



CHARNWOOD LOCAL PLAN 2021-2037

Examination Statement by Charnwood Borough Council

**Matter 4:**  
**Assessment of Housing Need, The Housing  
Requirement & Mix & Choice of Housing**

May 2022

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

***4.1 Is basing the assessment of housing need on the Local Housing Need figure in the standard method robust and is the housing requirement of 17,776 dwellings in Policy DS1 justified? What evidence supports this approach and should any upward adjustments be made for economic growth or to support the delivery of affordable housing?***

- 4.1.1 The Council has used the standard method set out in PPG to calculate the Borough's Local Housing Need as 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
- 4.1.2 Paragraphs 3.14 to 3.20 of TP/1 set out the reasons why it is not necessary to make any upward adjustments to this figure for economic growth or to support the delivery of affordable housing. EXAM 18 confirms that there is no evidence to indicate that there will be any upward impact on the scale of housing provision due to the scale of employment set out in the Local Plan.
- 4.1.3 EB/EMP/1 and EB/HSG/1 indicate that the number of homes required based on demographic changes (household formation and migration) is greater than the number that is required to meet economic needs. This relationship was found in both the EB/HSG/1 and the EB/EMP/1.
- 4.1.4 The Borough has a large need for affordable rented homes (TP/1 paragraphs 3.21 and 3.22). However, analysis of this in the EB/HSG/1 (pages 102- 103) shows that a significant proportion of this need relates to households in accommodation that is unsuitable for them, but which would be available for others if the household was able to move. In addition, some of the need for affordable homes from newly forming households will already be counted as part of the Local Housing Need calculation.
- 4.1.5 There is no need to increase the calculated need for housing for economic reasons or to ensure that the housing needs of particular groups are met. The most appropriate figure for the Borough's housing needs therefore remains that provided by the Local Housing Need calculated using the standard method (1,111 dwellings per year).

***4.2 Is the housing requirement of 60 dwellings for the Wymeswold Neighbourhood Plan justified and what evidence has that figure been based on?***

- 4.2.1 In order to achieve the overall scale of growth required to meet the Borough's need and to provide sufficient allocations at the Other Settlement hierarchy

tier it was necessary to identify further sites in settlements with primary school capacity to accommodate development, Wymeswold being one such settlement. There are 6 sites in Wymeswold that are similar in size and character, and rather than choosing between them through the Local Plan, it was decided that this decision should be taken by the local community through the neighbourhood planning process. On that basis a neighbourhood plan requirement figure of 60 homes was identified for Wymeswold. This process has been set out in the topic paper on site selection, TP/2.

- 4.2.2 Subsequently outline planning permission for two sites in Wymeswold, totalling 105 homes has been granted. No further development is required in Wymeswold to achieve the development strategy and a main modification has been proposed to remove the neighbourhood plan requirement of 60 homes. (References Main 4a to 4c).

## **Supply**

***4.3 Will the proposed supply of 19,461 dwellings set out in Policy DS1 against a requirement of 17,776 dwellings incorporate a sufficient 'buffer' to allow for non-delivery as well as providing choice and flexibility in the supply of housing land?***

***(Note paragraph 2.14 refers to a buffer of 1778 dwellings in Table 2. A main modification will be necessary to correct this.)***

- 4.3.1 The proposed supply of 19,461 dwellings set out in Policy DS1 against a requirement of 17,776 dwellings represents a buffer of 9.5% and provides a sufficient buffer to allow for non-delivery. Policy DS1 provides for a range of site sizes, in a range of housing market areas in a broad range of settlement across the borough. Sites are being brought forward by a range of different house builders and so there is sufficient choice and flexibility in housing supply.
- 4.3.2 In addition to the above, Matter 7, question 2 confirms that the Local Plan does not include an allowance for small windfall sites, but if it did, this would equate to an additional supply of 792 homes or an extra 4.2% flexibility over the plan period.
- 4.3.3 Since the submission of the Local Plan, the Local Plan housing trajectory has been updated for the current monitoring year. The update shows a supply of 19,469 homes against the requirement of 17,776 homes or a 10.5% level of flexibility.
- 4.3.4 **Main modifications will be necessary to update the housing supply figures in the DS1 and to ensure consistency.**

**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?**

4.4.1 Paragraphs 4.6 to 4.9 of TP/1 set out the position in relation to the contribution of small sites to meeting the Borough’s housing requirement at the time of submission. The following table sets out the updated position at the end of the 2021/22 monitoring year.

	Homes on Sites of No More Than 1ha	Proportion of Housing Requirement	Cumulative Proportion of Housing Requirement
Homes Delivered in 2021/22	97	0.5%	0.5%
Allocations Sites	469	2.6%	3.2%
Commitments Sites	605	3.4%	6.6%
Other Brownfield Register Sites	289	1.6%	8.2%

The answer to Question 7.4 sets out the past rate of small site windfalls which have not been included in the housing supply or the table above.

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

Policy H1 - Housing Mix

**4.5 Will the policy provide for a mix and choice of housing to meet the needs of different groups in the community and is it consistent with national policy in that regard?**

- 4.5.1. Policy H1 will ensure that the housing provided in Charnwood to meet the objectively assessed housing need for the Borough will consist of housing whose size, type and tenure meets the specific requirements of different groups in the community. This is set out in paragraphs 4.4 to 4.11 of the Local Plan and summarised in Table 6: Preferred Overall Mix of New Housing by Size and Tenure on Page 133.
- 4.5.2. The Housing Needs Assessment for Charnwood (EB/HSG/1) informed the policy and provides robust evidence on the specific housing requirements of the community. Chapter 5 of the Assessment sets out recommendations for the appropriate mix of housing in the Borough EB/HSG/1 was undertaken having regard to the National Planning Policy Framework (NPPF) and the Planning Practice Guidance (PPG) on housing need assessment, housing for older and disabled people and the housing needs of different groups to provide a comprehensive evidence base to support the Local Plan.
- 4.5.3. EB/HSG/1 (page 117) recommends a flexible approach should be adopted to allow a case-by-case response to meet specific requirements and having

regard to the nature of the site and character of the area, and to up-to-date evidence of need as well as the existing mix and turnover of properties at the local level. It is considered that as such the policy is justified and consistent with national policy and will ensure an appropriate mix of housing to meet the local housing need of different groups (TP/1 sections 3 and 4).

***4.6 Is the scope of the policy appropriate and is greater clarity needed in paragraph 4.5 in relation to the size of affordable properties that are most needed?***

- 4.6.1. The policy seeks to ensure that the housing needs of all groups within the community are met and on that basis the scope of the policy is appropriate and justified and will provide a suitable mix of housing to meet the requirements of different groups.
- 4.6.2. The size mix of affordable housing identified in paragraph 4.5 is based upon evidence contained within the robust assessment EB/HSG/1. The preferred mix identified in Table 6 provides a guide to the size of affordable properties which are most needed without being overly restrictive and in doing so provides some flexibility to take account of site characteristics, and any localised evidence of need, such as that drawn from the Housing Register. This will enable the Council's Strategic Housing service to ensure that the specific needs of the local area at a certain point in time can be better met. Table 6 reflects the conclusions identified in EB/HSG/1 by recognising that in the affordable sector the delivery of larger family homes can release a supply of smaller properties for other households. It also recognises that 1-bed properties offer limited flexibility to react to changing household circumstances, which can result in higher turnover and management issues. This has resulted in a joint requirement for 1 and 2 bed affordable rented units which provides more flexibility and recognises that Charnwood currently has a high stock of 1-bedroom social rented homes.

***4.7 Is the policy sufficiently flexible to take account of changing conditions to the private rented sector over time?***

- 4.7.1. Policy H1 provides sufficient flexibility to respond to changing conditions in the private rented sector. It is not overly prescriptive and provides for the mix of housing to reflect up to date evidence and respond to changes in the housing market, economic conditions and local needs.
- 4.7.2. The policy has considered the evidence provided by EB/HSG/1 which undertook an analysis of the private rented sector in Charnwood, as highlighted in the Planning Practice Guidance (PPG), to understand the role played by the sector, and to consider if there is any need to provide additional housing in this tenure. The analysis identified that whilst rent levels have increased over time, this increase is lower than that seen regionally and nationally and does not suggest there is a lack of supply of private rented homes with the lack of homes to buy a more pressing issue. It also noted that

there is no evidence of a need for Build to Rent housing, other than potentially for students, and that any development proposals specifically for private rent should be considered on their merit. The study concluded that the decision whether to buy or rent a home in the open market is dependent on several factors such as mortgage lending practices, the availability of Housing Benefit and a general shortage of housing which mean that demand can fluctuate over time; if the supply of housing increases, then more households would potentially be able to buy, reducing the private rented sector. Given this difficulty in predicting the future demand, the study did not attempt to estimate the need for additional private rented housing in Charnwood.

## Policy H2 – Housing for Older People and People with Disabilities

***4.8 Are the requirements in Policy H2 for M4(2) and M4(3) standard homes justified having regard to the factors listed in the Planning Practice Guidance<sup>1</sup> and the evidence in the Housing Needs Assessment (EB/HSG/1)? Is it clear what is meant by an ‘appropriate proportion’ in relation to the requirement for M4(3) homes? Has the impact on development viability been assessed and what was the outcome?***

- 4.8.1. The Council’s approach to Policy H2 and the requirements for M4(2), Accessible and Adaptable Dwellings and Part M4(3), Wheelchair User Dwellings is in accordance with national planning policy and is justified by the evidence of need and delivery considerations. The background to the approach is set out in the Housing Topic Paper (TP/1) (Paras 3.33 to 3.39).
- 4.8.2. The PPG states that the requirements of Part M4(3) should only be applied to those homes where the local authority is responsible for allocating or nominating a person to live in that dwelling (Para: 009 Reference ID: 56-009-20150327) so the policy refers to the need for consultation with Registered Providers because the nomination process ensures that the needs of wheelchair users can more effectively be matched with suitable accommodation. It is also appropriate to seek some M4(3) homes as part of affordable housing provision because there is a greater proportion of people with a long-term health problem or disability in this tenure (27%) than people in other tenures (14%) (Housing Needs Assessment 2020, p127).
- 4.8.3. Policy H2 seeks to ensure that at least 10% of new market homes meet the Part M4(2) standard. The Housing Needs Assessment 2020 (EB/HSG/1) stated that based on the evidence of need, the Council could consider requiring all new homes (in all tenures) to meet the Part M4(2) standards (p137) but having regard to the potential impact on viability it was considered that this would place excessive burdens on housing delivery and on that basis a lower target percentage was included in the policy, commensurate with national planning policy.

---

<sup>1</sup> Paragraph: 007 Reference ID: 56-007-20150327

- 4.8.4. The reference to ‘an appropriate proportion’ is to signal a clear intent to make suitable provision for those with limited mobility or disabilities on a flexible basis and in discussion with Registered Providers. The Council does not consider that the imposition of a specific target percentage for implementation over the plan period would enhance the prospects of delivery on a site-by-site basis. Instead, the plan promotes a flexible approach which will fit with the Council’s wider housing responsibilities.
- 4.8.5. The Viability Study (EB/I&D/1) modelled 10% of all dwellings as M4(2) in their appraisals which gave a figure of £521 per unit. The assumption was based on DCLG Housing Standards Review, Final Implementation Impact Assessment, March 2015, (paras 153 and 157) The effect of this requirement was found to have a medium impact on viability. The M4(3) costs are significantly higher; however, the impacts of such provisions on viability in the affordable sector will be considered on a site-specific basis dependent on the need which it is seeking to address.

### Policy H3 – Internal Space Standards

#### ***4.9 Is there an identified need to apply the nationally described standard taking account of the evidence about the size and type of dwellings being built in the area? Where is that evidence and has the impact on development viability been assessed?***

- 4.9.1. The justification for the Council’s approach towards space standards is set out in the Housing Topic Paper (TP/1) (Paras 3.40 and 3.41.). It refers to the Housing Needs Assessment 2020 (EB/HSG/1) use of marketing information from developers and Energy Performance Certificates (EPCs) which indicated that standards for gross internal floor area and built-in storage were not always being met. (P156 and 157).
- 4.9.2. An analysis of recent planning applications in Charnwood has also raised concerns over the small size in some instances, notably in relation to conversions and change of use, which would result in poor amenity space and living environment standards for the future occupiers (See for example appeal decision APP/X2410/W/20/3255203 – 12 Fennell Street, Loughborough and applications P/20/1186/2 – 1193 Melton Road, Syston, P/21/0103/2 – 7 Sibson Road, Birstall, P/21/0436/2 – Adj 39 Church Street, Thurmaston, P/21/1109/2 – 49 Arthur Street, Loughborough and P/21/1534/2 – Adj 1368 Melton Road, Syston). Such applications have been refused planning permission and by setting an appropriate standard for the size of dwellings this would protect the amenity of future occupiers and ensure that clarity is provided to future development proposals. As a result, the Council wishes to set a clear standard for the appropriate size of dwellings to meet the needs of occupiers.
- 4.9.3. The Viability Study (EB/I&D/1) took account of the requirements of Policy H3 by modelling nationally described space standards.

## Policy H4 - Affordable Housing

### ***4.10 Is the supporting text to the policy and the policy itself sufficiently clear for Plan users in relation to the calculations for the provision of affordable housing?***

4.10.1. The Local Plan, through Policy H4 and its supporting text sets out the requirements for affordable housing provision in Charnwood. The Policy itself sets out the requirements for the percentage of affordable housing provision on greenfield and brownfield sites for all major housing developments, the tenure mix which will be sought and the allowance for some flexibility in its implementation. The supporting text provides a reasoned justification for the Policy adding further detail on how the requirements will be implemented.

### ***4.11 Does the viability evidence support the percentages of affordable housing sought on greenfield and brownfield sites and the threshold of 10 or more dwellings at which they will be required?***

4.11.1. Land values for a range of actual greenfield and brownfield sites were assessed in the Charnwood Viability Study (EB/I&D/1) to enable an understanding of comparative land values. This was supported by a residential market assessment which identified three market areas with similar land values: Leicester Fringe, Shepshed / Loughborough and Wider Charnwood.

4.11.2. In accordance with national planning guidance (NPPG, para: 004 Reference ID: 10-004-20190509) the approach of the Viability Study was to consider the viability of typologies of sites rather than actual sites. Therefore, a range of typologies were established for modelling purposes for different sizes of sites based on the sizes and types in the local plan's emerging draft housing allocations. Typologies were set out for size of sites, greenfield and brownfield for each of the three market areas

4.11.3. In terms of viability brownfield sites are more challenging than greenfield sites due to a range of legacy costs and higher costs resulting from site clearance, demolition and remediation as well as higher infrastructure costs.

4.11.4. The Viability Study found that all the greenfield typologies were found to be viable, but development on some brownfield typologies was shown as unviable. The Study's sensitivity analysis demonstrated that the reduction of affordable housing from 30% to 10% on brownfield sites reduces the risk that sites will require a viability assessment at the development management stage of planning (except for flatted development) (para 7.19).

4.11.5. A stakeholder workshop found that all developers considered their sites were viable at 30% affordable housing.

- 4.11.6. Based on the assumptions set out in the report and the detailed financial appraisals of site typologies it was recommended that the Charnwood Local Plan is viable on the basis of 30% affordable housing on greenfield sites across all market areas and 10% affordable housing on brownfield sites across all market areas - except for larger brownfield regeneration sites that are likely to be subject to a viability assessment at the decision-making stage (para 9.1).
- 4.11.7. The threshold of 10 dwellings for affordable housing is in accordance with the NPPF (para 64). This helps facilitate delivery through the negotiation of developer contributions through the planning process, and for ensuring a quantum of delivery by registered providers.
- 4.11.8. The viability evidence therefore supports the percentages of affordable housing sought on greenfield and brownfield sites and the threshold of 10 or more dwellings at which they will be required.

***4.12 Is there any evidence to indicate that the First Homes model is the appropriate mechanism to meet affordable housing needs in the Borough? How will First Homes be delivered as part of the mix of affordable housing?***

- 4.12.1. The detailed requirements for First Homes were published by the Government in late May 2021 and as such this form of affordable housing provision did not directly inform the preparation of the Local Plan. However, First Homes represent a form of discounted market sales housing, and this product was explored by the Housing Needs Assessment (EB/HSG/1) as part of its analysis of affordable home ownership requirements in the Borough.
- 4.12.2. The study noted that there is no specific need to provide affordable home ownership housing identified in the Borough and that, whilst there are some households in the gap between renting and buying, there is a supply of homes within the existing stock that can contribute to any need. It was considered likely that access to owner-occupation is being restricted by lack of capital (for example, for deposits, stamp duty, legal costs) and mortgage restrictions (for example, where employment is temporary) rather than just being due to the cost of housing to buy.
- 4.12.3. EB/HSG/1 then states that if the Council does seek to provide some affordable home ownership properties, then shared ownership is the most appropriate option. This is due to the lower deposit requirements and lower overall costs (given that the rent would also be subsidised). This would indicate that First Homes are not the most appropriate means of addressing affordable housing needs in Charnwood as they reduce the ability to meet the identified affordable housing needs of a specific group, those requiring affordable rented accommodation. For these reasons, the Borough Council's Housing Services Team seek to negotiate with developers to secure shared ownership provision in preference to First Homes products.

- 4.12.4. The Leicester and Leicestershire Housing and Employment Need Assessment (2022) has assessed First Homes as part of the analysis of affordable home ownership requirements across Leicester and Leicestershire. This drew similar conclusions in relation to the overall need for affordable home ownership products and the suitability of First Homes when compared to shared ownership products.
- 4.12.5. First Homes will be delivered in the housing mix as part of the affordable homes for ownership requirement with 25% of affordable homes being First Homes.

***4.13 How will the First Homes model assist in meeting the need for shared ownership dwellings?***

- 4.13.1. The First Homes model does not directly meet the need for shared ownership dwellings as it is a form of discounted market sales housing. Shared ownership housing offers a different affordable route to home ownership and is likely to require a lower deposit than for full or discounted purchase, with lower mortgage repayments; furthermore, the rental part of the cost will be subsidised by a Registered Provider and therefore keeps monthly outgoings down. However, both provide a form of affordable home ownership and in that respect, there will be some overlap in meeting the wider needs for such properties.

Policy H6 - Self-Build and Custom Housebuilding

***4.14 Are the policy thresholds justified by the viability evidence and is it clear how many plots would be sought on sites of 10 to 250 dwellings? What evidence is available to demonstrate the level of interest in self and custom build dwellings?***

- 4.14.1. Policy H6 seeks to provide at least 5 serviced plots for self-build and custom housebuilding on sites of more than 250 dwellings.
- 4.14.2. The Viability Assessment EB/ I&D/1 considered the effect of thresholds for self-build and custom building and did not consider that this would have any adverse impact on the Plan's viability. This assumes that the cost / value equation is the same as if a full house was built and sold because there is a reduced cost and risk to the developer which is likely to be balanced by a lower value secured.
- 4.14.3. The Charnwood Housing Needs Assessment (EB/HSG/1) shows there have been an average of 42 new registrations each year to the Council's Self-build Register over the past 4-years (Para 11.4) and the Housing Topic Paper (TP/1) found that current demand was not being met, due to the lack of supply of suitable plots and the cost of the plots that are marketed.

4.14.4. The Council has sought to find a reasonable approach to providing suitable plots on the sites the Plan allocates for housing. Following comments made on the Draft Local Plan SD/20, the Council refined the policy to make it less burdensome on developers but still retain a requirement for plots to be provided on larger sites (Para 3.43).

#### Policy H7 - Houses in Multiple Occupation

#### ***4.15 Are the policy thresholds justified and what evidence are the 10% 'concentration' figure and 100 metre radius based on?***

4.15.1. The Council has been using a threshold within a radius approach for many years. The current approach, set out in a Housing SPD adopted in May 2017 uses the 100m radius but a threshold of 20%.

4.15.2. EB/HSG/2 considers what the most appropriate threshold should be. While there is no precise tipping point at which the concentration of houses in multiple occupation (HMOs) becomes suddenly harmful, research by the National HMO Lobby, cited in EB/HSG/2 (page 41), suggests that it occurs when HMOs accommodate more than 20% of the population or exceed 10% of properties. Other local authorities that use a threshold approach more commonly use one that is less than 20% (56%), compared with 33% that use 20% and 9% that use a threshold of more than 20% (page 29). Reducing the threshold would also meet community aspirations identified in the stakeholder engagement work undertaken as part of EB/HSG/2.

4.15.3. The 100m radius produces an area of just over 3ha. EB/HSG/2 studied 55 planning applications where the threshold was used and the average number of residential properties within the radius was 92. Using this size of area for the assessment therefore strikes a balance between measuring the local impact with having sufficient properties within the area to enable the assessment to be robust. A radius of 100m sits in the middle of the range used by local authorities (EB/HSG/2 page 29).

#### ***4.16 Is there evidence to indicate that the policy is based on a robust methodology? How would 'over concentration' be assessed having regard to local geographical factors?***

4.16.1. The methodology is broadly like that which has been in place for a number of years. During that time, it has been regularly used and tested at appeal (see for example APP/X2410/W/20/3253246 (77 Storer Road, Loughborough LE11 5EH) and APP/X2410/W/20/3252569 (59 Ashleigh Drive, Loughborough LE11 3HN) which in turn cites other appeal decisions. It makes use of a database that combines the following datasets:

- HMOs licensed by the Borough Council
- planning permissions and certificates of lawful use for C4 and sui generis HMO use

- Loughborough University and Loughborough College student term time addresses
- properties on the Electoral Register with a number of different surnames registered at the address
- properties with exemptions from the payment of Council Tax due to student occupation.

4.16.2. The Council continues to update the database and this process will be enhanced once the introduction of a new additional licensing scheme for houses in multiple occupation is complete.

4.16.3. Paragraphs 4.62 to 4.65 of SD/2 provide an explanation of how local geographical factors should be considered when assessing the concentration of houses in multiple occupation.

#### Policy H8 - Campus and Purpose-Built Student Accommodation

##### ***4.17 Is there evidence to indicate that the policy will meet the accommodation needs of the student population over the lifetime of the Plan?***

4.17.1. Part 9 of EB/HSG/1 deals with meeting the needs of the student population. This identified that there was additional purpose-built student accommodation in the pipeline and that Loughborough University had indicated that it did not have any plans to increase the number of students. It therefore concluded that no action was needed to meet the accommodation needs of the student population over the lifetime of the Plan.

4.17.2. Policy H8 does enable the market to provide further accommodation for students to be provided and the policy identifies the most suitable types of locations for such development.

#### Policy H9 - Gypsies, Travellers and Travelling Showpeople's Accommodation

##### ***4.18 What is the identified need for accommodation for Gypsies, Travellers and Travelling Showpeople? Is the Gypsy and Traveller Accommodation Assessment (EB/HSG/4) up to date and consistent with national policy in identifying these accommodation needs?***

4.18.1. The Leicester and Leicestershire Gypsy Traveller and Travelling Show people Accommodation Assessment (EB/HSG/4) covers the period 2016 to 2036. For Charnwood it found:

- that there was no current or future need for permanent pitches based on an assessment of gypsy and traveller households in Charnwood that met the planning definition:
- there was a need for 8 additional plots for travelling show people:

- there was no Borough requirement for transit sites as provision should be made for a minimum of 12 caravan spaces in the City of Leicester and a minimum of 36 spaces spread over 2 to 3 sites elsewhere in Leicestershire.

4.18.2. Policy H9 is informed by an evidence base in accordance with the NPPF, National Planning Practice Guidance and the Government's Planning Policy for Traveller Sites (August 2015) which changed the definition of travellers for planning purposes. EB/HSG/4 is considered to be consistent with national policy and is up to date.

**4.19 Does the policy set out appropriate and clear criteria for the assessment of planning applications and is the requirement to demonstrate an identified need consistent with national policy?**

4.19.1. Policy H9 sets out clear criteria for the assessment of planning applications related to the need related to the environment, local infrastructure and services, design, access and car parking. The identification of need reflects current planning guidance as set out in Planning Policy for Traveller Sites (2015).

4.19.2. Need has been identified through a robust Gypsy and Travellers Accommodation Assessment (GTAA) EB/HSG/4. Sites for 8 permanent pitches and 12 travelling show people will be delivered through legal agreements negotiated through the planning permissions for the three SUEs. Discussions are taking place with other local authorities in Leicestershire to secure the delivery of transit sites in accordance with the recommendations of the GTAA.

**4.20 Is there evidence to indicate that the need for this type of accommodation will be delivered through the development of Sustainable Urban Extensions?**

4.20.1. The Gypsy Traveller and Travelling Show people Accommodation Assessment (EB/HSG/4) sets out a requirement in Charnwood for no permanent pitches and 8 show persons plots.

4.20.2. However, current development plan policy is Policy CS5 of the Charnwood Core Strategy (2015) was informed by the previous GTAA (2013). This policy makes provision for at least 4 permanent pitches at the North East Leicester and West of Loughborough SUEs and 4 travelling show people plots at all three SUES including the above plus North of Birstall.

4.20.3. These allocations are LUA2, LUC2 and LUA3 respectively in the Pre-Submission Draft Charnwood Local Plan (SD/2). Provision for gypsy, travellers and showpeople has been agreed as part of the planning permissions and Section 106 Agreements which gives confidence that delivery will be provided. This approach to delivery is considered effective (EB/HSG/4, Para 5.31).

4.20.4. Current timescales for delivery are as follows:

- Based on the housing trajectory for the North East Leicester SUE land it is anticipated that the provision of land for 4 permanent pitches and 4 show people plots will be provided in accordance with a traveller land strategy and transferred to the County Council prior to the occupation of the 1,000th dwelling by 2028/29.
- Based on the housing trajectory for the West Loughborough SUE it is anticipated that the provision of land for 4 permanent pitches and 4 show people plots will be provided in 2029/30 and 2032/33 triggered by the occupation of the 1,300th and 2,500th dwellings respectively with the latter accompanied by a marketing strategy.
- In line with the trajectory for the delivery of the North of Birstall SUE it is anticipated that a marketing strategy for 4 travelling show people plots will be required by 2028/29 with delivery by 2031/32 triggered by the occupation of the 1,000th dwelling and 1,250th dwelling respectively.

**4.21 Overall, does the Plan set out a positively prepared, justified and effective strategy for the provision of housing? Will it be effective in addressing the housing needs of particular groups? Are any main modifications necessary for soundness?**

4.21.1. The Plan is consistent with the National Planning Policy Framework (NPPF) which asks local authorities to significantly boost the supply of housing in locations where it is needed and that the specific housing requirements of groups within the community are addressed. The Plan has been informed by a robust evidence base ensuring that it is appropriate and justified and consideration has been given to addressing housing needs which cannot be met in neighbouring areas, evidenced by Statements of Common Ground.

4.21.2. The policies within the Plan seek an appropriate mix of types, tenures and sizes of homes, based on the housing needs and character of the area. This will ensure that the housing delivered meets the needs of the community whilst providing some flexibility to respond to changes in people's needs.

4.21.3. Main modifications are proposed to question 4.2 to clarify the Wymeswold Neighbourhood Plan requirement is no longer justified.



## MEMO

From: **Iceni Projects**  
Title: **Housing and Jobs Note – DRAFT**  
Date: **May 2022**

---

1. This note has been prepared to consider the question of the alignment of housing and employment land provision within the emerging Charnwood Local Plan 2021-37.

### **a. The Pre-Submission Draft Local Plan**

---

2. Charnwood BC published its Pre-Submission Draft Local Plan in July 2021 (SD/2). The Plan sets out a range of objectives (see Para 1.25 therein) which include responding to the demand for housing and employment by focusing growth at Loughborough, on the edge of Leicester and Shepshed, the latter supporting the Leicestershire International Gateway (responding to the L&L Strategic Growth Plan EB/DS/6).
3. Economic objectives include to support a strong and diverse economy including higher-skilled, better paid jobs in knowledge-based sectors including high tech research and manufacturing, sports, tourism, low carbon industries and creative/cultural industry; as well as enhancing transport infrastructure and strengthening business/economic links to Leicester.
4. The Plan as submitted makes provision for 17,776 homes over the 2021-37 plan period (1,111 dpa) based on the Borough's Local Housing Need as calculated using the standard methodology. This is set out in Policy DS1: Development Strategy. 10% supply-side flexibility is built into the land supply.
5. The Plan however recognises the potential need for a future review to take account of a Statement of Common Ground on unmet needs from Leicester (see Para 2.11 and Policy DS2).
6. The spatial distribution of new homes is set out in Table 5, which shows a spatial focus of growth at the edge of Leicester and at Loughborough. This is then replicated within the text of Policy DS1.

**Table 1: Development Strategy for Homes, 2021-37**

	<b>Housing Supply</b>	<b>Distribution of New Homes</b>	<b>Total Homes</b>
<b>Leicester Urban Area</b>	5,254	2,104	7,358
<b>Loughborough Urban Centre</b>	3,831	2,242	6,073
<b>Shepshed Urban Area</b>	453	1,878	2,331
<b>Service Centres</b>	928	1,819	2,747
<b>Other Settlements</b>	119	815	934
<b>Small Villages/Hamlets</b>	18	0	18
<b>Total</b>	10,603	8,858	19,461

7. Employment land provision within the Plan is based on its evidence identifying a need for 55.47 ha of employment land over the plan period - 11.92 ha for office and 43.55 ha for general and small scale industrial (which includes 10 ha contingency to address low vacancy rates, choice, and market imbalance – see Para 2.15 in the Plan). These figures are derived from the Employment Topic Paper (TP/3 Table 2). Again, there is a recognition (see Para 2.16 and Policy DS2 in the Plan) of a potential unmet need for employment land from Leicester; and the coordinated work undertaken across the Leicestershire FEMA to address the need for larger strategic distribution units.
8. As set out in Para 2.18 in the Plan, to provide flexibility in the supply of employment land and support the Council’s objectives in relation to the Leicestershire International Gateway, an additional allocation of 5 ha of employment land is identified in Shepshed.
9. Table 3 in the Plan sets out the need and supply of employment land. This is replicated below.

**Table 2: Strategic Employment Need and Supply 2021-37**

	Office (ha)	General Industrial/ Small Warehousing (Ha)	Total
<b>Employment Need</b>	<b>11.92</b>	<b>43.55</b>	<b>55.47</b>
<b>Employment Supply</b>			
West of Loughborough SUE	4.0	12.0	16.0
NE of Leicester SUE	1.7	11.3	13.0
North of Burstall SUE	1.5	13.5	15.0
Dishley Grange, Loughborough	3.6	5.4	9.0
Watermead Business Park	2.5	9.5	12.0
Other Employment Supply at 31 March 2021	2.5	14.3	16.8
<b>Total Supply</b>	<b>15.8</b>	<b>66.0</b>	<b>81.8</b>
<b>Balance Need and Supply</b>	<b>3.9</b>	<b>22.5</b>	<b>26.3</b>

10. In addition to this, the Plan’s strategy makes provision for the Council’s long-standing commitment to the extension of the Loughborough Science and Enterprise Park to support growth in the high tech/ knowledge economy for up to 73 ha (gross) on land to the west of the existing site and close to M1 Junction 23. This is not all expected to be delivered within the Plan period.

#### **b. Employment Topic Paper Need Calculations**

11. Section 2 of the Employment Topic Paper (TP/3) sets out the basis of the employment need calculations. The starting point was the 2017 HEDNA’s conclusions on the minimum need for office and industrial space<sup>1</sup> over the 2011-36 period.
12. For offices, the calculations were derived as follows:
  - The starting point was the 2017 HEDNA’s projected need for office space on the basis of past completions trends, which showed a need for 17.1 ha over the 2011-36 period (EB/EMP1 Table 80);

---

<sup>1</sup> Excluding strategic B8

- This was taken forward in the 2018 Employment Land Review (EB/EMP/2) as an assessment of local demand in the Borough, but updated to take account of land delivered between 2011-17, reducing the need to 14 ha over the 2017-36 period (EB/EMP/2 Paras 5.23-5.24);
  - The Employment Topic Paper then makes similar adjustments in Table 2 therein to align with the start of the plan period in 2021, by subtracting completions to 2021 and extending the timeframe by an additional year to 2037. This generates a need for land for office development of 11.9 ha.
13. As a cross-check, the level of supply identified would support take-up of land for office development of 0.74 ha per annum over the plan period. This compares to take-up of on average of 0.37 ha over the 2011-20 period. The higher needs position builds in a margin for choice and flexibility of supply.
14. For industrial uses, the calculations were based on the following:
- The starting point was the 2017 HEDNA projected need for 39ha comprising of non-strategic B8 warehouse uses of up 13 ha and for 26 ha for industrial uses (B1c/B2). This again is based on past completions trends projected forwards (EB/EMP1 Table 80 and Table 82).
  - As with offices, this was updated in the 2018 Employment Land Review to take account of completions between 2011-17 to generate a need for 34.5 ha between 2017-36 (EB/EMP2 Para 6.9).
  - The ELR however provided local evidence that supply conditions in the Borough were tight justifying an additional uplift of 10 ha to allow the industrial vacancy rate to rise to a healthy 7.5% level to provide for market choice, churn, and friction (EB/EMP2 Paras 6.10-6.16). The resultant need is for 44.5 ha between 2017-36;
  - The Employment Topic Paper makes similar adjustments in Table 2 therein to align with the start of the Plan period in 2021, by subtracting completions to 2021 and extending the timeframe by an additional year to 2037. This generates a need for land for (non-strategic) industrial development of 44.6 ha.
15. Again, as a cross-check the needs assumptions would support take-up of industrial space of around 2.7 ha per annum, which compares to past completions of 1.12 ha annually. This takes account of the evidence of tight market conditions and potential for stronger delivery if the land is made available, together with the need to provide some choice and flexibility in the supply.
16. It is notable that for both offices and industrial space, **the needs evidence is based on commercial evidence of take-up trends, and not tied to a (labour demand) model for net growth in jobs** which is driven by forecasts for job numbers.
17. The 2017 HEDNA in Para 11.4 outlined in respect of industrial floorspace that *“greater weight should be given to the past completions data in drawing conclusions, noting in particular that the economic forecasts show strong performance and growth in manufacturing GVA, but a reduction in employment. This suggests that the sector itself is not contracting within the FEMA, but that through investment and productivity improvements employment across the sector as a whole may fall (albeit not in all manufacturing sub-sectors). Overall it points to a potentially weak relationship between jobs and floorspace.”* Put simply new floorspace is required by businesses who are expanding/ contracting or require better quality property and thus there is a demand for new development. There is evidence of growth in the manufacturing sector output. But as productivity is improving, businesses (including existing businesses who do not move) may not need as many workers in the future. The HEDNA Planned Growth Scenario envisaged just 100 net additional FTE jobs in industrial activities over the 2011-36 period (EB/EMP1 Table 75).
18. Similarly, for B8 warehouse/distribution floorspace, Para 11.4 in the HEDNA outlined that demand drivers for larger strategic distribution units of 9000+ sq.m include replacement demand for older

warehouse space, together with growth in traffic / trade, outlining that “because of the replacement provision, there is a weak relationship between total demand and net jobs growth” (Para 11.4, 3<sup>rd</sup> Bullet). Because of this, and investment in automation within the sector, there is a weak relationship between floorspace growth and net changes in employment. The HEDNA Planned Growth Scenario envisaged just 500 net additional FTE jobs in B8 warehouse/distribution activities<sup>2</sup> over the 2011-36 period (EB/EMP1 Table 75).

19. If we look across sectors, the HEDNA’s analysis did not provide any evidence of economic factors driving a higher need for housing. Its demographic projections, based on 10-year migration trends, pointed towards a housing need for 947 dpa over the 2011-36 period considered. Set against this the higher “Planned Economic Growth Scenario” showed a need for 735 dpa (Table 31) showing that there was sufficient labour to support the higher parameter for employment growth. Much of the forecast jobs growth was in non B-class sectors (EB/EMP1 Table 75).

**c. 2022 L&L Housing & Economic Needs Assessment (HENA)**

20. In May 2022, the sub-regional local authorities have published the Leicester & Leicestershire Housing & Economic Needs Assessment, the preparation of which Iceni has led. This is now included in the evidence base EXAM14.

21. The HENA sets out two scenarios for employment growth. The first is based on baseline projections which show growth in total employment of 3,900 in the Borough over the 2020-36 period (Table 6.2). The other a Growth Scenario which envisages stronger employment growth of 7,100 (Table 6.3). The Growth Scenario captures enhanced growth potential in a number of key sectors in the sub-region including specialisms in Lifesciences/biotech, advanced engineering, logistics, sports science etc (Para 6.20). It aligns with the LLEP Economic Growth Strategy.

22. Chapter 7 in the HENA Report considers employment land needs. This modelled the employment land needs arising based on the net change in jobs in both (labour demand) scenarios, as well as considering past completions trends. Its core conclusions regarding future development needs by sector were:

- Office floorspace requirements are best reflected by changes in employment levels, albeit recognising the potential future dampening influence of growth in homeworking. However, in drawing conclusions on R&D needs, the gross completions trend should be used (EXAM14 Paras 7.30-7.32). This generated a need for offices and R&D space of 21,000 sq.m in Charnwood between 2021-36 to which adjustments were then applied for flexibility and churn/choice generating total floorspace needs for 23,800 sq.m to 2036 (Table 7.21). This generates a need for 7.5 ha of land (based on a plot ratio of 0.35).
- For industrial floorspace and local warehousing/ distribution space, it found that replacement of older premises was a key demand driver and therefore gross completions trends were an appropriate basis for establishing demand (Paras 7.33-7.34) generating a need for 83,900 sq.m of space to 2036 (Table 7.15) to which again adjustments for flexibility and churn/choice were applied generating a floorspace need for 157,200 sq.m (Table 7.21) and a need for 35.7 ha of land (Table 7.24).

23. The total employment land need shown for 43.2 ha can then be converted to relate to the plan period using a consistent methodology to that in the Employment Topic Paper (Table 2). This calculation is shown below.

**Table 3: Adjusting the HENA Employment Land Conclusions to the Plan Period**

	Office (ha)	General Industrial/ Small Warehousing (Ha)

<sup>2</sup> Covering both strategic and local B8

<b>HENA Need 2021-36</b>	7.5	35.7
<b>Extension to 2037</b>	8.0	38.1

24. The HENA conclusions on employment land<sup>3</sup> take account of similar factors to the HEDNA and recognise that for industrial and warehouse/distribution uses there is a poor relationship between space requirements and net changes in jobs related to the importance of replacement demand with businesses seeking modern floorspace; productivity improvements and increased automation which make the relationship between jobs and floorspace weak.
25. HENA Table 8.3 outlines that the standard method housing need (1111 dpa for Charnwood as shown in Table 8.1) would support employment growth of between 15,000 (with continuing growth in net out-commuting) and 17,600 jobs (with a 1-1 commuting ratio) as shown in Table 8.3. Compared with this, it considered its two forecasts for employment growth were notably lower – a Baseline forecast for net growth of 2,400 jobs and Aspirational Growth Scenario for 6,300 jobs (Table 6.3). Thus, with the 2017 HEDNA there was no evidence of any upward pressure from conceivable demand-based economic scenarios on housing need.
26. The HENA’s analysis of homes/jobs balance for the City pointed to a similar position of ample labour derived from the standard method to support anticipated jobs growth. Leicester’s standard method need for 2,464 dpa (which includes the 35% Cities and Urban Areas Uplift – see HENA Table 8.5) would support over 42,600 jobs (Table 8.3). Set against this jobs forecasts for the City were or between 6,800 – 20,600 jobs (Table 6.3) taking account of demand and sectoral performance.
27. At a Housing Market Area wide level, the HENA pointed to a need for 91,400 homes across Leicester and Leicestershire to 2036 (5713 dpa). Its analysis showed this would support upwards of 89,400 jobs (Table 8.3). Set against this net growth in jobs of between 26,900 – 63,200 jobs were forecast pointing to considerable flexibility to support additional jobs before any upward impact on housing need would be seen.

**d. April 2022 Statement of Common Ground relating to Housing & Employment Land Needs**

---

28. The L&L local authorities have collaborated at a technical level on a Statement of Common Ground (SOCG) related to Housing and Employment Land Needs. The updated SOCG is dated April 2022 and addresses the distribution of development needs to 2036.
29. Leicester has an unmet need of 18,700 dwellings over the 2020-36 period based on the latest evidence. The SOCG apportions an additional 78 dwellings per annum from Leicester to Charnwood over the 2020-36 period informed by HENA Housing Distribution Paper (EXAM15) and associated Sustainability Appraisal (EXAM16). The distribution of unmet need reflects:
- The functional relationship between different Leicestershire local authorities and the City;
  - Local alignment of jobs and homes (although this isn’t an influence for Charnwood); and
  - Deliverability issues, incorporation issues of both land supply and market capacity.
30. This process generated a need for 19,025 dwellings (1189 dpa) which is 78 dpa (7%) above the standard method figure for the Borough. If a similar 7% uplift is applied to the HENA labour supply

---

<sup>3</sup> During WC 23/5/22 an error in the plot ratio calculation for employment need in the HENA (April '22) was identified. This was corrected and resulted in a final need of 35.7 ha of B2 / small B8 for Charnwood 2021-36.

calculation this would imply potential workforce growth in the Borough of 18,800+ between 2020-36.

31. The associated Employment Distribution Paper (EXAM15 sought to address an unmet need from Leicester for employment land. Leicester had declared an unmet need of 23.3 ha based on evidence prepared in 2020 for its own Local Plan, which was counter balanced by an overprovision across Leicestershire. Leicester’s unmet need related essentially to an unmet need for industrial/ small B8 land. The Paper found that it would be appropriate to address this unmet employment land need in Charnwood having regard to the strong relationship of the southern side of the Borough with the City and employment locations coming forwards in this area including NE Leicester and North of Birstall SUEs (13ha and 15 ha respectively).
32. Bringing this together, we can calculate the employment land needs position including unmet needs. The supply position for office space and general industrial/ small scale warehousing is of a supply position which is above the assessed need. This should be regarded as equating to additional flexibility in the supply position.

**Table 4: Employment Land Needs using HENA and Unmet Needs**

	<b>Office (ha)</b>	<b>General Industrial/ Small Warehousing (Ha)</b>
<b>HENA Need 2021-37</b>	8.0	38.1
<b>Unmet Need from Leicester</b>		23.3
<b>Total Need 2021-37</b>	8.0	61.4
<b>Supply</b>	15.8	66.0
<b>Balance Need and Supply</b>	7.8	4.6

33. Indeed, there is a planning case for over-provision in that it provides some opportunity to improve the balance of homes and jobs in the Borough and to minimise the need to travel. ONS Jobs Density Data points to an existing position where there are 66 jobs in the Borough per 100 working-age residents (16-64) compared to a ratio of 79 per 100 across the East Midlands and 84 per 100 nationally.

**e. Loughborough Science and Technology Park**

34. In addition to the sites for general employment uses, the Plan proposes the allocation of 73 ha of land as an extension to Loughborough Science and Enterprise Park. Policy LUC3 envisages delivery of knowledge-based business space in a landscaped campus providing for the University’s own operational activities and exploiting its commercial and research potential to enable growth in new enterprises and other knowledge-based businesses. This allocation is essentially “carried forward” from the Core Strategy and forms part of an Enterprise Zone.
35. As Para 3.140 in the Plan outlines, the evidence suggests demand is expected to come from: start-ups and very small companies; existing tech-based firms in the Derby/Nottingham/Leicester Triangle; potential for inward investment from larger corporates; and University-related R&D projects. It is not to be made available for general industrial and warehouses and therefore is not treated as part of the general employment land supply.
36. There is however uncertainty regarding the timing and pace of delivery of the site. Icenl note that the Concept Masterplan prepared for the site in 2016 envisaged potential for up to 200,000 sq.m of space (of which 189,000 sq.m might fall within traditional employment use classes). It is however important to recognise that these are described as “upper limits” to capacity and that “in the event of lesser market demand or slower uptake of development, the masterplan layout can accommodate a proportion of the aspirational quantum” (EB/EMP4 p8). This serves to illustrate that the masterplan quantum is aspirational and capacity-based rather than an assessment of demand.

37. The Masterplan envisaged, on this aspirational basis, a 30-year build-out period for the site. It identified the potential for Phases 3a and 3b to be delivered in the first 10 years. These phases have a combined net developable area of 10 ha (EB/EMP4 p111) and are envisaged to deliver c. 43,000 sq.m of space (EB/EMP4 p121). Given that no planning application has yet been submitted for development it seems unlikely that the quantum of development within the Local Plan period to 2037 will exceed this.
38. There is no precise estimate of associated employment generation, but the site is envisaged to include a mix of employment space from that for small business, R&D space, and advanced manufacturing. If we apply an average jobs density of 30 sq.m per job (aligning to the R&D rate in the HENA) these initial phases of development might deliver around 1,400 FTE jobs within the Plan period. Having regard to the HENA analysis of homes/jobs balance, there is clearly sufficient flexibility for this to be accommodated with no upward impact on housing need.

#### **f. Strategic Warehousing and Distribution**

---

39. The current evidence base on needs for strategic warehousing and distribution floorspace is the *Warehousing and Logistics in Leicester and Leicestershire* report prepared by GL Hearn (EB/EMP3). This identified a need to plan for around 2.6 million sq.ft of floorspace across the sub-region to 2041 (inclusive of a margin for flexibility). The Study provides an indicative split of this between rail and non-rail served sites.
40. The L&L authorities have collaborated to consider how this need should be met and prepared a Statement of Common Ground relating to Strategic Warehousing and Logistics Need, which is dated Sept 2021 (SCG-10). This sets out the supply position as at April 2021 of 387,000 sq.m at rail served sites and 1.1 million sq.m at non rail-served sites; generating an shortfall of 719,000 sq.m at rail served and 301,000 sq.m at non rail-served sites with the shortfall for the latter emerging only from the mid-2030s. Further joint work is intended to resolve this matter.
41. Paragraphs 5.30 to 5.35 of the Pre-Submission Draft Charnwood Local Plan sets out the Council's approach to Warehousing and Logistics and it is recognised that should the joint work across Leicestershire identify a need for strategic warehousing to be accommodated in the Borough then this would be undertaken through subsequent work to update the Plan. The evidence shows that the existing land supply across Leicestershire can accommodate short- and medium-term requirements which will provide ample time for future needs to be met through any future review.
42. As no specific provision is made for strategic warehousing and distribution, there are no implications in terms of the alignment with housing need.

#### **g. Differences between Demand and Supply**

---

43. At the point of the submission of the Plan, as Table 2 above outlines, there is an excess provision against the assessed need for both office and non-strategic industrial uses. This remains the case having regard to Leicester's unmet need (Table 4 above). As set out in the Employment Topic Paper, this largely reflected the existing supply position in terms of site allocations in the Core Strategy, many of which had planning consent, together with other commitments (TP3 Para 3.2). The Employment Land Trajectory in Appendix 1 in the Plan demonstrated the potential pace of delivery of different sites, subject to market demand, showing that a supply was expected to be maintained across the plan period.
44. However, availability of employment land does not mean that delivery of employment land, or employment growth, will necessarily be greater than assessed in the evidence base. The build-out of employment land is influenced by demand, which is what the evidence base assesses, and it would be wrong to imply that the availability of additional sites *per se* will result in additional job creation.

45. This is demonstrated most clearly by considering the Charnwood Core Strategy 2011-2028. This sought to create 12,000 new jobs between 2011-31 and expected delivery of 75 ha of employment land to be delivered between 2011-28 (EXAM6 Paras 4.6- 4.7). The Plan made provision for this level of employment through allocations as well as providing support to the expansion of the Science and Enterprise Park (up to 77 ha) through Policies CS1 and CS6 and allocated land at strategic sites in support of this. However, over the first 10 years of the plan period, around 14 ha of land have been delivered. Thus over 55% of the plan period, 19% of the employment land requirement has been met.
46. The allocation of additional land should thus be considered as providing additional supply side flexibility. There is no evidence to indicate that there will be any upward impact on the scale of housing provision which the Plan should support, not least as the evidence very clearly shows a labour supply position generated by the scale of housing need proposed within the Plan which significantly exceeds demand-led scenarios and modelling of net growth in jobs. This is the case at both a Charnwood level and across the wider Leicester & Leicestershire Housing Market Area.

## h. Key Messages

---

47. The key matters and resulting implications from the above are:

- Evidence supporting the Plan (the 2017 HEDNA) identifies a need for 55.5 ha of employment land over the plan period. Table 3 in the Plan sets out an 81.8 ha of supply against a need of 55.5 ha with a surplus of 26.3 ha. In addition, there is provision for Loughborough Science and Enterprise Park although this is not all expected to be delivered within the plan period.
- The level of supply identified in the Plan for offices (11.9 ha) would support take-up of land for office development of 0.74 ha per annum over the plan period. This compares to take-up of on average of 0.37 ha over the 2011-20 period. The industrial supply (43.6 ha) would support take-up of industrial space of around 2.7 ha per annum, which compares to past completions of 1.12 ha annually. This positive supply position builds in a margin for choice and flexibility of supply and for industrial responds to tight market conditions and potential for stronger delivery if the land is made available. However, **there is no guarantee that all the supply will be used in the Plan period**. In fact, considering historic delivery rates, over 55% of the past Plan period, only 19% of the employment land requirement was delivered.
- The 2017 evidence indicates that past completions data is more appropriate than labour demand models in drawing future needs conclusions given strong performance and forecast growth in manufacturing GVA - but a reduction in employment - indicating investment and productivity improvements, requiring physical space, but that employment across the sector may fall. This points to a weakening relationship between jobs and floorspace. Similarly for warehousing, replacement of historic and increasingly obsolete space is a greater driver than net growth, so total floorspace demand relates poorly to employment growth.
- The most recent housing and employment evidence (HENA 2022) reports on the latest employment growth outlook. Whilst office needs are linked to jobs forecasts, these may be dampened by increase in home working in the future compared to the past. For industrial needs, replacement of older premises is considered to be a key driver, reporting a poor relationship between space requirements and net changes in jobs to the need for new premises, productivity improvements and increased automation.
- **The evidence therefore consistently identifies a weak link between floorspace and jobs due to a range of factors, but underlines that the future capacity of employment land supply does not simply reflect the potential jobs growth.**
- The HENA outlines that Charnwood's standard method housing need would support employment growth of between 15,000 and 17,600 jobs depending on the commuting assumptions. However the two forecasts for employment growth were notably lower – a Baseline forecast for net growth of 2,400 jobs and Aspirational Growth Scenario for 6,300 jobs. As with the 2017 HEDNA there was **no evidence of any upward pressure from conceivable**

**demand-based economic scenarios on housing need.** The HENA's analysis of homes/jobs balance for Leicester City pointed to a similar position of ample labour derived from the standard method to support anticipated jobs growth. At a Housing Market Area wide level, the HENA pointed to a need for 91,400 homes across Leicester and Leicestershire to 2036 supporting upwards of 89,400 jobs, set against a net growth in jobs of between 26,900 – 63,200 jobs, **this points to considerable flexibility to support additional jobs before any upward impact on housing need would be seen.**

- The Plan proposes the allocation of 73 ha of land as an extension to Loughborough Science and Enterprise Park. Policy LUC3 envisages delivery of knowledge-based business space in a landscaped. The Concept Masterplan identified the potential for Phases 3a and 3b to be delivered over a 10-year period and it seems unlikely that higher delivery from this site will happen during the plan period. The scheme thus these might deliver around 1,400 FTE jobs within the Plan period. Having regard to the HENA analysis of homes/jobs balance, there is clearly sufficient flexibility for this to be accommodated with no upward impact on housing need.
- The Plan makes an excess employment provision against the assessed need for both office and non-strategic industrial uses. This provides an opportunity for Charnwood to support Leicester in meeting its unmet needs. The SOCG makes provision for unmet housing needs to be met by other authorities in the HMA, ideally in locations close to the Leicester Urban Area.
- There is no evidence to indicate that there will be any upward impact on the scale of housing provision which the Plan should support, not least as the evidence very clearly shows a labour supply position generated by the scale of housing need proposed within the Plan which significantly exceeds demand-led scenarios and modelling of net growth in jobs. This is the case at both a Charnwood level and across the wider Leicester & Leicestershire Housing Market Area.