

Charnwood Local Plan Examination

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

Land off Gaddesby Lane, Rearsby

Prepared by Fisher German LLP on behalf of Clarendon Land

Project Title

Land at Gaddesby Lane, Rearsby

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1. Introduction

1.1 This Hearing Statement has been prepared on behalf of Clarendon Land in respect of their land interests at Gaddesby Lane, Rearsby, as illustrated on Figure 1 below. The site is a draft allocation in the emerging Local Plan, for 47 dwellings under Policy HA66.

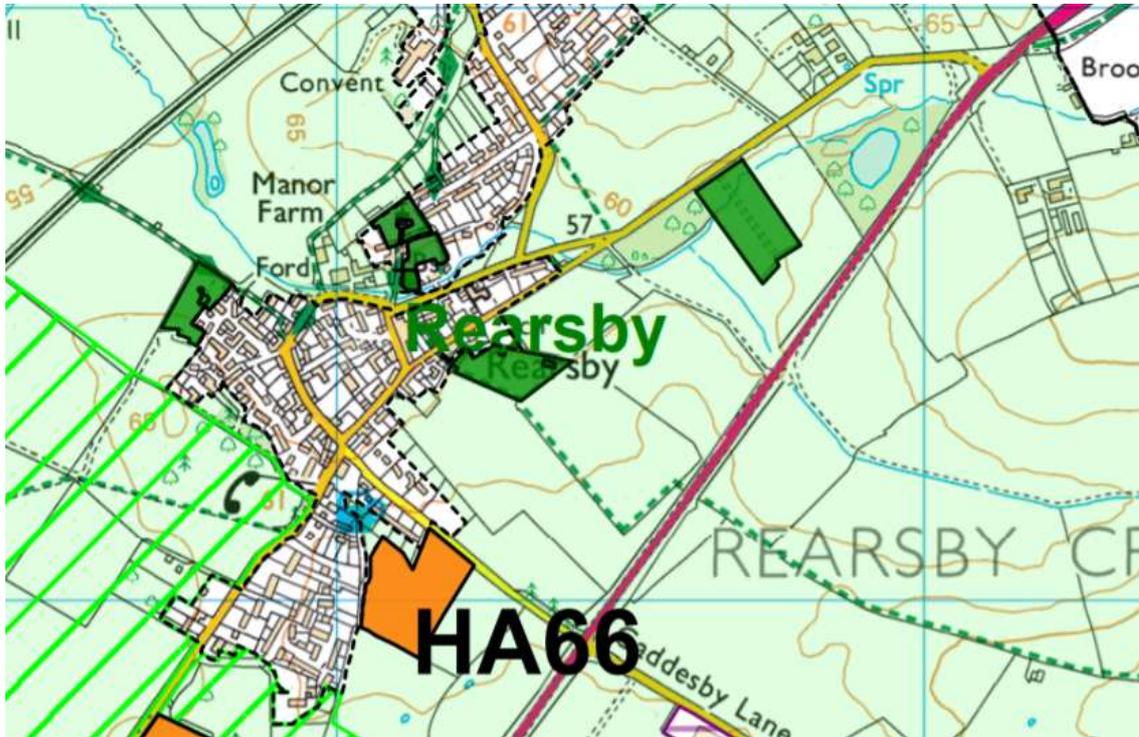


Figure 1: Local Plan Policies Map Extract

- 1.2 The site is located close to the village centre, in close proximity to the village’s services and facilities, including bus stops, public houses, village hall and school.
- 1.3 An outline planning application for the development of up to 65 dwellings (including affordable housing), with all matters reserved other than access, together with associated landscaping and other infrastructure is currently being prepared and is anticipated to be submitted imminently. The proposal will be supported by a suite of detailed technical evidence setting out that the proposal can be delivered without undue impacts.
- 1.4 The Neighbourhood Plan for Rearsby was made on the 9th December 2021, following a successful referendum on the 28th October 2021 in which 277 (94%) people voted in favour and 18 (8%) voted against. Whilst the Neighbourhood Plan does not specifically allocate the land at Gaddesby Lane, it has acknowledged that the site is a proposed allocation in the emerging Local Plan and will make a significant contribution to meeting Rearsby’s housing needs, negating the need for any specific allocations within the Neighbourhood Plan itself. When discussing future housing needs the

Neighbourhood Plan states at paragraph 4.23 that *“the housing allocation for 47 dwellings in the draft Local Plan alongside windfall development will ensure that sufficient land to meet residential need is available in the right locations”*.

2. 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?

Q4.1: 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?

- 2.1 Clarendon Land do not consider that the housing requirement of 17,776 dwellings, as contained within Policy DS1, is justified and consider there is significant evidence which suggests the housing requirement should be uplifted.
- 2.2 Paragraph 61 of the NPPF states that to determine the minimum number of homes required, strategic policies (such as those advanced in this Local Plan), should be informed by Local Housing Need (LHN) as derived from the Standard Methodology. A deviation from this approach is only appropriate if exceptional circumstances justify an alternative approach, informed by current and future demographic and market trends which would sufficiently substantiate a bespoke approach. Paragraph 61 continues, stating that in addition to the LHN figure, strategic policies should also account for any housing needs that cannot be met in neighbouring areas.
- 2.3 Furthermore, the PPG is clear that when establishing a housing requirement “*the standard method for assessing local housing need provides a **minimum starting point** in determining the number of homes needed in an area. Therefore, there will be circumstances where it is appropriate to consider whether actual housing need is higher than the standard method indicates.*” [our emphasis] (Paragraph: 010 Reference ID: 2a-010-20201216). Examples of scenarios which may justify an increase of housing requirement include growth strategies, the delivery strategic infrastructure improvements or the requirement of an authority to take on unmet need from a neighbouring authority.
- 2.4 It is important to note that the PPG sets out that the consideration of whether uplifts to the housing requirement from local housing need are necessary should be undertaken prior to and independently from any consideration of the ability of an area to meet that need. Having regard to the available evidence and wider context of the Housing Market Area (HMA), the Council has not sufficiently justified the failure to increase the housing requirement from base LHN to reflect both the issues of affordability within Charnwood and the long-standing situation in relation to Leicester City’s unmet need. Whilst the Council does propose delivery in excess of that required, this

overprovision serves as a buffer to meeting its own needs should there be delays to delivery, or non-delivery of some sites. It does not address affordability or Leicester City's unmet need.

Affordable Housing Need

- 2.5 The Council do not consider that they need to uplift the housing requirement to ensure sufficient affordable houses come forward and to improve affordability generally as they consider that affordability is already intrinsically linked to the Standard Method calculation. Whilst the Council are correct that affordability is included within the Standard Method calculation, namely the affordability adjustment which is calculated using the most up to date median workplace-based affordability ratio, this does not guarantee it will meet identified affordable housing needs. The latest median workplace-based affordability ratio shows that the average house in Charnwood is 8.41 times average workplace-based earnings. This is an increase of 0.73 in just a single year. Whilst this increase may seem small, it will have a major impact on home affordability and the level of disposable income, with almost a full year's additional wages needed to purchase a house. Reduced disposable income will have a wider impact on the local economy, as people will be less willing to go out shopping or socialising, further impacting local businesses.
- 2.6 The increase discussed above aligns with the Council's own Housing Need Assessment (September 2020) (EB/HSG/1), which sets out that since HEDNA in 2017, the annual level of affordable housing need has increased from 392 dwellings per annum to 476 dwellings per annum. This is described in the document as a "not substantial change", despite equating to a 20% increase. The evidence document concludes that both HEDNA and the Housing Need Assessment "clearly demonstrate a need to provide additional affordable housing in Charnwood where opportunities arise".
- 2.7 As part of the emerging Local Plan Policy H4: Affordable Housing, the Council proposes a blanket 30% level of affordable housing on all major developments on greenfield sites, reducing to 10% on brownfield sites. Against the Council's proposed housing requirement, 1,216 dwellings per annum, assuming 30% delivery on all sites, this will deliver 365 dwellings per annum. Clearly not all sites will deliver 30%, with brownfield and other sites with viability challenges likely to deliver less. The approach proposed is an overly optimistic position with regards to affordable delivery. Whilst some exception/affordable housing schemes may come forward, they are unlikely to mitigate the sites which deliver below 30% as referenced above. 365 dwellings per annum, which represents an optimistic delivery based on a housing requirement based solely on Local Housing Need, is below the target of 392 dwellings prescribed by HEDNA and significantly below the Council's own Housing Needs Assessment (476 dpa).
- 2.8 Data published by the BBC in June 2021 sets out that East Midlands house prices have increased by in excess of 4.5% in the previous year, far higher than inflation. The demand is strongest in larger

properties, fuelled by a desire for more space following significant periods at home through the various lockdowns and people wanting devoted areas for home working. This will therefore have the largest impact on families, who may be forced to move away or live-in crowded accommodation if sufficient housing is not delivered.

- 2.9 In the context of declining affordability, increasing the housing requirement will have two key benefits, firstly the delivery of new market housing, increasing supply and slowing the rate of house price growth. Secondly, increasing the level of housing delivered per sae will directly increase the quantum of affordable housing. There is significant justification, in the context of the affordable housing shortfall and worsening affordability, for the Council to take positive action to reverse this trend, beyond that engaged by the standard method affordability adjustment. Given the availability of land in sustainable settlements, we do not consider the Council's failure to uplift to account for affordable housing is justified or consistent with national policy which seeks to boost significantly the supply of housing and ensure specific housing needs are met.

Unmet Needs

- 2.10 Whilst the issue of Leicester City's unmet need is nothing new within the HMA, it has always been seen in the broader context that unmet needs were largely emanating in the years 2031-36. The alterations to the standard method in 2020 however have resulted in unmet needs being far larger, from c.7,742 dwellings to c.18,700 dwellings, and more immediate, with Leicester City unlikely to meet its LHN figure from this point in time. In this context, an immediate response is needed. As such, and as discussed within our Regulation 19 response, the proposal to meet unmet needs through a future Plan review is entirely inappropriate. Whilst it is understood that Charnwood are trying to get a local plan adopted as soon as possible, in the context that unmet need discussions have been ongoing for a number of years and an agreed Statement of Common Ground now having been published confirming how the unmet need will be distributed it is considered essential that the unmet need should be addressed in this Plan and not delayed to a Plan review. The unmet need apportionment is provided in *the Leicester & Leicestershire Authorities – Statement of*

Common Ground relating to Housing and Employment Land Needs (April 2022), however is provided below for ease of reference.

Local Planning Authority	Average Annual unmet housing need contribution 2020 to 2036 (dwellings)*
Blaby District Council	346
Charnwood Borough Council	78
Harborough District Council	123
Hinckley and Bosworth Borough Council	187
Melton Borough Council	69
North West Leicestershire District Council	314
Oadby and Wigston Borough Council	52
Total	1,169

Figure 2: Apportionment of Leicester City unmet need

- 2.11 It is pertinent to this examination that Hinckley and Bosworth specifically have challenged the level of growth directed to Charnwood (as insufficient) and disagree with the methodology which has been utilised which caps the level of growth directed to Charnwood (Hinckley and Bosworth believe Charnwood should be meeting more of the unmet need than proposed).
- 2.12 Regardless of whether or not Charnwood’s apportionment is increased, it is clear that this Plan should be seeking to deliver an element of unmet need in the short term and the overall housing requirement increased accordingly. The Council is likely to argue that this need can be delivered later in the Plan period following a review of the Local Plan. However, a review policy is considered inappropriate given the quantum of unmet need is broadly known. The review process will take a number of years to complete, with further lead in time following the allocation of land. As such, housing which is needed now, will not be delivered until potentially in excess of 8 years.

Q4.3: 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?

- 2.13 Notwithstanding our fundamental concerns that the 17,776 dwellings housing requirement is inappropriate for the reasons set out above, Clarendon Land do support the approach by Charnwood to allocate sites to deliver in excess of this target to safeguard the Plan from non-delivery. The Council has proposed a buffer of 1,685 dwellings, which equates to 9.5%. Whilst this

is considered to be somewhat appropriate, it will not enable the Council to demonstrate an annual position (NPPF Para 74) and having regard for Charnwood's recent issues with housing delivery and supply, a 20% buffer (3,555 dwellings) is considered to provide the highest level of certainty in accordance with the requirements in the NPPF (Para 74). There remains scope within the Borough to deliver an increase in housing allocations to ensure the Housing requirement, whatever it may be, to be met in full.

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

Q4.6: 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?

- 2.14 Clarendon Land consider that the scope of Policy H1 is appropriate, as it does not simply define a housing mix that will be applicable for all schemes. Defining a housing mix for all schemes lacks nuance and delays planning applications wherein variations from the mix are negotiated and justified. Clearly the housing mix in the Plan relates to a snapshot in time and changes to the economy, social make-up and people's requirements will continue to be fluid. For example, the recent dramatic increase in homeworking as a result of the COVID-19 pandemic is likely to lead to an increase in people's preference for larger units to use the additional room for a workspace. The policy enables applicants to justify the housing mix selected and discussion to agree a final suitable mix, having regard for local need, the market, design and viability which will assist in expediting the delivery of new houses.
- 2.15 The reasoned justification at paragraph 4.5 provides a table which includes the Council's current preferred tenure mix. We have no specific objection to the inclusion of a current mix in the reasoned justification, due to the flexibility provided by the policy which is supported. Given the recent issues of deliverability it is essential that housing schemes are not railroaded into a housing mix which they will struggle to sell and has no regard for site viability and context.

Q4.8: 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 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?

- 2.16 The requirements within Policy H2 are not justified when considering the evidence submitted by Charnwood against the requirements of the PPG.
- 2.17 If the Council wishes to adopt optional standards in relation to accessible and adaptable housing, footnote 49 of the NPPF states that this should only be done where there is address an identified need for such housing. Paragraph 31 sets out that the *"preparation and review of all policies should be underpinned by relevant and up-to-date evidence. This should be adequate and proportionate, focused tightly on supporting and justifying the policies concerned"*.
- 2.18 The PPG's Housing: Optional Technical Standards section sets out the criteria wherein it will be suitable and appropriate to adopt additional technical requirements exceeding the minimum standards, but only where there is evidence for a need in their area and the standards being justified within the Local Plan.
- 2.19 The justification within both the Council's evidence base and reasoned justification of the Local Plan does not constitute sufficient cause for the policy intervention selected. The Housing Needs Assessment (December 2020) (EB/HSG/1) sets out that Charnwood's age structure is comparable with the nation at large, with only 18% of the population over 65. Older people in Charnwood are also generally in better health than is the case nationally. Charnwood also has lower levels of disability. In this context, given the picture in Charnwood is actually better than the national average, we see no compelling justification for this approach and consider it to no be justified, thus unsound.
- 2.20 Whilst the impacts of this policy have been assessed in the Viability Assessment, it is unclear whether the financial impacts of this policy have been tested fairly given it is based on costs from 2015. Regardless, its impacts on site viability are immaterial given the need for the policy itself has not been justified in planning terms. Even if the impacts of this policy had been tested fairly, it cannot be argued that because it in isolation would not result in schemes being unviable that it is a pre-requisite for being acceptable given the lack of evidence to support a need for a policy intervention.

Q4.9: Is there an identified need to apply the nationally described space 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?

- 2.21 The PPG and NPPF are clear that authorities can require new proposals to deliver dwellings meeting the nationally described space standards but only in scenarios where this addresses a demonstrable local need for such properties. This does not appear to have been completed in support of the Plan, thus this policy requirement is not justified.
- 2.22 This approach would result in more expensive, larger housing and limit the more affordable market housing options. Not everyone will want or be able to afford a larger house so such provisions, whilst well intended, could result in significant impacts relating to people's ability to purchase enforced larger houses. It is not fair or reasonable to expect housebuilders to deliver larger houses without a subsequent increase in the price for such dwellings, particularly having regard for an already difficult materials and labour market. Housebuilders generally provide a mix of housing, including larger dwellings, and thus individuals are able to choose a dwelling which meets both their needs and budget. Larger houses can also be more inefficient, harder to clean and more expensive to heat or cool.

Q4.14: 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?

- 2.23 Clarendon Land consider the approach adopted to be acceptable. Whilst the Policy does not prescribe a number for schemes between 10 and 250 dwellings, this will be undertaken through negotiation and depend on the housebuilder on the site. The provision of 5 dwellings on sites over 250 dwellings is considered to be more commensurate and reasonable approach than the approach adopted by some Authorities who require a blanket percentage of self-build plot delivery on strategic sites. This frustrates housing delivery, confuses the planning, development and disposal processes, without delivering any additional housing units, which is part of the Governments rationale for placing statutory requirements on Local Authorities to assist self/custom build. Whilst some housebuilders may offer a custom-build product, this cannot be guaranteed across the industry. Serviced plots create design and operational issues, particularly with regards to safety and liability.
- 2.24 We fully endorse the Council's support for appropriate self-build proposals independent from strategic housing delivery and we consider this to be optimum approach, as it contributes to additional units, not cannibalising the delivery on strategic sites.