum in HENA Table 9.10). It should be noted that affordable home ownership need is for a different tenure of home rather than representing an overall need for additional homes.

The HENA's findings thus support and are consistent with the Housing Needs Assessment (EB/HSG/1) in finding that there is not a specific basis for setting a higher housing requirement to support the delivery of affordable housing.

The Council has additionally considered the affordable housing needs evidence in its Housing Topic Paper (TP/1). This reaffirms in paragraph 3.18 that a significant proportion of the affordable need relates to households in accommodation that is unsuitable for them, but which would be available for others if they moved and conclude in paragraph 3.19 that there was no need to increase overall housing provision.

In respect of the affordability ratio, the Council recognises that the 2021 affordability ratio increased to 8.41, the effect of which would be to increase Charnwood's housing need to 1,160 dpa. However, it considers that the standard method figures are fixed at the point of

submission of the Plan as per Para 2a-008 in the Planning Practice Guidance. This is consistent with the Local Plan Expert Group’s recommendations which recognised that constantly evolving data which moved housing need goalposts during plan examinations was not consistent with speeding-up plan-making. The Council noted these issues in its Matter 10 Leicester and Leicestershire Housing and Employment Land Needs Written Statement in response to MIQ 10.5. The greatest effect on addressing affordability would be achieved by expediting the adoption of the Plan to enable housing delivery to increase; whereas further amendments to housing need could have the opposite effect. The process of identifying additional suitable sites to meet a further increase in housing need, along with the required consultation and collaborative work with infrastructure providers and statutory consultees to mitigate the impacts of development, would introduce significant delays to the adoption of the Plan and may ultimately result in the need for a different spatial strategy for Charnwood to be drawn up.

The Council therefore considers that the housing requirement should be based on the Borough’s local housing need calculated using the standard method at the point of submission (1,111 dpa), with the addition of 78 dpa to meet the unmet need from Leicester over the period to 2036. The housing requirement in Policy DS1 should be increased to 1,189 dwellings per year to ensure that the Plan has been positively prepared, and no additional adjustments are justified to increase this figure further.

SUPPLEMENTARY QUESTIONS
<i>2. Pending any changes to the housing requirement in Policy DS1 to accommodate Charnwood’s apportionment of Leicester’s unmet housing need, is there a sufficient buffer between the minimum housing requirement in Policy DS1 and the overall supply during the Plan period to ensure that there is a reasonable prospect of the housing requirement being met? In the event that the supply needs to be increased to secure an appropriate buffer, what sources of supply would help to deliver this? Are any new site allocations likely to be required? If so, what would be the process and likely timescale for identifying sites?</i>

MATTER 4 - ISSUE 1 – ANSWER 2

The Housing Supply Technical Note (Exam 56) sets out the effect of increasing the housing requirement to accommodate Charnwood’s apportionment of Leicester’s unmet housing need without any corresponding changes to the housing supply and identifies that additional source of housing supply are necessary. Exam 56 sets out the following sources of additional supply:

Source of Additional Supply	Number of Additional Homes
Appeal Decisions	220
Windfall Allowance	756
Site Intensification	518
TOTAL	1,494

No new sites are required using this approach. Any process for identifying further suitable allocation sites would involve additional technical assessment and consultation which would be likely to take several months.

Issue 2 - Will the Plan provide for a choice and mix of housing to meet the needs of different groups in the community?

Policy H9 - Gypsies, Travellers and Travelling Showpeople

SUPPLEMENTARY QUESTIONS

3. With reference to the Court of Appeal judgement *Smith v SSLUHC & ORS* dated 31 October 2022 regarding the interpretation of the Planning Policy for Traveller Sites (2015) and the application of that policy to Gypsies and Travellers who have ceased to pursue nomadic lifestyles:

- a. Are any amendments to, or further assessment of, the Gypsy and Traveller Accommodation Assessment (EB/HSG/4) necessary to identify the accommodation needs for Gypsies and Travellers?**
- b. Should the Plan make any further provision for accommodation for Gypsies and Travellers that have ceased travelling permanently and/or pursuing a nomadic lifestyle?**

MATTER 4 - ISSUE 2 – ANSWER 3

3a. Are any amendments to, or further assessment of, the Gypsy and Traveller Accommodation Assessment (GTAA - EB/HSG/4) necessary to identify the accommodation needs for Gypsies and Travellers?

No, the GTAA (EB/HSG/4) remains a robust assessment of the needs of gypsies and travellers.

The question relates to the Court of Appeal decision of 31st October 2022 in the case of Lisa Smith and the Secretary of State for

Levelling Up, Housing and Communities and North West Leicestershire District Council. The case is of interest because of the interpretation of the Planning Policy for Traveller Sites (PPTS), and the application of that policy to Gypsies and Travellers who have ceased to pursue nomadic lifestyles. However, the High Court challenge was against a specific planning appeal and not a Judicial Review against the PPTS which remains Government policy guidance. The consultants who prepared the GTAA (EB/HSG/4), Opinion Research Services (ORS), were not a respondent or interested party.

The policy in the SD/2 was informed by the 2017 Leicester and Leicestershire GTAA and for Charnwood, the Leicester and Leicestershire GTAA found that there was no need arising from gypsies and travellers who meet the planning definition, do not meet the planning definition or unknown households.

Allocations of land for gypsies and travellers was made in the Charnwood Core Strategy (2015) and in each case this provision has been consented in the relevant planning permissions and Section 106 Agreements pertaining to each site.

ORS was commissioned by Leicester City Council in 2019 to undertake an addendum to their GTAA, and most recently by Blaby and Hinckley and Bosworth Borough Council for a new GTAA for their local authority areas which used a similar methodology.

Following the High Court decision ORS has written to the Borough Council to confirm that :

- as things currently stand PPTS (2015) and NPPF (2021) are still the statutory guidance that are in place – including the PPTS Annex 1 planning definition.
- that GTAAs completed by ORS do consider the needs of all Travellers so it is unlikely that they will need to be revisited.
- the GTAA is still a robust assessment of need for all Travellers and is able to deal with any changes to the planning definition of a Traveller that may be introduced as a result of the recent judgement.

The methodology of the Leicester and Leicestershire GTAA (2017) was based on surveys of gypsy and travellers and travelling show people. Those households on each site where an interview was not possible were recorded as **unknown**. The reasons for this included households that refused to be interviewed and households that were not present during the fieldwork period.

3b. Should the Plan make any further provision for accommodation for Gypsies and Travellers that have ceased travelling permanently and/or pursuing a nomadic lifestyle?

No, Local Plan Policy H9 and the evidence which underpins the policy remains robust and appropriate. For Charnwood, the Leicester and Leicestershire GTAA found that there was no need arising from gypsies and travellers who meet the planning definition, do not meet the planning definition or unknown households.

The consultants who prepared the GTAA considered that Councils would need to carefully consider how to address the needs associated with **unknown** Travellers. In terms of Local Plan policies, the Councils were recommended to consider the use of a specific site allocation/protection policy for those households that do meet the planning definition, together with a criteria-based policy (as suggested in PPTS) for any unknown households that do provide evidence that they meet the planning definition. This is what the Council has done with respect to Policy H9. F

In accordance with paragraph 11 of the PPTS, this criteria-based policy provides sufficient flexibility for new sites coming forward. This provides scope to consider applications from Gypsies and Travellers that meet the planning definition and those that do not.