

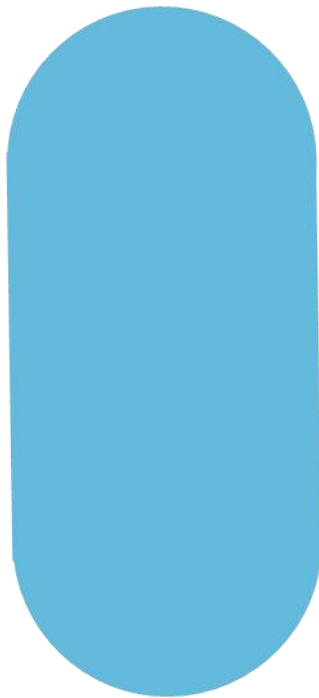
Charnwood Local Plan Examination

Matter 4 – Assessment of Housing Need, the Housing Requirement and Mix and
Choice of Housing

Hearing Statement

William Davis Limited

Representation IDs: PSLP/344 & PSLP/564





This Hearing Statement is submitted on behalf of William Davis Limited (WDL) and supports representations submitted to the Charnwood Local Plan (Draft Submission), July 2021.

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

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?

- 1.1 Whilst the basis of the housing requirement being the Local Housing Need figure, derived from the standard method calculation, is not disputed as a starting point, the Council have failed to take account of local circumstances to make appropriate adjustments to it.
- 1.2 National Planning Practice Guidance is clear that it might be appropriate for a Local Plan to set a higher housing requirement in a number of circumstances. This includes “strategic infrastructure improvements that are likely to drive an increase in the homes needed locally”¹, and it is argued that employment growth, including that proposed at the Loughborough and Leicester Enterprise Zone which the Housing and Economic Development Needs Assessment (January 2017) advises it aiming to create 21,000 new jobs in the next five years, and at the East Midlands Freeport set out in the 2021 Budget² which the Leicester and Leicestershire Enterprise Partnership indicates will create 60,000 new jobs across the region, are factors that could require a distinct uplift in the Local Housing Need figure. The need for development to support these significant employment growth opportunities is reflected throughout the Local Plan, including in the Vision, but it is not reflected by way of an uplift to the Local Housing Need figure.

¹ [Housing and economic needs assessment - GOV.UK \(www.gov.uk\)](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/562222/housing-and-economic-needs-assessment-2017.pdf)

² [Budget 2021 - GOV.UK \(www.gov.uk\)](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/562222/budget-2021.pdf)



- 1.3 In addition, whilst the Local Plan was submitted in advance of the publication of the 2021 median workplace-based housing affordability ratios (March 2022) and therefore does not need to take direct account of them in the calculation of the Local Housing Need calculation, it should be noted that Charnwood saw a significant worsening in affordability of some 9.5% increase in the ratio from 7.68 in 2020 to 8.41 in 2021³. An updated Local Housing Need calculation would increase Charnwood's requirement to 1,156 dwellings per annum, an increase of 41 dwellings, which would equate to an additional 656 dwellings over the 16 year plan period.
- 1.4 Moreover, the Leicester and Leicestershire Strategic Growth Plan has recently published a draft Statement of Common Ground relating to Housing and Employment Land Needs (April 2022)⁴. Charnwood Borough Council is one of eight Local Planning Authorities which fall within the Leicester and Leicestershire Housing Market Area and Functional Economic Area. The purpose of the Statement of Common Ground is to seek to apportion Leicester City Council's significant unmet Local Housing Need for the period 2020 to 2036, which totals circa 18,700 dwellings. Whilst this has yet to be tested at Examination, Table 3 indicates that Charnwood Borough Council is to expected to deliver an average of 78 dwellings per annum of Leicester City's unmet need, which totals 1,248 dwellings across the 16 year plan period.
- 1.5 Table 1 below compares the various housing requirement scenarios discussed in Paragraphs 1.2 and 1.3 of this Hearing Statement with the Council's identified supply of 19,461 dwellings as set out in Table 5 of the Local Plan:

³ [House price to workplace-based earnings ratio - Office for National Statistics \(ons.gov.uk\)](https://ons.gov.uk)

⁴ [Statement-of-Common-Ground-002.pdf \(lstrategicgrowthplan.org.uk\)](https://lstrategicgrowthplan.org.uk)



Table 1 - Housing Requirement v Supply Scenarios		
Scenario	Housing Requirement	Requirement v Supply Surplus / Deficit
Local Housing Need only	17,776 dwellings	1,685 dwelling surplus, 9.5%
Local Housing Need with worsened affordability ratio	18,432 dwellings	1,029 dwelling surplus, 5.6%
Local Housing Need with Leicester City's unmet need	19,024 dwellings	437 dwelling surplus, 2.3%
Local Housing Need with worsened affordability ratio and Leicester City's unmet need	19,680 dwellings	219 dwellings deficit, 1.1%

1.6 Table 1 does not attempt to quantify an increase in housing requirement sought to recognise the need to support the significant employment growth opportunities, however it should still be recognised as a circumstance which could warrant an increase in the Local Housing Need figure derived from the standard method calculation.

1.7 In summary it is contended that, for the Local Plan to be considered positively prepared and consequently be able to be found sound at Examination, there is a need for a strengthened review trigger to be incorporated into DS2. This would require the Council to submit a review of the Local Plan for examination within 2 years of adoption. The consequences of not doing so would be that the Presumption would apply (a similar approach can be found in the adopted Bedford Local Plan). This will allow the Local Plan to progress and for development included in the Local Plan to come forward, but will also recognise the housing pressures faced in the Borough in relation to economic growth, worsening affordability, and for appropriate consideration to be taken of Charnwood Borough Council's responsibility under the Duty to Cooperate in assisting to meet the identified substantial unmet Local Housing Need of Leicester City Council.



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?

1.8 The Local Plan, at Table 2, proposes to make provision for 10% flexibility in the supply of housing land, equivalent to an additional 1,778 dwellings, taking the total housing supply of the Local Plan to 19,554 dwellings. It is argued that 10% flexibility is insufficient to afford the appropriate level of assurance and flexibility for the plan period. The Local Plans Expert Group recommended to Government in 2016 that a 20% uplift to housing requirement should be applied to enable a Local Plan to be considered resilient⁵, with the introduction of the standard method not invalidating or inherently taking account of this advice.

1.9 In any case Table 5 of the Local Plan indicates that, when taking account of housing supply and proposed new dwellings, total supply is 19,461 dwellings; this falls short of the 19,554 dwellings derived from the Local Housing Need figure using the standard method plus 10% flexibility.

1.10 The total supply of 19,461, which actually equates to 9.5% flexibility, does not take any account of lapse rates which will inevitably reduce the identified the committed housing supply of 10,603 dwellings. It is recognised that the purpose of a buffer is partly to allow for non-delivery, however more significantly a buffer is to allow for flexibility for changes in circumstances; some of these development pressures have already been explored in response to question 4.1 above. On top of that, the Council have a recent history of a lack of Five Year Housing Land Supply, despite having had a Local Plan adopted as recently as 2015. On that basis, as a minimum the application of a lapse rate to non-allocated, not started elements of the Council’s commitments is considered appropriate.

1.11 Given the limited buffer to housing land supply against the submitted local housing requirement, for the Local Plan to be considered positively prepared and

⁵ [Local-plans-report-to-governement.pdf \(publishing.service.gov.uk\)](https://publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/521221/local-plans-report-to-government.pdf)



consequently be able to be found sound at Examination, there is a need for a review trigger to be incorporated into DS2 which requires the Council to submit a review of the Local Plan within two years of adoption as set out in paragraph 1.7 above. This will allow the Local Plan to progress and for development included in the Local Plan to come forward, but will also recognise the limited flexibility built in to the Local Plan. In addition, extensions to proposed allocations should be made at Anstey and other locations, in accordance with DS1, to ensure sufficient supply to meet the requirement.

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

Policy H2

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 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?

- 2.1 WDL note and support representations made by a number of other organisations in respect of Policy H2, notably Spitfire Homes (PSLP/542), Bloor Homes (PSLP/537), the Home Builders Federation (PSLP/556), Davidsons Developments, Redrow Homes and Helen Jean Cope Charity (PSLP/598) and Redrow Homes (PSLP/626).
- 2.2 It is agreed that there is insufficient evidence to support the policy requirements for M4(2) and M4(3) standard homes set out in Policy H2, given that the proportions of older people and people with disabilities in the Borough are broadly in line and indeed lower than the national averages respectively. It is also noted and agreed that the policy has not been subject to sufficient and up-to-date development viability testing, which is particularly important given that the policy



seeks such provisions to be met by an ‘appropriate proportion’ of affordable housing.

- 2.3 In any case, even if there were sufficient evidence to support the requirement for M4(2) and M4(3) standard homes, it is agreed that Policy H2 as currently drafted in relation to the requirement for provision from affordable housing is ambiguous, and therefore not in accordance with National Planning Policy Framework Paragraph 16 d) which states that Local Plans should “contain policies that are clearly written and unambiguous, so it is evident how a decision maker should react to development proposals”.
- 2.4 The policy is unsound as it is not justified. As such it is contended that, for the Local Plan to be found sound at Examination, Policy H2 should be deleted. If Policy H2 is to be retained, it should be amended to provide a specific percentage requirement for affordable housing expected to meet the M4(2) and M4(3) standard having regard to available viability evidence.

Policy H3

4.9 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?

- 2.5 No. The Housing Needs Assessment (September 2020) seeks to provide justification for the application of the nationally described space standard through the assessment of room sizes on three residential developments being delivered at Anstey, Lubbesthorpe and Rothley. This assessment concludes that these developments are not delivering to the overall nationally described space standard, however it also finds that they do perform strongly in fulfilling the nationally described space standard on individual rooms and are offering a range of products with room sizes of an acceptable size at different price points that are affordable for first-time buyers. In any case, even if such an exercise found that existing schemes in the Borough were not being delivered in accordance with the nationally described space standard and that evidence existing showing that



developers were seeking to reduce the size of dwellings while trying to minimise any reduction in value, this does not identify a need in the Borough which warrants their application.

- 2.6 The Council's own evidence (Housing Needs Assessment, September 2020) is clear that there is insufficient justification to support the retention of a policy which requires the nationally described space standard to be met for all new dwellings in the Borough, and that a more appropriate policy response might be to support delivery by planning for enough homes of the right type, size and tenure to meet demand.
- 2.7 WDL agree with representations made by the Home Builders Federation (PSLP/556) in that smaller dwellings play a valuable role in meeting specific housing needs and that well-designed dwellings below the nationally described space standards can provide a good, functional home. WDL also note and raise concerns with the potential impact of the application of the nationally described space standard on housing delivery, contrary to the Government's central ambition to boost the supply of housing.
- 2.8 With regard to development viability, which the National Planning Policy Framework and National Planning Practice Guidance place particular emphasis on in plan-making, the Council's own evidence (Housing Needs Assessment, September 2020 and Viability Study, February 2021) concludes that the application of the nationally described space standard would have a detrimental impact.
- 2.9 In any case, even if there were sufficient evidence to support the application of the nationally described space standard, Policy H3 as currently drafted is ambiguous and therefore not in accordance with National Planning Policy Framework Paragraph 16 d).
- 2.10 As such it is contended that, for the Local Plan to be found sound at Examination, Policy H3 should be deleted as it is not justified. If Policy H3 is to be retained, it



should be amended to read “Development will be supported where it complies with the nationally described space standards...”

Policy H4

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?

2.11 No, while Paragraph 4.30 seeks to set out the position in relation to affordable housing provision, it is confusing for the reader and as such Policy H4 is not clear. It is suggested that the table set out in Policy H4 would benefit from an additional column entitled “First Homes”, with 25% provision sought on both greenfield and brownfield sites as required by National Planning Practice Guidance (NPPG) for development proposals determined after 28th March 2022⁶.

2.12 Furthermore, the Local Plan does not distinguish between social rent and affordable rent (only between rent and affordable home ownership), nor is it readily apparent from housing needs assessment what it could be. However, this differentiation is important in understanding the level of affordable rent and forms of affordable home ownership other than First Homes to be provided in accordance with the NPPG (First Homes Para. 015).

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?

2.13 The Viability Study (February 2021) fails to consider First Homes, and more widely discount market sale affordable home ownership products, as part of evaluating the viability of affordable housing in terms of quantum and mix. This is an important omission from the evidence base and needs to be considered further to ensure any impacts on development viability are adequately considered.

⁶ [First Homes - GOV.UK \(www.gov.uk\)](https://www.gov.uk)



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?

2.14 The Council suggests that, once the requirement for First Homes has been met, shared ownership is the favoured affordable home ownership tenure, however this is not evidenced.

2.15 The contention that shared ownership and discount market sale affordable home ownership products, for which First Homes is one example, address a similar subset of the housing market based on initial costs is agreed, however over time discount market sale affordable home ownership becomes a vastly better value proposition relative to shared ownership. A household which resides within a discount market sale affordable home ownership property throughout their lifetime would spend less on housing costs and accrue more equity compared to shared ownership. Furthermore, the increased rate of equity accrual associated with discount market sale affordable home ownership gives households more options over the course of their lifetime, making it easier for them to move out of discount market sale affordable home and into open market home ownership.

2.16 Additionally, discount market sale affordable home ownership is more aligned with the Governments ambition to increase home ownership, particularly amongst first time buyers and younger people than shared ownership which, as a tenure, can lead to a range of problems.

2.17 It is considered that more guidance should be provided on the provision of First Homes and how this will operate alongside other affordable housing products set out at Annex 2 of the National Planning Policy Framework.

Policy H6

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?



- 2.18 The Council's evidence in relation to self and custom build housing is limited to discussion in the Housing Needs Assessment (September 2020). This seeks to justify the policy requirement in H6 by considering the number of new registrations on the Council's Self and Custom Build Register; this is insufficient. The Council should analyse the preferences of the entries on the Self and Custom Build Register as it is often the case that individual plots in rural locations are sought by applicants rather than plots on large scale housing developments, as would be delivered in the Borough through the implementation of the policy requirements of Policy H6. Indeed, there is also the potential for applicants to have entered on to multiple Self and Custom Build Registers, or to have done so without the firm aspiration or financial means of building their own home, and as such the number of entries on the Council's Self and Custom Build Register does not provide a true reflection of local demand.
- 2.19 In any case, the Council's latest Annual Monitoring Report (December 2021) indicates that, as of 30th October 2021, 105 suitable planning permissions have been granted. Whilst this doesn't meet the number of registrants during the same period (214), following on from earlier discussion around number of registrants compared with actual demand it is likely that suitable planning permissions have already met a significant level or perhaps even the entire level of self-build demand.
- 2.20 There are also practical concerns related to the delivery of self and custom build dwellings on large scale housing developments which should be considered further before the imposition of a policy requirement on such schemes, relating particularly to logistical challenges and health and safety implications.
- 2.21 Further work needs to be undertaken on the impact of the requirement for self and custom build plots on development viability; WDL also note and support representations made by the Home Builders Federation (PSLP/556) and Redrow Homes (PSLP/626) in this regard. This is particularly important given the proposed policy requirement is for at least five serviced self and custom build plots on all



sites of more than 250 dwellings, as viability impacts on a scheme for 251 dwellings are likely to be greater than on a site for 1,000 dwellings, but will also depend on site specific considerations and other factors.

2.22 While support is given for the release of self and custom build plots to general market housing where uptake is limited, a period of 12 months for marketing is considered arbitrarily too long. Undeveloped plots will effectively stifle the delivery of housing, impacting housing land supply. WDL also agree with Redrow Homes (PSLP/626) in the assertion that the inclusion of ‘at least’ in the policy wording leads to the policy requirement to become potentially indefinite.

2.23 It is contended that Policy H6 as currently drafted in relation to the level of requirement for self and custom build plots is ambiguous, and therefore not in accordance with National Planning Policy Framework Paragraph 16 d). As such it is contended that, for the Local Plan to be found sound at Examination, Paragraphs 3 and 4 of Policy H6 should be deleted. If these are to be retained, Paragraph 4 should be amended to read “marketed appropriately for a period of 3 months”.

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