

## **Charnwood Local Plan Examination**

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# **EXAMINATION CONSULTATION ON LEICESTER AND LEICESTERSHIRE HOUSING AND EMPLOYMENT LAND NEEDS MATTERS, ISSUES AND QUESTIONS (MIQs)**

**Important: These Matters, Issues and Questions should be read in conjunction with the Inspectors' Examination Consultation Guidance Note which is available on the Examination website**

<https://www.charnwood.gov.uk/pages/examination>

References in brackets () are to the document references in the Examination Library, which can be found on the website

### **Abbreviations**

NPPF – National Planning Policy Framework

PPG – Planning Practice Guidance

### **Key Documents**

Leicester and Leicestershire Authorities – Statement of Common Ground relating to Housing and Employment Land Needs (June 2022) (SoCG) (Exam 43)

Leicester and Leicestershire Housing and Economic Needs Assessment Final Report (HENA) (Exam 44a), Executive Summary (June 2022) (Exam 44b) and Appendices (Exam 44c)

Leicester and Leicestershire Housing and Economic Needs Assessment – Housing Distribution Paper (June 2022) (Exam 45)

Leicester and Leicestershire Housing and Economic Needs Assessment – Employment Distribution Paper (June 2022) (Exam 46)

Leicester and Leicestershire Statement of Common Ground Sustainability Appraisal Report (SA) (Exam 47a) and Non-Technical Summary (June 2022) (Exam 47b)

## **MATTER 10: LEICESTER AND LEICESTERSHIRE HOUSING AND EMPLOYMENT LAND NEEDS**

10.1 What is the up to date position with the signing of the SoCG (Exam 43) by the Leicester and Leicestershire authorities (including the County Council)? Are there any implications for Plan preparation by the authorities and if so, what are they?

### **Issue 1 – The Assessment of Housing Need**

#### Context

The Planning Practice Guidance (PPG) states that there is an expectation that the standard method for assessing housing need will be used and that any other method will be used only in exceptional circumstances. The PPG also indicates that the standard method provides a minimum starting point and that there will be circumstances where it is appropriate to consider whether actual housing need is higher than the standard method indicates. Such circumstances would include where an authority agrees to take on unmet need from neighbouring authorities, as set out in a SoCG. (PPG References 2a-003-20190220 and 2a-010-20201216).

- 10.2 Is the HENA (Exam 44a) assessment of Leicester and Leicestershire's housing need from 2020 to 2036 (91,408 dwellings) based on a robust assessment of relevant factors? Are there any exceptional circumstances which would justify planning for a lower or a higher figure?
- 10.3 What implications, if any, do the levels of net migration in the 2018 Sub National Household Projections compared with the 2014 projections (on which the standard method is based) have for the standard method of assessing housing need for Leicester and Leicestershire? Is the use of an alternative internal migration assumption justified and if so, why? (Table 5.13)
- 10.4 Is the minimum local housing need figure for Charnwood from 2020 to 2036 of 1,111 dwellings set out in the HENA (Table 13.1) robust and justified? Does the evidence in the HENA update any of the assumptions used in the Charnwood Housing Needs Assessment (EB/HSG/1)?
- 10.5 Notwithstanding that the Charnwood Local Plan has been submitted for Examination, is the use of 2020 affordability data for Charnwood (HENA para 8.13) justified? Would the use of 2021 affordability data for

Charnwood feeding into the standard method affect the calculation of housing need for Charnwood in Table 8.1? If so, how?

- 10.6 What are the implications, if any, of Charnwood having a 12% increase in population 2011-19 but a 9.2% increase in dwelling stock over the same period as indicated in the HENA (Table 5.16)? Does this point to a level of suppressed household formation which would justify an uplift in the level of need? Does this trend have any implications for the future distribution of development as indicated at paragraph 5.36 of the HENA?

## **Issue 2 – The Scale of the Unmet Need for Housing**

### Context

The SoCG (Appendix B) (Exam 43) states that Leicester’s minimum local housing need from 2020 - 2036 is 39,242 dwellings (2,464 dwellings per year) and the supply over the same period is 20,721 dwellings. The SoCG (paragraph 3.20) indicates that the residual unmet need of 18,700 dwellings will be tested through the Leicester Local Plan.

- 10.7 Is the 18,700 dwelling figure a reasonable working assumption for Leicester’s unmet need from 2020 to 2036 as set out in the Housing Distribution Paper (paragraph 3.7) (Exam 45) and the SoCG (paragraph 3.19), pending further testing through the Leicester Local Plan? Is it a reasonable basis on which to apportion the unmet need across the Leicestershire authorities?
- 10.8 Why is an unmet need of 15,900 dwellings tested through the Sustainability Appraisal (Exam 47a) and how was this figure arrived at? Has the figure of 18,700 dwellings been tested?
- 10.9 If the scale of the unmet need of 18,700 dwellings changes as a result of the Leicester Local Plan Examination, how would this be addressed by the respective Leicester and Leicestershire local authorities under the Duty to Cooperate? What would the implications be for plan making in other authorities in the Housing Market Area?

## **Issue 3 – Apportionment of the Unmet Housing Need**

### Context

The PPG states that the cities and urban centres uplift is expected to be met by the cities and urban centres themselves, rather than the surrounding areas, unless it would conflict with national policy and legal obligations (PPG Reference: 2a-035-20201216).

10.10 The Housing Distribution Paper (paragraph 7.3) (Exam 45) refers to the proposed distribution of the unmet need as an 'interim arrangement'. What does this mean, is it justified and how would any changes to the evidence or other circumstances be dealt with?

10.11 Are the following factors set out in the Housing Distribution Paper a robust and logical basis for the apportionment of the unmet need of 18,700 dwellings to 2036:

- the functional relationships between the respective Leicestershire authorities and Leicester City based on migration and commuting patterns;
- balancing the provision of jobs and homes;
- deliverability, based on potential supply, the rate of housing growth and adjustments to support a sustainable and deliverable distribution of development.

Are there any other relevant factors which should be taken into consideration?

10.12 Is the proposed 1.4% 'cap' to the redistribution of housing provision justified as a general approach and in relation to Charnwood in particular? What effect does the 1.4% cap applied to Charnwood have on the redistribution of the residual unmet need across the other Leicestershire authorities?

10.13 Have land supply, capacity and constraints issues been assessed in the apportionment of the unmet need? If not, how will these matters be addressed?

10.14 What role will the review of the Strategic Growth Plan (EB/DS/6) have in the distribution of housing growth across the Leicester and Leicestershire Housing Market Area in the longer term?

10.15 How has the SoCG Sustainability Appraisal report (Exam 47a) informed the apportionment of the unmet need?

10.16 Overall, is the apportionment of 78 dwellings per year to Charnwood over the period 2020 - 2036 to contribute towards the unmet need of 18,700 dwellings justified by the evidence, robustly based and will it support a sustainable pattern of development as required by NPPF paragraph 11?

## **Issue 4 – The Assessment of Employment Need**

### Offices

10.17 Does the labour demand model provide the most robust method of representing future needs and does the use of a 'sensitivity' model of a 30% reduction in the labour demand need for office space (paragraph 7.20) (HENA) provide sufficient certainty around the parameters for office floor space and job needs post-pandemic?

### Research and Development (R&D)

10.18 What is the justification for including R&D gross completions data within overall office needs (paragraph 7.32) (HENA) (Exam 44a)? Is the use of gross completions data rather than the labour demand figures a robust basis for assessing R&D land needs?

### Industrial and Local Distribution and Warehousing (less than 9,000 sqm)

10.19 Is the assumption that older premises will continue to be lost, and thus will need replacing, robust (paragraph 7.33) (HENA)? Is the use of projected gross completions a robust basis for assessing industrial land needs?

10.20 What local employment land study work has taken place to date to assess the potential for, and the likelihood of, the recycling of sites on existing industrial areas?

10.21 Is the 7.5% uplift to improve vacancy rates in industrial and local distribution in relation to churn and market choice, robust (paragraph 7.38) (HENA)?

10.22 How will assessments of market performance and thus the appropriateness of planning policy figures be monitored to ensure planning policy is sufficiently responsive over the plan period?

## **Issue 5 – Apportionment of the Unmet Need for Employment**

10.23 Are the following factors set out in the Employment Distribution Paper (Exam 46) a robust and logical basis for the apportionment of the unmet need for 23 hectares of employment land to 2036:

- Location of authorities adjoining Leicester given their accessibility to the city and associated supply of labour (Charnwood, Blaby, Harborough, Oadby and Wigston);

- Proximity to the City, preferably adjacent to the existing urban area;
- Sites well connected to the City by A roads and ideally connected to the wider strategic network (A road/motorway network).

- 10.24 Is meeting all of the unmet need for 23 hectares of employment land within Charnwood justified? Will it meet the need for different types of employment land in a choice of locations and promote sustainable patterns of development as required by paragraph 11 of the NPPF?
- 10.25 Should some of the unmet need be apportioned to any of the other Leicestershire authorities based on the factors outlined above?
- 10.26 What consideration has been given to meeting a proportion of the unmet need in Blaby over the longer-term in order to contribute towards maintaining an attractive supply of employment sites in the Leicester area?
- 10.27 Is the apportionment of all of the unmet need for employment land to Charnwood justified by the evidence and will this be effective in meeting the employment land needs of the Functional Economic Market Area as a whole? Does this allow for flexibility and choice?