

For and on behalf of
Lagan Homes

**Charnwood Local Plan
Examination in Public
Supplementary Matters, Issues & Questions
Matter 4: Assessment of Housing Need, the Housing Requirement and
Mix and Choice of Housing**

Land at Anstey

**Prepared by
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1.0 INTRODUCTION

- 1.1 This response to the supplementary questions relating to Matter 4 in respect of the Charnwood Local Plan (CLP) 2021-37 Examination has been prepared by the Strategic Planning Research Unit ('SPRU') of DLP Planning Ltd. SPRU have been instructed to appear at the Examination on behalf of Lagan Homes.
- 1.2 This statement should be read alongside previous representation to the Regulation 19 consultation (PSLP/162), submitted by Geoffrey Prince Associates Ltd on behalf of Cawrey Homes, in respect of the Local Plan and should be considered in the context of support for the Local Plan. The site in which these representations related, is now being promoted by Lagan Homes.
- 1.3 In response to the current shortfall in supply, Lagan Homes have submitted an outline planning application at land at Gorse Hill, Anstey for up to 80 dwellings (P/22/2132/2). Lagan Homes are a privately owned SME Housebuilder based in Banbury and operating across the Midlands. Promotion of the site responds to the financial and operational barriers typically faced by SME housebuilders in terms of securing opportunities for development on larger allocated sites. By extension the site would increase and diversity opportunities for delivery.
- 1.4 The application was validated by the Council on 20th December 2022 and demonstrated the developer's commitment to bringing the site forward. The supporting evidence, submitted as part of the application, demonstrates that there is no technical impediment to the development of the subject site for residential purposes.
- 1.5 DLP prepared written submissions and appeared on behalf of Lagan Homes and other clients in respect of Matter 10 (Unmet Housing Needs).
- 1.6 This Statement addresses relevant supplementary questions relating to the overall assessment of housing need and implications for the housing requirement arising from these previous objections. This Statement also provides a response to Question 4.4 of the Inspectors' main MIQs in relation to the provision of housing on small sites in light of modifications proposed to the overall housing requirement.

2.0 ISSUE 1 - IS THE ASSESSMENT OF HOUSING NEED AND THE HOUSING REQUIREMENT POSITIVELY PREPARED, JUSTIFIED BY THE EVIDENCE AND CONSISTENT WITH NATIONAL POLICY?

1. In 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?

- 2.1 Given the Inspectors' judgement on minimum local housing need and the necessity to address unmet housing needs from Leicester that exist *now*, it is critical that the housing requirement, as outlined in Policy DS1, is modified and increased. On behalf of our client, we continue to assert that a higher figure to ensure provision of a minimum of 1,234 houses per year is justified for the reasons set out below. Lagan Homes has previously asserted that declining affordability since submission of the Plan should be reflected in provision to reflect its impact upon increase in the calculation of local housing need alongside reinforcing the justification for provision towards Leicester's unmet needs.
- 2.2 This value must be specified as a minimum in order to avoid scenarios in which otherwise sustainable development is hampered due to non-compliance with Policy DS1 (once adopted).
- 2.3 Failure to raise the requirement to include the apportioned unmet need will result in supply being assessed against an artificially low requirement, preventing the delivery of housing to satisfy Leicester's unmet requirements. It is possible that this may simply increase Leicester's acute housing needs.
- 2.4 As stated in our thorough Matter 10 Statement (paragraph 2.18) Charnwood's minimum dwelling need should be adjusted from 1,111 dpa to 1,156 dpa in order to reflect the most recent LHN calculation based on the most recent affordability ratio. As a result, the 1,189 dpa value should be raised to a minimum of 1,234 dpa (1,156 + 78).
- 2.5 As mentioned above, applying the relevant 2021 affordability ratio would raise the assessment of local housing need by 45 dpa. This represents over half of the extra houses suggested by EXAM45 to meet Charnwood's portion of Leicester's unmet needs and is a sound and justified response to addressing limitations and constraints in the methodology for apportioning these needs. This is reinforced by the uncertainty that the remainder of Leicester's unmet needs will be met in full by other neighbouring authorities (with weaker functional relationships) given their own plan-making timescales.
- 2.6 Our client maintains an objection to limitations on the methodology related to capping the compound dwelling growth rate at 1.4% for the apportionment of unmet needs. This is not supported by the evidence of the Council's own trajectory in terms of the expected rate of housing delivery or details of potential supply in terms of the flexibility and choice of suitable sites could be provided to support the trajectory. In other words, this aspect of the methodology is specifically not a constraint upon addressing a higher level of housing need locally to reflect worsening affordability – equivalent to +45dpa – alongside the justification for provision for Leicester's unmet needs.
- 2.7 The soundly based principles of the development strategy support addressing increased pressure upon housing need within the Plan's provision for housing within the five years upon adoption and pending future review. In the circumstances where a shortfall exists against a five-year requirement measured on the basis of housing need (and provision for unmet needs at 78dpa) and more fully reflecting worsening affordability (i.e., a total of 1,234dpa) the Plan's own evidence base acknowledges a higher sustainable capacity for growth at

Anstey/Glenfield. Our client's land at Gorse Hill is one such example of this capacity and where greater certainty could be provided as part of its allocation under this part of the development strategy. Flexibility should otherwise apply and the proposed application of Policy DS1 in the circumstances of a shortfall (whether against 1,189dpa or 1,234dpa per annum) is broadly supported.

- 2.8 It is vital to recognise that if an unmet need in Leicester cannot be provided within the city, it should be met in a way that permits people to live near the services on which they rely, allowing for more sustainable travel patterns. This strategy is used to ensure that new homes can take benefit of existing infrastructure such as public transit, schools, medical facilities, and shopping malls.
- 2.9 The shortcomings within the approach in EXAM45 (equivalent to +78dpa provision for unmet needs) impose constraints upon redistribution that should be based on the functional link between the neighbouring councils and Leicester. This remains contrary to the guidance but also unlikely to achieve the policy outcomes of increasing the supply of housing for the residents of Leicester (and those affected by associated worsening affordability in Charnwood) in terms of proximity to services and sustainable travel patterns.
- 2.10 Provision for a higher level of local housing need to reflect worsening affordability as part of the proposed strategy, as submitted, is entirely consistent with these objectives and those of supporting sustainable development and a boost to overall supply.

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?

- 2.11 The proposed Local Plan has a 10% flexibility provision (1,778 dwellings) to provide for unforeseen changes that may jeopardise site delivery (SD-2, paragraph 2.14). This would equate to ensuring the provision for 19,554 units (SD-2, Table 2) relative to the requirement proposed in the submission version Plan. However, the development strategy contained in Policy DS1 intends for only 19,461 dwellings to be built (SD-2, Table 5). As a result, the Local Plan may fall 93 houses short of the desired provision for a 10% buffer against housing requirements.
- 2.12 Furthermore, as previously stated, we feel that Policy DS1 should include a minimum dwelling requirement of 19,744 (16 years) and increased to 20,978 to ensure provision for Plan Period to 2038. Provision in the submission version Local Plan is therefore insufficient to address the housing requirement once subject to appropriate modifications.
- 2.13 As a result, we believe that enough land should be found to support a minimum of 21,718 houses (to 2037) and 23,076 to 2038. This includes Charnwood's most recent LHN need of 1,156, as well as Leicester's unmet housing need and a 10% buffer deemed acceptable by the Council.
- 2.14 As a result, there would be a shortfall of 2,257 houses compared to the provision set out in Policy DS1 (19,461) based on the total to 2037.
- 2.15 Additional capacity and potentially additional new sites will therefore be required. Pending discussion at the Matter 7 session our client has previously submitted that the buffer in provision relative to the requirement in the Plan as submitted would not provide flexibility and

choice upon adoption due to the reliance on large strategic sites as a substantial proportion of the 'buffer'.

- 2.16 As such the starting point to address the shortfall against the housing requirement as proposed to be modified would also form part of the solution to issues or reliance on strategic sites. The Council should, therefore, seek to maximise the development yield on allocated sites, ensuring that the best use of land, at appropriate densities, maximises supply.
- 2.17 This approach is unlikely to result in the identification of an additional 2,257 houses, thus further sites will be required. We believe it is acceptable to produce and submit a supplementary allocations report to the Examination. This should be compatible with the planned Development Strategy, but it should also attempt to meet as much of Leicester's unmet need as possible near to the city such as our client's land at Gorse Hill.
- 2.18 An updated trajectory, including information of any changes in site capacities, should come before this to help the Council and Inspectors evaluate how much more land is needed for development and whether the characteristics of supply (as modified) might enable adoption of an effective Plan with flexibility in supply with any buffer below 10%. We submit such circumstances would only be sound with greater flexibility in the application of Policy DS1 in the event of any shortfall, particularly in relation to sites located adjacent to the LUA.

4.4 Would at least 10% of the housing requirement be accommodated on sites no larger than one hectare as set out in NPPF paragraph 69?

- 2.19 The Council's response in its written statement to the main MIQs (paragraph 4.4.1) confirms that the Plan as submitted against a housing requirement of 17,776 dwelling is inconsistent with national policy in Paragraph 69.
- 2.20 The necessary modifications to the housing requirement to reflect a contribution towards Leicester's unmet needs (+78dpa) plus, reflecting our client's submissions, worsening affordability and an extension by the Plan period of 1 year (equivalent to 1,234dpa overall) results in a deterioration in the proportion of supply on small sites.
- 2.21 Table 1 below updates the relevant calculation from the Council's Statement to reflect the increase in the housing requirement.

Table 1. Proportion of Housing Land Supply on sites Under 1ha

| | Homes on Sites <1ha | Housing Requirement: 17,776 dwellings | | Housing Requirement: 20,978 dwellings | |
|-------------------------------------|---------------------|---------------------------------------|-------------|---------------------------------------|-------------|
| | | Proportion of Total | Cumulative | Proportion of Total | Cumulative |
| Homes Delivered 2021/22 | 97 | 0.5% | 0.5% | 0.5% | 0.5% |
| Proposed Site Allocations | 469 | 2.6% | 3.2% | 2.2% | 2.7% |
| Existing Commitments (1 April 2022) | 605 | 3.4% | 6.6% | 2.9% | 5.6% |
| Brownfield Land Register | 289 | 1.6% | 8.2% | 1.4% | 7.0% |

- 2.22 Paragraph 11 of the Government’s consultation report on proposed changes to national policy (December 2022) emphasises that provisions to ensure greater delivery of housing on small sites are expected to be retained, supported and enhanced. On behalf of our client we submit that this is an important aspect of incentivising the plan-making process whilst ensuring that development plans provide a robust and effective range of sites and policies to support housing delivery.
- 2.23 The Government acknowledges the role of increasing delivery on small sites in specifically supporting the operation of SME housebuilders such as Lagan Homes. As a privately owned SME housebuilder based in Banbury and operating across the Midlands Lagan Homes are directly affected by constraints to identifying new land and new development opportunities, particularly upon allocated sites. In the vast majority of cases potential opportunities are located upon the allocation of large sites which are inflexible in terms of accommodating the delivery expectations and operations of SME builders and by extension impose barriers in terms of land values.
- 2.24 The Council has indicated that it may be able to meet a proportion of the increase in the housing requirement through modification to the capacity of proposed allocations. While this is welcomed to an extent - particularly where any increase might be achieved on sites capable of delivering in the early and middle years of the Plan period – it is only through the provision of additional sites that there is any scope to fundamentally increase choice and flexibility and mitigate the departure from national policy in Paragraph 69.
- 2.25 Within the context of the acknowledged and expected further departure from national policy in paragraph 69 our client submits that this supports a focus upon modifications that ensure flexibility and choice in supply, particularly in the circumstances of land supply shortfalls (as outlined in Policy DS1). Within this context it is important to note that the flexible application of the 1 hectare criteria in national policy would still achieve a boost to supply. Once such example is provided by our client’s land at Gorse Hill provides a specific opportunity to increase housing delivery on a relatively small site adjacent and functionally well-related to the LUA.



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