

Council

To All Members of the Council on Friday, 01 December 2023

Date of meeting: Monday, 11 December 2023

Time: 18:30

Venue: Council Chamber

Council Offices, Adam and Eve Street, Market Harborough.

Members of the public can access a live broadcast of the meeting from the <u>Council website</u>, and the meeting webpage. The meeting will also be open to the public.

Dear Councillor

A Meeting of the Harborough District Council, which you are invited to attend, is to be held as detailed above.

The business to be transacted is set out in the Agenda below.

Yours faithfully

LIZ ELLIOTT INTERIM CHIEF EXECUTIVE AND HEAD OF PAID SERVICE HARBOROUGH DISTRICT COUNCIL

Agenda

- 1 Apologies for Absence
- 2 Chairman's Announcements
- 3 Declarations of Members' Interests
- 4 Minutes

To approve as a true record the Minutes of the previous Meeting.

DRAFT Minutes of the Council - 6th November 2023 5 - 8

5 Leader's Report

To Follow

| 6 | To answer written questions or receive petitions submitted by the public | | |
|----|---|--------------|---|
| 7 | Questions from Members | 9 - 12 | |
| 8 | Report from Cabinet | 13 - 18 | |
| 9 | Report on Committees | 19 - 28 | |
| 10 | Report on Joint Arrangements | 29 - 34 | |
| | Consider the following reports: | | |
| 11 | Council Tax Base 2024/25 To Follow | | |
| 12 | Harborough Local Plan - Leicester and Leicestershire Statement of Common Ground relating to housing and employment land needs | 35 - 83 | 0 |
| 13 | Local Plan - Issues and Options consultation | 831 916 | - |
| 14 | Local Development Scheme Update | 917 944 | - |
| 15 | New Local Plan Resources | 945 968 | - |
| 16 | Procurement of Leisure Contract | 969 1008 | - |
| 17 | Consider the following Notices of Motion: | | |
| Α | Harborough District Council Divestment | 1009 1010 | - |
| В | Proportional Representation | 1011 1012 | - |
| С | Local Plan Advisory Panel | 1013 1014 | - |
| | | | |

Any Urgent BusinessTo be decided by the Chairman. 18

Contact:

DemocraticServices@harborough.gov.uk
Telephone: 01858 828282

Circulate to: All Councillors

Page 3 of 1014

HARBOROUGH DISTRICT COUNCIL

MINUTES OF MEETING OF COUNCIL on

Monday 6 November 2023 commencing at 6.30 p.m.

Held at **The Council Chamber, The Symington Building**, Adam & Eve Street, Market Harborough, LE16 7AG

Present: Councillor Barbara Johnson (Chairman)

Councillors: Anderson, Asher, Bannister, Beadle, Bilbie, Birch, Burrell,

Dann, Elliott, Finan, Forman, Gair, Galton, Graves, Hallam, Hollick, James, King, Knight, Knowles, Mahal, Modha, Nunn, Mrs Page, Rickman, Sarfas, Taylor, Whelband,

Whitmore, Woodiwiss and Worrell.

Officers present: D. Atkinson, L. Elliot, S. Hamilton, R. Jenner, C. Mason, K.

Parsons, C.Pattinson, and J. Young

1. APOLOGIES FOR ABSENCE

Apologies were received from Councillors Bateman and Grafton Reed.

2. CHAIRMAN'S ANNOUNCEMENTS

A minute's silence was held for former Councillor Bill Liquorish who had passed away on Friday November 3, 2023.

Councillor Johnson gave a summary of events she had attended since the last Council Meeting.

Council agreed that the order of the agenda be changed in order that Item 11 would be moved to become Item 7.

3. DECLARATIONS OF MEMBERS' INTERESTS

Councillor Bannister, King, Mrs Page, and Galton declared a registerable interest in relation to Item 11 (now Item 7) as a County Councillors for Leicestershire County Council.

Councillors Bannister and Whelband declared a registerable interest in relation to Item 11 due to their employment or work with Local Members of Parliament, Alberto Costa and Neil O'Brien respectively.

4. MINUTES

It was **RESOLVED** that the minutes of 18 September 2023 were an accurate and correct record of the meeting and signed by the Chairman.

5. REPORT OF THE LEADER

Councillor Knowles provided a written report to Members. Councillors asked questions on the report regarding:

- Timescales of visiting the Parish Councils and if a schedule of visits could be issued to ensure all Councillors were aware of the dates and invited.
- Member involvement, costs and decision for changing the Council Liaison Group of using a third party.
- Examination of the loss of the revenue for free parking charges over the Christmas period; the reason for the requirement of a paper ticket with free parking and the extra 10p charge currently being added to parking tickets booked via the application.
- If Officers could provide a reply from Severn Trent in relation to the water quality issue.

Councillor Knowles explained that regarding the Council Liaison Group, it would still be Chaired by a Member of Harborough Council and cost savings would be gained. He would ask Officers to provide evidence of this.

In relation to the paper tickets being issued, this was a technical issue necessary for monitoring purposes. He would ask Officers to look into the additional 10p charge and he would share the findings with Members.

Councillor Knowles confirmed that the written reply from Severn Trent would be shared with Members.

A schedule will be provided for Parish Councillor meetings with all Councillors welcome to attend.

6. QUESTIONS AND PETITIONS SUBMITTED BY THE PUBLIC

Mr David Campbell-Kelly had submitted a question, and the answer was provided to Councillors in the Supplementary Agenda for the meeting. Mr Campbell-Kelly asked the following supplementary question:

Will Members consider deferring the decision if advice on the November 3 letter is not yet clear? If the advice is already clear, is it now understood that the Duty to Cooperate does not apply, and thus, the SoCG does not need to be signed? If not, what aspects have we misunderstood?

7. REPORT FROM THE CABINET

Councillor Knowles introduced the report from Cabinet, detailing the Decisions taken by Cabinet from 23 October 2023, which was **NOTED**.

8. REPORT ON COMMITTEES

Councillor Knowles introduced the report summarising the activities of the following Committees since the last Council meeting in September:

- Cabinet Grants Sub Committee (27 September 2023)
- Scrutiny Commission (28 September 2023)
- Constitutional Review Committee (5 October 2023)
- Communities Overview and Scrutiny Panel (11 October 2023)
- Performance Overview and Scrutiny Panel (19 October 2023)
- Audit and Standards Committee (25 October 2023)

The report was **NOTED**.

9. REPORT ON JOINT ARRANGEMENTS

Councillor Knowles introduced the report summarising the activities of organisations with which the Council has Joint Arrangements. The Leicestershire Partnership Revenues and Benefits Joint Committee minutes of a meeting on 14 September 2023 were contained in Appendix A. The report was **NOTED**.

Julie Young, Head of Legal Services left the meeting prior to consideration of the subsequent item.

10. APPOINTMENT TO THE STATUTORY MONITORING OFFICER ROLE

Councillor Knowles introduced the report and it was **RESOLVED** that Julie Young, Head of Legal Services, be appointed as the Monitoring Officer on an interim basis with effect from 7 November 2023 and that the current interim Monitoring Officer, Clare Pattinson, will vacate the post of Director of Law and Governance with effect from 7 November 2023 but be retained by the Council to complete project work.

Julie Young returned to the meeting.

11. HARBOROUGH LOCAL PLAN – LEICESTER AND LEICESTERSHIRE STATEMENT OF COMMON GROUND RELATING TO HOUSING AND EMPLOYMENT LAND NEEDS

Councillor Knowles explained that due to the late arrival of various documents and information, it was recommended that the item be deferred to the meeting on 11 December 2023.

Councillor Knowles proposed a motion without notice that the agenda item and decision be deferred to allow for documents and information to be read in detail and any more information to be provided within 5 working days of the meeting.

The proposal was seconded by Councillor Bannister and upon being put to the vote was **CARRIED**.

12. UPDATING REPORT ON THE MEMBERSHIP OF COMMITTEE AND CABINET

Councillor Knowles introduced the report and explained that the correct political balance of the Overview and Scrutiny Commission is 6 administration seats and 4 opposition seats. Therefore, it was **RESOLVED** that Councillor Finan would replace Councillor Rickman on the Overview and Scrutiny Commission.

It was also **RESOLVED** that the number of seats on the Licensing Committee and the Regulatory Committee would be increased to 10. Councillor Burrell would be appointed to the Licensing Committee and the Regulatory Committee.

It was to be **NOTED** that Cllr Whitmore ceased to be a Cabinet Member on 6 October 2023, with the Leader assuming responsibility for her former portfolio of Culture, Leisure, Economy and Tourism.

13. ANY URGENT BUSINESS

There were no urgent business matters.

The meeting ended at 19:48

Council 11th December 2023

Item 7 refers

Questions submitted by Members.

Question to the Leader

Submitted by Councillor Mrs Page

Question:

Could the leader please confirm what has been done so far to deliver the Master Plan for Lutterworth and what else is still to be done to be completed and what is the timeframe, action plan and communication protocol?

Question to the Leader

Submitted by Councillor Nunn

Question:

In February this year, at the council budget setting meeting, an allocation of £280k was approved so we could offer Green Grants across the District. To date work on developing what the scope of the scheme will be, how it will be promoted and administered has not commenced. I'm sure your colleagues from the Green Party are as keen as I am to know how you intend to progress this scheme.

I would like to ask when you will have the proposals finalised and the scheme open for applications to ensure our communities can access the grants as soon as possible?

Question to the Portfolio Holder for Environmental and Climate Change Submitted by Councillor Whelband Question:

The provision of allotments helps to promote sustainability and green living. They have also been proven to help to improve mental health. They are an important, but often overlooked, service that the District Council provides. Would the relevant cabinet member tell me how many are on the allotment waiting list and how long that waiting list is?

Question to the Leader

Submitted by Councillor Worrell

Question:

The council purchased three flats at Ploughmans Yard, off Coventry Road in Market Harborough to be used as temporary accommodation. The garage conversion to make the 4th flat has now been completed, however the remedial works to the damp and mould are still yet to be carried out meaning the accommodation cannot be used and therefore a valuable resource not being utilised. Can you tell us when these works will be carried out? So that the units can eventually be used for their intended purpose, to house vulnerable people.

Question to the Portfolio Holder for Planning

Question:

Submitted by Councillor King

The government proposals re the change over in the local plan system were first published for public consultation in December 2022.

Can Cllr Galton confirm the timeline as to when the revised & accelerated approach to the LDS, now being recommended by Cabinet, was first brought to his attention?

Question to the Portfolio Holder for Planning

Submitted by Councillor Mrs Page

Question:

I understand that the Reg18 consultation process should include the updated needs assessment of logistic and employment land.

I believe this very important information is not expected to be available in time.

Having an ever-expanding Magna Park, this is very emotive and of great importance to my residents to comment on.

Could you please confirm how their views and the comments of other stakeholders on this matter will be consulted on?

Question to the Portfolio Holder for Planning

Question:

Submitted by Councillor Rickman

Can this council please confirm how it is going to deal with Neighbourhood Plans within the new local plan and will Neighbourhood Plans have to be renewed every 5 years and will any amendment be invoked should HDC's housing quota change and when will parishes be informed of the details and process?

Harborough District Council



Report to Council Meeting of 11 December 2023

| Title: | Report from the Cabinet |
|-----------------|--|
| Status: | Public |
| Report Author: | Interim Senior Democratic Officer - Sarah Hamilton s.hamilton@harborough.gov.uk |
| Lead Councillor | Leader of the Cabinet – Councillor Knowles |
| | Load of the Cabinet Counting Tanemies |
| Appendices: | A. – decisions taken by Cabinet since the last meeting of full Council |

Summary

i. This report provides information to the Council on issues considered by the Cabinet at its meetings since the last meeting of full Council.

Recommendations

1. That Council receive the report.

Reasons for Recommendations

ii. Producing a formal report of the decisions taken by Cabinet since the last meeting of full Council affords all Members of the Council a further opportunity to ask questions of the Cabinet as to the activity undertaken.

1. Purpose of Report

1.1 This report provides Council with a summary of the matters considered by Cabinet since the last meeting of the Council. It allows Members to ask questions of Cabinet Members about that business.

2. Background

2.1 The Council operates a Leader and Cabinet model of governance, which means that the majority of functions are delegated to the Leader and his Cabinet. It is therefore important that Council is formally appraised of decisions which the Cabinet has taken.

3. Details

- 3.1 Since the last meeting of Council on 6 November 2023, the Cabinet has held one meeting on 27 November 2023 at which the decisions set out at Appendix A were taken.
- 3.2 No urgent decisions have been made by the Leader since the last meeting of Council.
- 3.3 No executive decisions have been taken by individual portfolio holders.

4. Implications of Decisions

Corporate Priorities

4.1. The Council is committed to delivering its corporate priorities as set out in its corporate plan. Providing the information contained within this report gives assurance that the Council continues to work to deliver these priorities.

Consultation

4.2. The report provides information to Council only - no consultation is required.

Financial

4.3. This report does not have any financial consequences upon the budget set by the Council.

Legal

4.4. This report ensures that the Council is meeting its legal obligations to ensure that members are aware of Cabinet activity.

Environment Implications

4.5. This update report does not impact upon the Council's commitment to achieving net zero carbon.

Risk Management

4.6. The contents of this report do not pose any risk implications for the Council as it is an update report.

Equalities Impact

4.7. This report, providing an update only, does not engage the public sector equality duty.

Data Protection

4.8. This report contains no private information.

5. Recommendation

5.1. Council is invited to receive the report.

6. Background papers

6.1. None.



Harborough District Council - Decisions taken by the Cabinet on 27th November 2023



| Agenda | Topic | Decision |
|---------|-------|----------|
| Item No | | |

Note: this decision list is for guidance only. The text of the minutes, which may be different is definitive.

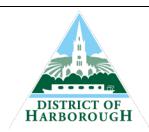
| 4 | New Local Plan – Issues and Options Consultation | Cabinet resolved to: 1. Recommend to Council for determination the New Local Plan Issues and Options Consultation document (Appendix A) for public consultation. 2. Delegate authority to make any factual corrections and minor changes to finalise the consultation document and facilitate the requirements of setting up consultation material as well as to make any changes agreed at Cabinet and Council to the Director of Planning, in consultation with the Portfolio Holder with responsibility for Planning. |
|----|--|---|
| 5 | Local Development Scheme (LDS) Update | Cabinet resolved to: 1. Recommend to Council for determination the revised Local Development Scheme, set out at Appendix A. 2. Delegate to the Director of Planning, in consultation with the Head of Legal Services and the Portfolio Holder for Planning, authority to: (a) Commission, negotiate, award, enter into and vary such arrangements and legal agreements as may be necessary or appropriate to deliver the Local Development Scheme. 3. Delegate to the Director of Planning, in consultation with the Portfolio Holder for Planning, authority to: (a) Keep the Local Development Scheme under review as necessary and appropriate. |
| 6. | New Local Plan Resources | Cabinet resolved to: 1. Recommend to Council for determination the additional resources needed for Local Plan preparation set out in Table 1 in paragraph 4.4 of this report in order to aim to submit the new local plan for examination by June 2025. |





| 7. | Mid-Year Treasury Management Report 2023/24 and Prudential Indicators | Cabinet resolved to: 1. Note the Mid-Year Treasury Management Report for 2023/24 and treasury activity; 2. Note the Prudential Indicators. |
|-----|--|---|
| 8. | 2023/24 Performance Report – Financial (Outturn) and Corporate Quarter 2 (Year ending 31 March 2024) | Cabinet resolved to consider and comment on the contents of this report and associated appendices. |
| 9. | 2024/25 Budget & MTFS - Budget Principles & Reserves Strategy | Cabinet resolved to: 1. Approve the budget principles, delegations and definitions that are summarised in Appendix 3. 2. Approve the Reserves Strategy in Appendix 4. |
| 10. | Creation of a Members Development Cabinet Advisory Panel | Cabinet resolved to: 1. Appoint members to the Members Development Cabinet Advisory Panel. 2. Approve the Terms of Reference as set out at Appendix B of this report. |

Harborough District Council



Report to Council Meeting of 11 November 2023

| modmig of the tornibor 2020 | | |
|-----------------------------|--|--|
| Title: | Update from the following Committees and Panels since the last Council meeting on 6 November 2023: | |
| | Communities Overview and Scrutiny Panel (16 November 2023) | |
| Status: | Public | |
| Report Author: | Julie Young | |
| | Head of Legal Services and Monitoring Officer | |
| | j.young@harborough.gov.uk | |
| Lead Councillor: | Leader of the Council, Councillor Phil Knowles | |
| Appendices: | Appendix 1 -Community Overview and Scrutiny Minutes from 16 November 2023 | |

Summary

i. This report summarises the activities of the various Committees and Panels that have met since the last meeting of Council on 6 November 2023.

Recommendations

1. That Council note the report.

Reasons for Recommendations

ii. The Council Procedure Rules provide that Council will, at an ordinary meeting of the Council, receive a report from each committee and receive questions and answers on that report.

1. Purpose of Report

1.1. This report provides an update for Council on the activities of committee and panels which have met since the last meeting of Council.

2. Background

2.1. The Council's constitution provides at Council Procedure Rule 2 that ordinary meetings of Council will "receive reports from the Council's Committees and receive questions and answers on those reports". It is likely that the rationale behind this requirement is as a result of there sometimes being long periods of time between meetings of committees, which means that minutes are not approved and published for councillors who were not in attendance to review and ask questions about. By providing an update report and allowing Councillors to ask questions of the Committee and Panel Chairs in full Council, the Council ensures that there is timely oversight of the valuable democratic activity taking place within the Council.

3. Details

Overview and Scrutiny Functions

3.1. The Communities Overview and Scrutiny Panel met on 16 November 2023 and considered Local Plan LDS and Issues & Options Consultation. The minutes are attached in Appendix 1.

4. Implications of Decisions

Corporate Priorities

4.1. The Council is committed to delivering its corporate priorities as set out in its corporate plan. Providing the information contained within this report gives assurance that the Council continues to work to deliver these priorities.

Consultation

4.2. This report reflects the activity of the committees, which all members were entitled to attend. No further consultation is required.

Financial

4.3. This report provides an update on the work of the committees and has no financial consequences for the budget set by the Council.

Legal

4.4. This report provides an update on the work of the committees and ensures the committees comply with the requirement to report their activity to Council as set out in the Council Procedure Rules.

Environment Implications

4.5. This update report does not impact upon the Council's commitment to achieving net zero carbon.

Risk Management

4.6. The contents of this report do not pose any risk implications for the Council as it provides an update on the work of a committee.

Equalities Impact

4.7. The Council has a statutory duty to consider and demonstrate equalities impact in all of its activities. However, the report does not directly impact upon the public sector equality duty given it reports the activities of a committee.

Data Protection

4.8. This report contains no private information.

5. Recommendation

5.1. Council is invited to note the democratic activity since the last meeting of Council as set out in this report.

6. Background papers

6.1. None



Minutes of the Communities Overview & Scrutiny Panel

Location: Council Chamber, The Symington Building, Adam

and Eve Street, Market Harborough, LE16 7AG



Date: 16th **November 2023** commencing at 6.30pm

Present:

Councillors: Finan, Galton (ex-officio), James (Chair), Nunn, Sarfas, Taylor,

Whelband

Officers: D. Atkinson – Director of Planning

T. Nelson - Head of Strategic Planning

E. Newman - Democratic Services Officer

1. Apologies for Absence

Apologies for absence were received from Councillors Johnson (Councillor Finan substituted) and Bannister.

2. Declaration of Members' Interests

There were none.

3. Draft Community Scrutiny Panel Minutes – 10th October 2023

The minutes of the meeting on 10th October 2023 were accepted as a true and accurate record and signed by the Chairman after the following amendments were made:

Councillor Whelband was nominated as Vice Chair, not Councillor Nunn.

The Chair updated the panel that the Interim Chief Executive will be providing further direction on Portfolio Holder attendance at scrutiny panel meetings.

4. Portfolio Holder Update

The Portfolio Holder for Planning provided an update on the progress of the Local Plan development, and on the work completed by the Local Plan Advisory Panel. He considered that first critical step in the development of the Local Plan will be to discuss the Regulation 18 process. In April 2024, Harborough's Local Plan will be 5 years old.

5. Local Plan Timetable (Local Development Scheme/LDS) and Issues and Options consultation (Regulation 18)

The report was presented by the Portfolio Holder for Planning, alongside the Head of Strategic Planning. He discussed the importance of this report as the first step in the development in the new Local Plan.

The following questions and responses were as follows:

| Question | Answer |
|---|---|
| How will the authority work to the short timescale to submit the Local Plan? | The authority has and is implementing further good governance and budget management, is using available toolkits, engaging external expertise, and finding additional resourcing/staffing. |
| What will happen if the council does not meet the deadline set out in the report? | Circumstances outside of the council's control may halt the progress. Various external bodies that will be involved, are being approached early to advise them of the upcoming Local Plan development. If the deadline is not met, the evidence collected and work already completed will not be wasted, it will be re-used to submit at a later point. |
| What will the costings to produce the Local Plan be? | The current Local Plan cost £1.8million, it is likely that due to rising costs outside of the council, the new plan costs will be increased. The reporting is being prepared and will be progressed to the next Cabinet meeting and subsequent Council meeting. |
| How will the council ensure the project is appropriately resourced? How much would the increased staffing cost? | Currently, there is a national shortage of planners, however, the planning team have started reaching out via professional networks and are receiving positive feedback from this initial contact. The additional cost will be outlined in an extra report to be reviewed by Cabinet. |
| How has the new Settlement Hierarchy been determined? And will it be voted on? | Cabinet will be required to vote on this at the next meeting on 27 th November 2023. The document being discussed regards |

| | 7 |
|---|---|
| | Regulation 18 and issues and options, and the Settlement Hierarchy can be commented on during the public consultation. |
| How has it been determined that Harborough would likely be in a later group of Local Plans under the new central government legislation (LURA)? | Recent Counsel advice provided at previous council meeting (6 th November 2023) provides some information on this. There are no guarantees that Harborough District Council will be part of the pilot scheme in the new central government led process. As it is a new process there is still extra legislation to come from central government to guide local authorities. There is still much to be determined around how the new system will operate, for example, via secondary legislation. |
| What specific stakeholders are being engaged in the consultation? | Clarification was provided that every resident of the district is a stakeholder. As well as this various companies and public bodies (National Highways, Natural England, Leicestershire County Council, NHS) are being invited to comment on the consultation presented. |
| How is growth in warehousing being accounted for? | A piece of evidence is being developed for the Leicester and Leicestershire area, reporting on strategic distribution of warehousing to guide the Local Plan process. |
| What additional costings will there be if the deadline is not met? | The costings of the new Local Plan are dependent on absolute details of transitional arrangements. If the deadline is not met, the existing work and evidence completed will be bundled and taken into the following plan preparation under the new system. Additional costings are not included in the upcoming financial report, as an estimation cannot be made at this stage due to the changing evidence base. |
| Is this report developed with the assumption that the Leicester and Leicestershire Statement of Common Ground will be agreed? | The Issues and Options report and the Leicester & Leicestershire Statement of Common Ground report are not dependent on one another, the report being discussed at this panel is a separate decision to be made regarding the Regulation 18 Issues and Options document. |
| Would figures in the report need to be adjusted if the Leicester and Leicestershire Statement of Common Ground is not agreed? | Within the report there are three different scales of growth identified to provide a range of data as a way of future proofing the Local Plan for potential circumstance change (e.g. Annual Housing Needs) |

| NA/In advisible to the Communication of the Communi | between the Regulation 18 consultation and the Planning Inspectorate review following submission of the plan for its examination. |
|--|---|
| What will the consultation process | There will be a six-week consultation |
| taking place in January and | process. The responses will be analysed |
| February 2024 look like? | and collated, then reviewed by the Cabinet |
| | & Council to inform the Regulation 19 draft |
| | plan that will again go to Cabinet & Council |
| | prior to publication for consultation. As part |
| | of the Regulation 18, Issues and Options |
| | consultation there will be a static notice |
| | board to view in the customer service area |
| | of The Symington Building. The consultation |
| | will be taking place largely online but will be |
| | supported by further telephone and email |
| | consultation and in person drop-in sessions. |
| | Drop-in sessions are mainly for members of |
| | the public to ask any questions that they |
| | may have answered. As well as this, parish |
| | councils and parish meetings in the district |
| | are being contacted to receive their |
| | thoughts. There will be an advertisement in |
| | the Harborough Mail, and it was also |
| | suggested that there be an advertisement in |
| | the Swift Flash. The authority is working to |
| | front load the publicity for the Regulation 18 |
| | Issues and Options consultation. |
| Where will the consultation drop-in | It is likely that the drop-in sessions will be |
| sessions be held? | held in Market Harborough, Lutterworth, |
| 3033ion3 be field: | and potentially Scraptoft, (certainly in that |
| | area of the district.) |
| When will the consultation drop-in | The sessions are normally held for $\frac{1}{2}$ - $\frac{3}{4}$ of |
| sessions be held? | a day, and this will ensure that the sessions |
| SCOSIONS DO NOIGE | span both working and non-working hours. |
| Could a consultation drop-in session | This suggestion was noted. |
| be allocated to a larger village in the | The eaggeoner was noted. |
| district? | |
| Will the outcomes of the | The data provided in the consultation will be |
| consultation be publicised? | organised, catalogued, analysed, and a |
| Tomation be published. | response will be provided to it. This |
| | information will be considered by officers, |
| | and then presented to councillors. |
| How will the council ensure that | This is a link to the Statement of |
| larger stakeholders/significant | Community Involvement - |
| service providers are engaged with | https://www.harborough.gov.uk/directory_record/ |
| on consultation? | 563/statement of community involvement |
| | This is available on the Harborough District |
| | Council website. This lists the significant |
| | service providers that will be involved in the |
| | consultation. To ensure contribution to the |
| L | 55566 |

| | consultation, communications are followed up, and an ongoing dialogue is opened. |
|---------------------------------------|--|
| Will there be an impact on other | It is unlikely that the development of the |
| duties of the planning department's | Local Plan will have an impact on the |
| service delivery? | provision of other council services. |
| How is the need for water | As part of the consultation, important |
| infrastructure upgrade considered? | consultees such as the water authorities, |
| | lead local flood authority, and the |
| | environment agency are approached for |
| | their expertise. The Infrastructure Delivery |
| | Plan will sit alongside the Local Plan to |
| | provide further information on the |
| | infrastructure required to deliver and |
| | implement the local plan. |
| Have there been any definite | There haven't been any confirmed |
| appointments to the planning | additional appointments to the Strategic |
| department for the required increase | Planning team yet. |
| in resourcing? | |
| Is the 6-week timeline for the | There will be a pre-consultation notice, to |
| consultation enough time? | advise people of the consultation and drop- |
| | in sessions. Parish Councils will receive |
| | notice, prior to the consultation, to make the |
| | necessary meeting arrangements to |
| | discuss the matter. The consultation |
| | development process has considered |
| | demographics of the district to |
| | accommodate as much of the public as possible. |
| What will be the timescale to receive | The Head of Strategic Planning will take |
| a fully comprehensive risk | this query away to review and respond. |
| assessment on delivery of the | |
| Regulation 18 process? | |
| What would the increased resource | There is already a very capable existing |
| in the Strategic Planning team look | team in place, which will be integral to the |
| like? | Local Plan process. What is looking to be |
| | done is to supplement the already existing |
| | team, with equally capable new members of |
| | the team, as well as members of outside |
| | bodies and consultants, for areas of |
| | specialist knowledge. |

Key issues discussed were the costings of the Local Plan Regulation 18 process, the planning department resourcing to deliver the plan to the timeline provided, and the consultation that would take place with the public and key significant stakeholders.

The panel members commented on the proposed updated Local Development Scheme, and on the scope of the first public consultation on the new local plan.

It was discussed that the questions and comments provided by the panel would be reviewed and passed onto the Cabinet for discussion at their next meeting.

6. Any Urgent Business

There was no urgent business.

The meeting ended at 20:00



Harborough District Council



Report to Council Meeting of 11 December 2023

| | _ |
|--|---|
| Title: | Report on the activity of organisations with which the Council has Joint Arrangements |
| Status: | Public |
| Report Author: Interim Senior Democratic Officer, Sarah Hamilton | |
| | s.hamilton@harborough.gov.uk |
| Lead Councillor: | Leader of the Council - Cllr Knowles |
| Appendices: | A. Leicestershire Partnership Revenues and Benefits Joint Committee minutes 23 rd November 2023. |

Summary

- Article 11 of the Council's constitution provides that either Council or Cabinet can enter into joint arrangements to promote the economic, social or environmental well-being of its area.
- ii. This report updates Council on the joint arrangements currently in place within the district in compliance with the provisions of Council Procedure Rule 2.11

Recommendations

1. That the Council note the joint arrangements activity since the last meeting.

Reasons for Recommendations

iii. It is appropriate that the Council is aware of activities carried out by or on its behalf.

1. Purpose of Report

1.1. This report updates Council on the activities of bodies, since the last Council meeting, with which the Council has entered into joint arrangements.

2. Background

2.1. The Council has established a joint committee for the purpose of administering it's revenues and benefits functions. The joint committee includes North West Leicestershire

and Hinckley and Bosworth Borough Council, as well as Harborough District Council. It meets 4 times a year and the Council has nominated Councillor Graves and Councillor Beadle as its representatives. The Joint Committee is also attended by the Head of Financial Services, Carolyn Bland.

3. Details

- 3.1. The Leicestershire Partnership Revenues and Benefits Joint Committee met on 23 November 2023 but no information was available to report to the last meeting of council.
- 3.2. The joint committee considered a number of reports (i.e. Performance Report up to September 2023 and financial performance of the Partnership for the period April to September 2023). The draft minutes of the meeting are attached as Appendix A to this report.

4. Implications of Decisions

Corporate Priorities

4.1. The Council is committed to delivering its corporate priorities as set out in its corporate plan. Providing the information contained within this report gives assurance that the Council continues to work to deliver these priorities.

Consultation

4.2. The identification of individuals within this report reflects the nominations provided by the relevant group leaders. No further consultation is required.

Financial

4.3. The financial consequences set out within this report are within the budget set by the Council.

Legal

4.4. This report therefore ensures that the Council is meeting its legal obligations in this regard.

Environment Implications

4.5. Nothing within this report is anticipated to impact upon the Council's commitment to achieving net zero carbon.

Risk Management

4.6. The contents of this report do not pose any risk implications for the Council – the potential risk would arise from failing to report the contents of this report.

Equalities Impact

4.7. The Council has a statutory duty to consider and demonstrate equalities impact in all of its activities. However, the report does not impact upon the public sector equality duty.

Data Protection

4.8. This report contains no private information.

5. Recommendation

5.1. Council is invited to receive the report.

6. Background papers

6.1. None

Public Document Pack

MINUTES OF THE MEETING OF THE LEICESTERSHIRE PARTNERSHIP REVENUES & BENEFITS JOINT COMMITTEE

23 NOVEMBER 2023 AT 3.30 PM

PRESENT: Cllr Wyatt - Chair

Cllr KWP Lynch - Vice-Chair

Cllr Beadle and Cllr Woodman

Also in attendance:

Officers in attendance: Carolyn Bland, Anna Crouch, Julie Kenny, Sally O'Hanlon, Rebecca Valentine-Wilkinson and Ashley Wilson

59. Apologies for absence

Apologies were received from Councillor Bray and Councillor Graves.

60. **Declarations of interest**

No additional interests were declared at this meeting.

61. Minutes of previous meeting

It was moved by Councillor Lynch, seconded by Councillor Woodman and

RESOLVED – the minutes of the meeting held on 14 September 2023 be confirmed as a correct record.

62. Financial Performance

Members were presented with the financial performance for the Partnership for the period April 2023 to September 2023.

After a question from members regarding the reported £15,000 savings on postage, it was confirmed that the Partnership were still communicating by sending out letters, but they were also communicating in other ways, but it was felt that the majority of the savings reported would be savings on postal charges.

63. **Performance Report**

Members received a performance report up to September 2023.

As part of the update members were also informed that the DWP's phased managed migration process from tax credits to universal credit had started last year under a discovery phase. A detailed report would be presented to a future meeting and current advice from DWP was that Local Authorities should not be getting involved with issues. Officers confirmed that communication would be going out to local residents.

As part of the internal audit plan for the Partnership members were informed that Housing Benefits, Council Tax and Business Rates would be the key risks reviewed over the course of the detailed plan.

64. Forward Plan

Members noted the forward plan.

65. **Dates of future meetings**

Members noted the future meeting dates.

66. Matters from which the public may be excluded

On the motion of Councillor Lynch, seconded by Councillor Woodman, it was

RESOLVED – in accordance with Section 100A(4) of the Local Government Act 1972, the public be excluded from the following item of business on the grounds that it involves the disclosure of exempt information as defined in paragraphs 3 and 10 of Schedule 12A of the 1972 Act.

67. Future of the partnership

Members received a verbal update

(The Meeting closed at 3.45 pm)

| CHAIR |
|-------|

Harborough District Council

Report to Council



Meeting of 11 December 2023

| Title: | Harborough Local Plan - Leicester and Leicestershire Statement of Common Ground relating to housing and employment land needs |
|-------------------|---|
| | Common Ground relating to nousing and employment land needs |
| Report Author: | Head of Strategic and Local Planning, Tess Nelson |
| Portfolio Holder: | Cabinet Member for Strategic Planning - Cllr Phil Knowles, Leader |
| | Cabinet Member for Planning - Cllr Simon Galton |
| Appendices: | A. Leicester and Leicestershire Statement of Common Ground relating to housing and employment needs, June 2022 |
| | B. Leicester and Leicestershire Housing and Economic Needs Assessment, June 2022 ('HENA') |
| | C. Leicester and Leicestershire Housing and Economic Needs Assessment: Executive Summary, June 2022 |
| | D. Leicester and Leicestershire Housing and Economic Needs Assessment: Housing Distribution Paper, June 2022 |
| | E. Leicester and Leicestershire Housing and Economic Needs Assessment: Employment Distribution Paper, June 2022 |
| | F. Leicester and Leicestershire Statement of Common Ground: Sustainability Appraisal Report, June 2022 |
| | G. Leicester and Leicestershire Statement of Common Ground: Sustainability Appraisal: Non-Technical Summary, June 2022 |
| | H. Frequently Asked Question regarding housing and employment needs, September 2023 |
| | I. 13.10.2022 Communities Scrutiny Panel Minutes |
| | J. 08.09.2023 Letter from the Minister of State for Housing and Planning - Rachel Maclean - to the Council |
| | K. 12.09.2023 Letter from Leicester City Council Mayor – Sir Peter Soulsby - to the Council |
| | L. 14.09.2023 Letter from District MPs – Alberto Costa MP, Alicia Kearns MP, Neil O'Brien MP - to the Council |
| | M. 31.08.2023 Intelligent Plans and Examinations Advisory Note on the Duty to Do-operate and Statement of Common Ground |
| | N. 15.09.2023 Intelligent Plans and Examinations Advisory Note on the Duty to Do-operate and Statement of Common Ground |

O. 27.10.23 Letter from the then Minister of State for Housing and Planning - Rachel Maclean to Neil O'Brien MP, 3.11.23 Letter from the then Minister of State for Housing and Planning - Rachel Maclean to Neil O'Brien MP and 5.12.2022 Letter from the Secretary of State for Levelling Up, Housing and Communities – Michael Gove MP to colleagues

P. 1.11.2023 Counsel advice to the Council and 6.11.23 Counsel Further Advice and 6.11.23 Supplementary Advice from Intelligent Plans and Examinations

Summary

- i. It is proposed that the Council enters into an agreement in relation to housing and employment needs, entitled "the Statement of Common Ground ("SoCG")" with the other planning authorities in Leicestershire. This is a formal stage in the preparation of the council's next local plan.
- ii. The local plan is at the heart of the planning system because planning decisions must be taken in line with it, other than in exceptional circumstances. If there is no up to date local plan in place, every planning application received by the Council must be considered in isolation, which can make it harder for the Council to actively manage development within the district. As these plans are complex and vitally important, local authorities spend a substantial amount of time, and money, ensuring that they are kept up to date and relevant.
- iii. The current Harborough Local Plan was adopted in April 2019. It has been reviewed and a new plan is required to allocate development in sustainable locations and protect important natural spaces and built heritage. Further, the implementation, monitoring and review provision of the existing plan have been triggered, which means that the Council will be in breach of its own planning policy (IMR1) if it does not update its local plan.
- iv. Councils can however only adopt a new plan after completing a number of statutory processes, meeting policy tests and satisfying an independent planning inspector that the proposed local development plan is sound.
- v. The Localism Act 2011 imposed on the Council a duty to work collaboratively with partner authorities on strategic cross boundary issues. This is known as the Duty to Cooperate ("the Duty"). It therefore applies to the preparation of development plan documents and other activities in relation to the sustainable development and use of land. Evidencing that this requirement has been met is one of the steps that must be complied with before the Council can progress the draft local plan to adoption.
- vi. This report summarises the local development plan process and focuses in particular upon the steps taken by the Council to evidence that it has discharged its duty to cooperate with partner authorities over housing and employment needs in the region.

Recommendation

That Council agrees to sign the Leicester and Leicestershire Statement of Common Ground relating to housing and employment needs (June 2022).

Reasons for Recommendations

- i. Agreeing to the Leicester and Leicestershire Statement of Common Ground will demonstrate ongoing constructive engagement with partner authorities across Leicester and Leicestershire. It will provide evidence of the Council's fulfilment of its statutory Duty to Cooperate and meeting the Tests of Soundness; both of which are a statutory requirement in order to adopt the next Local Plan.
- ii. The Statement of Common Ground is fair and reasonable for Harborough District and has previously been signed by 7 of the 9 authorities in Leicester and Leicestershire. The evidence underpinning it is clear, transparent and robust.
- iii. Not signing the Statement of Common Ground would place the Council at risk of being unable to adopt the next Local Plan. This would be harmful to Harborough District in the long term.
- iv. The advice of Kings Counsel is for the Council to sign the Statement of Common Ground. The advice outlines the considerable advantages in entering into the Statement of Common Ground and explains there are no obvious disadvantages in doing so. The Council is advised that not signing the Statement of Common Ground would be "irrational".
- v. The Statement of Common Ground has sufficient flexibility built into its terms to allow the distribution of unmet need to be reviewed should the scale of unmet need change significantly.
- vi. Working collaboratively with partner authorities across Leicester and Leicestershire maintains positive relationships with neighbouring and other partner authorities and assists in the preparation of the Local Plan, for example through joint working on evidence preparation.
- vii. Whilst the Government has indicated that future planning reforms will repeal the Duty to Cooperate, this is not expected to come into force until September 2024 at the earliest. The Duty to Cooperate remains a legal requirement for the foreseeable future and must be complied with.
- viii. Signing the Statement of Common Ground will provide greater certainty as to the housing and employment requirements of the district to inform the next Local Plan.

Purpose of Report

1. To seek Council's agreement to the Leicester and Leicestershire Statement of Common Ground relating to housing and employment needs.

Background

Local plans

- 2. In England there is a 'plan-led' approach to the regulation of land and development which places local plans at the heart of the town and country planning system. A local plan forms part of the statutory 'development plan' for an area and is the starting point for the determination of all planning applications in the area, unless material considerations indicate otherwise.
- 3. The 2004 Planning and Compulsory Purchase Act places a duty on local authorities to carry out plan-making with the "objective of contributing to the achievement of sustainable development" while the Planning Act 2008 puts an additional obligation on plan-making authorities to ensure their development plan documents (taken as a whole) include policies that are "...designed to secure that the development and use of land in the local planning authority's area contribute to the mitigation of, and adaptation to, climate change."
- 4. The Harborough Local Plan was prepared and subsequently adopted in April 2019. It replaced the previous Harborough District Core Strategy adopted in 2011. The adopted plan provides at Policy IMR1 that:
 - "2. A full or partial update of the Local Plan will be commenced (defined as the publication of an invitation to make representations in accordance with Regulation 18 of The Town and Country Planning (Local Planning) (England) Regulations 2012) within 6 months of the following:
 - a. the adoption by the Council of a Memorandum of Understanding (MOU) or Statement of Common Ground (SoCG) which proposes a quantity of housing or employment development to 2031 that is significantly greater than the housing requirement or employment need identified in this Local Plan; or
 - b. in the absence of an adopted MOU or SoCG, 12 months from the date
 of publication of a Local Plan for Leicester City (defined as publication of
 an invitation to make representations in accordance with Regulation 19
 of the Town and Country (Local Planning) (England) Regulations 2012)
 ('a Regulation 19') that includes satisfactory evidence of an unmet local
 housing need; or
 - c. conclusion of a review in response to specific trigger points as set out in the monitoring framework, including identification of significant and persistent shortfalls in the delivery or supply of housing against the housing requirement.
 - 3. Any full or partial update of the Local Plan triggered by 2. above will be submitted for examination within 30 months from the date it commenced."
- 5. Whilst the current local plan remains up to date, the trigger set out at 2(b) above has been activated as a consequence of Leicester City Council publishing a Regulation 19 on

16 January 2023. This means that the Council must commence a full or partial update of its local plan in accordance with the Regulation 18 provisions – that is, publishing a notice inviting representations on the proposed plan in accordance with Regulation 18 of The Town and Country Planning (Local Planning) (England) Regulations 2012) (a "Regulation 18"). A new local plan is beneficial to provide long term certainty, allocate development in sustainable locations and protect important natural spaces and built heritage. When proposing a new plan, councils must demonstrate that legal requirements have been met, as well as policy tests known as the Tests of Soundness before a new local plan can be adopted.

- 6. The proposed plan is tested by an independent planning inspector during the local plan Examination. Examinations are a lengthy and forensic process of examining and testing both the draft plan itself and the evidence underpinning it. The inspector will determine whether the draft plan is:
 - a. Sound meaning it can be adopted;
 - b. Sound with modifications meaning it will be capable of adoption provided the Council incorporates the modifications identified by the inspector; or
 - c. Not Sound this judgement means that the Council will effectively have to restart the whole local development plan process.
- 7. Local Planning Authorities are required, as part of the preparation of local plans, to identify sufficient sites within their area to meet future housing and employment development needs. Where an authority is not able to accommodate all of its needs then national policy requires that any unmet need be accommodated elsewhere within the respective Housing Market Area (HMA) or Functional Economic Market Area (FEMA).
- 8. Harborough District Council sits within the Leicester and Leicestershire HMA / FEMA. The local plan examination will therefore test that the proposed local plan makes adequate provision for local housing and employment needs and helps to ensure that any unmet needs from neighbouring areas are also met.

Duty to Cooperate

- 9. Local authorities have a duty to work together to address issues which extend across local authority boundaries. One such issue is housing needs. This is because the need for homes is not limited or defined by local authority boundaries. Whilst need may arise in one local authority area, in reality people will often move between areas to live and work. This is particularly common in localities which provide access to multiple opportunities, particularly when they are well served by transport links, such as the Harborough District.
- 10. Whilst in the past these cross boundary (or 'strategic') issues were dealt with through dedicated strategic planning documents (structure plans, then more latterly regional plans, such as the East Midlands Regional Plan), since 2011, this has been dealt with by local authorities through the Duty to Cooperate ('the Duty'). This is a legal requirement on local authorities to work together to ensure strategic issues are tackled, including within local plans. This Duty, in respect of local plans, requires ongoing constructive

- engagement on the preparation of the plan documents and other activities in relation to the sustainable development and use of land.
- 11. Statements of Common Ground ("SoCG") are prepared in order to demonstrate that the Duty to Cooperate has been met and to record the outcome of collaboration. The statement can be used as evidence of the effective ongoing collaboration and engagement between partner authorities and is of particular importance when the Council's local plan is being examined by a planning inspector. A SoCG is a written record of the progress made by strategic plan-making authorities during the process of planning for strategic cross-boundary matters and:
 - a. documents where effective co-operation is and is not happening through the planmaking process;
 - b. demonstrates at plan examination in public that plans are deliverable and based on effective joint working across local authority boundaries;
 - c. forms part of the evidence required to demonstrate that councils have complied with the duty to cooperate;
 - d. is a living document.

There may therefore be multiple SoCGs on a variety of subjects prepared for each local plan.

Unmet needs

- 12. Leicester City Council identified that they have insufficient land within their administrative area to meet their needs for future homes and jobs in February 2017. It is not uncommon for cities like Leicester to have unmet needs as they develop land right up to their boundaries and run out of land to develop.
- 13. In December 2020 the Government published a new method for calculating housing need, which is now the starting point for determining how much housing land is to be met through a Council's local plan. The new method required the 20 largest cities and urban centres to add an additional 35% to their local housing need. Leicester was included upon this list, resulting in their housing need increasing by 35% despite already having insufficient land available for housing needs.

Statement of Common Ground

- 14. The Leicestershire planning authorities worked together to address the unmet need within the HMA. Where there is an unmet housing need, the Duty to Cooperate and Tests of Soundness require neighbouring authorities to demonstrate that:
 - a. they have engaged constructively, actively and on an ongoing basis in relation to the unmet need;
 - b. the new plan is informed by agreements (such as the Statement of Common Ground for housing and employment needs), so unmet need is accommodated where practical and sustainable to do so; and

- c. the new plan is based on effective joint working on cross-boundary matters as evidenced by a statement of common ground.
- 15. The Leicester and Leicestershire SoCG relating to housing and employment needs ("SoCG") attached at Appendix A is the outcome of collaboration between the Leicester and Leicestershire authorities. It resolves the issue of Leicester's unmet needs and in so doing, can be used by each authority in preparing their next plan as evidence to fulfil their legislative and policy tests.
- 16. The SoCG sets out the apportionment of Leicester's unmet housing and employment needs in the period to 2036. It has been prepared by the eight local planning authorities responsible for plan making (below) together with Leicestershire County Council:
 - a. Blaby District Council;
 - b. Charnwood Borough Council;
 - c. Harborough District Council;
 - d. Hinckley & Bosworth Borough Council;
 - e. Leicester City Council
 - f. Melton Borough Council;
 - g. North West Leicestershire District Council;
 - h. Oadby & Wigston Borough Council.
- 17. The SoCG is based upon a suite of evidence documents (Appendices B to G), as follows:
 - a. Leicester and Leicestershire Housing and Economic Needs Assessment, June 2022 (Appendix B)
 - b. Leicester and Leicestershire Housing and Economic Needs Assessment Executive Summary (Appendix C),
 - c. Leicester and Leicestershire Housing and Economic Needs Assessment: Distribution of Leicester's unmet Housing (Appendix D)
 - d. Leicester and Leicestershire Housing and Economic Needs Assessment: Distribution of Employment Needs (Appendix E)
 - e. Sustainability Appraisal (Appendix F) and Non-technical summary (Appendix G).

Timeline

- 18. The SoCG in relation to housing and employment needs has now been considered and agreed by each of the planning authorities as follows:
 - a. Charnwood Borough Council (June 2022);
 - b. Oadby and Wigston Borough Council; (July 2022)
 - c. Melton Borough Council (July 2022);

- d. Blaby District Council (July 2022);
- e. Leicester City Council (August 2022);
- f. North West Leicestershire District Council (September 2022);
- g. Leicestershire County Council (September 2022).
- 19. The SoCG was initially to be considered by Council at its meeting in June 2023, however this did not happen following the change in the Council's administration at the May 2023 local government elections. It was included on the agenda for the meeting of Council on 18 September 2023, but consideration of the report was deferred in order that the administration could explore with the district Members of Parliament what the basis of their objection to the proposal was. The district MPs did not agree to meet the Leader but rather organised a separate public meeting which took place on 3 November 2023. In light of further correspondence with the district Members of Parliament, Housing and Planning Minister, as well as Counsel advice, Council deferred the decision until December's Council meeting.

Details

Need for the Statement of Common Ground for Housing and Employment Needs

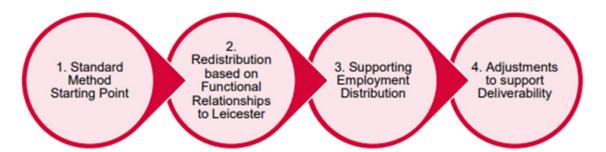
- 20. The new method for calculating housing need published by the government in December 2020 resulted in the housing need for Leicester increasing by 35%. In reality, it means that Leicester City Council needs to develop a further 9,712 homes over and above the current planned provision by 2036. This works out as an additional 607 homes per year.
- 21. The City's housing need now stands at 39,424 homes between 2020 and 2036.

 Although the City is heavily constrained, their local plan plans for around 21,000 homes across the plan period to 2036 by:
 - a. building on Brownfield sites;
 - b. building at high density (including building up where they can);
 - c. developing greenfield sites.
- 22. This leaves an unmet need of approximately 18,700 homes and 23 hectares of employment land to be accommodated in the wider Leicestershire HMA and FEMA.
- 23. Evidence associated with Leicester's local plan has been carefully assessed by officers and is considered to be comprehensive and robust. It provides confidence that every effort has been made to ensure their local plan accommodates as much growth as possible. Leicester City Council has recently submitted its local plan for independent examination, and it is expected that the examination will determine that the unmet need figures for housing and employment will be confirmed. However, should the unmet need change significantly through their Local Plan Examination, the Statement of Common Ground relating to housing and employment needs will be updated to reflect this, as set out in the document.

24. Whatever the outcome of the examination of Leicester City Council's proposed plan, Harborough District Council continues to be obliged to demonstrate that it is meeting its Duty to Cooperate.

Evidence informing the Statement of Common Ground relating to housing and employment needs.

- 25. The Leicester and Leicestershire Housing and Economic Needs Assessment (the "HEDNA") prepared in 2017 informed the housing and employment land provision of the current Harborough Local Plan. An updated assessment has been undertaken (June 2022) and therefore the HEDNA has been replaced by the new Leicester and Leicestershire Housing and Economic Needs Assessment (HENA) (Appendix B). It is the first comprehensive Leicester and Leicestershire study since 2017 and is summarised at Appendix C.
- 26. The HENA includes specific sections addressing the distribution of housing (Appendix D) and employment (Appendix E) needs. This provides the evidence base for the proposed redistribution of unmet need from the Leicester City Council administrative area to the other planning authorities.
- 27. The HENA Housing Distribution Paper (Appendix D) identifies the following steps in assessing the distribution of homes / unmet housing need across Leicester and Leicestershire:



- 28. Each of these steps is considered below along with commentary as to what this means for Harborough District.
 - The government's standard method for calculating local housing need for each of the Leicestershire Districts / Boroughs has been adopted to determine the minimum level of housing provision required (in line with the NPPF).

The standard method results in a local housing need figure for Harborough district of 534 dwellings per annum (2022 based) – this figure will fluctuate as data is updated and used in the standard method calculation.

2. The functional relationship of each council with no unmet need is compared with that of the city of Leicester (being the only authority with unmet need), including migration and commuting relationships between the authorities. This generates an initial indication of the potential distribution of unmet need.

For Harborough, this sees an upwards adjustment of 123 dwellings per annum reflecting the fact that Harborough shares a boundary with Leicester City Council and

has a relatively strong relationship with it in terms of commuting and migrating flows both in and out of the city.

3. The potential distribution of housing need is then adjusted to take account of the spatial distribution of future employment growth over the period to 2036. This promotes a balance in the delivery of jobs and homes at a local level and limits the need to travel by locating houses close to where job opportunities arise to provide additional labour where it is needed.

This results in no further change for Harborough since the additional minor increase is covered by the second step.

4. The final consideration relates to the deliverability of the distribution of development.

No change for Harborough.

29. Application of the redistribution process set out within the HENA across the HMA gives a proposed distribution of unmet housing need across Leicestershire as set out in Table 1 below:

Table 1: Distribution of Unmet Local Housing Need 2020 to 2036

| 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 & Bosworth Borough Council | 187 |
| Melton Borough Council | 69 |
| North-West Leicestershire District Council | 314 |
| Oadby & Wigston Borough Council | 52 |
| Total | 1,169 |

- 30. The distribution of unmet housing need across the HMA as set out in the SoCG is therefore based upon a robust and transparent methodology. The outcome is considered to be fair, reasonable and achievable for Harborough District.
- 31. In terms of employment, the HENA concludes that Charnwood Borough Council is best able to suitably meet the unmet employment need of 23 Hectares to 2036 identified across the FEMA. This reflects the existing over-supply of employment land compared to the Borough's own needs and the availability of sites close to the city which can service the needs of Leicester-based companies to 2036.

Implications for Harborough

- 32. Government policy, as set out in the NPPF, requires local planning authorities to meet their own local housing need and also any needs that cannot be met within neighbouring areas. These two figures added together give the housing requirement, which is the amount of housing planned for through the local plan.
- 33. Harborough's local housing need is 534 dwellings per annum (2022 figure), calculated using the Government's standard method for calculating local housing need. The addition of 123 dwellings as Harborough's contribution to meeting unmet housing need results in a total housing requirement for Harborough of 657 dwellings per annum. The current Harborough Local Plan sets the target at 557 dwellings per annum.
- 34. The following table, Table 2, sets out the local housing need for each local planning authority (Column B), together with the proposed housing provision for each authority (Column D). The difference (Column E) shows each authority's contribution to meeting the unmet need.

Table 2: Leicester and Leicestershire Local Housing Need and Proposed Redistribution (Per Year)

| Α | В | С | D | E |
|---|---|---------------|--|-----------------------|
| Local Planning Authority | Local Housing Need (2022 figures) | Unmet need | Proposed Redistributed Housing Provision | Difference (D - B) |
| Leicester City Council | 2,464 | 1,169 | 1,295 | 0 |
| Blaby District Council | 341 | | 687 | 346 |
| Charnwood Borough Council | 1,111 | | 1,189 | 78 |
| Harborough District Council | 534 | | 657 | 123 |
| Hinckley & Bosworth Borough Council | 472 | | 659 | 187 |
| Melton Borough Council | 231 | | 300 | 69 |
| North-West Leicestershire District Council | 372 | | 686 | 314 |
| Oadby & Wigston Borough Council | 188 | | 240 | 52 |
| Leicester & Leicestershire Total | 5,713 | | 5,713 | 1,169 |

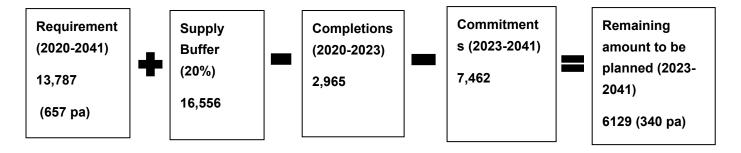
35. Within the Harborough District, significantly higher numbers of dwellings have been delivered in the district in 4 of the previous 5 years (over 700 in 2018/19, over 900 in 2019/20 and over 1,000 dwellings in both 2020/21 and 2021/22), compared to the new housing requirement of 657 dwellings, as shown in Table 3 below:

Graph 1: Annual housing completions in Harborough District from 2017/8 to 2021/22



- 36. Graph 1 above shows that since 2020 house building in Harborough has averaged about 1,000 per year (i.e., about 3,000 between 2020 and 2023). Officers are currently proposing a 2020 start date for the new local plan to align with the work under pinning the SoCG. Taking this level of supply off the requirement in the SoCG leaves about 580 homes per year to build to 2036. This is 23 homes per year higher than the housing target of 557 homes a year between 2011 and 2031 in the currently adopted Local Plan (2019). There is currently a pipeline of 7,462 homes committed with planning permission or allocated for development, including two strategic developments at Lutterworth and Scraptoft which are yet to start. Delivery of this pipeline throughout the remainder of the plan period will further reduce the amount of additional housing land to be found through the new local plan.
- 37. The SoCG covers the period up to 2036 but the new Local Plan will likely need to plan up to 2041 to meet government policy to plan 15 years from the date of adoption (currently scheduled for 2026). The SoCG does not cover the period after 2036. Further consideration will be given to the post 2036 period as the new local plan progresses. This is a separate matter to the SoCG currently being considered.

- 38. However, to illustrate the potential scale of growth which may need to be planned for, the housing requirement of 657 homes per year is assumed to continue to 2041 (i.e., 657 homes a year between 2020 and 2041). Taking housing completions since 2020 off this requirement would leave about 600 homes per year to build to 2041. This is 43 homes per year higher than the housing target of 557 homes a year between 2011 and 2031 in the currently adopted Local Plan (2019).
- 39. There is currently a pipeline of 7,462 homes committed with planning permission or allocated for development, including two strategic developments at Lutterworth and Scraptoft which are yet to start. If all commitments are built by 2041, this would leave 187 homes per year to be delivered to meet the requirement.
- 40. To ensure the requirement is met if build rates slow over the next 18 years or so (e.g., due to economic factors or site-specific issues) the plan will need to identify a supply of homes greater than the requirement (known as a supply buffer or contingency). If a supply contingency of 20% is added to the requirement we would need to identify a supply of 340 homes per year in addition to existing commitments to ensure the requirement is met by 2041.



- 41. Approving the SoCG would therefore commit the Council to testing whether it can realistically deliver 340 dwellings per year in addition to existing permissions and allocated sites. Testing delivery of this remaining amount will involve gathering evidence as to whether delivery of this scale of housing growth can be maintained within the district in addition to existing sites. This will examine issues including;
 - a. site availability and sustainability;
 - b. infrastructure capacity and the ability of development to fund necessary infrastructure improvements;
 - c. the ability of the market to deliver and absorb housing growth.
- 42. The identification of sites to meet this requirement will be considered through preparation of the local plan. The recently published Strategic Housing and Economic Land Availability Assessment ('SHELAA') indicates there is sufficient suitable, available and achievable potential housing land to meet this requirement. The SoCG explains that the apportionment of unmet need is subject to review. In the event that an authority's local plan process demonstrates that it cannot meet the figures set out in the Statement, then the distribution of unmet need will be jointly reviewed and updated as necessary.

- 43. The Council is required to demonstrate as part of preparing the local plan that it has complied with the Duty to Cooperate, which is best evidenced by agreeing the Leicester & Leicestershire Authorities Statement of Common Ground relating to Housing and Employment Needs (June 2022). It is for this reason that officers advise that the SoCG is agreed without further delay see further the comments of the statutory officers in the 'Implications' section of this report.
- 44. If the Council rejects the SoCG, or delays signature of it, the timely delivery of the next local plan will be jeopardised as set out within the risk section of this report. This is because whilst the Council could demonstrate that it has cooperated on preparing the Statement, it may be unable to evidence that it had discharged its Duty to Co-operate with the other local planning authorities within the HMA and the FEMA.

Impact of Government's proposed planning reforms

- 45. In May 2022 the Government published the Levelling up and Regeneration Bill ('LURB'), setting out its proposed planning reforms. This Bill received Royal Assent in November 2023. It introduces a number of reforms to the planning system, including repealing the legal requirements of the Duty to Cooperate in respect of planning matters. Further legislation, policy and guidance is expected in order to implement these reforms. No details have yet been published in relation to the replacement policy test of 'Alignment' between local authorities. Whatever the mechanism for dealing with unmet need, the issue of large tightly constrained urban authorities being physically unable to accommodate their future needs will remain and will therefore have to be addressed on a local basis.
- 46. Recent Government consultations concerning the implementation of the LURB (now Levelling Up and Regeneration Act, 2023) suggest that it will not come into effect until at least Autumn 2024. The Duty to Cooperate will therefore remain in force until then and will continue to apply to plans being prepared under the current planning system.
- 47. In addition, Government consultation on changes to the NPPF (December 2022) retains the requirement for local plans to account for their own local housing need and any unmet need arising from neighbouring authorities. A draft version of the NPPF published in December 2022 retains at paragraph 11(b) the need for local plans to provide for "...any needs that cannot be met within neighbouring areas...", and specifically references statements of common ground in the footnote. This is reiterated at paragraphs 24 27 of the NPPF, with the latter paragraph referring to statements of common ground documenting cross-boundary matters and cooperation to address such issues. Paragraph 27 also reinforces the expectation that statements of common ground should be produced in accordance with the approach set out in national planning guidance. The continued need to consider the unmet needs of neighbouring authorities is reiterated by the advice of Kings Counsel (Appendix P). Further details are below.

Legal advice

- 48. The advice of Kings Counsel (KC) was sought in order to advise the Council in relation to the Statement of Common Ground. The KC advice is available in full (Appendix P). The advice confirms the advice of both Intelligent Plans and Examinations (see below) and the recommendation set out within this report. The KC advice concludes as follows (para 5):
 - "Having reviewed the advantages and disadvantages of the Council entering into the SOCG, I would also advise the Council that, having regard to the terms of the SOCG, there are no obvious disadvantages of entering into the SOCG at this point of time and considerable advantages in doing so. Indeed, given the wording of the SOCG, on the basis of the material before me, the balance of advantages is so great that it would at least be arguably irrational to refuse to do so."
- 49. The KC advice summarises the requirements of national planning policy, contained within the National Planning Policy Framework (NPPF). This requires that unless there are strong planning reasons to the contrary, housing and other needs arising within a given plan area, together with any unmet needs from those areas unable to fully meet their own objectively assessed needs, should be met in full. The advice explains that in the absence of a clearly evidenced and weighty land use planning reason, any plan which fails to do so, will almost inevitably be found unsound.
- 50. The advice explains there is nothing unusual about cities, such as Leicester City, which are tightly constrained by administrative boundaries not being able to meet their Local Housing Needs and requesting assistance in neighbouring and nearby authorities to help it do so. The advice confirms that there no evidence has been provided which would support any contention that the City Council is materially underestimating its available capacity. The identified level of unmet need is very significant and meeting its own Local Housing Need would require the annual rate of delivery to more than double from the existing rate which is a good indication of the problems which the City Council faces.
- 51. The KC advice summarises the statutory requirements for the preparation of local plans in relation to the Tests of Soundness and legal requirements including the Duty to Cooperate. The advice explains that any breach of the Duty is irremediable and will inevitably lead to the Inspector conducting the examination into the plan to conclude that it must be withdrawn with the consequent reputational damage and waste of resources. Compliance with the Duty is therefore described as an 'important statutory obligation' and the earlier compliance can be evidenced, the less risk to the subsequent plan making process.
- 52. The flexibility built into the Statement of Common Ground at para 5.4 is highlighted:
 - 5.4 "The authorities agree the Duty to Cooperate is an ongoing process, and should the amount of unmet need change significantly, the apportionment of unmet need will be jointly reviewed to assess whether it needs updating. The

process for updating and maintaining this statement will be managed through ongoing joint work between the authorities."

The KC advice explains that this paragraph ensures that appropriate flexibility is built into the Statement of Common Ground. This provides for reconsideration of the extent to which any of the neighbouring or other authorities are required to meet the needs of Leicester City, in the event there are any material changes in circumstances.

- 53. The KC advice provides further explanation of the implementation of the Levelling Up and Regeneration Act (LURA 2023). It explains that the precise timetable for implementation is uncertain at present and advises that the intention is for plan making to continue in the meantime under the existing provisions, including meeting the Duty to Cooperate. The advice summarises the transitional arrangements for the implementation of LURA 2023. These allow for local plans to be prepared under the existing arrangements and submitted for Examination by 30 June 2025. This option will cease to be available to a local planning authority when the new provisions are commenced (currently scheduled for Autumn 2024) where it has a plan more than 5 years old <u>and</u> it is <u>not</u> working to submission of a new plan by 30 June 2025.
- 54. Given the current local plan will be 5 years old in April 2024, the KC advice explains that the Council therefore only has a short window to begin work on a new plan under these transitional arrangements. This is strongly recommended in order to avoid the risk of being made to wait for some period of time before being allowed to prepare a new plan under LURA 2023.
- 55. The KC advice is clear that the Duty to Cooperate must be complied with in accordance with the transitional arrangements. Once the Duty to Cooperate has been replaced by the 'Alignment Policy', the requirement for local planning authorities to meet the identified needs of their neighbours will continue. As such, waiting until after 30 June 2025 to submit the new local plan will not remove the need to contribute to meeting Leicester City's unmet housing need.
- 56. The advice of Kings Counsel is that signing the Statement of Common Ground will allow for submission of the local plan by the deadline of 30 June 2025. This will avoid the disadvantage of waiting until after 30 June 2025 and not having an up-to-date local plan in place until 2029 or 2030. The Council is advised that signing the Statement of Common Ground has no obvious disadvantages. The Statement itself, has sufficient flexibility built into its terms to allow changes in circumstances affecting the scale and distribution of Leicester's unmet needs to be taken into account.
- 57. The advice concludes (para 51) (my emphasis):

"I therefore agree with the advice which the Council has received both from IPE and its officers that the balance of advantage and disadvantage having regards to the interests of the Council as local planning authority are overwhelmingly in favour of signing the SoCG."

Local concerns

- 58. There has been historic disquiet within the district over recent years in relation to the issue of unmet housing and employment, including suggestions that:
 - Leicester City Council is not doing all it can to reduce its unmet housing and employment needs;
 - b. there is no longer a requirement to evidence the Duty to Co-operate.
 - c. the Council is being "forced" to accept additional houses;

The Council has sought and received external advice and clarification in relation to each of these concerns:

<u>Leicester City Council – efforts to reduce its unmet need</u>

- 59. The Council has sought further clarification from Leicester City Council regarding the work it has undertaken to maximise housing delivery (and therefore reduce unmet need) within its own boundaries. The letter from Sir Peter Soulsby, Leicester City Mayor dated 12 September 2023 (Appendix K) confirms:
 - a. Housing delivery is a top priority for Leicester City Council;
 - b. Brownfield land is being prioritised as far as is possible;
 - c. Significant progress is being made on the preparation of the local plan in order to unlock further sites and promote delivery;
 - d. Significant regeneration, supported by the use of compulsory purchase powers, is bringing the Waterside regeneration programme towards successful completion;
 - e. The Council is acting as master developer at Ashton Green, and is working with Government, Homes England and Leicester and Leicestershire Enterprise Partnership ("LLEP") to secure funding and support for this significant housing scheme;
 - f. Despite a number of 'Calls for Sites' being undertaken, few new unconstrained sites have been identified, due to the built-up nature of the city and tightly drawn boundaries;
 - g. Of the new local plan housing allocations, 71% (6,668) homes are proposed on brownfield sites within the city;
 - h. Housing delivery has averaged at 1,168 homes per year over the last 10 years;
 - A balance is being struck between the delivery of homes and jobs and protecting important heritage, biodiversity and greenspaces;
 - j. Around 60 sites are allocated within the draft local plan; the majority on council owned land due to the lack of available third party owned land, despite repeated Call for Sites exercises being undertaken.

Kings Counsel advice confirms that no evidence has been provided which would support any contention that the City Council is materially underestimating its available capacity.

The ongoing need to meet the Duty to Cooperate

- 60. The Government's intention to abolish the duty to cooperate has generated some uncertainty about the current legal position. The Council therefore wrote to the Secretary of State seeking clarification on the government's position. A response was received from Rachel Maclean MP, Minister of State for Housing and Planning, dated 8 September 2023 (Appendix J). The letter confirms that the duty to cooperate will be formally abolished after the Levelling Up and Regeneration Bill receives royal assent, but that existing legal requirements and duties, including the duty to cooperate, will continue to apply for plans being prepared under the current system.
- 61. Independent advice on this matter has also been received from specialist advisors from consultancy Intelligent Plans and Examinations (Appendix M). The detailed advice note confirms that at the present time, the Council continues to be subject to the legal requirements to comply with the Duty to Cooperate. Indeed, the advice note explains that the Duty to Cooperate is the first matter that the Planning Inspectorate will look at before considering whether a future local plan is 'sound'. This confirms officer advice.
- 62. The advice of Kings Counsel confirms the above. It explains that new provisions of the Levelling Up and Regeneration Act 2023 will come into force once proposed implementation and transitional arrangements have been finalised and brought into effect. The advice explains that whilst the Government has indicated that it intends the regulations, policy and guidance to support the new Act to be in place by Autumn 2024, this is subject to approval of the regulations by Parliament. The exact timetable for implementation is therefore not yet known. In the meantime, the duty to cooperate continues to apply.

The need to plan for Additional Homes

- 63. There has been, in the district, apparent public confusion for a sustained period of time in respect of the Council's duty to help meet some of the unmet housing need in the HMA, and specifically from within Leicester City.
- 64. The advice of Kings Counsel on this point is very clear. A local plan must be found 'sound' in order to be adopted. One of the Tests of Soundness requires that plans are 'effective'. This means that in order to be adopted, a local plan must deal appropriately with strategic cross boundary issues. This includes effectively dealing with unmet housing needs from neighbouring areas.
- 65. The letter from the Minister of State for Housing and Planning (Appendix J) is clear there is no prescribed formula for distributing unmet housing needs (in this case arising from Leicester City). There remains a requirement for all planning authorities to co-

- operate. The method for distributing such needs must therefore be agreed between partner authorities within the HMA and recorded in a SoCG.
- 66. The Leicestershire and Leicester planning authorities have negotiated the distribution of housing and employment need as set out at Table 2 above. The SoCG has been agreed by the majority of partner authorities as set out at paragraph 18 of this report.
- 67. Given local concerns about the course of action proposed by officers, the Council sought advice from expert independent advisors at Intelligent Plans and Examinations ("the Advisers") in respect of the steps taken to evidence the Duty (Appendix M). The advisors reviewed the technical evidence which underpins the SoCG and concluded (para 3.5):

"For the matters which are the subject of this SoCG, it is, in our assessment, a clear and comprehensive statement reflecting the outcome of some significant DtC work between the Leicestershire authorities on the key strategic planning topics of housing and employment needs. Importantly, it is based upon up to date and robust evidence in the form of the HENA and an accompanying Sustainability Appraisal (which is at Appendices F and G to the above-mentioned report to the Council's Cabinet)."

68. The advice note from Intelligent Plans and Examinations offers a thorough, independent examination of the SoCG and the implications of the Council signing it, together with the risks of not signing it. The advice note concludes very clearly that their recommendation is for the Council to sign the SoCG (para 5.3):

"Our advice to the Council, based on the assessments contained in this Advisory Note, is that the benefits of signing the L&L SoCG at this time very significantly outweigh the potential risks that would arise from a decision not to sign the SoCG. It will provide the Council with much greater certainty in the short-term for the ongoing preparation of its new Local Plan. A decision not to sign the SoCG will likely make the Council's position increasingly fragile, with regard to its new Local Plan and the threat of speculative planning applications."

- 69. In addition, Intelligent Plans and Examinations hosted a briefing session open to all Councillors, comprising a presentation and question and answer session. Thereafter, a further opinion was sought from Intelligent Plans and Examinations once the response of the Minister was received. This reiterated the original advice (Appendix N).
- 70. Concerns were also raised by the three local constituency MPs in a letter dated 14 September 2023 (Appendix L). The concerns focused on the timing of a decision on the SoCG and suggested that this decision can be delayed further. The letter refers to the fact that only around 40% of local authorities have an up-to-date local plan and suggests there is no reason why Harborough's next local plan must be submitted by June 2025. The constituency MPs were invited to discuss their concerns with the Leader of the Council but declined to do so.

- 71. It is not clear in the letter the extent to which the MPs are aware of the detail of the LURA 2023 and the implications for Harborough district. Under the current proposals, authorities that do not submit their local plan for inspection by June 2025 are expected to be placed in 'waves' to begin preparation of a new local plan under the new planning system. The order will be determined by the age of their existing plan. Independent advice from Intelligent Plans and Examinations (Appendix M) suggests that the Council would be placed in one of the later 'waves' for starting their next local plan if they do not submit by June 2025. This would likely mean that preparation of the new local plan would not start until 2026 or more likely 2027, meaning adoption would be delayed until 2029 or 2030. This advice is supported by the advice of Kings Counsel (Appendix P).
- 72. For this reason, officers, supported by Intelligent Plans and Examinations and Kings Counsel, advise that the Council accelerate preparation of the new local plan with a view to submitting the local plan by 30 June 2025. This would put the Council in the best possible position to retain an up-to-date local plan and therefore resist potentially damaging speculative development. This is in accordance with the information confirmed by the Minister for Housing and Planning and based upon the evidence commissioned by the partner authorities across the HMA. It is considered by officers to be the fairest way of agreeing an appropriate distribution of unmet need across the county in the absence of a clear formula from Government.
- 73. Further correspondence has been received in a letter dated 27 October 2023 from the then Minister of State for Housing and Planning to Mr Neil O'Brien MP (Appendix O). The letter confirms there is no certainty as to which authorities might be allowed to make use of the proposed 'front runner' status to be first to prepare a local plan under the LURA 2023. The advice of Kings Counsel confirms that this introduces a risk that if the Council does not commit to progressing a local plan and working towards submission by 30 June 2025, it will 2026 or 2027 before it is allowed to do so. Further correspondence from the then Minister of State for Housing and Planning, dated 3 November 2023 again simply repeats details of the recent Government consultation into proposals for the implementation of new planning arrangements. The letter is not specific to Harborough, and as confirmed by Further Advice from the Kings Counsel, none of these letters affect the decision before Council.
- 74. Officers' advice in respect of the progression of the proposed Harborough Local Plan remains that agreeing to the SoCG is an essential step in the complex local plan process which can and should be taken by the Council at this point to address the issue of unmet housing and employment need in the HMA and FEMA.

Consultation

Cabinet on 4 September 2023

75. The Cabinet considered the Leicester and Leicestershire Statement of Common Ground in relation to housing and employment needs on 4 September 2023 and decided to recommend that Council sign the SoCG, based on the evidence available to it at the time.

Communities Scrutiny Panel on 13 October 2022

- 76. The Communities Scrutiny Panel considered the evidence and background to the SoCG on 13 October 2022, the minutes of which are attached as Appendix I. The Panel concluded that the policy background to the Statement of Common Ground was sufficiently clear and that there is unmet housing need in the Housing Market Area, which the district needs to play a role in helping to meet.
- 77. The Panel was clear that the risks to the Council of not proceeding to support and sign the SoCG are too great, with some members explaining their experience of operating without the support of a Local Plan, which they said they would not wish to repeat.
- 78. The Panel recognised the difficulty of the situation for the Council and for partners across Leicester and Leicestershire. However, it considered that not supporting and signing the SoCG would potentially put the Council in an isolated and weak position and could risk delivery of a sound new local plan for the district. Therefore, in the light of this the Panel recommended to Cabinet that it recommend to Council that the SoCG should be agreed by Harborough District Council.

Summary of Consultation and Outcome

- 79. Consultation on the scale and distribution of growth will be undertaken in accordance with the Regulations through the preparation of the next Local Plan. This will form an important element of testing the additional housing requirement arising from Leicester's unmet need and set out within the SoCG.
- 80. In addition to the consideration by Cabinet on 4 September 2023 and Scrutiny Communities Panel on 13th October 2022, five separate briefings for Members have taken place between October 2022 and September 2023 involving Council officers, officers from Leicester City Council and independent professional experts.

Options

81. As the duty to cooperate remains a statutory obligation at present, and Government planning policy is clear on the need to accommodate unmet housing needs from neighbouring areas, officers consider that there are no reasonable alternative positions for the Council to consider other than signing the SoCG. Approving the SoCG will accord with the approach taken by 7 of the 8 partner authorities in Leicester and Leicestershire and will support the preparation of the next local plan.

- 82. Rejecting the SoCG would put the Council at odds with most partner authorities across Leicester and Leicestershire. Not signing would also place the Council at risk of being unable to demonstrate the Duty to Cooperate and meet the Tests of Soundness, which would prevent the Council from adopting the next Local Plan. This could, in time result in a shortage of suitable housing land, with a less than five-year supply ultimately placing the Council and Harborough District at considerable risk from speculative unplanned housing development, a loss of planning control and risk damage to the high-quality environment Harborough District residents currently enjoy. It is not a recommended course of action.
- 83. All information required to determine whether to sign the SoCG has now been presented to councillors through various Overview and Scrutiny Panel, Cabinet and Council meetings. Further, frequently asked questions have been issued and updated, and member briefings arranged. There is no additional information which can be obtained and considered in relation to the decision, and no reason to defer the decision.

Implications of Decisions

Corporate Priorities

84. Approving the SoCG will support the preparation of the new local plan by providing evidence of the Council's compliance with the Duty to Cooperate and will provide certainty over the district's housing and employment requirement to 2036. It will contribute particularly to the "Place and Community" and "Economy" corporate priorities by delivering necessary housing and economic opportunities for the district.

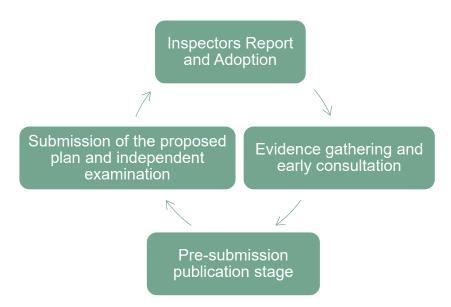
<u>Financial</u>

- 85. No financial implications directly arise from this report. However, not signing the SoCG could result in significant indirect costs for the Council by undermining the Council's ability to demonstrate compliance with the Duty to Cooperate and meet the Tests of Soundness. This raises the potential for significant abortive costs being incurred should a local plan be prepared and then not adopted due to a Duty to Cooperate or Tests of Soundness failure.
- 86. Currently, the council is anticipating that the cost of a "business as usual" local plan for the area to be circa £1.1m. If the process is aborted and the Council was required to restart preparation of the local plan, this could be very costly. It is difficult to estimate with a high degree of certainty what these costs would be as much depends on how much work is required to be repeated, but it is likely to be in the region of £500k to the full budget of circa £1.1m. In fact, it could be higher if, in the meantime, government guidance changes which attracts different, or stricter, preparation costs and the impact of recent inflationary increases.
- 87. Not signing would also significantly undermine collaborative partnership working with other local authorities across Leicester and Leicestershire. This is likely to make joint evidence collection more difficult, removing the financial benefits of joint working through

economies of scale, as well as the planning benefits of planning over a wider cross boundary area.

Legal

88. The Planning and Compulsory Purchase Act 2004 places a duty on local authorities to carry out plan-making. The process of making a plan involves four main stages:



- 89. Council adopted the Implementation, Monitoring and Review arrangements set out in policy IMR 1 at Chapter 12 of the current, adopted, local plan. This sets the conditions under which the Council must commence a full or partial update of the Local Plan. Failing to comply with these timescales will place the Council in breach of its own policy IMR1, and therefore increase the prospect that the Council's position will be subject to successful legal challenge.
- 90. Approving the SoCG provides evidence of the Council's ongoing constructive engagement with partner authorities across Leicester and Leicestershire in respect of Leicester's unmet housing and employment needs, as required by the Duty to Cooperate. It also discharges the Council's obligations to demonstrate cross boundary co-operation under the Localism Act 2011.
- 91. Failing to approve the SoCG will cause substantial disruption to the Council's aspirations for the district as it could hinder the adoption of the Council's local plan and tarnish the Council's reputation with its neighbouring authorities.
- 92. External advice has been received from Intelligent Plans and Examinations (see Appendices M and N) in relation to the proposal to sign the SoCG as well as advice provided by Kings Counsel (Appendix P, summarised at paras 48 57 above.)

Policy

93. Approving the SoCG commits the Council to testing an additional 123 dwellings per annum 2020 to 2036 through the next Local Plan. This is in addition to the district's local

housing need, calculated through the Government's standard method calculation, which currently results in a figure of 534 dwellings per annum, creating a total housing requirement of 657 dwellings per annum. This compares to the housing requirement in the current Local Plan (2011-2031) of 557 dwellings per annum.

Environmental Implications including contributions to achieving a net zero carbon Council by 2030

- 94. A Sustainability Appraisal has been undertaken in relation to the distribution of Leicester's unmet housing and employment needs (Appendix F and Non-technical summary at Appendix G). Sustainability Appraisal (SA) is a process for helping to ensure that plans, policies, and programmes achieve an appropriate balance between environmental, economic and social objectives. The process that is followed incorporates the requirements of a Strategic Environmental Assessment (SEA).
- 95. The SA concluded that a distribution of housing and employment needs based on the recommendations of the HENA (and the associated housing and employment distribution papers) would be appropriate. Further assessment will be required alongside Local Plan preparation to test the effects of the scale and distribution of growth on environmental, economic and social objectives.

Risk Management

- 96. Approval of the SoCG will place the Council in a significantly stronger position to demonstrate compliance with the Duty to Cooperate and Tests of Soundness through the Examination of the next Local Plan. It will also ensure that the Council is not in breach of IMR 1 of its current Local Plan.
- 97. Not signing the SoCG would result in the following significant risks to the Council:
 - A breach of the requirements of IMR 1, which would expose the Council to increased risk of successful legal challenge as to its plan making process.
 - Potential inability to demonstrate the Duty to Cooperate has been met. This
 would result in a failure of the legal test and would prevent the next Local
 Plan being adopted.
 - Potential failure of the Tests of Soundness, resulting in the need to amend or re-do significant portions of the preparation of the next local plan, or potentially an inability to adopt the next local plan.
 - Significant financial costs in needing to redo abortive work to prepare a new local plan.
 - A detrimental impact on the Council's ability to demonstrate a five-year supply of housing land, as currently required by Government policy. This could eventually result in a lack of five-year supply, in which case the presumption in favour of sustainable development would apply and the

Council could find itself unable to resist speculative housing planning applications. This is likely to result in housing developments in areas of the district not considered the most appropriate locations for housing growth.

 Potential reputational damage and loss of support amongst partner authorities across Leicester and Leicestershire.

Equalities Impact

98. An Equalities Impact Assessment will be undertaken in conjunction with the preparation of the next Local Plan.

Data Protection

99. No issues arise given the lack of personal data within this report.

Background papers

100. Report to The Communities Scrutiny Panel 13 October 2022: Leicester and Leicestershire Statement of Common Ground (SoCG) Relating to Housing and Employment Needs (2022).

<u>Leicester & Leicestershire Authorities - Statement of Common Ground</u> <u>relating to Housing and Employment Land Needs (June 2022)</u>

1.0 The Leicester and Leicestershire HMA and FEMA

- 1.1 The Leicester and Leicestershire Housing Market Area (HMA) and Functional Economic Area (FEMA) covers the administrative areas of eight local planning authorities and two transport authorities. The eight local planning authorities responsible for plan making are:
 - Blaby District Council
 - Charnwood Borough Council
 - Harborough District Council
 - Hinckley & Bosworth Borough Council
 - Leicester City Council (Unitary)
 - Melton Borough Council
 - North West Leicestershire District Council
 - Oadby & Wigston Borough Council
- 1.2 The two upper tier authorities in Leicester and Leicestershire (L&L), with statutory responsibilities for transportation, education, social care, flooding, minerals & waste planning and public health are:
 - Leicester City Council (Unitary)
 - Leicestershire County Council
- 1.3 This Statement has been prepared jointly by the eight plan making authorities and Leicestershire County Council as an additional signatory given their statutory responsibilities, hereafter referred to as "the authorities". The Map in Appendix D shows the location and administrative areas covered by this statement. The Housing & Economic Needs Assessment 2022 (HENA) identifies this area as the Leicester & Leicestershire HMA and FEMA.

2.0 Purpose

2.1 The key strategic matters addressed in this statement are; Duty to Cooperate; L&L Housing and Employment Needs to 2036; Unmet Need to 2036; and the Apportionment of unmet need to 2036. This statement will be reconfirmed and updated as necessary for subsequent authorities' Local Plans.

3.0 Key Strategic Matters on which Authorities Agree

<u>Duty to Cooperate</u>

- 3.1 The authorities agree there is a long track record of effective joint working on strategic matters across L&L. The authorities have continuously engaged with each other on the strategic matters set out in this statement and throughout the preparation of Local Plans across the area. This is most clearly evidenced through:
 - The establishment of the Leicester & Leicestershire Members Advisory Group
 - The joint preparation of evidence, including the Housing & Economic Needs
 Assessment (2022), Strategic Growth Options & Constraints Study (2022), and
 Strategic Transport Assessment (2022).

- The adoption of a non-statutory <u>Strategic Growth Plan 2018</u> which includes 'notional' housing figures.
- The preparation of a Joint Sustainability Appraisal to consider reasonable alternatives for apportionment of Leicester's unmet need to 2036.
- The agreement of Joint Statements of Cooperation in 2017, 2018, 2020 and 2021 (Appendix E, F, G and H)
- 3.2 More information and details of engagement will be set out in individual authorities Duty to Cooperate Statements that accompany Local Plans. Authorities will continue to engage on an ongoing basis.
 - The June 2021 Statement of Common Ground (Appendix H)
- 3.3 The June 2021 Statement (Appendix H) was agreed by all authorities and included the following:

"The authorities agree to carry out the following programme of work to inform the apportionment of unmet need from Leicester to the L&L Districts/Boroughs:

- Housing and Economic Needs Assessment
- Strategic Growth Options and Constraints Mapping
- Strategic Transport Assessment
- Sustainability Appraisal

This work will be commissioned in Spring 2021 and used to inform a Statement of Common Ground apportioning unmet need which is anticipated to be completed in Winter 2021/2022."

- 3.4 The Housing & Economic Needs Assessment (HENA) and the Sustainability Appraisal are now complete. These are the key pieces of evidence informing this Statement of Common Ground apportioning Leicester's unmet need to 2036.
- 3.5 The Strategic Transport Assessment and the Strategic Growth Options & Constraints
 Mapping take a longer-term perspective that will inform the next steps for the Strategic Growth Plan to 2050 and will form part of the strategic evidence for Local Plans. This work will be completed later this year.
 - L&L Housing Need to 2036
- 3.6 The authorities agree the appropriate way to calculate local housing need is using the current standard method set out in government guidance which currently uses the 2014 based household projections. The authorities agree that local housing need (2020 2036) is as follows:

Table 1: Local Housing Need

| Local Planning Authority | Total Housing Need | Houses per year | |
|--|--------------------|-----------------|--|
| | 2020 – 2036 | 2020 - 2036 | |
| Blaby District Council | 5,456 | 341 | |
| Charnwood Borough Council | 17,776* | 1,111* | |
| Harborough District Council | 8,544 | 534 | |
| Hinckley and Bosworth Borough Council | 7,552 | 472 | |
| Leicester City Council | 39,424 | 2,464 | |
| Melton Borough Council | 3,696 | 231 | |
| North West Leicestershire District Council | 5,952 | 372 | |
| Oadby and Wigston Borough Council | 3,008 | 188 | |
| Leicester and Leicestershire HMA Total | 91,408 | 5,713 | |

^{*} In accordance with government guidance Charnwood's Local Housing Need is set using the data from 2021 (including household growth for the 2021-31 and 2020 affordability ratio) as it submitted its Local Plan for Examination in December 2021.

- 3.7 The Government's current standard method for calculating housing need suggests L&L need to provide 91,408 homes (5,713 per year 2020 to 2036).
- 3.8 The NPPF requires authorities to have a clear understanding of the land available in their area to meet housing need through the preparation of a strategic housing land availability assessment (SHLAA). In L&L, the SHLAAs have been prepared using an agreed methodology across the HMA as a whole.
- 3.9 Appendix A and B to this Statement have been prepared using the outputs of the standard method for calculating housing need and SHLAAs. It provides a summary of the need for new homes, and the theoretical capacity of both the HMA and each local authority.
- 3.10 To 2036 there is a theoretical capacity for some 173,721 homes across the HMA as a whole (Appendix B). When set against the need of 91,408 (2020-36), the authorities agree there is flexibility to meet L&L housing need within the HMA, including unmet need.

L&L Employment Need to 2036

3.11 The authorities agree the appropriate way to calculate employment need is using the jointly prepared Housing and Economic Needs Assessment 2022 (HENA) unless an up-to-date local assessment has been undertaken. Based on the HENA and local assessments of employment land need the authorities agree the need is as follows:

Table 2: Employment Land Needs

| | Ne | ed | | |
|------------|---------------------------|------------------|-------|---------------------------------|
| | B1 | B2/B8 (small) | Total | Source |
| Blaby | 9.1 | 29.0 | 38.1 | 2021-36 need, HENA 2022 |
| Charnwood | 7.5 | 35.7 | 43.2 | 2021-36 need, HENA 2022 |
| Harborough | 6.8 | 39.3 | 46.1 | 2021-36 need, HENA 2022 |
| H&B | 4.2 | 53.4 | 57.6 | 2021-36 need, HENA 2022 |
| Leicester | 46,100 sqm (2.3 ha) | 67.3 | 69.6 | 2019-36 need, City EDNA 2020 |
| Melton | 2 | 38.1 | 40.1 | 2021-36 need, HENA 2022 |
| NWL | 8.9 | 31.8 | 40.7 | 2021-36 need, HENA 2022 |
| O&W | 1 | 3.1 | 4.1 | 2021-36 need, HENA 2022 |
| L&L Total | 41.8 | 297.7 | 339.5 | |

3.12 Table 2 above shows L&L have to provide 340 hectares of employment land to 2036. Appendix C has been prepared using outputs from the HENA and local assessments of employment need, and employment land supply. It provides a summary of the need for new employment land, and the supply of both the FEMA and each local authority. To 2036 there is a supply for some 354 hectares across the FEMA as a whole (Appendix C). When set against the need of 340 (2021-36), the authorities agree there is flexibility to meet L&L Employment Need within the FEMA, including unmet need.

Unmet need to 2036

- 3.13 The authorities agree that Leicester City Council is the only authority in the HMA to have declared and quantified (with evidence) an unmet need 2020 to 2036. Assisting Leicester to meet its unmet need is therefore a key element of the Duty to Co-operate across the HMA.
- 3.14 Leicester City Council consulted on a Draft Local Plan (regulation 18) in September to December 2020, with a view to publishing the Submission Version (regulation 19) in 2021. Leicester City declared an unmet housing need in February 2017 (Appendix I) which remained unquantified while further evidence was gathered to support the publication of their Draft Local Plan. During this time several authorities have adopted local plans.
- 3.15 The L&L authorities were made aware of the potential scale of unmet need in December 2019. Consultation on the Leicester Draft Local Plan (and associated evidence) was delayed due to the COVID-19 Pandemic until September to December 2020.
- 3.16 Leicester's Draft Local Plan consultation indicates a potential unmet need of 7,742 homes and 23 Hectares of employment land (B2 General Industrial and B8 Small Warehousing Units less than 9,000 sq.m) 2019 to 2036.
- 3.17 However, immediately after the consultation closed in December 2020 the Government published a new standard method for calculating housing need. The new method increased Leicester's housing need by 35%, adding a further 9,712 homes to their need between 2020 and 2036 (607 homes per year).

- 3.18 Although the supply of homes in Leicester may evolve as their local plan progresses, providing for this amount of additional homes in the City would require more than a doubling of the allocations set out in their recent Draft Local Plan. In this context the City consider that it will not be possible to meet NPPF policy obligations of a sound and deliverable plan, and so in the revised PPG context (Paragraph: 035 Reference ID: 2a-035-20201216) it will be necessary to seek to agree a Statement of Common Ground to deal with the recent increase in housing need.
- 3.19 Leicester's standard method Local Housing Need figure is now 2,464 homes per year generating a need for 39,424 dwellings over the 2020-36 period (see Table 1 above). This includes the 'cities and urban areas uplift' and the 2021 affordability ratios published in March 2022. Appendix A and B, and the June 2021 Statement of Common Ground (Appendix H) was informed by the evidence from the Leicester's Draft Local Plan which sets out the City's capacity to accommodate growth over this period as 20,721 dwellings. An unmet need of 18,700 dwellings is therefore identified based on the evidence at the current time. An unmet need figure of 18,700 dwellings is a reasonable working assumption for the City's unmet housing need to 2036.
- 3.20 The authorities acknowledge that the quantity of Leicester's unmet need may change as the Local Plan progresses (e.g. as evidence on land supply is developed further or the need for homes changes (see section 4.0 below)). The authorities therefore agree a working assumption of Leicester's unmet need of 18,700 homes and 23 Hectares of employment land (2020 2036). These figures are subject to testing through the Leicester Local Plan.
 - Apportionment of Leicester's Unmet Need (2020 2036)
- 3.21 The authorities agree the L&L Statement of Common Ground Sustainability Appraisal (2022), the Housing & Economic Needs Assessment (2022) and the associated Housing and Employment Distribution Papers provide the latest cooperatively produced evidence to inform the apportionment of Leicester's unmet needs.
- 3.22 This work is based on the agreed working assumption of an unmet need from Leicester of 18,700 homes. The work considers housing provision across the HMA as a whole having regard to a range of factors including, the functional relationship of each District/Borough with Leicester City, the balance of jobs and homes in each district/borough, and deliverability of the distribution of development. When all of these factors are brought together, they address the unmet need and result in a redistributed housing provision that differs from the standard method starting point. This evidence has informed the following apportionment:

Table 3: Apportionment of Leicester City's Unmet Local Housing Need 2020 to 2036

| 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 |

^{*}Note: the figures are presented as annual averages 2020-36. This does not imply that an authority's unmet need apportionment must be phased evenly over this period. It will be for each Local Plan to determine appropriate phasing.

- 3.23 The authorities agree that the figures in the Table 3 above represent the agreed apportionment by District/Borough (apart from Hinckley & Bosworth see Matters Not Agreed in Section 4 below), of the unmet housing need for Leicester, in order to meet the overall objectively assessed need for additional housing within the Leicester and Leicestershire Housing Market Area to 2036. These figures are subject to testing through each individual Local Planning Authority's plan making.
- 3.24 Based on the agreed working assumption of an unmet need from Leicester of 23 hectares of employment land (B2 General Industrial and B8 Small Warehousing units less than 9,000sq.m), the joint evidence has informed the following apportionment:

Table 4: Apportionment of Leicester City's Unmet Employment Need 2020 to 2036

| Local Planning Authority | Apportionment (Hectares) |
|--|--------------------------|
| Blaby District Council | 0 |
| Charnwood Borough Council | 23 |
| Harborough District Council | 0 |
| Hinckley and Bosworth Borough Council | 0 |
| Melton Borough Council | 0 |
| North West Leicestershire District Council | 0 |
| Oadby and Wigston Borough Council | 0 |
| Total | 23 |

3.25 The authorities agree that the figures in the Table 4 above represent the agreed apportionment by District/Borough, of the unmet employment need for Leicester, in order to meet the overall objectively assessed need for employment land within the Leicester and Leicestershire FEMA to 2036. These figures are subject to testing through each individual Local Planning Authority's plan making.

4.0 Key Strategic Matters on which Authorities Do Not Agree

- 4.1 Hinckley & Bosworth Borough Council (HBBC) do not agree to the step in the HENA Housing Distribution Paper (2022) methodology from paragraph 6.21 to 6.24 and the subsequent table 6.9 which apportions 187 dwellings per year of Leicester's unmet housing need. HBBC note the capping of the redistribution of Charnwood's numbers to 1189 and believe that the accommodation of the resulting 187 dpa shortfall should be tested as part of each LPAs Local Plan process, including the current Charnwood Local Plan. HBBC consider that an apportionment of 102 dwellings per year (85 dwellings per year lower than the apportionment in Table 3) to be an initial justified apportionment of Leicester's unmet need for HBBC to test through their Local Plan work and through further strategic work. HBBC disagrees with the methodology from para 6.21 to 6.24 and the subsequent table 6.9 as it is not suitably justified and does not follow the evidence. The use of stock growth is not a measure of deliverability. It does not consider housing need, does not reflect market demand or the deliverability of developing housing in a particular area. The capping of redistribution based on 1.4% stock growth levels is considered to be arbitrary and is not supported by the evidence. Para 6.24 seeks to justify the uplift for HBBC by referencing job opportunities but this has already been considered earlier in the methodology.
- 4.2 HBBC is of the view that the June 2021 SoCG was clear that the apportionment of unmet need would be informed by 4 pieces of work. Only two of these pieces have been completed, the HENA and the SA. Therefore, as reflected in this Statement, the apportionment is a starting point for testing and may be amended based on the completion of the Strategic Growth Options and Constraints mapping work and the Strategic Transport Assessment and the subsequently updated Sustainability Appraisal and the outcome of any local plan 'testing'.
- 4.3 The other authorities do not agree with HBBC and consider the apportionment of 187 dwellings per year in Table 3 is justified by the evidence.

5.0 Maintaining and Updating this Statement

- 5.1 The authorities acknowledge the Government intend to reform the planning system and have previously consulted on potential future changes, including the Planning for the Future White Paper (August 2020). The Levelling Up and Regeneration Bill, introduced to Parliament on 11th May 2022, proposes a number of reforms to the planning system, including potentially repealing the 'duty to cooperate' contained in existing legislation.
- 5.2 At present these reforms do not impact housing need or emerging Local Plans as they are proposals (rather than legislation) and could be subject to significant change before achieving Royal Assent and becoming law.
- 5.3 Government advice is that authorities should get up-to-date Local Plans in place (Appendix J) and some authorities in L&L are at an advanced stage of plan preparation.

- 5.4 The authorities agree the Duty to Cooperate is an ongoing process, and should the amount of unmet need change significantly, the apportionment of unmet need will be jointly reviewed to assess whether it needs updating. The process for updating and maintaining this statement will be managed through ongoing joint work between the authorities.
- 5.5 The above apportionment (Table 3 and 4 above) is intended to be implemented through individual local plans. These figures will therefore need to be tested through each authority's Local Plan process. The authorities agree that if an authority's local plan process identifies that it is not able to provide for their own objectively assessed needs as well as any unmet need apportioned in this statement (as set out in paragraph 11b of the NPPF), the apportionment of unmet need will need to be jointly reviewed and updated as necessary. The process used for this review will be proportionate to the scale of the issue and should not cause undue delay to the preparation of Local Plans.

Appendix A - Leicester and Leicestershire Housing Land Supply, 2020 to 2031

The table below compares housing land supply to local housing need based on the Governments Standard Method.

| | Α | В | С | D | E | F | G | Н |
|------------------------|--|--|--|--|--|--|---|--|
| Authority | Local Housing Need 2020 - 2031 | Commitments ¹ projected for delivery 2020 to 2031 | Allocations in an adopted Plan ² | Emerging allocations in a draft plan ² | Allowance for small site or windfall development to 2031 | Total Projected Delivery to 2031 (B+C+D+E) | SHLAA Capacity to 2031 ³ | Total Theoretical Capacity to 2031 (F+G) |
| Blaby | 3,751 | 4,467 | 758 | | 240 | 5,465 | 5,408 | 10,873 |
| Charnwood | 12,221 | 7,080 | 1,385 | 7,894 | 640 | 16,999 | 10,529 | 27,528 |
| Harborough | 5,874 | 3,693 | 4,332 | | 864 | 8,889 | 5,873 | 14,762 |
| Hinckley & Bosworth | 5,192 | 2,692 | 557 | | 584 | 3,833 | 15,902 | 19,735 |
| Leicester City | 27,104 | 9,047 | | 6,602 | 1,650 | 17,299 | 0 | 17,299 |
| Melton | 2,541 | 2,704 | 3,145 | | 189 | 6,038 | 1,108 | 7,146 |
| NW Leics | 4,092 | 5,862 | 790 | | 320 | 6,972 | 3,821 | 10,793 |
| Oadby & Wigston | 2,068 | 1,010 | 1,203 | | 189 | 2,402 | 0 | 2,402 |
| HMA total | 62,843 | 36,555 | 12,173 | 14,496 | 4,676 | 67,897 | 42,041 | 109,938 |

 ¹ Includes sites under construction; with planning permission (including sites with a resolution to grant), as at 31/03/2020
 ² projected delivery up to 31/03/2031; includes allocated sites from local and neighbourhood plans
 ³ To avoid duplication SHLAA sites that have planning permission or are allocated in an adopted or emerging plan have been removed from this figure

Appendix B - Leicester and Leicestershire Housing Land Supply, 2020 to 2036

The table below compares housing land supply to local housing need based on the Governments Standard Method.

| | Α | В | С | D | E | F | G | Н |
|------------------------|--|--|--|--|--|---|---|--|
| Authority | Local Housing Need 2020 - 2036 | Commitments ¹ projected for delivery 2020 to 2036 | Allocations in an adopted Plan ² | Emerging allocations in a draft plan ² | Allowance for small site or windfall development to 2036 | Total Projected Delivery to 2036 (B+C+D+E) | SHLAA Capacity to 2036 ³ | Total Theoretical Capacity to 2036 (F+G) |
| Blaby | 5,456 | 4,918 | 984 | | 440 | 6,342 | 18,956 | 25,298 |
| Charnwood | 17,776 | 8,820 | 1,990 | 9,024 | 1,040 | 20,874 | 19,938 | 40,812 |
| Harborough | 8,544 | 3,693 | 5,679 | | 864 | 10,236 | 9,819 | 20,055 |
| Hinckley & Bosworth | 7,552 | 2,992 | 1,497 | | 949 | 5,438 | 23,130 | 28,568 |
| Leicester City | 39,424 | 9,865 | | 8,456 | 2,400 | 20,721 | 0 | 20,721 |
| Melton | 3,696 | 2,704 | 3,891 | | 334 | 6,929 | 3,635 | 10,564 |
| NW Leics | 5,952 | 7,013 | 1,427 | | 520 | 8,960 | 13,281 | 22,241 |
| Oadby & Wigston | 3,008 | 1,010 | 1,203 | | 189 | 2,402 | 3,060 | 2,402 |
| HMA total | 91,408 | 41,015 | 16,671 | 17,480 | 6,736 | 81,902 | 91,819 | 173,721 |

¹ Includes sites under construction; with planning permission (including sites with a resolution to grant), as at 31/03/2020 ² projected delivery up to 31/03/2036; includes allocated sites from local and neighbourhood plans

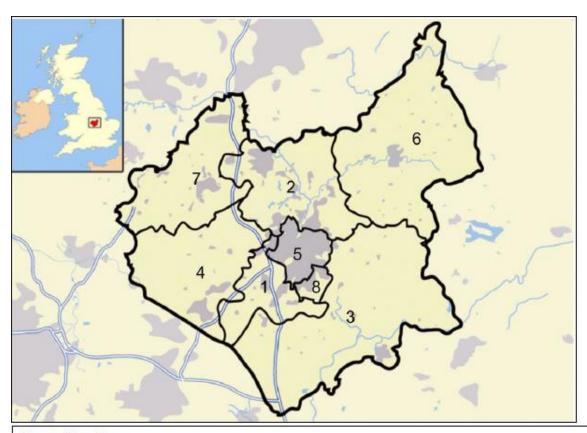
³ To avoid duplication SHLAA sites that have planning permission or are allocated in an adopted or emerging plan have been removed from this figure

Appendix C - Employment Demand and Supply Balnace 2021 to 2036 (excluding Strategic Warehousing)

| | Need | | s | upply | Balai | nce | |
|------------|---------------------------|------------------|---------------------------|------------------|--------------------------|------------------|--|
| | B1 | B2/B8 (small) | B1 | B2/B8 (small) | B1 | B2/B8 (small) | Notes* |
| Blaby | 9.1 | 29.0 | 10.5 | 13.3 | 1.4 | -15.7 | 2021-36 need, HENA '21 . Supply based on permissions pipeline. Mixed permissions divided by use class. Supply at April 2020 |
| Charnwood | 7.5 | 35.7 | 15.1 | 66.7 | 7.6 | 31.0 | 2021-36 need, HENA '21. Supply based on Local Plan trajectory Exc. Loughborough Science and Enterprise Park. |
| Harborough | 6.8 | 39.3 | 18.0 | 41.7 | 11.2 | 2.4 | 2021-36 need, HENA '21 . Supply based on net permissions pipeline at April 2020 |
| H&B | 4.2 | 53.4 | 4.2 | 38.9 | 0.0 | -14.5 | 2021-36 need, HENA '21. Supply based on Local Plan Reg19 Feb '22 |
| Leicester | 46,100 sqm (2.3 ha) | 67.3 | 43,000 sqm (2.1 ha) | 44.0 | -3,100 sqm (- 0.2 ha) | -23.3 | 2019-36 need / office supply, City EDNA '20 (sqm, converted to ha at 2.0 ratio) Industrial supply based on Local Plan Reg19 Feb '22. |
| Melton | 2 | 38.1 | 2.6 | 34.4 | 0.6 | -3.7 | 2021-36 need, HENA '21 . Supply based on permissions and allocations pipeline. Supply at April 2020 |
| NWL | 8.9 | 31.8 | 17.1 | 36.5 | 8.2 | 4.7 | 2021-36 need, HENA '21 . Supply based on permissions and allocations pipeline. Supply at April 2020 |
| O&W | 1 | 3.1 | 2.8 | 5.7 | 1.8 | 2.6 | 2021-36 need, HENA '21 . Supply based on permissions and allocations pipeline. Supply at April 2020 |
| L&L Total | 41.8 | 297.7 | 72.4 | 281.2 | 30.6 | -16.5 | Excludes 50 ha at Loughborough Science and Enterprise Park. Excludes -44,600 sqm offices for Leicester |

Source: Various as identified in notes

Appendix D - Location and Administrative Areas



Key to Map Two

- 1. Blaby District Council
- 2. Charnwood Borough Council
- 3. Harborough District Council
- 4. Hinckley and Bosworth Borough Council
- 5. Leicester City Council
- 6. Melton Borough Council
- 7. North West Leicestershire District Council
- 8. Oadby and Wigston Borough Council

Appendix E – L&L Joint Statement of Cooperation, November 2017

L&L Joint Statement of Cooperation

Leicester & Leicestershire Authorities

Joint Statement of Co-operation Relating to Objectively Assessed Need for Housing November 2017

1.0 The Leicester and Leicestershire HMA

- 1.1 The Leicester and Leicestershire Housing Market Area (HMA) covers the administrative areas of eight local authorities and two highway authorities. The eight local planning authorities are:
- 1. Blaby District Council
- 2. Charnwood Borough Council
- 3. Harborough District Council
- 4. Hinckley & Bosworth Borough Council
- 5. Leicester City Council
- 6. Melton Borough Council
- 7. North West Leicestershire District Council
- 8. Oadby & Wigston Borough Council
- 1.2 The two highways authorities are:
- 1. Leicester City Council
- 2. Leicestershire County Council
- 1.3 The purpose of this Joint Statement of Co-operation (the 'Joint Statement') is to support those authorities which are seeking to produce a Local Plan in advance of the Strategic Growth Plan (SGP), and to set out how the local authorities will collaborate further to ensure that the necessary joint evidence is in place to support subsequent Local Plans. The document has been received by the Members' Advisory Group overseeing the preparation of the Strategic Growth Plan and will proceed through the normal governance procedures of individual authorities as necessary.

2.0 Background

Duty to Cooperate

2.1 The Joint Statement is intended to provide evidence of effective co-operation on planning for issues with cross-boundary impacts. A Housing and Economic Development Needs Assessment (HEDNA) has been completed, the purpose of which is to identify the Objectively Assessed Need (OAN) for housing and employment for the HMA and Functional Economic Market Area (FEMA) in the periods 2011-2031 and 2011-2036. In the case of Leicester & Leicestershire, the HMA and FEMA are coincident. The HEDNA was commissioned jointly by the nine

local authorities together with the Leicester & Leicestershire Enterprise Partnership (LLEP).

Objectively Assessed Need for Housing

- 2.2 The National Planning Policy Framework (NPPF) requires local planning authorities to ensure that their Local Plans meet the full OAN for market and affordable housing in the HMA as far as is consistent with the policies set out in the NPPF (paragraph 47).
- 2.3 To enable an understanding of capacity to accommodate additional housing, the NPPF further requires local planning authorities to prepare a Strategic Housing Land Availability Assessment (SHLAA) to establish realistic assumptions about availability, suitability and likely economic viability of land to meet the identified need for housing over the plan period (paragraph 159). In Leicester & Leicestershire, the SHLAAs have been prepared using an agreed methodology across the HMA as a whole.
- 2.4 Table 1 has been prepared using the outputs of the joint HEDNA and SHLAAs. It provides a summary of the agreed OAN for housing, and the theoretical capacity of both the HMA and each local authority; the theoretical capacity has been derived from an understanding of existing commitments and SHLAA information. The partner authorities agree that the OAN for the HMA (and each local authority) is that set out in the table.
- 2.5 The HEDNA explains that the OAN is set at the level of the HMA although the OAN for each local authority is also identified; the OAN for each individual authority is considered to be secondary to that of the HMA as a whole. Table 1 indicates that the OAN for the HMA as a whole, based on demographic analysis, is some 96,580 dwellings for the period 2011-31 (4,829 dpa). For the period, 2011-2036, the figure is some 117,900 dwellings (4,716 dpa).
- 2.6 A similar analysis has been undertaken of the need for housing based on the economic development needs of the area; in this case, it has been concluded that the need for new housing, based on economic development needs across the FEMA, is lower than the demographic need. On that basis, there is no need for adjustment of this figure at the level of the HMA/FEMA although there is some misalignment at the level of individual authorities. As a result, there may be an alternative distribution of housing to meet economic needs whilst still ensuring that the demographic need of 4,829 or 4,716 dpa is met across the HMA/FEMA as a whole in line with paragraph 47 of the NPPF.
- 2.7 In terms of the housing capacity, Table 1 also indicates that there is a theoretical capacity for some 207,069 dwellings across the HMA as a whole. When this is set against the OAN of 96,580 (2011-31) and 117,900 (2011-36) dwellings, it is clear that there is considerable flexibility to meet the defined housing need across the HMA.
- 2.8 It is recognised that the ability of each local authority to meet its own OAN will vary. Table 1 demonstrates that, theoretically, and with the exception of Leicester City Council, all authorities are able to accommodate their own needs in the period 2011-36. In the period 2011-36, neither Leicester City Council nor Oadby & Wigston Borough Council will be able to meet their needs. It is important to note, however, that further testing will be required by the respective authorities through their Local Plan processes. Should an HMA authority identify, quantify and provide robust evidence to demonstrate an unmet need in the future, it will be incumbent upon the

- HMA authorities jointly to resolve any cross-boundary matters with HMA partners under the Duty to Co-operate.
- 2.9 Following publication of the HEDNA, both Leicester City Council and Oadby & Wigston Borough Council declared that they would not be able to accommodate their full objectively assessed needs (OAN) for housing within their own boundaries. Letters were sent out by Leicester City Council in February 2017 and by Oadby & Wigston Borough Council in March 2017, to all other authorities within the Leicester & Leicestershire Housing Market Area, setting out the position and their formal declarations of unmet housing need. Since that time, and based on evidence, Oadby & Wigston Borough Council has determined that it will be able to accommodate its needs in the period 2011-2031 but not in respect of the period 2011-36. Oadby & Wigston Borough Council issued a further letter in November 2017 confirming its position. Both Leicester City Council and Oadby & Wigston Borough Council are yet to formally and finally evidence the extent of their unmet need, however it is necessary to include provision to accommodate unmet need arising from these two Council areas, for the relevant periods, within the HMA as a whole; this may include an element of a flexibility allowance in local plans currently in preparation, should the need arise.
- 2.10 In terms of determining housing targets to be included in their Local Plans, local planning authorities should take account of the requirements of both national policy and local circumstances, including the need to base Local Plans on a strategy that seeks to meet the OAN for housing. In this regard, it is recognised that all authorities are at different stages of plan preparation and that this situation must be accommodated. In determining their housing target over the relevant plan period, therefore, each authority will take into account the HEDNA and other relevant evidence.
- 2.11 In addition, the nine local authorities and the LLEP have jointly agreed to produce a Strategic Growth Plan, a non-statutory strategic plan looking forward to around 2050. As part of their work on the Strategic Growth Plan, the partner organisations may choose to redistribute development across the HMA as appropriate but the process of preparing the Strategic Growth Plan is not anticipated to be complete until the end of 2018 and will not, therefore, be available for all authorities to use prior to preparing their Local Plans. At the same time, Government has made it clear that it wants Local Plans for individual authorities to be in place without delay; and where no Local Plan has been produced, Government may choose to intervene in the process. As a result, the partner organisations understand that some authorities might wish to progress their Local Plans in advance of the Strategic Growth Plan.
- 2.12 The Written Ministerial Statement by the Minister for Housing and Local Government (21 July 2015) re-emphasises that Local Authorities cannot plan in isolation and must work together to provide the land for the housing needed across HMAs. It states: "As we have made clear in planning guidance a commitment to an early review of a Local Plan may be appropriate as a way of ensuring that a Local Plan is not unnecessarily delayed by seeking to resolve matters which are not critical to the plans soundness or legal competence as a whole". It also refers to a note prepared by the Planning Advisory Service which local authorities should consider; this sets out circumstances in which Local Plans have been found sound, subject to a commitment to an early review.

2.13 Taking this into account, the HMA authorities reached agreement in summer 2016 on appropriate trigger mechanisms that would be inserted into all Local Plans coming forward before the Strategic Growth Plan. In this respect the partner authorities agree that should the Strategic Growth Plan identify a significant change which would require local authorities to re-consider the amount of housing and employment land, an early review or partial review of affected Plan(s) will be brought forward to address this matter, unless there is sufficient flexibility already provided for within the Plan. Such flexibility may, for example, be secured by a Local Plan that specifies a requirement which materially exceeds the FOAN identified by the HEDNA. The agreement is based on the principle that the trigger mechanisms would be applied on a consistent basis across the HMA, ensuring that all Local Plans submitted in advance of the Strategic Growth Plan contain the necessary flexibility to respond to any significant change that might arise.

Table 1: OAN as defined in HEDNA (January 2017) and Theoretical Capacity based on assumptions set out in notes.

| | OAN* ¹ (2011- 2031) | OAN* ¹ (2011 - 2036) | Theoretical Total Capacity* ² |
|----------------------------|--------------------------------------|---------------------------------------|--|
| Blaby | 7,400 | 9,025 | 24,096* ³ |
| Charnwood | 20,620 | 24,850 | 34,756* ³ |
| Harborough | 10,640 | 12,850 | 30,578* ³ |
| Hinckley & Bosworth | 9,420 | 11,350 | 25,498* ³ |
| Leicester City | 33,840 | 41,700 | 26,230* ³ |
| Melton | 3,720 | 4,250 | 36,650* ³ |
| Northwest Leics | 9,620 | 11,200 | 26,301* ³ |
| Oadby & Wigston | 2,960 | 3,875 | 2,960*3 |
| HMA Total* ⁴ | 96,580 | 117,900 | 207,069*3 |

^{*1} The OAN is set out in the agreed HEDNA (January 2017)

Note:

It should be noted that nothing in this statement should be taken to prejudice any representations made by individual authorities on any partner Local Plan.

^{*2} This figure is based on information on completions, commitments, windfalls (in some authorities) and SHLAAs as at 1st April 2016.

^{*&}lt;sup>3</sup> The final figure will be determined by each authority through the Local Plans process.

^{*&}lt;sup>4</sup> The Total received OAN for the HMA is lower than the sum of the OAN for individual authorities because the OAN for Melton BC and North West Leicestershire DC has been increased in the HEDNA to meet economic needs locally.

Appendix F - L&L Joint Position Statement, March 2018



Leicester & Leicestershire
Joint Position Statement on Housing and
Employment Land Supply
2011 to 2031

March 2018



Evidence Base – the Leicester and Leicestershire HEDNA (January 2017)

The Leicester and Leicestershire Housing and Economic Development Needs Assessment (January 2017) provides the baseline for the identification of housing and employment land requirements to 2031. This report is known as the HEDNA and it assesses future housing needs, the scale of future economic growth and the quantity of land required for certain economic development uses. The HEDNA report was prepared by a consultancy team comprising GL Hearn, Justin Gardner Consulting and Oxford Economics. It took into account feedback from the development industry, including local estate, letting and commercial agents, on the proposed assessment geography and methodologies.

The HEDNA identifies Leicester and Leicestershire as the relevant Housing Market Area (HMA) and Functional Economic Market Area (FEMA) for plan-making purposes. The HMA definition reflects the high level of self-containment of migration flows. 84% of the households moving into a home in the area are moving from a different home elsewhere within Leicester or Leicestershire; there are strong migration flows between Leicester and its adjoining authorities. The definition also reflects similarities in housing costs, whilst recognising an urban/rural distinction and local influences on prices. It is also supported by analysis of commuting flows.

The Leicester Travel to Work Area, as defined by the Office for National Statistics (ONS) and based on 2011 Census data, extends across much of Leicestershire and includes all of the main towns within the County, supporting the definition of common housing and functional economic market areas. Around 78% of commuting flows are contained within the Leicester and Leicestershire authorities. The FEMA definition is also supported by wider evidence including Leicester's role as a retail, leisure and cultural destination. The HEDNA recognises that the economic geography can vary for different sectors of the economy and that, for the logistics and distribution sector in particular, the area forms part of a wider Midlands market area. There is a particular concentration of activity and demand within the 'Golden Triangle' formed broadly by the M42, M1 and M6 motorways which sit at the heart of the country. The triangle has strong accessibility to the major UK consumer markets and represents an optimum location for national distribution centres.

The HEDNA was produced having full regard to the National Planning Policy Framework and the relevant National Planning Practice Guidance documents. It uses trend-based demographic projections as its starting point, but then considers economic dynamics and growth potential, market signals and affordable housing need to produce an objective assessment of housing needs (OAN) to 2031 both at overall HMA level and for individual authority areas. The annual requirement for the HMA to 2031 is 4,829 dwellings, or 96,580 for the period 2011-2031. It goes on to identify a range of factors which influence the need for different types of homes. This includes demographic trends, and in particular a growing older population; market dynamics and affordability; the Government's ambitions and initiatives to boost home-ownership and self/custom-build development; and the growth in student numbers and accommodation.

Housing Land Supply

Housing schemes already in the development pipeline are poised to deliver the overwhelming majority of the identified need to 2031. As at April 2017 over 22,000 homes had been built (2011-2017), while a further 41,000 homes are committed (under construction or with planning permission and projected to be built by 2031). Land for a further 19,000 homes projected for delivery by 2031 is identified by allocations made in a mixture of adopted and published draft local plans.

The table shown below includes an allowance for delivery on small scale sites that are currently unidentified. Whilst for plan-making purposes such allowances are sometimes discounted, it can reasonably be expected that a number of suitable sites will continue to be promoted through the development management process. Based on local experience, the estimate is that around 5,000 additional homes will be delivered on these small sites.

Finally, the plan period for each of the current Local Plans for Charnwood, Hinckley & Bosworth and the City of Leicester ends before 2031. These plans are in the process of being rolled forward to cover a longer term period, but the draft plans are not yet published. For the purposes of this position statement a provisional figure has been shown in the table for each of these three areas to illustrate the approximate level at which notional new housing capacity (to 2031) could be made in future local plans. They are provided solely to inform estimates of overall capacity and do not pre-empt or fetter the due local plan process. Whilst this in no way pre-determines the plan making process for any of these areas, in the absence of such estimates this statement would not have provided a proper overview of the potential overall position.

The delivery trajectory illustrates an anticipated shortage of housing land supply in the City of Leicester. The published Joint Statement of Co-operation (November 2017) confirms that any shortfall can be met in other parts of the HMA when a shortfall is identified and robustly quantified. The proposed distribution is to be confirmed via the agreement of a memorandum of understanding (MoU).

In early 2017 it was anticipated that the MoU would be adopted by January 2018, having regard to the anticipated programme for preparing the new Leicester Local Plan. That programme has been revised; it is now anticipated that the MoU will be published once the City Council's unmet need is robustly quantified, probably in summer 2018, and that it will accompany the publication of the City's draft plan, also in summer 2018. In the meantime, this Joint Position Statement is being produced as evidence to show that the OAN can be met across the HMA for the 2011 – 31 period.



The MoU, when published, will reflect the City Council's confirmed position on the extent of its unmet need to 2031 and the arrangements then agreed across Leicestershire to meet the unmet need in other parts of the HMA. This joint position statement does not constitute the MoU and neither does it avoid the need for the MoU. It has been prepared to illustrate that the supply of housing land across the HMA (as assessed at 31 March 2017) is likely to be sufficient to meet the overall needs of the HMA over the period 2011 to 2031.

It is understood by all partners that should the MoU, once adopted, set out a housing requirement for an area that differs significantly to that contained in an adopted plan for that area then, unless there is sufficient flexibility already provided for within that plan, an early review or partial review of the affected plan will be brought forward to address this matter. To take this into account appropriate trigger mechanisms will be inserted in all local plans coming forward.

In considering the supply it is appreciated that in the short term there will be a limited number of largely small scale permissions that will lapse. However, the Government's stated commitment to accelerate the delivery of new homes makes it reasonable to believe that the vast majority of the homes now 'in the pipeline' will be built by 2031. Indeed, on those large-scale sites where the delivery trajectory extends beyond 2031, it may prove possible to deliver a greater number of new homes by that date than is currently expected.

Having regard to the above, the authorities are satisfied that the overall supply collectively arising from these processes will see new homes provided in numbers sufficient to meet, at the minimum, the OAN for housing across the HMA over the period 2011-2031. It is notable that the current commitments already identify sites that are expected to deliver over 7,000 homes in the period beyond 2031.



Housing Land Supply as at 31 March 2017

| Authority | OAN 2011- 2031 | Completions 2011 to 2017 | Commitments ¹ projected for delivery 2017 to 2031 | Allocations in an adopted Local Plan ² | Emerging allocations in a draft plan ² | Allowance for small site or windfall development ² | Notional guide figure for estimated supply in currently unpublished plans ³ | Projected total delivery to 2031 | Commitments ⁴ not projected for delivery until beyond 2031 |
|------------------------|----------------------|-----------------------------|---|--|--|--|--|---|--|
| Blaby | 7,400 | 2,749 | 5,561 | | 795 | 420 | | 9,525 | 398 |
| Charnwood | 20,620 | 4,259 | 7,741 | 3,100 | | 720 | 4,800 | 20,620 | 3,390 |
| Harborough | 10,640 | 2,462 | 5,056 | | 4,267 | 1,015 | | 12,800 | |
| Hinckley & Bosworth | 9,420 | 2,973 | 4,636 | 1,817 | | 560 | 1,878 | 11,864 | 570 |
| Leicester City | 33,840 | 5,955 | 9,373 | 3,675 | | 2,100 | 2,900 | 24,003 | |
| Melton | 3,720 | 639 | 1,588 | | 3,198 | 100 | | 5,525 | |
| NW Leics | 9,620 | 3,073 | 6,591 | 790 | | 560 | | 11,014 | 2,811 |
| Oadby & Wigston | 2,960 | 578 | 768 | | 1,614 | 70 | | 3,030 | |
| HMA total | 96,580 | 22,688 | 41,314 | 9,382 | 9,874 | 5,545 | 9,578 | 98,381 | 7,169 |

¹ Includes sites under construction or with the benefit of planning permission, including sites with a resolution to grant, as at 31/03/2017

² In each case the figure relates solely to projected delivery during the period prior to 31/03/2031; includes plans published since 31/03/2017

³ The figures given represent working assumptions of the notional capacity (to 2031) of new allocations to be made in future local plans; they are provided solely to inform estimates of overall capacity and do not pre-empt due local plan process.

⁴ Includes sites with the benefit of planning permission, including sites with a resolution to grant, plus allocations in an adopted plan, all as at 31/03/2017

Employment Land Supply

Turning to employment growth, the HEDNA assessment is based on modelling which relates the sectors used in the economic forecasting to the planning use classes. This exercise uses an average employment density (sqm floorspace per job) to estimate net growth in floorspace. It then makes assumptions on plot ratios to assess the land area required.

There is an assessed need for between 142ha and 198ha of land for office development (use classes B1a and B1b), 132ha of land for industrial development (use classes B1c and B2) and 93ha for 'non-strategic' warehouse/distribution floorspace (use class B8). The HEDNA advises that these be regarded as minimum figures as the quantitative analysis does not take account of the potential 'replacement' demand for floorspace arising from the loss (planned or otherwise) of existing poorer quality employment buildings.

As regards strategic warehouse/distribution floorspace (defined as involving units in excess of 9,000m²), the HEDNA references the separate study undertaken by MDS Transmodal and corroborates the strong market demand for additional development land. The assessed need to 2031 is for a minimum additional 361ha.

In terms of employment land supply, the table below summarises the known position for B class uses excluding strategic warehousing/distribution. It is expected that, particularly as regards land for office development, the authority-level distribution of sites is likely to differ from that projected in the HEDNA. The supply figures show the net position and it is evident that, most notably around Hinckley, land previously in employment use has been redeveloped to provide strategic B8 units (as reflected in the separate analysis below).

Employment Land Supply as at 31 March 2017

| Authority | Assessed need 2011- 2031 (ha) | Projected supply 2011- 2031 (ha) | Notes |
|------------------------|-------------------------------------|--|---|
| Blaby | 62-70 | 62 | Completions at 3ha plus commitments at 44ha, emerging allocations of 15ha |
| Charnwood | 46-69 | 67 | Completions at 8ha plus commitments at 59ha, emerging allocations tbc |
| Harborough | 44-51 | 75 | Completions at 5ha plus commitments at 12ha, emerging allocations of 58ha |
| Hinckley & Bosworth | 41-62 | 17 | Completions at -14ha plus commitments at 31ha, emerging allocations tbc |
| Leicester | 53-57 | 17 | Completions at 12ha plus commitments at 5ha, emerging allocations tbc |
| Melton | 45-53 | 49 | Completions at 12ha plus commitments at 6ha, emerging allocations of 31ha |
| NW Leics | 65-66 | 50 | Completions at 5ha plus commitments at 29ha, allocations of 16ha |
| Oadby & Wigston | 5 | 9 | Commitments at 3ha, emerging allocations of 6ha |
| FEMA Total | 367-423 | 346 | |

Note - figures are net and are rounded to the nearest hectare

Whilst completions, commitments and sites in published plans collectively fall just short of identifying sufficient land to meet the minimum requirements, it is known that three authorities (as identified in the housing supply commentary) are working towards the publication of new local plans that will identify fresh proposed allocations of land. In addition North West Leicestershire DC is about to commence a plan review process that will address the shortfall in that district. Taking all this into account, it is a reasonable expectation that the available supply will mean that the minimum requirements for additional land over the period to 2031 will be exceeded.

In terms of the need for strategic warehousing/distribution land, the position across Leicester and Leicestershire, again as at March 2017, is that 98ha has been built out, a further 322ha has the benefit of planning permission and 135ha is allocated for development. This represents a total of 555ha against the minimum requirement figure of 361ha. As such it is again a reasonable expectation that the available supply will mean that the minimum requirements for additional land will be met (and are likely to be exceeded) over the period to 2031.

Endorsement of this Joint Statement

Each of the nine local planning authorities that have contributed to the preparation of this statement confirm that the information provided for their area is accurate as at 31 March 2017 and therefore that the joint position shown here as regards the supply of housing and employment land for the period 2011 to 2031 is both fair and robust.

The joint statement has been prepared by the following authorities:

- Blaby District Council
- Charnwood Borough Council
- Harborough District Council
- Hinckley & Bosworth Borough Council
- Leicester City Council
- Leicestershire County Council
- Melton Borough Council
- North West Leicestershire District Council
- · Oadby & Wigston Borough Council

March 2018





Leicester & Leicestershire Authorities

Joint Position Statement relating to Leicester's Housing and Employment Land Needs

September 2020





















1. The Leicester and Leicestershire HMA and FEMA

- 1.1 The Leicester and Leicestershire Housing Market Area (HMA) and Functional Economic Area (FEMA) covers the administrative areas of eight local planning authorities and two highway authorities. The eight local planning authorities are:
- 2. Blaby District Council
- 3. Charnwood Borough Council
- 4. Harborough District Council
- 5. Hinckley & Bosworth Borough Council
- 6. Leicester City Council
- 7. Melton Borough Council
- 8. North West Leicestershire District Council
- 9. Oadby & Wigston Borough Council
- 1.2 The two upper tier authorities in Leicester and Leicestershire, with statutory responsibilities for transportation, education, social care, flooding, minerals & waste planning and public health are:
- 10. Leicester City Council
- 11. Leicestershire County Council
- 1.3 The purpose of this Statement is to set out how the authorities continue to work together to accommodate a potential unmet need for housing and employment land identified in the Leicester City Draft Local Plan Consultation (Sept 2020). The authorities have a long track record of cooperation across Leicester and Leicestershire (L&L) and have adopted a non-statutory Strategic Growth Plan which includes 'notional' housing figures (http://www.llstrategicgrowthplan.org.uk/wp-content/uploads/2019/01/Final-LL-SGP-December-2018-1.pdf). It is envisaged a Statement of Common Ground will be completed in 2021, setting out how any unmet need from Leicester will be redistributed amongst the other authorities in L&L.

2.0 Background

Summary

- 2.1 The National Planning Policy Framework (NPPF) requires local plans, as a minimum, to provide for the objectively assessed need for housing and other uses, as well as any needs that cannot be met within neighbouring areas (unless the NPPF provides a strong reason for restricting development; or the adverse impacts of doing so significantly and demonstrably outweigh the benefits when assessed against the NPPF).
- 2.2 Plans should be informed by agreements with other authorities so that unmet need from neighbouring areas is accommodated where practical and sustainable to do so, and based on effective cross-boundary joint working as evidenced in a Statement of Common Ground (SCG).

- 2.3 Leicester City Council is consulting on a Draft Local Plan (regulation 18) in September 2020, with a view to publishing the Submission Version (regulation 19) in 2021. Leicester City declared an unmet housing need in February 2017 which remained unquantified while further evidence was gathered to support the publication of their Draft Local Plan. During this time several authorities have adopted local plans.
- 2.4 The L&L authorities were made aware of the potential scale of unmet need in December 2019. Consultation on the Leicester Draft Local Plan (and associated evidence) was delayed due to the COVID-19 Pandemic and is anticipated to start in September 2020.
- 2.5 Leicester's Draft Local Plan consultation indicates a potential unmet need of 7,742 homes and 23 Hectares of employment land 2019 to 2036. The authorities in L&L have been progressing work on a Sustainability Appraisal to assess options for where this unmet need could be appropriately distributed across L&L. This will inform a Statement of Common Ground setting out how any unmet need from Leicester will be distributed amongst the HMA authorities, which is intended for completion in early 2021.

3.0 <u>Unmet Need in Context</u>

Housing

- 3.1 The Governments current Standard Method for calculating housing need uses 2014-based household projections, and suggests L&L have to provide 82,739 homes (4,867 per year 2019 to 2036). In this context an unmet need in Leicester of 7,742 homes is about 9% of the overall need for L&L over this period.
- 3.2 The NPPF requires authorities to have a clear understanding of the land available in their area to meet housing need through the preparation of a strategic housing land availability assessment (SHLAA). In L&L, the SHLAAs have been prepared using an agreed methodology across the HMA as a whole.
- 3.3 Appendix A and B to this Statement have been prepared using the outputs of the Standard Method for calculating housing need and SHLAAs. It provides a summary of the need for new homes, and the theoretical capacity of both the HMA and each local authority.
- 3.4 To 2036 there is a theoretical capacity for some 174,412 homes across the HMA as a whole (Appendix B). When set against the need of 82,793 (2019-36), it is clear there is considerable flexibility to meet housing need within the HMA, including Leicester's unmet need of 7,742 homes.
- 3.5 Housing supply in L&L is strong. Up to 2031 (Appendix A) there is already sufficient supply in the pipeline to meet the needs of the HMA. The L&L housing need 2019-31 is 58,404 using the standard method. Taking into account commitments, allocations (including emerging allocations in Leicester and Charnwood Draft Plans) and windfalls, there is a supply of 70,371 which is 11,967 (20%) higher than the HMA-wide need. Leicester City Council is the only authority to declare an unmet need at present.

3.6 Up to 2036 (Appendix B) the supply situation remains relatively strong given that most local plans cover up to, or close to, 2031. The L&L housing need to 2036 is 82,739 using the standard method. Assuming as minimum all District and Borough authorities will meet their own housing need, housing commitments, allocations (including emerging allocations in Leicester and Charnwood Draft plans) and windfalls suggest there is a supply of 85,767 which is 3,028 (4%) higher than the HMA wide need.

Employment

3.7 The most up-to-date FEMA-wide assessment of employment needs is the Housing and Economic Development Needs Assessment (2017). It identifies a need for 459 to 497 Hectares of employment in L&L (2011-2036). In this context, an unmet need of 23 Hectares is less than 5% and relatively small.

4.0 Changing Context

- 4.1 The Government intends to reform the planning system and is consulting on potential future changes, including:
 - Planning for the Future White Paper
 - Changes to the Current Planning System
- 4.2 At present these reforms do not impact housing need or emerging Local Plans as they are consultations. The Planning for the Future White Paper sets out plans for fundamental reform of the planning system and explains this would be accompanied by shorter-term measures. The 'Changes to the Current Planning System' consultation sets out potential shorter-term measures to improve the effectiveness of the current system, including a potential new standard method for calculating housing need.
- 4.3 There is no timetable for the reforms and the proposals could change following consultation. Against this background the Government encourages authorities to get up-to-date Local Plans in place and some authorities in L&L are at an advanced stage of plan preparation. In light of the uncertainty surrounding the content and timing of government reforms, the L&L authorities continue to cooperate on how Leicester's current unmet need could be distributed.
- 4.4 If the proposed changes to the Standard Method for calculating housing need (as set out in the 'Changes to the Current Planning System' consultation) are introduced unchanged, it would have implications for unmet need in L&L. For example, Leicester's unmet need for housing would be substantially lower or may not exist. On the other hand, most other authorities would see a significant increase in the number of homes needed.
- 4.5 The emerging situation will be kept under review as work progresses. The Duty to Cooperate is an ongoing process, and although Government reforms may remove the Duty, the Government also recognise the need for further consideration to the way in which strategic cross-boundary issues can be adequately planned for.

Appendix A - Leicester and Leicestershire Housing Land Supply, 2020 to 2031

The table below compares housing land supply to local housing need based on the Governments Standard Method. The calculations are based on data available at 1st April 2020.

| | Α | В | С | D | E | F | G | Н |
|------------------------|--|--|--|--|--|--|---|--|
| Authority | Local Housing Need 2020 - 2031 | Commitments ¹ projected for delivery 2020 to 2031 | Allocations in an adopted Plan ² | Emerging allocations in a draft plan ² | Allowance for small site or windfall development to 2031 | Total Projected Delivery to 2031 (B+C+D+E) | SHLAA Capacity to 2031 ³ | Total Theoretical Capacity to 2031 (F+G) |
| Blaby | 4,068 | 4,935 | 758 | | 280 | 5,973 | 12,150 | 18,123 |
| Charnwood | 12,984 | 8,734 | 1,385 | 5,761 | 720 | 16,660 | 13,948 | 30,608 |
| Harborough | 6,504 | 4,064 | 4,526 | | 330 | 8,920 | 4,835 | 13,755 |
| Hinckley & Bosworth | 5,484 | 3,139 | 185 | | 603 | 4,039 | 23,105 | 27,144 |
| Leicester City | 20,544 | 9,827 | | 7,131 | 1,800 | 18,758 | 0 | 18,758 |
| Melton | 2,412 | 2,353 | 2,891 | | 223 | 5,467 | 1,108 | 6,575 |
| NW Leics | 4,548 | 6,647 | 990 | | 360 | 7,997 | 4,052 | 12,049 |

| Oadby & Wigston | 1,860 | 791 | 1,449 | | 159 | 2,399 | 0 | 2,399 |
|--------------------|--------|--------|--------|--------|-------|--------|--------|---------|
| HMA total | 58,404 | 40,490 | 12,184 | 12,892 | 4,475 | 70,371 | 59,198 | 129,299 |

 ¹ Includes sites under construction; with planning permission (including sites with a resolution to grant), as at 31/03/2020
 ² projected delivery up to 31/03/2031; includes allocated sites from local and neighbourhood plans
 ³ To avoid duplication SHLAA sites that have planning permission or are allocated in an adopted or emerging plan have been removed from this figure

Appendix B - Leicester and Leicestershire Housing Land Supply, 2020 to 2036

The table below compares housing land supply to local housing need based on the Governments Standard Method. The calculations are based on data available at 1st April 2020.

| | Α | В | С | D | E | F | G | Н |
|------------------------|--|--|--|--|--|-------------|---|--|
| Authority | Local Housing Need 2020 - 2036 | Commitments ¹ projected for delivery 2020 to 2036 | Allocations in an adopted Plan ² | Emerging allocations in a draft plan ² | Allowance for small site or windfall development to 2036 | Delivery to | SHLAA Capacity to 2036 ³ | Total Theoretical Capacity to 2036 (F+G) |
| Blaby | 5,763 | 5,314 | 878 | | 480 | 6,672 | 15,003 | 21,675 |
| Charnwood | 18,394 | 10,474 | 1,990 | 7,252 | 1,120 | 20,836 | 20,161 | 40,997 |
| Harborough | 9,214 | 4,064 | 5,526 | | 640 | 10,230 | 8,975 | 19,205 |
| Hinckley & Bosworth | 7,769 | 3,949 | 185 | | 938 | 5,184 | 30,114 | 35,298 |
| Leicester City | 29,104 | 9,827 | | 8,985 | 2,550 | 21,362 | 0 | 21,362 |
| Melton | 3,417 | 2,350 | 3,886 | | 358 | 6,594 | 3,635 | 10,229 |
| NW Leics | 6,443 | 7,775 | 1,317 | | 560 | 9,652 | 13,707 | 23,359 |

| Oadby & Wigston | 2,635 | 791 | 1,449 | | 159 | 2,399 | 0 | 2,399 |
|--------------------|--------|--------|--------|--------|-------|--------|--------|---------|
| HMA total | 82,739 | 44,544 | 15,231 | 16,237 | 6,805 | 82,817 | 91,595 | 174,412 |

¹ Includes sites under construction; with planning permission (including sites with a resolution to grant), as at 31/03/2020

























² projected delivery up to 31/03/2036; includes allocated sites from local and neighbourhood plans

³ To avoid duplication SHLAA sites that have planning permission or are allocated in an adopted or emerging plan have been removed from this figure

<u>Appendix H - Leicester & Leicestershire Authorities - Statement of Common Ground</u> relating to Housing and Employment Land Needs (June 2021)

1.0 The Leicester and Leicestershire HMA and FEMA

- 1.1 The Leicester and Leicestershire Housing Market Area (HMA) and Functional Economic Area (FEMA) covers the administrative areas of eight local planning authorities and two transport authorities. The eight local planning authorities responsible for plan making are:
 - Blaby District Council
 - Charnwood Borough Council
 - Harborough District Council
 - Hinckley & Bosworth Borough Council
 - Leicester City Council (Unitary)
 - Melton Borough Council
 - North West Leicestershire District Council
 - Oadby & Wigston Borough Council
- 1.2 The two upper tier authorities in Leicester and Leicestershire (L&L), with statutory responsibilities for transportation, education, social care, flooding, minerals & waste planning and public health are:
 - Leicester City Council (Unitary)
 - Leicestershire County Council
- 1.3 This Statement has been prepared jointly by the eight plan making authorities and Leicestershire County Council as an additional signatory given their statutory responsibilities, hereafter referred to as "the authorities". The Map in Appendix C shows the location and administrative areas covered by this statement. The Housing & Economic Development Needs Assessment 2017 (HEDNA) identifies this area as the Leicester & Leicestershire HMA and FEMA.
- 1.4 Local planning authorities across L&L are currently progressing plans at different stages. Appendix D sets out the latest position.

2.0 Purpose

2.1 This statement has been prepared by the authorities to support the Charnwood Local Plan. The key strategic matters covered in this statement under the Duty to Cooperate are; L&L Housing and Employment Needs to 2036; Unmet Need to 2036; and the process of apportioning unmet need to 2036. This statement will be reconfirmed and updated as necessary, including for subsequent authorities' Local Plans.





















3.0 Key Strategic Matters on which Authorities Agree

Duty to Cooperate

- 3.1 The authorities agree there is a long track record of effective joint working on strategic matters across L&L. The authorities have continuously engaged with each other on the strategic matters set out in this statement and throughout the preparation of Local Plans across the area. This is most clearly evidenced through:
 - The establishment of the Leicester & Leicestershire Members Advisory Group
 - The joint preparation of evidence, including the Housing & Economic Development Needs Assessment (2017)
 - The adoption of a non-statutory <u>Strategic Growth Plan</u> 2018 which includes 'notional' housing figures.
 - The agreement of Joint Statements in 2017, 2018 and 2020 (Appendix E, G and F)
 - The publication of this Statement of Common Ground.
- 3.2 More information and details of engagement will be set out in individual authorities Duty to Cooperate Statements that accompany Local Plans. Authorities will continue to engage on an ongoing basis.

L&L Housing Need to 2036

3.3 The authorities agree the appropriate way to calculate local housing need is using the current standard method set out in Government guidance which currently uses the 2014 based household projections. The authorities agree that local housing need (2020 - 2036) is as follows:

| Local Planning Authority | Total Housing Need 2020 – 2036 | Houses per year 2020 - 2036 |
|--|-----------------------------------|--------------------------------|
| Blaby District Council | 5,520 | 345 |
| Charnwood Borough Council | 17,680 | 1,105 |
| Harborough District Council | 8,800 | 550 |
| Hinckley and Bosworth Borough Council | 7,232 | 452 |
| Leicester City Council | 37,456 | 2,341 |
| Melton Borough Council | 3,216 | 201 |
| North West Leicestershire District Council | 5,744 | 359 |
| Oadby and Wigston Borough Council | 2,672 | 167 |
| Leicester and Leicestershire HMA Total | 88,320 | 5,520 |

Table 1: Local Housing Need

3.4 The Government's current standard method for calculating housing need suggests L&L need to provide 88,320 homes (5,520 per year 2020 to 2036).





















- 3.5 The NPPF requires authorities to have a clear understanding of the land available in their area to meet housing need through the preparation of a strategic housing land availability assessment (SHLAA). In L&L, the SHLAAs have been prepared using an agreed methodology across the HMA as a whole.
- 3.6 Appendix A and B to this Statement have been prepared using the outputs of the standard method for calculating housing need and SHLAAs. It provides a summary of the need for new homes, and the theoretical capacity of both the HMA and each local authority.
- 3.7 To 2036 there is a theoretical capacity for some 173,147 homes across the HMA as a whole (Appendix B). When set against the need of 88,320 (2020-36), the authorities agree there is flexibility to meet L&L housing need within the HMA, including unmet need.
- 3.8 Housing supply in L&L is strong. Up to 2031 (Appendix A) there is already sufficient supply in the pipeline to meet the needs of the HMA. The L&L housing need 2020-31 is 60,720 using the standard method. Taking into account commitments, allocations (including emerging allocations in Leicester and Charnwood Draft Plans) and windfalls, there is a supply of 69,403 which is 8,683 (14%) higher than the HMA-wide need. Leicester City Council is the only authority to declare an unmet need at present.
- 3.9 Up to 2036 (Appendix B) the supply situation remains relatively strong given that most local plans cover up to, or close to, 2031. The L&L housing need to 2036 is 88,320 using the standard method. Taking into account housing commitments, allocations (including emerging allocations in Leicester and Charnwood Draft plans) and windfalls suggest there is a supply of 84,388 which is close to the HMA wide need.

L&L Employment Need to 2036

3.10 The authorities agree the appropriate way to calculate employment need is using the jointly prepared Housing and Economic Development Needs Assessment (HEDNA) unless a more recent assessment has been undertaken. Based on the HEDNA and local assessments of employment land need the authorities agree the need is as follows:





















| Local Planning Authority | Employment Need 2019 to 2036 (Hectares)* | Source |
|------------------------------|--|---------------------------------|
| Blaby District Council | 74.84 - 75.85 ha | HEDNA |
| Charnwood Borough Council | 55.9 ha | HEDNA + Charnwood |
| | | Employment Land Review (2018) |
| Harborough District Council | 45 - 52 ha | HEDNA |
| Hinckley and Bosworth | 38.5 - 50 ha | EL&PS |
| Borough Council | | |
| Leicester City Council | 67 ha | City Economic Development |
| | | Needs Assessment 2020 |
| Melton Borough Council | 33.05ha | Employment Land Study 2015 |
| North West Leicestershire | 47.7 ha | North West Leicestershire – The |
| District Council | | need for employment land |
| | | (November 2020) Stantec |
| Oadby and Wigston Borough | 10.31 ha | Employment Land and Premises |
| Council | | Study, October 2017 |
| Leicester and Leicestershire | 372 - 392 ha | |
| HMA Total | | |

Table 2: Employment Land Needs. *Note: the need has been adjusted to a base-date of 2019 taking into account completions as appropriate.

3.11 Table 2 above shows L&L have to provide 372 - 392 ha hectares of employment land to 2036. The authorities agree the L&L employment land needs (including unmet need) can be met within the FEMA.

Unmet need to 2036

- 3.12 The authorities agree that Leicester City Council is the only authority in L&L to have declared and quantified (with evidence) an unmet need to 2036. Assisting Leicester to meet its unmet need is therefore a key element of the Duty to Co-operate across L&L.
- 3.13 Leicester City Council consulted on a Draft Local Plan (regulation 18) in September to December 2020, with a view to publishing the Submission Version (regulation 19) in 2021. Leicester City declared an unmet housing need in February 2017 (Appendix H) which remained unquantified while further evidence was gathered to support the publication of their Draft Local Plan. During this time several authorities have adopted local plans.
- 3.14 The L&L authorities were made aware of the potential scale of unmet need in December 2019. Consultation on the Draft Leicester Local Plan (and associated evidence) was delayed due to the COVID-19 Pandemic until September to December 2020.
- 3.15 Leicester's Draft Local Plan consultation indicates a potential unmet need of 7,742 homes and 23 Hectares of employment land (B2 General Industrial and B8 Small Warehousing Units less than 9,000 sq.m) 2019 to 2036.





















- 3.16 However, immediately after the consultation closed in December 2020 the Government published a new standard method for calculating housing need. The new method increased Leicester's housing need by 35%, adding a further 9,712 homes to their need between 2020 and 2036 (607 homes per year).
- 3.17 Although the supply of homes in Leicester may evolve as their local plan progresses, providing for this amount of additional homes in the City would require more than a doubling of the allocations set out in their recent Draft Local Plan. In this context the City consider that it will not be possible to meet NPPF policy obligations of a sound and deliverable plan, and so in the revised PPG context (Paragraph: 035 Reference ID: 2a-035-20201216) it will be necessary to seek to agree a Statement of Common Ground to deal with the recent increase in housing need.
- 3.18 The authorities agree the Government changes to the standard method on 16 December 2020 has significantly increased housing need in Leicester and acknowledge the quantity of Leicester's unmet need may change as the Local Plan progresses (e.g. as evidence on land supply is developed further).
 - Apportionment of Leicester's Unmet Need to 2036
- 3.19 The authorities remain committed to cooperating on strategic cross boundary matters, including agreeing the redistribution of any unmet housing and employment need. The authorities have been engaged in a process of testing reasonable alternative options for meeting Leicester's unmet need through a Sustainability Appraisal process with a view to agreeing an apportionment of the unmet need ahead of the submission of the Charnwood Local Plan (as set out in the agreed Joint Statement of September 2020 Appendix G).
- 3.20 However, the authorities agree the change in Leicester's housing need on 16 December 2020 (resulting from Government changes to the standard method for calculating housing need) is so significant that it requires additional evidence. This means the Charnwood Local Plan will now be submitted ahead of the apportionment of housing being agreed.
- 3.21 The authorities agree to carry out the following programme of work to inform the apportionment of unmet need from Leicester to the L&L Districts/Boroughs:
 - Housing and Economic Needs Assessment
 - Strategic Growth Options and Constraints Mapping
 - Strategic Transport Assessment
 - Sustainability Appraisal
- 3.22 This work will be commissioned in Spring 2021 and used to inform a Statement of Common Ground apportioning unmet need which is anticipated to be completed in Winter 2021/2022.





















- 3.23 On 19th January 2021 the Government published a Written Ministerial Statement and wrote to all Local Planning Authorities in England reminding them of the continued importance of maintaining progress on producing up-to-date Local Plans (Appendix I). In the letter the Government make clear "it is essential that plans are kept up to date" and "it is critical that work should continue to progress Local Plans through to adoption by the end of 2023 to help ensure that the economy can rebound strongly from the COVID-19 emergency". The Charnwood Local Plan is also critical to demonstrating and maintaining a five year supply of deliverable housing sites. Delay will lead to unplanned development and lack of certainty for communities, and private and public sector investors in the intervening period.
- 3.24 To maintain progress on producing an up-to-date Local Plan for Charnwood, the authorities agree that Charnwood Borough Council will continue to actively engage in the programme of work to redistribute unmet need and include a trigger policy to review and update the Local Plan, if the agreed apportionment of unmet need requires it.
- 3.25 Employment: The authorities agree a working assumption unmet need figure of 23 Hectares (B2 and Small B8) for Leicester. This will be subject to testing through the Leicester Local Plan. The authorities agree there is a sufficient supply of employment land in the Charnwood Local Plan (submission version) to accommodate this level of unmet need if this is found to be a sustainable approach, in the context of the programme of evidence work to inform the apportionment of unmet need.

4.0 Maintaining and Updating this Statement

- 4.1 The authorities acknowledge the Government intend to reform the planning system and recently consulted on a White Paper Planning for the Future.
- 4.2 There is no timetable for the reforms and the proposals could change following consultations. Against this background the Government is encouraging authorities to get upto-date Local Plans in place and some authorities in L&L are at an advanced stage of plan preparation.
- 4.3 This statement includes an agreed programme of work to apportion unmet need from Leicester. The authorities agree the Duty to Cooperate is an ongoing process and this statement will be kept up to date to reflect the latest position. The process for updating and maintaining this statement will be managed through ongoing joint work between the authorities. Once the agreed work is complete, the authorities agree this statement will be updated to include the apportionment of unmet need across L&L based on the evidence.





















Appendix I – Letter from Leicester City Council

Please ask for: Grant Butterwortr
Telephone: (0116) 454 1000 Grant Butterworth

planning@leicester.gov.uk 13th February 2017 Email:

Date:



Mr J Newton North West Leicestershire District Council Council Offices Coalville Leicestershire LE67 3FJ

Planning 115 Charles Street Leicester LE1 1FZ

www.leicester.gov.uk/planning

Dear Mr Newton

Implications for Leicester City Council, of the Housing and Economic Development Needs Assessment (HEDNA).

The Housing and Economic Development Needs Assessment (HEDNA) was approved by the Members Advisory Group on Thursday 26 January 2017. The HEDNA establishes a new objectively assessed need (OAN) for the Leicester and Leicestershire Housing Market Area (HMA), and for each local planning authority within the HMA. The HEDNA OAN replaces the OAN set out in the Strategic Housing Market Assessment (SHMA 2014).

The HEDNA establishes an OAN for the HMA of 96,580 dwellings for the period 2011-2031 (or 4,829 per year). For Leicester City over the same period the OAN is 33,840 dwellings (or 1,692 per year). Just over one third of the total OAN for the HMA arises within the city.

The HEDNA sets out a housing need significantly above that established in previous assessments of housing need, including the SHMA 2014 and in previous local, subregional and regional plans (including the Leicester Core Strategy 2014, Regional Plan 2009 and Structure Plan 2005).

The HEDNA also sets out increased new requirements for Employment land for Leicester :-

- 115,000 sqm (6ha) required for offices
- 15ha for warehousing/distribution
- 36ha for general employment

The HEDNA has significant implications regarding the ability of the city to continue to accommodate its full objectively assessed need for housing and employment within the administrative area of the city. The city's tightly drawn boundaries and built up nature, coupled with areas of significant flood risk means that there is limited land

available for further development. Whilst the City is currently unable to provide a definitive figure for the shortfall in the city (in advance of work on the emerging local plan), the scale of the need set out in the HEDNA is of such magnitude that it is concluded that there will be an unmet need arising in the city.

We will be working to meet these needs in our new Local Plan. However we will need support and co-operation from HMA partners. The Strategic Growth Plan will be the vehicle for these conversations.

The City Council looks forward to working closely with yourselves and the other HMA partners on ensuring the full OAN for the HMA is accommodated within the HMA by ensuring emerging plans are flexible enough to respond to addressing any unmet need which may be required to be addressed within those plans.

The attached note (Appendix 1) provides further background on the emerging land supply position in the city however it should be noted that further work on the capacity of the city, including potential new land allocations, is currently being undertaken through work on the new local plan for the city.

Yours sincerely,

Grant Butterworth

Head of Planning

Leicester City Council

Appendix 1

Housing Completions in Leicester since 2011

The table below shows housing completions in Leicester since 2011 compared to the HEDNA OAN. The table shows that the rate of housing completions in the city falls significantly below the HEDNA OAN. There is already a shortfall of 2,917 dwellings since 2011 (around 580 per year). Completions rates in the city have been relatively constant since the mid-2000s at around 1,100 per year. It does not seem likely that the rate of completions in the city will increase significantly above that level.

| | | HEDNA | |
|---------|-------------|-------------|-----------|
| Year | Completions | 2017 (2031) | Shortfall |
| 2011/12 | 977 | 1,692 | -715 |
| 2012/13 | 1,147 | 1,692 | -545 |
| 2013/14 | 1,126 | 1,692 | -566 |
| 2014/15 | 1,162 | 1,692 | -530 |
| 2015/16 | 1,131 | 1,692 | -561 |
| Total | 5,543 | 8,460 | 2,917 |

Should rates of completions in the city remain at around 1,100 per year, around 22,000 dwellings could be built between 2011 and 2031. This would leave a shortfall of around 11,840 against the HEDNA OAN to 2031.

It should also be noted that student completions account for a significant proportion of completions up to 2015/16 and, in light of the HEDNA (paragraphs 9.53-9.54), the City Council are currently reviewing the way in which student completions are counted towards meeting the OAN.

Current supply of housing land in Leicester

The City Council are in the process of finalising an updated SHLAA to represent the position as at 31st March 2016, and this is due to be published shortly. The draft figures from this were used to set out the city's total capacity figure in table 1 of the Statement of Co-operation.

The draft SHLAA currently shows a total capacity for the city up to 2031 of 25,006 (including completions since 2011, commitments, windfall and other SHLAA sites). This is a shortfall of 8,834 over the HEDNA OAN to 2031).

Emerging Local Plan position

The City Council intend to consult on the next stage of the new local plan later this year. This will include consultation on a wide range of sites. Following this the City Council will work towards a draft plan which is due to be published in spring 2018. Submission of the plan will follow in early 2019.

Given that the city currently does not have sufficient land allocated or identified to meet the level of need set out in the HEDNA we will be seeking to allocate new sites to help meet this need.

However at this early stage in the plan process it is not possible to know how many sites will be suitable, available and viable for housing development, nor how many of those will be successfully allocated in the final adopted plan. It is therefore not possible to know with any certainty, what contribution those sites can make towards addressing the housing OAN for the city and any consequent reduction in any unmet need remaining in the city. However it is clear that even if a significant number of new sites are identified, the scale of the need set out in the HEDNA is of such magnitude that it is concluded that there will be an unmet need arising in the city.

Appendix J - Written Ministerial Statement



To: All Council Leaders in England CC: Local Authority Chief Executives

Rt Hon Christopher Pincher MP Minister of State for Housing

Ministry of Housing, Communities and Local Government Fry Building 2 Marsham Street London SW1P 4DF

Tel: 0303 444 3430

Email: christopher.pincher@communities.gov.uk

www.gov.uk/mhclg

19 January 2021

Dear Local Authority Leader,

CONTINUING PROGRESS TO GET UP-TO-DATE LOCAL PLANS IN PLACE

I am writing to all local planning authorities in England to remind you of the continued importance of maintaining progress on producing up-to-date Local Plans.

Despite the significant challenges that have been caused by the COVID-19 pandemic, I know that the majority of local planning authorities continue to do all they can to get Local Plans in place and keep them up to date. I would like to thank you for the important work that you do to deliver the homes, jobs and supporting infrastructure that make such a difference to your local communities.

The country needs more, better and greener homes in the right places. This Government's ambition is to deliver 300,000 homes per year by the mid 2020s and one million homes over this Parliament. Increasing the number of up-to-date Local Plans across England is central to achieving that goal. Local Plans not only unlock land for development and ensure that the right number of new homes are being built in the right places, they also provide local communities with an opportunity to have their say on how their local areas will change over the coming years, and how the local environment can be protected and enhanced.

Nine in ten local planning authorities have now adopted a Local Plan, which is excellent. My Department is committed to working with the remaining 10% to get a plan in place as soon as possible, and across the board it is essential that plans are kept up to date. In March 2020, the Government set a deadline of December 2023 for all authorities to have up-to-date Local Plans in place. It is critical that work should continue to progress Local Plans through to adoption by the end of 2023 to help ensure that the economy can rebound strongly from the COVID-19 emergency. Progressing Local Plans will help to ensure that we can build back better and continue to deliver the homes that are needed across England. As such, a Written Ministerial Statement was made today to remind all local planning authorities of the importance of maintaining progress to get up-to-date plans in place.

To support this, we recently rolled forward temporary changes that we made over the summer to ensure the planning system continues to operate effectively during the pandemic. In addition, we recently announced changes to the methodology for assessing Local Housing Need and published the 2020 Housing Delivery Test measurement. This should provide plan-makers with greater certainty over the homes they should plan for and whether they need to take additional measures to encourage delivery in their area.

The Housing Delivery Test measurement shows that the majority of local planning authorities continue to deliver the number of homes needed in their communities. However, 55 authorities

delivered less than three quarters of their housing need, and are therefore subject to the presumption in favour of sustainable development. Of these, 40 have a Local Plan that is more than 5 years old. This clearly demonstrates the importance of having an up to date Local Plan in place.

We also want to see Neighbourhood Plans continue to progress with the support of local planning authorities, to give more communities a greater role in shaping the development and growth of their local areas.

The Planning for the Future White Paper consultation closed in October. The White Paper sets out proposals to deliver a significantly simpler, faster and more predictable system. These proposals will need further development and it is important that authorities do not use this period as a reason to delay plan-making activities. Authorities who have an up-to-date plan in place will be in the best possible position to adapt to the new plan-making system.

I will consider contacting those authorities where delays to plan-making have occurred to discuss the reasons why this has happened, and to explore what support my Department can offer.

RT HON CHRISTOPHER PINCHER MP

Page 104 of 1014



Leicester & Leicestershire Housing & Economic Needs Assessment

Final Report

Iceni Projects Limited on behalf of Leicester & Leicestershire Local Authorities

April 2022, Updated June 2022

Iceni Projects

Birmingham: The Colmore Building, 20 Colmore Circus Queensway, Birmingham B4 6AT

London: Da Vinci House, 44 Saffron Hill, London, EC1N 8FH

Edinburgh: 11 Alva Street, Edinburgh, EH2 4PH Glasgow: 177 West George Street, Glasgow, G2 2LB

Manchester: This is the Space, 68 Quay Street, Manchester, M3 3EJ

t: 020 3640 8508 | w: iceniprojects.com | e: mail@iceniprojects.com linkedin: linkedin.com/company/iceni-projects | twitter: @iceniprojects Page 105 of 1014



CONTENTS

| 1. | INTRODUCTION | 2 |
|-----|---|-----|
| PAR | RT 1: ECONOMIC & PROPERTY MARKET DYNAMICS | 6 |
| 2. | ECONOMIC BASELINE | 7 |
| 3. | COMMERCIAL PROPERTY MARKET DYNAMICS | 35 |
| 4. | HOUSING MARKET DYNAMICS | 65 |
| 5. | DEMOGRAPHIC DYNAMICS | 77 |
| PAR | RT 2: FUTURE DEVELOPMENT NEEDS | 99 |
| 6. | FUTURE ECONOMIC PERFORMANCE | 100 |
| 7. | EMPLOYMENT LAND NEEDS | 108 |
| 8. | OVERALL HOUSING NEEDS | 130 |
| PAR | RT 3: NEED FOR DIFFERENT TYPES OF HOMES | 141 |
| 9. | AFFORDABLE HOUSING NEED | 142 |
| 10. | NEED FOR DIFFERENT SIZES OF HOMES | 179 |
| 11. | NEEDS OF PARTICULAR GROUPS | 204 |
| 12. | DIFFERENT HOUSING MARKET SEGMENTS | 245 |
| 13. | CONCLUSIONS | 281 |



1. INTRODUCTION

- 1.1 The Leicester and Leicestershire Local Planning Authorities have a history of working together in partnership to address strategic planning matters. The authorities agreed a non-statutory Strategic Growth Plan in 2018 to coordinate future development and investment and the delivery of strategic infrastructure to 2050. This was informed by the 2017 Housing and Economic Development Needs Assessment ("2017 HEDNA").
- 1.2 Updated evidence is however now needed to take account of changes in economic and housing market dynamics, national policy changes including the revised NPPF and introduction of the standard method for calculating housing need, and to provide an up-to-date evidence base which can inform the progression or review of local plans, consideration of whether a review of the Strategic Growth Plan is required, and development management decisions on individual planning applications.
- 1.3 Leicester City Council, Leicestershire County Council, the seven local Borough and District authorities in Leicestershire, along with the Leicester & Leicestershire Local Enterprise Partnership (LLEP) have therefore commissioned Iceni Projects, together with Cambridge Econometrics (CE) and Justin Gardner Consulting (JGC) to prepare this Housing & Economic Needs Assessment ("HENA").

Scope of the HENA

- 1.4 The Assessment is intended to provide updated evidence regarding the overall need for housing, and type and mix of housing needed; together with an assessment of the quantity and type of employment land needed to inform local and strategic plans in Leicester and Leicestershire. It is intended to support a coordinated approach across the Functional Economic Market Area (FEMA) to providing employment opportunities to help with economic recovery / growth following Brexit and the COVID19 pandemic.
- 1.5 Specific objectives of the Assessment are:
 - To assess whether the Housing Market Area (HMA) and Functional Economic Market Area (FEMA) are still fit-for-purpose;
 - To provide an evidence-based, policy compliant assessment of the future economic needs of Leicester & Leicestershire and the requirement for employment land and premises to 2050;
 - To provide an up-to-date housing mix, type and affordability evidence that updates the 2017
 Leicester & Leicestershire HEDNA that identifies the optimum mix of housing and affordable

housing requirements as well as the headline need for specialist accommodation set in the context of overall housing requirements;

- To assess the short, medium and long-term impacts of COVID19 and BREXIT on the Leicester & Leicestershire economy generally and specifically the need for employment land and premises, and to consider the implications of this for housing growth and distribution;
- To assess whether there are robust reasons to depart from the Standard Method for calculating future housing needs – including any economic and employment-led reasons;
- To inform understanding of the links and relationships between future housing need and future employment needs (including mix and type). This includes considering whether employment forecasts justify an uplift and/or redistribution of housing and/or whether the housing requirements would justify a redistribution of employment land;
- To take into account other evidence in arriving at conclusions including the Strategic Warehousing & Logistics Study 2021 and LLEP Economic Growth Strategy 2021-30 and what contribution these make to future employment requirements in the FEMA and individual local authorities and any effects for employment and housing distribution;
- To inform consideration of the potential distribution of homes to local authorities in the housing market area to meet unmet housing needs arising from Leicester City;
- To provide an overview of Leicester & Leicestershire's future employment role in different sectors in light of existing and predicted market strengths and changing economic landscape;
- To provide a basis for future evidence gathering including an assessment of transportation impacts and more detailed environmental impacts.
- 1.6 Alongside the preparation of this Assessment, the authorities have also commissioned preparation of Strategic Transport Evidence and a Strategic Growth Options & Sites Study. These various components of the evidence base will be brought together to inform the future strategy for the scale and distribution of housing and employment growth within the area, with reasonable alternatives tested through the plan-making and Sustainability Appraisal process.

Functional Housing and Economic Geographies

1.7 The 2017 HEDNA examined the extent of the housing and functional economic market areas in great detail, concluding that a 'best-fit' housing market area based on local authority boundaries included Leicester and all of the Leicestershire authorities. It however identified housing market interrelationships with some surrounding areas including between parts of NW Leicestershire and South Derbyshire; between parts of Melton and Rushcliffe in Nottinghamshire; and with Nuneaton and Bedworth in Warwickshire.

- 1.8 The HEDNA similarly defined a Leicester and Leicestershire Functional Economic Market Area (FEMA) reflecting strong economic relationships between the City of Leicester and Leicestershire and high commuting self-containment within the area, the LEP geography (which was established in 2010 to reflect functional economic boundaries) and coordination of wider administrative functions at this level, the retail hierarchy and role of Leicester City Centre and Fosse Park as higher order centres which attract shoppers from across Leicestershire, as well as the concentration of leisure/cultural facilities in Leicester (and to a lesser extent Loughborough).
- 1.9 The HENA has reviewed the housing and economic geographies. The detailed analysis is set out in **Appendix A1.** It finds that the main towns across Leicestershire all fall within the boundaries of a Leicester-focused Travel to Work Area. Whilst house prices vary spatially within the Study Area¹, with higher prices in Harborough District and lower values in Leicester, the price geography or dynamics have not substantively changed since 2017. It concludes that the Leicester and Leicestershire authorities are an appropriate 'best fit' for the functional HMA using local authority boundaries.
- 1.10 The FEMA geography has been reviewed through the analysis of economic and commuting interrelationships. It reinforces the 2017 HEDNA findings of a Leicestershire FEMA with a central City and wider hinterland; with market towns Coalville, Loughborough, Melton Mowbray, Hinckley and Market Harborough sitting within this. Leicester and Leicestershire remains a good approximation for the Greater Leicester FEMA. Leicester's influence appears to also extend across the A5 to Nuneaton. However, Lutterworth is shown as relating more strongly towards Rugby; and Castle Donington/Kegworth towards Derby. The north-eastern part of Leicestershire, beyond Melton Mowbray and including settlements such as Bottesford, are less well integrated into the Leicester economy, with relationships towards Grantham and Nottingham.
- 1.11 The evidence however points to a wider sub-regional market for logistics/distribution development which extends to include 21 local authorities extending along the M1 from Milton Keynes to Nottingham/Derby and across to Birmingham. The prime location within this area the core Golden Triangle stretches from Leicester to Rugby and Coventry. This geography reflects the area's central location within England and strategic road and rail connectivity (with most major population centres within a 4.5 hour drivetime).
- 1.12 The conclusions that Leicester and Leicestershire is an appropriate best fit housing market and functional economic market area support the basis of the authorities working together to prepare

_

¹ The 'Study area' in this report refers to Leicester and Leicestershire

evidence such as this. The localised cross-boundary interactions with other areas may however be relevant in considering the impacts of specific major development proposals.

Report Structure

- 1.13 The remainder of the report is structured in four parts:
 - Part 1: Economic and Property Market Dynamics
 - Part 2: Future Development Needs
 - Part 3: Need for Different Types of Homes
 - Part 4: Conclusions and Recommendations
- 1.14 The long-term distribution of development in the sub-region is to be informed by the review of the Strategic Growth Plan, which was first published in 2018. A separate Housing Distribution Paper has been prepared by Iceni which considers the potential distribution of housing to address unmet needs from Leicester in particular to 2036. An Employment Distribution Paper addresses issues of unmet employment land needs from Leicester.
- 1.15 Supplementary data is included in associated appendices which sit within a separate document. A separate **Executive Summary** has also been prepared.

Page 112 of 1014

| ART 1: ECONOMIC & PROPERTY MARKET DYNAMICS | | | | | | | |
|--|--|--|--|--|--|--|--|
| | | | | | | | |
| | | | | | | | |
| | | | | | | | |
| | | | | | | | |
| | | | | | | | |
| | | | | | | | |
| | | | | | | | |
| | | | | | | | |
| | | | | | | | |
| | | | | | | | |
| | | | | | | | |

2. ECONOMIC BASELINE

2.1 This section of the report provides a profile of the sub-regional economy and its past performance and considers labour market dynamics.

Economic Size and Structure

2.2 Leicester and Leicestershire is a £27 billion economy, accounting for 24% of East Midlands GVA. As the analysis below shows, growth in GVA has slightly out-performed regional and national trends with growth of 41% achieved between 2001-19 compared to 35% at a regional and national level. This in particular reflects stronger performance over the period since 2013.

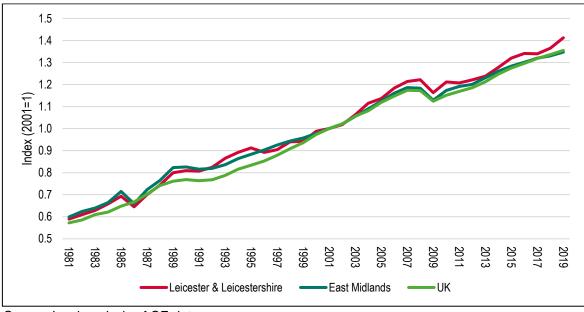


Figure 2.1: Historical GVA Growth

Source: Iceni analysis of CE data

- 2.3 An analysis of the contribution to GVA of different sectors points to the important role of the manufacturing sector, which accounts for 16.5% of GVA; to wholesale, transport and warehousing and postal activities, which account for 9.8% of GVA; and to the education sector which accounts for 7.7% of GVA. Overall the service sector accounts for around 61% of total GVA.
- Over the period since 2001, manufacturing GVA has however fallen (by 8%, an average of -0.5% pa) with service sector activities driving growth in the sub-regional economy. The sectors which have contributed most strongly to GVA growth are shown below. This includes sectors associated both with offices and warehousing, together with utilities, construction, health and education. A Compound Annual Growth Rate (CAGR) is shown which describes the average sectoral growth rate per year over the 2001-19 period.

Table 2.1 Sectors driving growth in GVA, 2001-19

| | GVA 2001 | GVA | % Growth | % CAGR |
|---|-----------|-----------|----------|--------|
| | £ million | Growth | | |
| | | 2001-19 | | |
| | | £ million | | |
| Electricity & gas | 486.628 | 674.851 | 138.7% | 5.0% |
| Business support services | 688.306 | 622.678 | 90.5% | 3.6% |
| IT services | 390.863 | 559.694 | 143.2% | 5.1% |
| Health | 669.177 | 549.912 | 82.2% | 3.4% |
| Retail trade | 801.626 | 539.659 | 67.3% | 2.9% |
| Wholesale trade | 783.811 | 524.303 | 66.9% | 2.9% |
| Warehousing & postal | 410.094 | 459.953 | 112.2% | 4.3% |
| Real estate | 350.596 | 457.092 | 130.4% | 4.7% |
| Construction | 1552.684 | 419.482 | 27.0% | 1.3% |
| Education | 1664.01 | 398.782 | 24.0% | 1.2% |
| Head offices & management consultancies | 102.577 | 361.499 | 352.4% | 8.7% |
| Motor vehicles trade | 291.136 | 266.532 | 91.5% | 3.7% |
| Other professional services | 395.766 | 231.338 | 58.5% | 2.6% |

- 2.5 Leicester City has the largest economy within the sub-region, accounting for a third of its total GVA. Blaby, Charnwood and NW Leicestershire are similar sized (13-15% of total GVA) with Melton and Oadby and Wigston making a notably smaller contribution.
- 2.6 Blaby, NW Leicestershire and Leicester have seen the strongest comparative growth in GVA over the period since 2001, with growth rates in these authorities exceeding regional/ national averages and driving the sub-region's overall performance. In contrast, growth has been weaker and notably below average in Melton, Oadby and Wigston and Harborough. The strongest recent growth (post 2011) has been in NW Leicestershire and Blaby. This is a reflection of a combination of factors, including the sectoral structure and where development has taken place.

Page 115 of 1014

Table 2.2 **GVA Growth by L&L Authority**

| | 2019 Share of | GVA Growth, | GVA Growth, | % L&L GVA |
|---------------------|---------------|--------------|--------------|----------------|
| | GVA | 2001-19 CAGR | 2011-19 CAGR | Growth 2011-19 |
| Leicester | 33% | 2.1% | 2.2% | 36% |
| Blaby | 15% | 3.2% | 2.5% | 18% |
| Charnwood | 14% | 1.1% | 1.6% | 11% |
| NW Leicestershire | 14% | 2.4% | 3.1% | 20% |
| Harborough | 8% | 1.2% | 0.7% | 3% |
| Hinckley & Bosworth | 9% | 1.6% | 1.7% | 8% |
| Melton | 4% | 1.1% | 1.0% | 2% |
| Oadby & Wigston | 4% | 1.1% | 1.1% | 2% |
| L&L | | 1.9% | 2.0% | |
| East Midlands | | 1.7% | 1.6% | |
| UK | | 1.7% | 1.9% | |

- 2.7 85% of growth in GVA over the 2011-19 period has been focused in Leicester, Blaby, NW Leicestershire and Charnwood; with Leicester alone accounting for 36%. Relative to the workforce distribution, growth has been stronger in Blaby and NW Leicestershire in particular (but weaker in Harborough and Oadby and Wigston in the south of the County).
- 2.8 Estimated GVA per job, as a measure of the relative productivity of the economy, sits between the regional and national averages as Table 2.3 shows. It is 9% below the UK average across Leicester and Leicestershire - although this is skewed by London's role as a global City. It is however 7% above the East Midlands average.
- 2.9 Within the sub-region, the highest productivity performance appears to be in Blaby and North West Leicestershire (as Table 2.3 shows) - those areas which have seen the strongest recent relative growth. This is partly a reflection of the strength of the M1 Corridor as an economic driver. It is below the regional average in Harborough and Oadby and Wigston.

Page 116 of 1014

Table 2.3 Productivity - GVA per Job

| | GVA, £m 2018 | Total Employment ('000s), 2018 | GVA per Job |
|---------------------------|--------------|--------------------------------|-------------|
| Leicester | 8,309 | 174.4 | £47,644 |
| Blaby | 3,877 | 67.1 | £57,758 |
| Charnwood | 3,581 | 73.3 | £48,847 |
| Harborough | 2,138 | 47.8 | £44,728 |
| Hinckley and Bosworth | 2,317 | 48.1 | £48,171 |
| Melton | 1,209 | 23.9 | £50,605 |
| North West Leicestershire | 3,636 | 66.2 | £54,944 |
| Oadby and Wigston | 843 | 19.2 | £43,982 |
| L&L Total | 25,910 | 520.0 | £49,830 |
| East Midlands | 108,966 | 2347.3 | £46,423 |
| UK | 1,908,608 | 34948.0 | £54,613 |

- 2.10 Total employment in 2019 across Leicester and Leicestershire is estimated at 551,000 jobs. Manufacturing is the largest sector in employment terms, accommodating 67,700 jobs. The next largest sectors are health and education (which are typically large employers across a range of geographical areas).
- 2.11 A location quotient (LQ) analysis has been used to assess the relative representation of sectors relative to that seen across the East Midlands region and UK.
- 2.12 The sectoral structure across Leicester and Leicestershire is relatively similar to that seen more widely across the region, with a slightly greater proportion of employment in education and professional services being seen.
- 2.13 Relative to the structure of the economy nationally, a strong concentration of employment in manufacturing is evident (LQ 1.6) as well as activities associated with warehousing/logistics (such as wholesale trade, warehousing and postal). There is a slightly higher representation of education employment which is likely to be influenced by the presence of the three universities. There is also a strength in utilities, albeit that actual job numbers are modest.

Page 117 of 1014

Table 2.4 Employment Structure and LQ Analysis – Leicester & Leicestershire, 2019

| | L&L Total ('000s) | % Jobs | LQ vs East Midlands | LQ vs UK |
|---------------------------------|----------------------|--------|------------------------|----------|
| Manufacturing | 67.7 | 12.3% | 1.0 | 1.6 |
| Health & care | 55.5 | 10.1% | 0.8 | 0.8 |
| Education | 54.3 | 9.9% | 1.1 | 1.2 |
| Professional services | 50.5 | 9.2% | 1.2 | 1.0 |
| Retail trade | 46.6 | 8.5% | 1.0 | 1.0 |
| Business support services | 42.9 | 7.8% | 1.0 | 0.9 |
| Construction | 33.3 | 6.1% | 1.0 | 0.9 |
| Wholesale trade | 29.5 | 5.3% | 1.0 | 1.5 |
| Accommodation & food | 29.4 | 5.3% | 0.9 | 0.8 |
| Public Administration & Defence | 22.2 | 4.0% | 1.1 | 0.9 |
| Warehousing & postal | 19.6 | 3.6% | 1.1 | 1.5 |
| Other | 15.2 | 2.8% | 1.0 | 1.0 |
| ICT | 14.4 | 2.6% | 1.0 | 0.6 |
| Arts & rec. | 13.6 | 2.5% | 0.9 | 0.9 |
| Transport | 11.6 | 2.1% | 0.8 | 0.8 |
| Financial & insurance | 10.8 | 2.0% | 1.2 | 0.6 |
| Motor vehicles trade | 10.2 | 1.9% | 1.0 | 1.0 |
| Utilities | 8.8 | 1.6% | 1.2 | 1.6 |
| Real estate | 8.1 | 1.5% | 1.0 | 0.9 |
| Agriculture, mining | 6.5 | 1.2% | 0.9 | 0.9 |
| Total | 550.8 | 100.0% | 1.0 | 1.0 |

- 2.14 The sectoral structure points to the influence of the history of manufacturing activity in the sub-region; together with a comparative advantage derived from its central location within the UK and accessibility across the country by road and rail. These factors underpin its strength as a manufacturing and distribution location.
- 2.15 The universities are also an important economic asset and potential hubs of innovation; with other major assets including the MIRA Technology Park as a focus for automotive R&D activity together with the concentration of pharmaceutical activities in Loughborough, influenced by the historical presence of Astra Zeneca (and legacy lab space).
- 2.16 We next consider further the structure of the manufacturing sector. Manufacturing activity is spread across a range of sectors and activities. The three largest manufacturing sub-sectors are food and drink manufacturing; textiles manufacturing; and metals, as Table 2.5 shows. In contrast to other parts of the Midlands, there isn't a significant concentration of employment in car/vehicle manufacturing; whilst pharmaceutical manufacturing is not strongly represented at a Leicestershire level.

Page 118 of 1014

2.17 The analysis points to some higher value manufacturing activities, such as machinery, in which there is a reasonable representation. However in contrast, employment and GVA in notably higher value activities such as electronics, pharmaceuticals or chemicals is less strong. A number of the key manufacturing sub-sectors such as food and drink and textiles are reasonably lower value; albeit within a context in which productivity per job across the range of manufacturing sub-sectors is generally higher than many service sector activities.

Table 2.5 GVA and Employment in Manufacturing Sub-Sectors

| | GVA 2019 (£ million) | Employment 2019 (000s) | GVA per Job |
|-------------------------------|-------------------------|---------------------------|-------------|
| Food, drink & tobacco | 971.5 | 13.4 | £72,408 |
| Textiles etc | 750.3 | 12.7 | £59,105 |
| Metals & metal products | 454.2 | 8.2 | £55,306 |
| Machinery | 443.0 | 4.6 | £97,226 |
| Non-metallic mineral products | 317.3 | 6.3 | £50,172 |
| Other manufacturing & repair | 293.4 | 5.5 | £53,307 |
| Wood & paper | 278.3 | 5.7 | £48,722 |
| Electronics | 270.8 | 2.5 | £107,559 |
| Other transport equipment | 175.8 | 3.0 | £58,024 |
| Pharmaceuticals | 133.0 | 0.8 | £160,650 |
| Electrical equipment | 106.8 | 1.3 | £85,124 |
| Printing & recording | 104.5 | 2.0 | £52,387 |
| Chemicals | 92.3 | 0.9 | £100,067 |
| Motor vehicles | 27.6 | 0.8 | £36,138 |

Source: Iceni analysis of CE data

- 2.18 The chart below (Table 2.6) shows the structure of employment by LA district. We have highlighted those sectors in which there is a particular specialism, showing in light orange those with a LQ of between 1.5 1.9, and in dark orange those with a LQ of over 2.0.
- 2.19 Manufacturing is strong across the sub-region but is particularly strongly represented in Melton and Hinckley and Bosworth. Wholesale trade and warehousing and postal activities are represented across a number of authorities (beyond Leicester), with particular concentrations in Harborough (influenced by Magna Park) and NW Leicestershire (influenced by Bardon, EM Distribution Park etc).

Table 2.6 Sectoral Structure by District/Borough, 2019

| | Leicester | Blaby | Charnwoo d | Harboroug h | Hinckley & Bosworth | Melton | NW Leicesters hire | Oadby & Wigston | L&L Total |
|---------------------------------|-----------|-------|---------------|----------------|------------------------|--------|--------------------------|--------------------|-----------|
| Total Jobs, 2019 | 190.6 | 70.3 | 78.5 | 47.3 | 49.4 | 22.3 | 70.3 | 22.2 | 550.8 |
| Manufacturing | 13.4% | 6.9% | 12.3% | 6.8% | 15.6% | 21.9% | 12.8% | 13.1% | 12.3% |
| Health & care | 16.3% | 6.2% | 8.3% | 7.0% | 7.0% | 6.2% | 4.5% | 10.7% | 10.1% |
| Education | 12.5% | 4.1% | 14.2% | 7.1% | 8.5% | 9.3% | 6.0% | 11.8% | 9.9% |
| Professional services | 5.5% | 19.5% | 8.8% | 9.3% | 8.9% | 9.0% | 10.6% | 5.1% | 9.2% |
| Retail trade | 8.1% | 10.5% | 9.1% | 7.5% | 9.0% | 8.7% | 6.2% | 10.6% | 8.5% |
| Business support services | 8.3% | 5.7% | 6.5% | 7.8% | 8.3% | 6.8% | 10.2% | 6.9% | 7.8% |
| Construction | 4.5% | 7.0% | 7.1% | 7.9% | 6.1% | 4.9% | 6.9% | 7.3% | 6.1% |
| Wholesale trade | 4.4% | 3.4% | 5.9% | 7.9% | 5.5% | 4.8% | 6.4% | 8.6% | 5.3% |
| Accommodation & food | 4.5% | 4.6% | 5.6% | 6.8% | 6.3% | 6.8% | 5.5% | 6.3% | 5.3% |
| Public Administration & Defence | 5.0% | 10.2% | 2.3% | 2.1% | 1.4% | 2.2% | 1.3% | 3.1% | 4.0% |
| Warehousing & postal | 1.2% | 2.4% | 1.7% | 10.7% | 4.3% | 1.4% | 9.3% | 1.0% | 3.6% |
| Other Services | 2.5% | 2.1% | 3.5% | 3.1% | 2.8% | 4.3% | 2.9% | 2.0% | 2.8% |
| ICT | 3.0% | 1.9% | 2.8% | 3.3% | 2.1% | 1.0% | 2.9% | 1.6% | 2.6% |
| Arts & rec. | 2.5% | 1.6% | 3.2% | 2.3% | 2.8% | 2.8% | 1.6% | 4.3% | 2.5% |
| Transport | 1.7% | 1.4% | 2.4% | 2.0% | 1.8% | 1.9% | 3.6% | 2.5% | 2.1% |
| Financial & insurance | 2.5% | 3.6% | 1.0% | 1.4% | 1.1% | 1.0% | 1.4% | 1.6% | 2.0% |
| Motor vehicles trade | 1.6% | 1.6% | 2.3% | 2.3% | 2.6% | 1.6% | 1.9% | 1.2% | 1.9% |
| Utilities | 0.7% | 5.6% | 0.5% | 0.8% | 3.3% | 0.9% | 1.2% | 0.2% | 1.6% |
| Real estate | 1.4% | 1.0% | 1.4% | 1.7% | 1.3% | 2.1% | 2.0% | 1.3% | 1.5% |
| Agriculture, mining | 0.4% | 0.6% | 1.1% | 2.2% | 1.4% | 2.3% | 2.8% | 0.6% | 1.2% |

- 2.20 It is notable that the concentration of utilities employment is particular driven by employment in Hinckley and Bosworth but the concentration may be changing as Cadent Gas are moving out of the Borough. Total employment in this sector is modest.
- 2.21 Agricultural activities are relatively strongly represented in the more rural districts: NW Leicestershire, Melton and Harborough; albeit this overall is a relatively small sector.
- 2.22 Prior to 2001, employment growth was comparatively weaker in Leicester & Leicestershire than across the region or nationally; notably with employment levels which remained fairly stable between 1989-2001. The sub-region then experienced a period of rapid economic growth between 2001-2006, but then a more notable drop in employment from 2006-2010 (with total employment indeed falling prior to the recession). Over the more recent period since 2011, the sub-region has outperformed wider areas seeing employment growth of 13.4% between 2011-19 compared to 12.8% across the UK and 10.0% across the East Midlands.

1.30
1.20
1.10
1.00
0.90
0.80
0.70
1981 1983 1985 1987 1989 1991 1993 1995 1997 1999 2001 2003 2005 2007 2009 2011 2013 2015 2017 2019
L&L East Midlands UK

Figure 2.2: Employment Growth vs Wider Comparators

2.23 Overall between 2011-19 total employment increased by 65,200. The performance of individual districts within the sub-region has varied. NW Leicestershire and Blaby have seen the strongest

employment growth (consistent with the picture for GVA). In contrast total employment appears to have contracted in Melton and Harborough.²

Table 2.7 Employment Growth, 2011-19

| 000s | Employment, 2011 | Employment, 2019 | Change ('000s) | % Change |
|---------------------|---------------------|---------------------|----------------|----------|
| Leicester | 168.0 | 190.6 | 22.6 | 13.5% |
| Blaby | 55.8 | 70.3 | 14.5 | 25.9% |
| Charnwood | 69.5 | 78.5 | 9.0 | 12.9% |
| Harborough | 47.8 | 47.3 | -0.5 | -1.0% |
| Hinckley & Bosworth | 44.2 | 49.4 | 5.2 | 11.7% |
| Melton | 24.6 | 22.3 | -2.3 | -9.4% |
| NW Leicestershire | 54.1 | 70.3 | 16.2 | 30.0% |
| Oadby & Wigston | 21.7 | 22.2 | 0.6 | 2.7% |
| L&L | 485.7 | 550.8 | 65.2 | 13.4% |
| East Midlands | 2,196.3 | 2415.2 | 218.9 | 10.0% |
| UK | 31,486.0 | 35517.0 | 4031.0 | 12.8% |

Source: Iceni analysis of CE data

- 2.24 We have sought to appraise net changes in employment by sector. Leicester's strong relative performance (in absolute terms) reflects growth in manufacturing employment, together with growth in education and health and professional services in particular. Financial and professional services has seen the largest employment growth in Blaby and in NW Leicestershire, with notable growth in retail jobs in Blaby (because of the significant expansion of Fosse Park) and business support in NW Leicestershire. Harborough has seen growth in financial and professional services, which may be in part home-based businesses, but has seen this offset by falls across a number of other sectors.
- 2.25 Employment growth in Hinckley and Bosworth has been driven by wholesale/warehousing activities; financial and professional services; and education. In Melton, the manufacturing sector has performed generally well, with some growth in more higher value services. Oadby and Wigston's performance has particularly been affected by the decline in manufacturing jobs, with wholesaling and a number of other service sector activities seeing modest growth.

² The latter marginally and specifically affected by the two dates selected and variability in total employment data year-on-year

Table 2.8 Employment Change by Sector, 2011-19

| 000s | Leicester | Blaby | Charnwood | Harborough | Hinckley & Bosworth | Melton | NW Leicestershire | Oadby & Wigston |
|-----------------------------------|-----------|-------|-----------|------------|------------------------|--------|----------------------|--------------------|
| Agriculture, Mining | -0.5 | -0.4 | -0.8 | -1.0 | -0.2 | -0.4 | 1.0 | -0.2 |
| Manufacturing | 5.3 | 0.5 | 0.0 | -0.2 | -0.3 | 0.1 | 8.0 | -1.3 |
| Utilities | -1.2 | 2.8 | 0.0 | 0.0 | 0.9 | 0.0 | 0.3 | 0.0 |
| Construction | 1.0 | 0.4 | 0.6 | -0.1 | -0.2 | -0.6 | 1.3 | 0.2 |
| Retail | 1.2 | 1.4 | 0.1 | -0.2 | 0.9 | -0.9 | 0.5 | -0.2 |
| Wholesale, Transport, Warehousing | 1.2 | -1.3 | 1.8 | -0.8 | 1.6 | -0.2 | 0.9 | 0.7 |
| Accommodation & Food | 0.6 | -0.1 | 0.8 | 0.5 | 0.4 | 0.1 | 0.9 | 0.3 |
| Media, IT | 1.8 | 0.3 | 0.6 | 0.2 | -0.1 | -0.4 | 0.9 | 0.1 |
| Financial & Prof Services | 4.5 | 8.1 | 1.4 | 1.5 | 1.5 | 0.7 | 5.2 | 0.3 |
| Business Support Services | -0.2 | 0.6 | 1.3 | -0.9 | -0.5 | 0.2 | 2.7 | 0.3 |
| Public Admin | -1.9 | 1.4 | -0.2 | 0.0 | -0.1 | 0.0 | -0.1 | -0.1 |
| Education | 5.6 | 0.6 | 1.9 | 0.4 | 1.0 | 0.1 | 0.7 | 0.4 |
| Health | 5.5 | 0.6 | 0.6 | 0.2 | 0.4 | -0.2 | 0.2 | 0.0 |
| Arts, Recreation & Other Services | -0.2 | -0.4 | 0.8 | -0.2 | 0.0 | -0.7 | 0.9 | -0.1 |
| Total | 22.6 | 14.5 | 9.0 | -0.5 | 5.2 | -2.3 | 16.2 | 0.6 |

- 2.26 We understand from data provided by Leicester City's Economic Regeneration Team that across the sub-region, graduate retention stands at 26.9% which is well below the national average of 48.4%. This is based on the position in 2017 from the national Graduate Outcomes Survey. A new national Graduate Outcomes Survey should provide more up-to-date data later this year.
- 2.27 Relatively low graduate retention in the sub-region is influenced by the focus of the economy towards SMEs and a lack of larger employers who are key graduate employers. Changing working practices, with growth in home-based working particularly in office-based activities, could however improve graduate retention in the sub-region in the future.

Business Base

2.28 The number of active enterprises in Leicester and Leicestershire grew by 17% between 2014-19, which was in line with the national average and slightly out-performed growth at a regional level (16%). As Figure 2.3 below shows, much of this growth was between 2014-17.

48,000 46,000 42,000 40,000 38,000 36,000 34,000 2014 2015 2016 2017 2018 2019

Figure 2.3: Active Enterprises - Leicester and Leicestershire

Source: ONS Business Demography Statistics

2.29 An assessment of the density of businesses, relative to the working-age resident population, shows the highest business densities in Harborough and Melton; albeit that the business density is also above regional average in most authorities with the exception of Leicester and Charnwood.

Table 2.9 Business Density, 2019

| | Active Enterprises, 2019 | Enterprises per 1000 Population 16-64 |
|---------------------------|--------------------------|--|
| Blaby | 4,290 | 70 |
| Charnwood | 7,320 | 61 |
| Harborough | 5,370 | 96 |
| Hinckley and Bosworth | 5,065 | 74 |
| Leicester | 14,175 | 60 |
| Melton | 2,380 | 78 |
| North West Leicestershire | 4,670 | 73 |
| Oadby and Wigston | 2,250 | 66 |
| L&L | 45,520 | 68 |
| East Midlands | 194,645 | 65 |
| UK | 2,990,320 | 85 |

Source: Iceni analysis of ONS Business Demography Statistics

2.30 Across the sub-region, 89% of businesses have less than 10 employees, and 99.6% are Small and Medium-Sized Enterprises with less than 250 employees. There are a total of 170 larger enterprises with 250+ staff of which 50 are in Leicester. The structure of the business base by size is broadly consistent with that across the wider region.

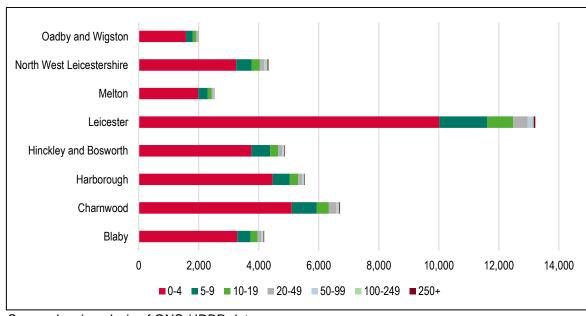


Figure 2.4: VAT or PAYE Enterprises by Size Band, 2020

Source: Iceni analysis of ONS / IDBR data

2.31 The structure of VAT and/or PAYE businesses by sector shows a particular relative concentration in finance and insurance, and in manufacturing/production. ICT and professional, scientific and technical activities are under-represented compared to the profile nationally but the latter is one of the sectors with the largest number of businesses in absolute terms. Some of the sectors with large concentrations of businesses, including construction and professional services, have higher levels of self-employment.

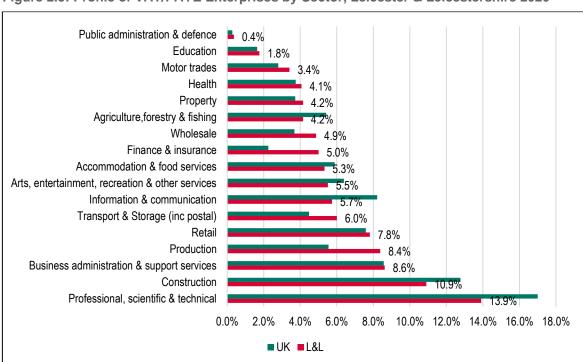


Figure 2.5: Profile of VAT/PAYE Enterprises by Sector, Leicester & Leicestershire 2020

Source: Iceni analysis of ONS / IDBR data

2.32 If we drill into the differences in structure between different local authorities, we find a particularly strong representation of businesses in agriculture in Melton and Harborough. Manufacturing/ production businesses are strongly represented in Hinckley and Bosworth and Oadby and Wigston. Finance and insurance is strongly represented in Leicester and Blaby. There is a concentration of businesses in the health sector in Oadby & Wigston. There will be differences between the share of employment and businesses by sector, with some sectors seeing employment more focused in smaller businesses (such as construction or business administration) whilst other sectors (such as public sector or logistics) see greater employment in larger business / business units.

Page 126 of 1014

Table 2.10 LQ Analysis of VAT/PAYE Businesses by Location, 2020

| | | | | | | | North | | | |
|---------------------|-------|---------|----------|----------|-----------|--------|-----------|---------|-----|----------|
| | | | | Hinckley | | | West | Oadby | | |
| | | Charnwo | Harborou | and | | | Leicester | and | | East |
| | Blaby | od | gh | Bosworth | Leicester | Melton | shire | Wigston | L&L | Midlands |
| Agriculture, | 0.5 | 0.6 | 2.0 | 1.1 | 0.0 | 2.9 | 0.8 | 0.1 | 0.8 | 1.1 |
| forestry & fishing | 0.5 | 0.6 | 2.0 | 1.1 | 0.0 | 2.9 | 0.6 | 0.1 | 0.6 | 1.1 |
| Production | 1.3 | 1.4 | 1.0 | 1.6 | 1.8 | 1.2 | 1.4 | 1.8 | 1.5 | 1.3 |
| Construction | 1.3 | 1.0 | 0.8 | 1.0 | 0.5 | 1.0 | 1.0 | 1.0 | 0.9 | 1.0 |
| Motor trades | 1.1 | 1.3 | 0.9 | 1.4 | 1.3 | 1.1 | 1.4 | 1.2 | 1.2 | 1.3 |
| Wholesale | 1.0 | 1.4 | 1.2 | 1.2 | 1.4 | 1.2 | 1.4 | 1.6 | 1.3 | 1.1 |
| Retail | 0.8 | 1.1 | 0.8 | 0.8 | 1.4 | 0.8 | 0.8 | 1.0 | 1.0 | 1.0 |
| Transport & Storage | 1.4 | 1.1 | 0.7 | 1.7 | 1.7 | 0.7 | 1.4 | 1.2 | 1.3 | 1.6 |
| (inc postal) | | 1 | 0.7 | 1.7 | 1.7 | 0.7 | 1 | 1.2 | 1.0 | 1.0 |
| Accommodation & | 0.6 | 1.0 | 0.8 | 1.0 | 1.0 | 0.8 | 0.9 | 0.8 | 0.9 | 1.0 |
| food services | | | 0.0 | | | 0.0 | 0.0 | 0.0 | 0.0 | |
| Information & | 0.7 | 0.7 | 0.6 | 0.7 | 0.7 | 0.5 | 0.7 | 0.9 | 0.7 | 0.7 |
| communication | | | | | | | | | | |
| Finance & | 3.5 | 0.9 | 1.5 | 0.8 | 4.1 | 0.8 | 1.2 | 1.1 | 2.2 | 1.2 |
| insurance | | | | | | | | | | |
| Property | 1.0 | 0.9 | 1.2 | 0.9 | 1.3 | 1.0 | 1.1 | 1.2 | 1.1 | 0.9 |
| Professional, | | | | | | | | | | |
| scientific & | 8.0 | 0.9 | 1.0 | 0.8 | 0.6 | 0.9 | 0.9 | 0.8 | 0.8 | 0.8 |
| technical | | | | | | | | | | |

| Business administration & support services | 1.1 | 1.0 | 1.4 | 0.9 | 1.0 | 0.9 | 1.0 | 0.7 | 1.0 | 0.9 |
|--|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|
| Public administration & defence | 1.7 | 1.3 | 2.9 | 2.2 | 0.0 | 2.1 | 2.1 | 0.0 | 1.3 | 1.8 |
| Education | 1.0 | 1.2 | 1.2 | 1.2 | 0.9 | 1.0 | 1.3 | 1.4 | 1.1 | 1.1 |
| Health | 0.9 | 1.1 | 0.8 | 0.8 | 1.4 | 0.7 | 0.8 | 2.1 | 1.1 | 1.0 |
| Arts, entertainment, recreation & other services | 0.8 | 1.0 | 0.8 | 0.9 | 0.8 | 0.9 | 0.9 | 0.8 | 0.9 | 1.0 |

Labour Market

2.33 In this section we turn to assess labour market characteristics and performance, addressing issues associated with economic participation, skills and earnings.

Economic Participation

- 2.34 There are two key measures of economic participation: the economic activity rate which describes the percentage of the working-age population (aged 16-64) who are either working or looking for work; and the employment rate, which describes those within this age group who are in work.
- 2.35 The economic participation rate in the sub-region (80.6%) was marginally above regional/ national comparators (79.6% and 79.5% respectively). Within the sub-region it is lower in Leicester (influenced by its student population) and North West Leicestershire. In contrast stronger levels of economic participation are evident in Charnwood (despite the impact of the student population at Loughborough University) and Harborough.

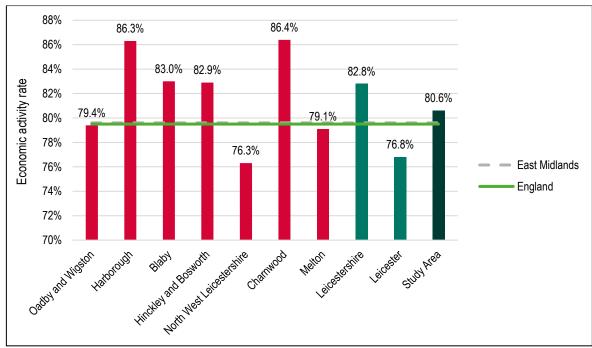


Figure 2.6: Economic Activity Rate (2020)

Source: Annual Population Survey

2.36 A similar picture is evident considering the employment rate, as shown in the Figure. The employment rate across Leicester & Leicestershire (77.2%) is slightly higher than that of the comparator areas (75.8% and 75.7% respectively).

90% 85.2% 85% 83.1% 80.1% 79.5% 79.4% 80% 78.3% 77.2% 76.4% 75% 72.3% 72.2% 70% 65% \sicester East Midlands England

Figure 2.7: Employment Rate (2020)

Source: Annual Population Survey

Unemployment

2.37 ONS model-based estimates of unemployment point to unemployment levels of almost 25,000 in 2020, with a particular concentration of unemployment in Leicester (44% of the L&L total). Leicester and NW Leicestershire are the only authorities where the unemployment rate is above the national average.

Table 2.11 ONS Modelled Unemployment, 2020

| | Unemployment, 2020 | % 16-64 | % L&L Distribution |
|----------------------------|-----------------------|---------|-----------------------|
| Blaby | 1,700 | 3.4% | 7% |
| Charnwood | 3,600 | 3.4% | 14% |
| Harborough | 1,700 | 3.6% | 7% |
| Hinckley & Bosworth | 2,300 | 3.9% | 9% |
| Leicester | 11,000 | 5.9% | 44% |
| Melton | 1,100 | 4.3% | 4% |
| NW Leicestershire | 2,400 | 4.8% | 10% |
| Oadby & Wigston | 1,100 | 3.5% | 4% |
| Leicester & Leicestershire | 24,900 | * | 100% |
| East Midlands | | 4.7% | |
| Great Britain | | 4.6% | |

Source: NOMIS (*data not published at this geography)

- 2.38 The claimant rate is a key indicator of unemployment which is measured as the number of people who are receiving benefits principally for the reason of being unemployed (claimant count) divided by the number of workforce jobs plus the claimant count. The ONS estimates above are modelled using Annual Population Survey data and based on a person's self-classification as being 'out of work' and 'currently and actively seeking to work'. Whilst there is crossover between the claimant rate and the unemployment rate, they measure slightly different things, but both provide good indicators for actual levels of unemployment. Importantly the claimant count is published in a more timely manner and was available up to November 2021 at the time of writing.
- 2.39 The figure below shows changes in claimant unemployment over time. It can be seen that the claimant rate follows a similar pattern across all areas; influenced by the economic cycle.
- 2.40 In 2019, the claimant rate in the Study Area was 2.1% slightly lower than across the East Midlands (2.4%) and England (2.7%). The claimant rate across Leicestershire was even lower at 1.6%. On the other hand, Leicester had a higher claimant rate of 3.1%.

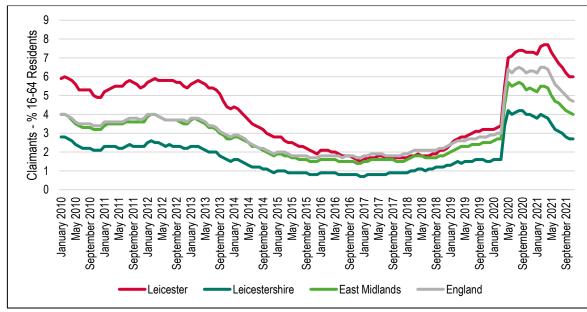


Figure 2.8: Claimant Rate (August 2010 to August 2020)

Source: ONS Claimant Count

- 2.41 The figure below shows how the claimant rate has changed since the onset of Covid-19. It can be seen that Leicester had the highest claimant rate before and at each time during the Covid-19 crisis. The Claimant Count has however been falling since April 2021. The latest data (November 2021) shows that the claimant count in Leicester was 6.0% higher than the East Midlands 4.0%) and England as a whole (4.7%). The claimant count across Leicestershire was 2.7%.
- 2.42 Leicestershire, and to a lesser extent Leicester were more badly impacted by the onset of Covid-19 based on the percentage change in claimant counts between March 2019 and March 2020.

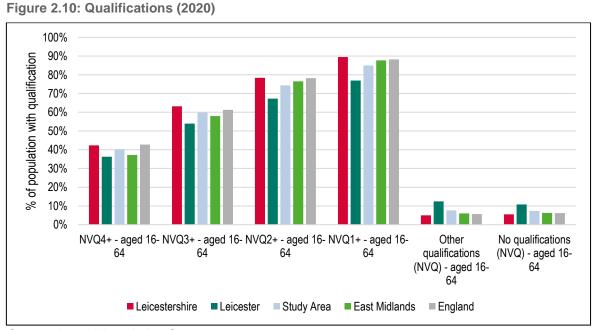
9% 70% 8% 60% 7% 50% 6% 40% 5% 4% 30% 3% 20% 2% 10% 1% Worth Mest Leiceste Believe 0% 0% Hindley and Bosmoth Oaldy and Migelon Leicesterstife East Midards Flogga garanges United Kingdom \eicester ■ March 2020 ■ March 2021 Change 20-21

Figure 2.9: Claimant Rate (March 2019 to March 2021)

Source: ONS Claimant Count

Qualifications and Skills

2.43 The qualifications levels of the population indicate how employable the local workforce is. The percentage of the population with NVQ4+ (degree level) qualifications in the Study Area is slightly above the East Midlands average but slightly below the English average. The percentage of the Study Area's population with no qualifications and other qualifications are both above that of the comparator areas.



Source: Annual Population Survey

2.44 Drilling down to the position within individual local authorities, Oadby and Wigston and Harborough have a greater concentration of higher level skills (NVQ4+), which equates to degree-level skills or equivalent. At the other end of the spectrum, Leicester has just 33% qualified to this level. Our analysis is based on data over the 2018-20 period to address small sample sizes in some areas.

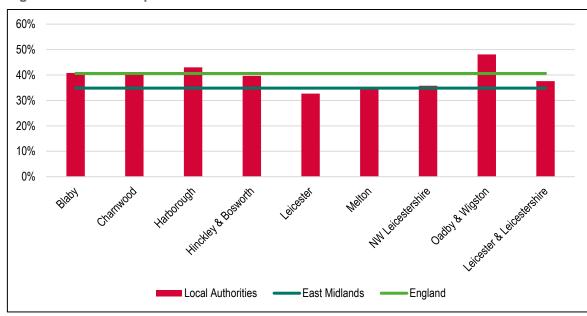


Figure 2.11: % 16-64 qualified to NVQ4+

Source: Annual Population Survey

- 2.45 The occupational split of the population provides an indication of where those working in higher paid/skilled jobs are living. The figure below shows the percentage of each area's population in the top 3 occupational groups (Managers, directors and senior officials, Professional occupations, Associate prof & tech occupations). The highest proportions of these workers are seen in Oadby and Wigston, Harborough and Blaby (over 55%) contrasting with prevalence of just 38% in Leicester.
- 2.46 Leicestershire has slightly greater levels of employment in the top 3 occupational groups than England whereas Leicester is significantly below the East Midlands average.

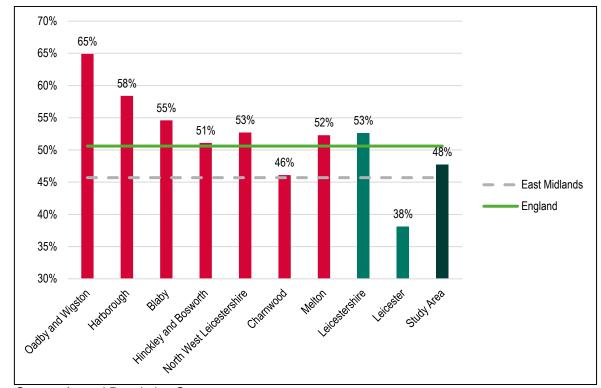


Figure 2.12: Employment in Top 3 Occupational Groups (2020)

Source: Annual Population Survey

Earnings

- 2.47 Median workplace earnings provide an indication of the quality of the jobs available in an area. Median earnings for full-time jobs in Leicestershire (£552 per week) are the same as the East Midlands (£552) but lower than England as a whole (£590). Median workplace earnings in Leicester (£536) are 3% below the regional and 9% below the national average.
- 2.48 Leicester sees higher earnings for those working in the City than living in it, pointing to in-commuting of higher earners. The converse is true of all of the Leicestershire authorities, with particularly significant differentials in Oadby and Wigston, Blaby, Melton and Harborough. Earnings of those working in Melton and Oadby and Wigston are notably below wider benchmarks.

Page 134 of 1014

£800 £676 £700 £55; £578 £567 £572 £570 £600 £450 £500 £400 £300 £200 £100 £0 Ozdby and Midelon Residence-based Workplace-based East Midlands England

Figure 2.13: Comparison of Residence- and Workplace-based Weekly Earnings (2020)

Source: Annual Survey of Hours and Earnings

2.49 Lower quartile workplace earnings provide an indication of the quality of lower paid jobs and prevalence of lower paid jobs available in an area. Lower quartile workplace earnings in Leicestershire (£405) are similar to those across the East Midlands (£406) but lower than across England (£432). In Leicester lower quartile workplace earnings are £384 - below the East Midlands.

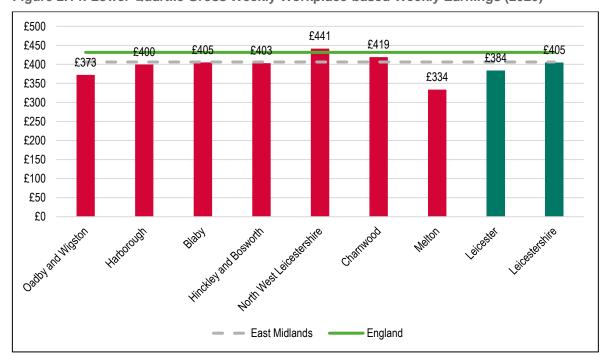


Figure 2.14: Lower Quartile Gross Weekly Workplace-based Weekly Earnings (2020)

Source: Annual Survey of Hours and Earnings

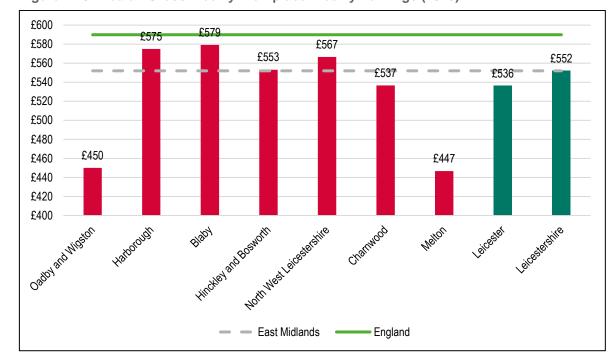


Figure 2.15: Median Gross Weekly Workplace Weekly Earnings (2020)

Source: Annual Survey of Hours and Earnings

Economic Impacts of Covid-19

- 2.50 The Office for Budget Responsibility (OBR) on 14th July 2020 released its economic scenario planning for COVID-19 which identified a downside, upside and central scenario. These scenarios were updated in November 2020. In March 2021 the central scenario was updated.
- 2.51 The chart below shows the OBR unemployment forecast up to 2026. It indicates that the unemployment rate will rise from 5.1 per cent in the fourth quarter of 2020 to a peak of just 6.5 per cent (2.2 million) at the end of 2021, highlighting the fact that interventions such as the Coronavirus Job Retention Scheme (CJRS) have to some extent just delayed higher levels of unemployment and business insolvencies. The ultimate rise in unemployment reflects residual impacts on sectors such as accommodation and transport, adoption of less labour-intensive operations in sectors such as retail and hospitality, and the scarring effect of long spells away from employment of some CJRS beneficiaries.
- 2.52 The central scenario forecast suggests that, in terms of unemployment, the country will take around 3 years to recover the majority of employment lost during the pandemic. It also suggests that there will be a longer term impact slightly higher levels of unemployment when compared to the prepandemic forecast (March 2020) in 2025. GVA is forecast to return to the pre-pandemic level by around Autumn 2022.

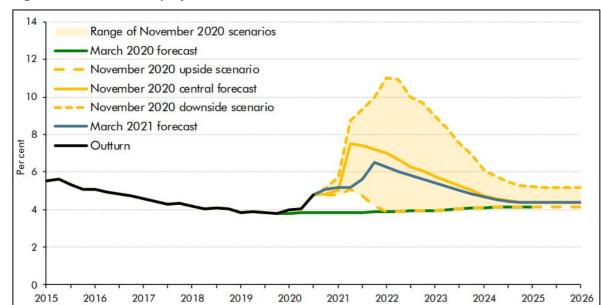


Figure 2.16: OBR Unemployment Rate Forecast

Source: OBR Economic and Fiscal Outlook March 2021

- 2.53 The figure below shows the furlough take-up rate by sector in February 2021. This is broken down to full furlough, partial furlough, and unknown by sector. It can be seen that the highest furlough rates were in Accommodation and food services (62%), Arts, entertainment and recreation (57%), and Other service activities (42%). The lowest furlough rates are in Mining and quarrying (4%), Energy production and supply (2%), Finance and insurance (3%), and Public administration and defence; social security (1%).
- 2.54 The average furlough rate across all sectors was 16%. Manufacturing (13%), Transportation and storage (15%) and a number of office-based sectors were all similar to the average rate. However, 51% of furloughs in manufacturing were partial furloughs³ compared to an average of 29% across all sectors. On the other hand, in the three sectors with the highest rates of furlough, the partial furlough rate was just 16-17%.

³ Where furloughed workers can work part-time (flexible furlough) for any amount of time and any shift pattern and employers are required to pay employees in full for the hours worked.

Page 137 of 1014

70% 60% 50% 40% 30% 20% 10% The Bulic administration and defence. wholesale and reality and motor. Accommodation and good services. Arts after daling 1 and tested to 1. Literal Production of the Ball Market Hadden and and committed to Saluti Sulutu du Bull supplied de dices 0% Andless and scientific and learning Energy broadding and supply Art Offet Se wice activities July of the and health the Agicultus lossinandistini Households Let Jury and diagraph ■ % full furlough ■ % partial furlough ■ % unknown

Figure 2.17: Furlough Take-up Rate by Sector

Source: HMRC CJRS Statistics: May 2021

2.55 The figure below shows the furlough take up-rate by local authority and for comparator areas in February 2021. It can be seen that the furlough take-up rate across Leicestershire (15.4%) was slightly lower than across England (15.6%) but above that of the East Midlands (14.2%). Leicester sat approximately in the middle of the rate for the comparator areas at (14.7%).

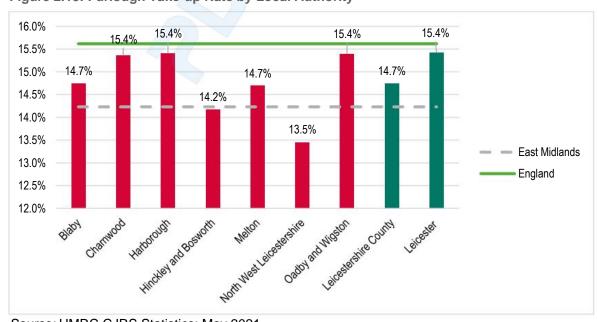


Figure 2.18: Furlough Take-up Rate by Local Authority

Source: HMRC CJRS Statistics: May 2021

- 2.56 The LLEP Business and Economic Intelligence Update (Issue 20 May 2021) highlights the concentration of unemployed claimants in Leicester 51.8% of claimants across the Study Area or 18,150 persons. However it also shows that there has been a rise in Universal Credit Claimants who are not seeking work.
- 2.57 There is however evidence of growth in employment opportunities. Unique job postings in April 2021 stood at 35,500 notably higher than that in April 2020 (25,300) with growth of 3.3% over the previous month. Those areas which have seen the largest growth in postings comprises:
 - Science, research, engineering and technology professionals
 - Business and public service associate professionals
 - Administrative occupations
 - Skilled metal, electrical and electronic trades
 - Transport and mobile machine operatives and drivers
 - Elementary administrative and service occupations.
- 2.58 The stakeholder engagement which Iceni has done with economic intelligence/development staff has highlighted recruitment and retention challenges associated with strategic warehousing in both NW Leicestershire and Harborough.
- 2.59 The chart below shows job postings by area and how this has changed over the last year. In Leicestershire, there have been higher job postings since August 2020 than prior to the pandemic (March 2020); but this is not the case in Leicester where there has yet to be a recovery to prepandemic levels.

Page 139 of 1014

40,000 35,000 30,000 25,000 20,000 15,000 10.000 5.000 April 2020 Nov 2020 **April 2021** ■ Blaby ■ Charnwood ■ Harborough ■ Hinckley & Bosworth ■ NW Leicestershire ■ Oadby & Wigston I eicester Melton

Figure 2.19: Job Postings by Area - Leicester & Leicestershire

Source: EMSI/ LLEP Business and Economic Intelligence Update, April 2021

- 2.60 Between March 2020 and April 2021, there have been 9,861 businesses that have ceased trading in Leicester and Leicestershire. This is 15% higher than over the same period in 2019/20. However over the same period, 13,948 businesses have been incorporated, 10% above the previous year. The LLEP Business and Economic Intelligence Update suggests growth in particular in real estate and retail businesses. It is clear however that Government support measures such as the furlough and grant schemes have supported some businesses, and closures could rise as support unwinds towards the end of 2021.
- 2.61 The LLEP Business Survey Tracker is a survey of businesses within the area and provides some information regarding business trends and thinking. The Feb 2021 results include information from a survey of 200 businesses undertaken in December 2020 and January 2021. Key findings include:
 - 44% of businesses were looking to recruit staff in the next 6 months, with only 6% looking at
 making redundancies. This paints a fairly positive picture regarding the prospects of economic
 recovery in the short-term;
 - 51% of businesses surveyed were not involved in any international trade. 29% of businesses were however exporters, most commonly to the EU, with 36% of businesses importing goods/services;
 - 73% of businesses have used the furlough scheme, 40% the Bounce Back Loan Scheme, and a third have deferred VAT payments. The evidence suggests that small businesses have been most likely to use these;

- 68% of businesses surveyed did not employ any EU nationals. Whilst 6% employ less EU nationals than a year ago, 4% employ more.
- Since April 2020, 64% of businesses have had staff working from home (rising to 74% of small businesses), but only 32% of businesses think that they can operate with a substantial proportion of their workforce working from home. As at late 2020, 36% have no staff working from home, 21% had very few, whilst 10% have all staff working at home. The remaining third had between 10-99% of staff at home.
- Looking forwards, 41% of the businesses surveyed intended to support greater flexibility around working from home, whilst 54% don't expect to allow employees to work from home or are keen to get staff back in full-time as soon as possible.
- Brexit issues, both demand and supply chain, are impacting around a third of businesses, but
 are only having a significant impact on 14%. Disruption in demand due to Covid-19 is in contrast
 having a significant impact on 37% of businesses with economic uncertainty impacting
 significantly on 35%.
- However not withstanding these issues, 78% of businesses felt confident about the future of their businesses in the next 6 months, with 38% expecting to grow over the next 12 months and 47% expecting to stay the same. Half of businesses expect to recover to pre-Covid levels within 12 months and most (78%) within two years.
- 2.62 Overall the business survey points to a relatively positive outlook in the sub-region, with the expectation of a relatively rapid economic recovery. The commentary on changing working patterns, and growth in home working needs to be considered in context just 63 of the 200 businesses surveyed (31%) were in professional service activities. Nonetheless it does point to the potential for some businesses to seek to get back to the office.
- 2.63 The LEP's Business Tracker Survey provides the ability to see how business sentiment is evolving over time. Results are published on the LEP's website.⁴ Iceni understands that more recent data points to growing recruitment challenges as the sub-regional economy has recovered. This mirrors the position nationally.

_

⁴ https://llep.org.uk/our-economy/llep-business-tracker-survey/

3. COMMERCIAL PROPERTY MARKET DYNAMICS

- 3.1 This section provides an assessment of the commercial property market in Leicester and Leicestershire focused on offices (including office and research & development) and industrial (including industrial and warehouse/ distribution space).
- 3.2 This assessment has been undertaken by Iceni Projects working with Innes England, commercial property agents based in Leicester. It uses a variety of sources including take-up and availability data from the CoStar, a commercial property database, along with data from Innes England's own inhouse records. Where relevant, Valuation Office Agency (VOA) data on trends in commercial stock is used.

Office Market Overview

- 3.3 We first consider national office market dynamics over the last few years. Office markets across the UK demonstrated a level of resilience in 2019 set against a context of wider economic uncertainty linked to Brexit. Knight Frank's UK Cities Overview 2019 reports that leasing volumes finished the year 8% above the long-term trend as business change strategies continued to motivate space moves. Notably, despite concern derived from Britain's impending exit from the EU, foreign investment increased by 10% year-on-year to £1 billion representing 37% of total investment turnover.
- 3.4 CBRE report that 2020 got off to a strong start, with Q1 regional office take-up 21% above both Q1 2019 and the 10-year quarterly average. However, during the second quarter, the UK-wide lockdown which saw most offices across the UK become temporarily closed, had a significant impact on take-up. Q2 2020 take-up, therefore, reflected a 73% decrease from the five-year quarterly average. Total take-up in the first half of the year (H1) reflected a 36% decrease from the previous year.
- 3.5 For the second half of 2020, Cushman and Wakefield reported that whilst take-up remained below the long-term average, it did grow in Q3 2020 driven by growth in take-up outside of London. In Q4 demand for office space remained subdued (below the five-year average). Office take-up for the whole of 2020 was 7.7 million sqft comparable to the year after the global financial crisis. However, in the final quarter of 2020, despite being 33% lower than Q4 2019, office investment turnover rose from the previous quarter signalling some renewed confidence in the sector with businesses sentiment indicating that the office remains important.
- 3.6 Expectations are that the pandemic will result in a continuing shift towards more flexible working patterns with increasing numbers of people working at least part of the time from home; but offices remain important in companies' culture, the work community, interaction between colleagues and

training. The longer-term more structural trend may be of reduced space requirements as more office workers spend at least part of the week at home. Currently the outlook is however highly uncertain. How these factors overlay at the local level will impact on demand for space and vacancy levels.

3.7 The graph below is drawn from the ONS Opinions and Life Survey. It shows that the proportion of people working only from home has been falling since February 2021 and stood at 15-16% in October/November 2021; with hybrid working accounting for around 14% of workers surveyed and around 54% travelling to a place of work and the remaining 17% considered not working or furloughed. Working from home is particularly associated with office-based activities.

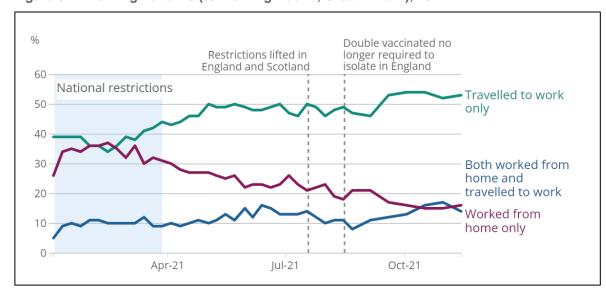


Figure 3.1: Working Patterns (% Working Adults, Great Britain), 2021

Source: ONS Opinions and Lifestyle Survey

Leicestershire Office Market

Office Stock

- 3.8 The VOA⁵ provides information on the number of rateable office properties by administrative area for period between 2001 and 2020. There were 5,630 office properties in 2020 providing 1,198,000 sqm of office floorspace in total across Leicester and Leicestershire. This represents 24.5% of the office floorspace across the East Midlands. This suggests that the Study Area has a relatively large office sector given its working age population only makes up 22.4% of that of the East Midlands.
- 3.9 Leicester supports the largest proportion of the Study Area's office stock (37%) at 436,000 sq.m followed by Blaby (reflecting the presence of major business parks such as Grove Park and Meridian

⁵ VOA: Non-domestic rating: stock of properties including business floorspace, 2019/20

Business Park close to the M1). On the other hand, floorspace in Oadby and Wigston makes up just 3% of the Study Area's office floorspace.

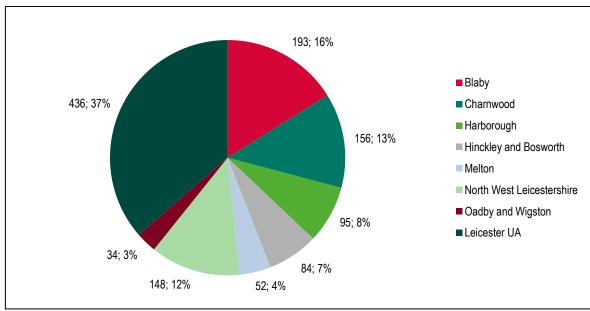


Figure 3.2: Office Floorspace by Local Authority 2019/20 (Thousands of sqm; %)

Source: VOA: Non-domestic rating: stock of properties including business floorspace, 2020

3.10 The figure below shows the change in total office floorspace by location over the 2011-20 period. It shows that the total office stock has remained relatively stable across Leicester and Leicestershire overall, consistent with the regional trend with overall a 2% fall in total floorspace across the Study Area. Charnwood and Harborough saw significant growth in office floorspace between 2010 and 2020 (17% and 15% respectively). On the other hand Leicester and Blaby saw shrinkage of 10% and 8% respectively.

Page 144 of 1014

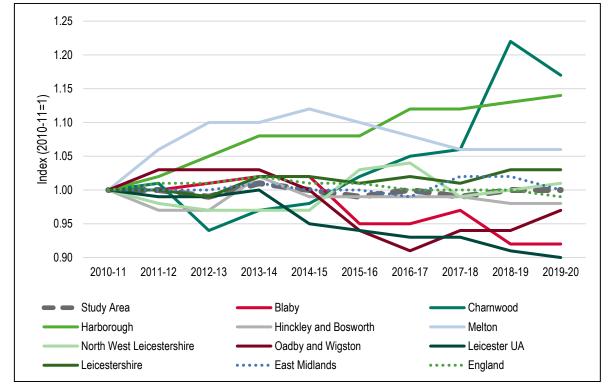


Figure 3.3: Indexed Office Floorspace by Local Authority 2010/11 - 2019/20

Source: VOA

Absorption, Delivery and Vacancy Trends

- 3.11 CoStar provides data on net absorption which describes the net change in available space which is calculated by deducting the space vacated by tenants and made available within the local market from the total space leased/occupied. A positive net absorption figure means that the proportion of vacant space is falling, whilst a negative level indicates that more space was coming onto the market than being taken-up.
- 3.12 The chart below indicates that net absorption has been positive in all but one of the last 11 years peaking in 2013 at over 38,000 sqm. Over the period between 2009 and 2020 there was a net absorption of around 161,000 sqm of floorspace (of which 123,500 sq.m was between 2011-20).
- 3.13 The chart also shows net new space being delivered in the local market. There was around 85,000 sqm of net new office floorspace delivered between 2009 and 2020. Net deliveries (the balance between new-build construction and losses) have been relatively even throughout this period with a peak in 2010 (influenced by pre-recession trends) and a net loss of floorspace in 2016. They have averaged 7,000 sq.m per annum between 2010-20.
- 3.14 Net absorption has outweighed net delivery by around 76,000 sqm over the 11-year period with more space being occupied than built in net terms. This has led to a decline in vacancy rates from 8% in 2009 to 2.5% in 2020.

40,000 9% 35,000 8% 30,000 7% 25,000 6% Floorspace (sqm) 20,000 5% 15,000 10,000 3% 5,000 2% 2018 2009 2010 2011 2012 2013 2014 2015 20 2017 2019 2020 1% -5,000 0% -10,000 Net Absorption (sqm) Net deliveries (sqm) Vacancy

Figure 3.4: Net Absorption, Net Delivery and Vacancy of Office Floorspace in the Study Area, 2009-2020

Source: CoStar Commercial Property Data

3.15 Spatially, as the chart below shows, office take-up has been focused in and around Leicester, including within the City; in Blaby and Thurmaston with some smaller clusters of activity in the market towns, including at Loughborough, and around East Midlands Airport and Horiba MIRA Technology Park. The take-up analysis includes both new-build development and reoccupation of existing office floorspace.

Page 146 of 1014

Office Leases by Size Band
5000+ sqm
100-5000 sqm
100-500 sqm
Leicester and Leicestershire

Figure 3.5: Office Floorspace Take-Up by Size (2012-21)

3.16 Between 2012 and the start of 2021, office take-up (again including new-build and existing space) totalled 376,000 sqm of floorspace. The figure below shows the percentage of this floorspace in each local authority area. 40% of the take-up has been in Leicester, a smaller but still significant proportion (21%) is in Blaby and the smallest proportion (3%) in Melton. It is clear that the major office market in the sub-region is in/around Leicester.

Page 147 of 1014

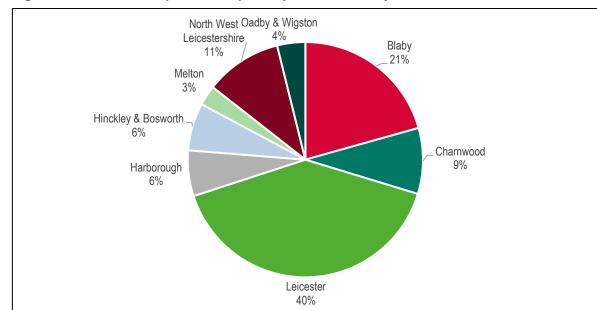


Figure 3.6: Office Floorspace Absorption by Local Authority 2012-2021

- 3.17 The figure below shows the number of offices leased by size band. It can be seen that most office leases were of space below 500 sqm. In Leicester and Blaby most leases were for floorspace of between 100 and 500 sqm around double the number of leases for office space below 100 sqm. All other local authority areas had more leases of under 100 sqm than any other category (aside from Hinckley and Bosworth). Leicester had by far the most leases over 500 sqm, followed by Blaby and then North West Leicestershire.
- 3.18 Deals of over 2,000 sq.m are limited, and focused particularly towards Leicester which clearly has the largest office market in the sub-region.

Page 148 of 1014

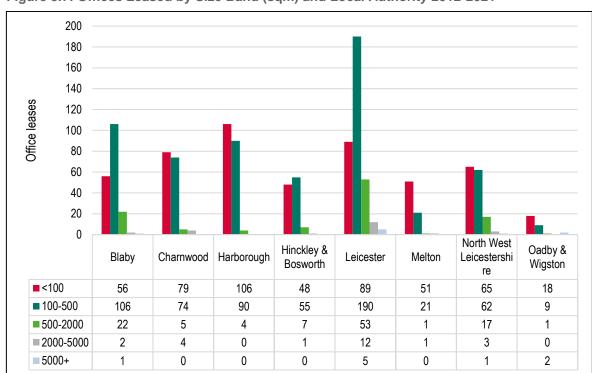


Figure 3.7: Offices Leased by Size Band (sqm) and Local Authority 2012-2021

3.19 The figure below shows the number of office lease completions by local authority over the last nine years. As can be seen in the map above, Leicester has had the most office leases, however, the number of lease transactions in Leicester have fallen significantly over the last three years. The lowest numbers of leases are in Oadby and Wigston and Melton.

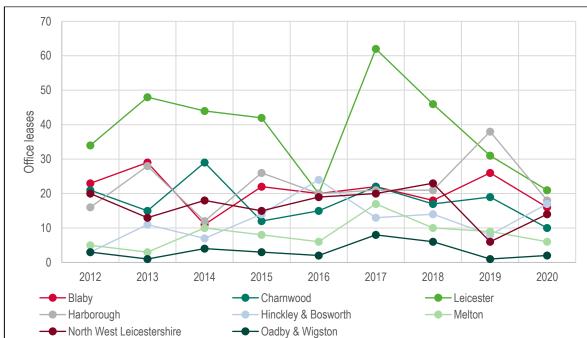


Figure 3.8: Office Lease Completions by Year and Local Authority, 2012-20

Source: Iceni Analysis of CoStar Commercial Property Data

3.20 The figure below shows office floorspace take-up by year and local authority. The pattern of absorption for Leicester follows that of the number of units leased in the area, albeit with the peak in absorption coming in 2013 as opposed to 2017. Unlike for office lease completions, there was a large peak in absorption in Blaby in 2020 of nearly 34,000 sqm.

35,000 30,000 25,000 Floorspace (sqm) 20,000 15,000 10,000 5,000 2012 2013 2014 2019 2015 2016 2017 2018 2020 Blaby - Charnwood Leicester Harborough Hinckley & Bosworth Melton - North West Leicestershire Oadby & Wigston

Figure 3.9: Office Absorption by Year and Local Authority, 2012-20

Source: Iceni Analysis of CoStar Commercial Property Data

3.21 The figure below presents the same data as above but aggregated across the Study Area. As expected, overall take-up peaked at 53,000 sqm in 2013, before falling to 38,000 sqm in 2015, and rising to 44,000 sqm in 2017 (reflecting changes in Leicester). Take-up then fell before hitting a second peak of 50,000 sqm in 2020 (reflecting new development in Blaby).

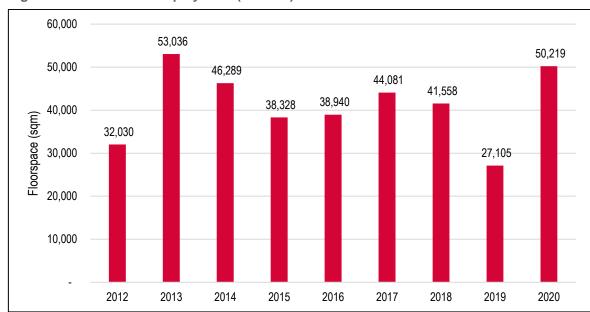


Figure 3.10: Office Take-Up by Year (2012-20) - Leicester and Leicestershire

3.22 The chart below uses Innes England's data to drill into the profile of take-up by grade. Their data differs from CoStar (which is based on the County boundary) as it excludes the area around Castle Donington/East Midlands Airport. It shows lower take-up in 2020. Around 25-30% of overall take-up has been of new-build stock.

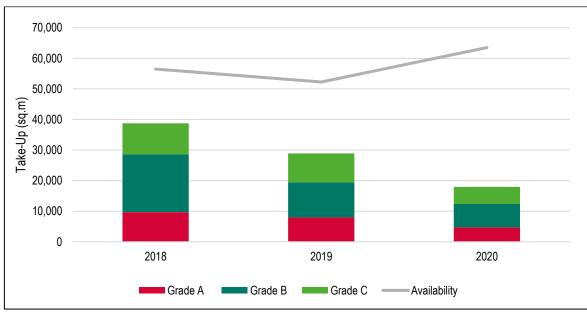


Figure 3.11: Take-Up by Grade (2018-20) – Leicestershire (excl Castle Donington)

Source: Iceni analysis of Innes England data

3.23 The Innes England data also supports analysis of the proportion of take-up by size band and location. The profile of office take-up over the last three years (2018-20 inclusive) sees around 37% in town/city centre locations, which will principally be in Leicester City Centre, and 63% in out-of-town

locations. There is however a much higher proportion of take-up of units between 465 - 1,850 sq.m (5,000 - 20,000 sq.ft) which are focused in town / city centre locations.

Table 3.1 Profile of Take-Up by Size Band and Location, 2018-20

| | Town | Out-of-Town | Total | % Town | % by Size |
|--------------------|--------|-------------|--------|--------|-----------|
| | Centre | | | Centre | Band |
| < 465 sq.m | 8,942 | 23,840 | 32,782 | 27% | 38% |
| 465 – 930 sq.m | 9,347 | 6,219 | 15,566 | 60% | 18% |
| 930 – 1850 sq.m | 10,231 | 7,897 | 18,128 | 56% | 21% |
| 1,850 – 2,800 sq.m | 2,791 | 8,994 | 11,785 | 24% | 14% |
| 2,800 – 4,650 sq.m | 0 | 7,432 | 7,432 | 0% | 9% |
| 4,650 sq.m+ | 0 | 0 | 0 | 0% | 0% |
| Total | 31,311 | 54,382 | 85,693 | 37% | 100% |

Source: Iceni analysis of Innes England data

- 3.24 Pre-Covid, office demand had been shifting towards Leicester City Centre, influenced by improvements to the city centre environment and infrastructure including investment in public realm, the e-bike hire scheme and investment in cycle lanes. Covid resulted in reduced activity in 2020, but the early evidence is that the market has started to pick-up (albeit slowly) in early 2021 but continues to be focused on businesses moving due to lease breaks or lease expiry. Occupiers tend to be downsizing, with their office space requirements reducing by around 30%. There remains significant market uncertainty influenced by how changing working patterns may influence office requirements. Parking provision remains a concern, with typical provision of 1 space per 1000 sqft in the City Centre compared to typically 1 per 250 sq.ft out-of-town.
- 3.25 There remains a good appetite for out-of-town office space, with the early indications that this market is performing better than Leicester City Centre, but there is currently limited stock.

Office Availability

3.26 The figure below shows the current available and pipeline office space⁶ in each local authority, broken down by status (existing, proposed⁷ and under construction). It can be seen that Leicester has the most available office floorspace, the majority of which is existing, with a small fraction under construction. There are very low levels of available floorspace in Hinckley and Bosworth, Melton and Oadby and Wigston. Whilst there is over 20,000 sqm of office space being marketed in Harborough, around 15,000 sqm of this is proposed floorspace and hence actual current availability is likely to be

⁶ Co-star data on the 27/05/21

⁷ Land considered for a particular future use or a building that has been announced for future development. The project is not expected to start construction in the next 12 months. This can include properties both with and without planning permission.

much lower. Similarly, in North West Leicestershire around 9,000 sq.m of the 21,000 sqm of marketed space is proposed/pipeline space.

45,000 40,000 35,000 30,000 25,000 20,000 15,000 10,000 5.000 North Hinckley Harborou Oadby & Charnwo West Blaby Leicester Melton & Wigston od Leicester gh Bosworth shire 2,787 Under Construction 1,858 14,946 ■ Proposed 2,601 8,560 8,371 ■ Existing 30,455 6,979 3,611 38,395 1,161 11,948 322

Figure 3.12: Office Floorspace Availability (sqm) by Local Authority and Status

Source: Iceni Analysis of CoStar Commercial Property Data

3.27 The figure below shows the number of offices available/ being marketed by size band and broken down by status. It can be seen that office space between 100 and 500 sqm has the largest availability. Availability then decreases with size.

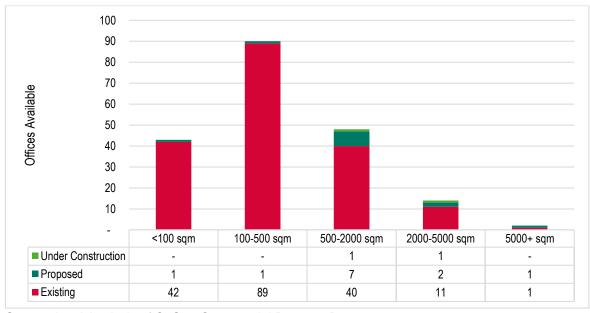


Figure 3.13: Office Availability by Size and Status

Source: Iceni Analysis of CoStar Commercial Property Data

3.28 An analysis of availability using the Innes England data points to around 2.2 years' available supply based on the (somewhat subdued) take-up figures seen over the last three years. The supply position is stronger in the City Centre and for older stock, with a tighter position (1.8 years) for Grade A supply, particularly in the out-of-town market.

Table 3.2 Availability in City Centre and Out-of-Town Markets, Dec 2020

| Sq.ft | Town Centre | Out of town | Total | Notional Years' Supply |
|------------------------|-------------|-------------|--------|---------------------------|
| Grade A | 3,618 | 9,681 | 13,299 | 1.8 |
| Grade B | 15,186 | 17,921 | 33,107 | 2.6 |
| Grade C | 11,590 | 5,523 | 17,113 | 2.0 |
| Total availability | 30,394 | 33,126 | 63,519 | 2.2 |
| Notional Years' Supply | 2.9 | 1.8 | 2.2 | |

Source: Iceni analysis of Innes England data

3.29 The short-term prospect of businesses reducing their footprint/ floorspace could see availability rise, which could have some impact (alongside market uncertainty) in limiting levels of new development in the immediate term. The market is however reasonably well placed, given current relatively low levels of available supply.

Office Rental Price Trends

- 3.30 The figure below shows average rental values in Leicester City Centre, Leicester Fringe (the rest of Leicester including business parks/ out-of-town supply around the Leicester Urban Area) and Leicestershire between 2009 and 2021.
- 3.31 It can be seen that average rents in Leicestershire are consistently higher than in Central Leicester which in turn are consistently higher than in Leicester Fringe. Across Leicestershire, rents fell between 2009 and 2015 before increasing to over £13.00 per sqft in 2021. Rents in Central Leicester steadily increased between 2011 and 2018 before levelling off and coming to £10.57 per sqft in 2021. Rents across Leicester Fringe have seen more variation falling between 2010 and 2012 before levelling off, increasing between 2016 and 2019 and then falling to £8.69 per sqft in 2021.

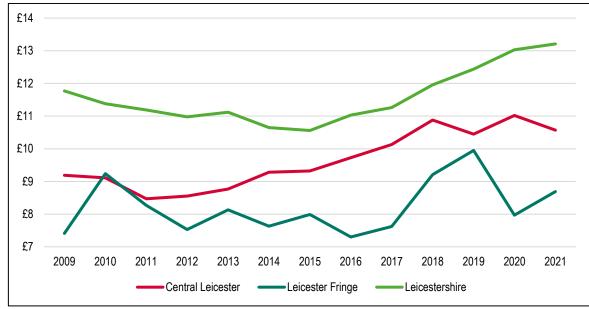


Figure 3.14: Average Office Rents per sqft (2009-2020)

Source: CoStar Commercial Property Data

- 3.32 Average office rents are however influenced by the quality of available space. Price rents in Leicester for office space are around £19.50 20 per square foot (psf),, the rental tone established by the recent deal for 14,000 sq.ft by Europecar at No1 Great Central Square. Rental levels are being maintained for the time being, influenced in part by low availability. Headline rents in the market towns are around £12 psf.
- 3.33 Rental levels achievable for new-build space are generally insufficient to support speculative office development for lease; which would typically require rents of around £25 psf to be supported. There is therefore an important role for public sector partners in facilitating the delivery of new office floorspace in the medium/longer-term.

Agent View

- 3.34 Iceni has worked with Leicestershire-based agents, Innes England, in preparing the HENA and understanding local market dynamics. The analysis below is informed by our discussions with them. The main office market within the sub-region is the Leicester Urban Area, reflecting its role as the largest settlement with a larger catchment population and better transport links (including public transport infrastructure) than other areas within Leicestershire. The Leicester market captures the City Centre and out-of-town business parks close to the M1 including Meridian Business Park and Grove Park, which sit close to M1 Junction 21.
- 3.35 In the recent past, pre Covid, there has been insufficient Grade A office space coming to the market.
- 3.36 The market in Leicester was witnessing a migration towards the City Centre (rather than out of town) due to improvements in City Centre including investment in the public realm and cycling

infrastructure. However car parking remains an issue for the City Centre, with 1 space per 1,000 sqft rather than 250 sqft out of town. Car parking is an issue as most workers are local and expect to commute by car. There are examples of specific deals in the City Centre failing to complete due to parking. Iceni note that a consultation has begun to introduce a city-wide Workplace Parking Levy in Leicester to encourage car commuters to consider other modes of transport. If implemented, this is expected to make it tougher to entice occupiers to the City Centre relative to out-of-town business park locations.

- 3.37 The market is starting to pick up slowly in 2021 but largely driven by downsizing at lease breaks or lease expiry, with occupiers typically looking to downsize by around 30%. Availability (levels of vacant floorspace) has therefore increased. At the time of writing there are no new occupiers currently looking to come into Leicester City post Covid. Typical downsizing of businesses, particularly driven by lease events, has been around 30%. The result of occupiers reducing their floorplates, combined with very limited movement of new tenants into the area (with few live requirements from outside the area), has created current conditions of oversupply in the Leicester office market.
- 3.38 The office market generally is currently in a state of upheaval, in particular influenced by periods where Government advice has been to work from home where possible. Office workers have adapted to working from home; and the outlook is likely to see more agile working practices being adopted within many formerly office bound businesses, to the point where it is likely that there will not be the same levels of demand seen for this office accommodation as before. It is of course too soon to tell precisely what the long term implications will be on the market from growth in home working, but at the present there is still a good deal of office accommodation on the market in Leicester City Centre and Innes England would not advise that larger floor plates are required currently. The evidence points to the growth of remote and agile working being a structural change which will result in weaker office floorspace demand moving forwards.
- 3.39 In terms of smaller offices, again Innes England's view is that in Leicester City Centre there is plenty of space still available, but going forward with occupier size requirements decreases there could be the potential for additional office development. That said Brackley Developments are currently marketing design and build offices from 2000 sq ft at Waterside Office Park and so far there has been very few transactions undertaken here. This however is perhaps because they are on a Design and Build basis as opposed to being speculatively built. If the latter happened, this could support greater uptake.
- 3.40 In the City Centre there was 32,000 sqft of office space completed in 2020 which is still empty previously rumoured to be under offer but now understood that the party has taken a smaller 20,000 sqft unit at Watermead Business Park. The City Centre seems to be performing poorly however this may just be coincidental depending on lease events.

- 3.41 Bigger corporates are making indications of restructuring nationwide. However, the smaller end of the market not seeing a shift. There remains significant uncertainty in the office market, and with a return to work from home guidance from Government in December 2021, it may be some time before the outlook is clearer.
- 3.42 Rental levels in and around the City seem to be being maintained for the time being, however Innes England have seen incentives marginally increase.
- 3.43 Outside of the City there seems to be a steadier appetite for office space and limited stock. The scale of the market for office space is smaller, and focused on local SME businesses. It is focused on the main market towns Loughborough, Market Harborough, Lutterworth and Hinckley. There has been limited development in recent years, except at Loughborough University Science Park where 60,000 sq.ft of space has been delivered, the offer here focused on science/R&D-based activities. The majority of transactions have been at the smaller end of the market.
- 3.44 The pandemic has generated some interest in provision of managed workspace schemes, focused at small businesses. A new building is being delivered for Regus at Meridian Business Park (12,000 sq.ft) which is due to open in early 2022. Leicester City Council is also bringing forward 12,000 sq.ft of co-working space in The Gresham, the former Fenwick building in the City Centre. It is anticipated that there would be some demand for coworking spaces in the market towns in schemes of up to 10,000 sq.ft. Options to support viability include public sector support or the potential for reworking of former retail space in Town Centre locations.

Office Market – Key Findings

- UK office take-up for the whole of 2020 was similar to the year after the global financial crisis. The future of the office is uncertain but offices are likely to remain important spaces for companies.
- Net absorption of office floorspace across the Study Area has outweighed net delivery by around 76,000 sqm over the last 11-year period leading to a decline in vacancy rates from 8% in 2009 to 2.5% in 2020. There is a relatively limited supply of Grade A space.
- Leicester has by far the most office floorspace in the Study Area (37% of total compared to 16% in Blaby which has the second most). Accordingly, office floorspace absorption has been highest in Leicester over the last nine years.
- The amount of office floorspace in the Study Area has shrunk by 2% over the last 10 years. However, in the same period the amount of office floorspace in Leicester shrank by 9.7%. The Leicester urban area is however the main market in the sub-region; and pre-Covid there had been a growing shift in occupier demand towards City Centre space. However the growth in agile and home-based working appears to be a structural shift which is anticipated to reduce office floorspace demand in the future.
- Leicester has the most available office floorspace with stronger availability in the City Centre than the out-of-town market. There are very low levels of available floorspace in Hinckley and Bosworth, Melton and Oadby and Wigston but market demand is equally

- modest. Availability could however increase in the short-term as companies reduce their office footprints. This could serve to limit new-build development activity.
- Prime rents have remained relatively stable at around £19.50-20 psf in Leicester and £12 psf in the market towns in the County, with occupiers tending to target second hand space.

Industrial Market Overview

- 3.45 Industrial and logistics take-up nationally was a very strong 15 million sq.ft in Q1 2021, the strongest on record first quarter; continuing the trend seen in much of 2020 of take-up which was well above the long-term average. 2020 take-up for the year as a whole reached 59.7 million sq.ft, the highest on record. Strong demand was evident across UK regions. As a key location for big box logistics, the East Midlands continued to attract the largest share of demand, according to Lambert Smith Hampton, with 3.5 million sq.ft of take-up recorded in Q1 2021. A combination of strong occupier demand and investment in the sector have seen development continue apace with speculative development under construction hitting record 14m at the end of Q1 2021. Across the main industrial market segments, current supply nationally is equivalent to less than 1.5 years' take-up. The lack of supply supporting continued rental growth.
- 3.46 The pandemic and the UK's exit from the EU have evidenced the important role of the logistics sector to keep food and goods moving. 2021 is expected to bring further focus on building more resilient supply chains, increasing stocks and diversifying suppliers to prevent future disruptions. This restructure of logistics networks will require additional warehousing space in the UK. The market for logistics space is being buoyed by expanding demand from online retailers who are benefiting from the lasting effects of COVID-19 in consumer behaviour. Retailers wanting to preserve market share will need to continue to secure warehouse space to expand their online channels.
- 3.47 CBRE report that the second half of 2020 has seen occupiers opting for longer leases compared to the reactive short-term contracts seen in the second quarter. In 2021 they expect longer commitments for the renewals of those short-term leases in most cases, and occupiers reverting to their planned expansions.
- 3.48 Savills Big Sheds Briefing (Jan 2021) reports that 2020 breaks all previous records with new leases signed for 50.1 m sq ft of warehouse space nationally, 12.7m sq ft ahead of the previous record set in 2016 and comprising 165 separate transactions, breaking the previous record of 163 set in 2014. Whilst it is important to say that a large proportion of this space was leased to Amazon (25%) and a number of leases on terms less than five years (12%), take-up would still break new records even if Amazon and short-term deals were removed from our time series. Another key factor of 2020 has been the surge in take-up for units over 500,000 sq ft with 25 deals recorded, making it the highest

year since Savills records began and also more than the previous two years combined. Given the number of requirements currently in the market for units over 500,000 sq ft, this is a trend they expect to continue into 2021.

Leicester and Leicestershire Industrial Market

Industrial Stock

- 3.49 VOA data shows that in the year 2019/20 the Study Area had 11,000 industrial properties providing 9,821,000 sqm of industrial floorspace in total (across all size bands). This represents 24.4% of the industrial floorspace across the East Midlands. This suggests that the Study Area has a relatively large industrial sector given its working age population only makes up 22.4% of that of the East Midlands.
- 3.50 The figure below shows the amount and proportion of industrial floorspace by local authority. As expected, Leicester supports a large proportion of the Study Area's industrial market (25%). North West Leicestershire also supports a significant proportion (20%). On the other hand, floorspace in Oadby and Wigston makes up just 4% of the Study Area's industrial floorspace.

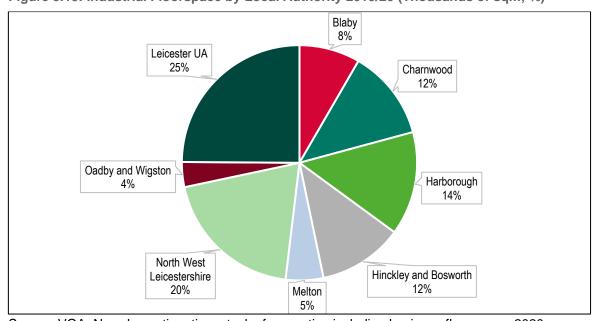


Figure 3.15: Industrial Floorspace by Local Authority 2019/20 (Thousands of sqm; %)

Source: VOA: Non-domestic rating: stock of properties including business floorspace, 2020

3.51 The figure below shows the change in the amount of industrial floorspace. The amount of industrial floorspace in the Study Area grew (by 6.4%) between 2010 and 2020 – driven by growth of 12.7% across Leicestershire and in particular Blaby and North West Leicestershire (20.6% and 37.1% respectively). This rate of growth is similar to that across both the East Midlands (6.0%) but greater than that across England as a whole (1.3%). On the other hand, Leicester, Oadby and Wigston, and Charnwood saw shrinkage of 9.1%, 7.1% and 6.2% respectively.

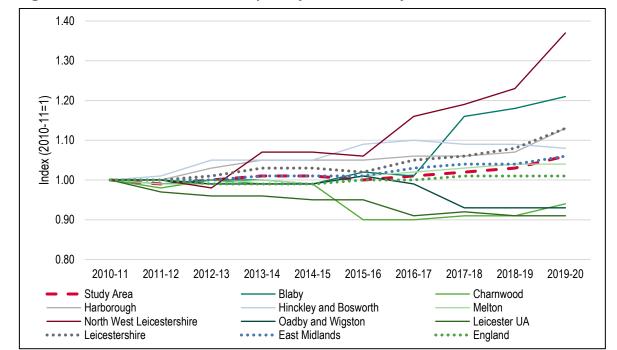


Figure 3.16: Indexed Industrial Floorspace by Local Authority 2010/11 - 2019/20

Source: VOA: Non-domestic rating: stock of properties including business floorspace, 2020

Absorption, Delivery and Vacancy Trends

- 3.52 The chart below indicates that net absorption of industrial floorspace across the Study Area was positive for the last 9 years, peaking at 397,000 sqm in 2019. Over the period between 2009 and 2020 there was a net absorption of around 1,660,000 sqm of floorspace.
- 3.53 The chart also shows net new space being delivered in the Study Area. There was 1,372,000 sqm net of new industrial floorspace delivered between 2009 and 2020. Net delivery averaged 100,645 sq.m (1.1 million sq.ft) in each year between 2009 and 2019 before rising to a peak of 483,000 sqm in 2019 and then dropping to 265,000 sqm in 2020. Indeed the last 5 years have seen 208,000 sq.m of new floorspace delivered per year. This represents a very strong level of new-build development and market activity.
- 3.54 Net absorption has outweighed net delivery by around 288,000 sqm over the last 11-year period. This has led to a decline in vacancy rates from 9% in 2011 to just 2.3% in 2020. The low vacancy rate and strong recent take-up points to the continuing need to bring forward additional industrial space in the short-term.

10% 450,000 9% 8% 350,000 7% 6% 250,000 5% 4% 150,000 3% 2% 50,000 1% 2010 2011 2017 2009 2012 2013 2014 2015 2016 2018 2019 2020 0% -50,000 Net Absorption (sqm) Net Deliveries (sqm) Vacancy

Figure 3.17: Net Absorption, Net Delivery and Vacancy of Industrial Floorspace in the Study Area, 2009-2020

Source: CoStar Commercial Property Data

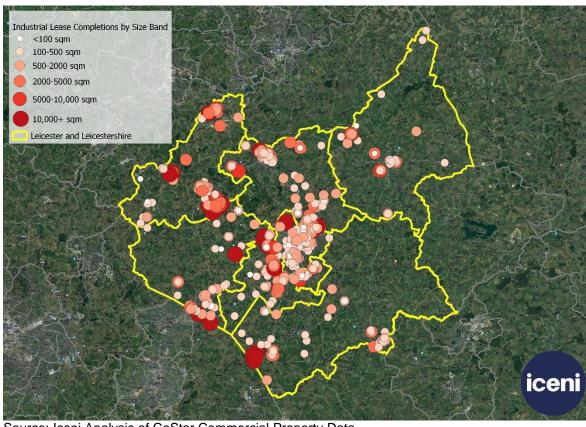


Figure 3.18: Absorption of Industrial Floorspace by Size, Leicestershire 2012-21

Source: Iceni Analysis of CoStar Commercial Property Data

3.55 The figure above maps the industrial take-up across the Study Area. It can be seen that there is a concentration of take-up (which includes new-build and occupation of existing premises) in and around the Leicester Urban Area, together with locations in NW Leicestershire and along the A5. It can also be seen that the largest leases in terms of space (over 5000 sqm) also tend to take place in Leicester and Blaby.

3.56 Between 2012 and the start of 2021, industrial absorption totalled 2.5 million sqm of floorspace. The figure below shows the percentage of this floorspace in each local authority area. It can be seen that the largest percentage (29%) is in North West Leicestershire with the smallest percentage (2%) in Oadby & Wigston.

Oadby & Wigston 2% Blaby 12% North West Leicestershire Charnwood 29% 8% Leicester 17% Melton 3% Hinckley & Bosworth Harborough 16% 13%

Figure 3.19: Industrial Absorption by Local Authority 2012-2021

Source: Iceni Analysis of CoStar Commercial Property Data

3.57 The figure below shows industrial absorption by size band between 2012 and 2021. It can be seen that most industrial leases were of space between 100 and 500 sqm – around half of all leases were in this size band. Leicester and Charnwood had by far the most leases in this size band. Leicester and Charnwood also had the most leases in the 500-2000 sqm size band. North West Leicestershire had by far the most leases in the three largest size bands explaining its position as having the most industrial floorspace leased influenced by the strength of the logistics sector in the District.

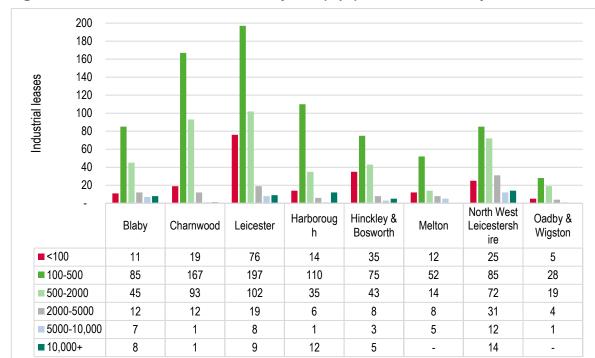


Figure 3.20: Number of Industrial Leases by Size (sqm) and Local Authority 2012-2021

- 3.58 The figure below shows the number of industrial leases by local authority over the last nine years. Leicester had by far the most industrial leases between 2012 and 2015, however, the number of leases in Leicester fell significantly in 2015 and since has been similar to/slightly above the number of leases in Charnwood in Leicester there were 28 leases in 2020 compared to a peak of 68 in 2013. The lowest numbers of leases are consistently in Oadby and Wigston (as expected given it has smallest area) there were 3 leases in 2020. Melton consistently has the second lowest number of leases with just 6 in 2020.
- 3.59 The distribution of industrial market activity by local authority is influenced by their location and accessibility. Stronger locations are those which relate well to key transport corridors including the M1, M69, M42/A42, and to a lesser extent the A46 and A50.

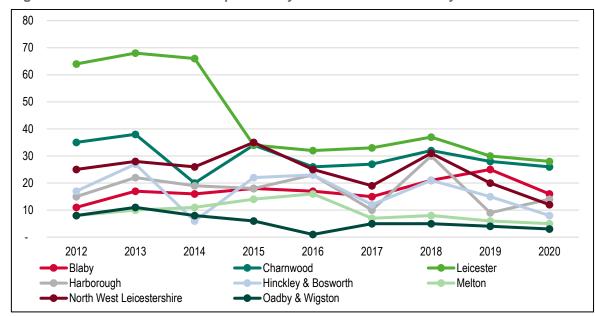


Figure 3.21: Industrial Lease Completions by Year and Local Authority

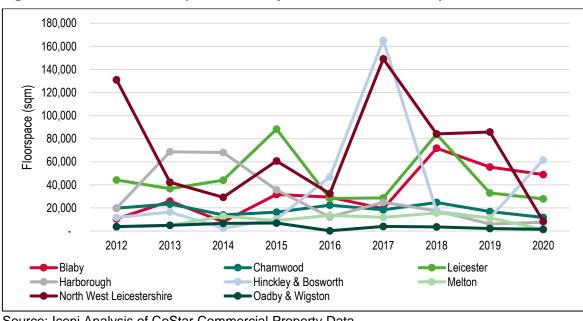


Figure 3.22: Industrial Floorspace Leased by Year and Local Authority

Source: Iceni Analysis of CoStar Commercial Property Data

- 3.60 Take-up has been consistently strong in overall terms in North West Leicestershire, influenced by a continuing supply of land which can accommodate big box logistics; with recent take-up also relatively strong in Blaby. Leicester's take-up is also significant influenced by the size of its existing industrial stock.
- 3.61 It can be seen that the largest average size of floorspace leased was in North West Leicestershire.
 On the other hand, the lowest was in Charnwood explaining the fact that whilst Charnwood has had a large number of leases, it has had relatively small amounts of floorspace leased.

3,500 2,982 3,000 2,500 Floorspace (sqm) 1,929 2,000 1,728 1,449 1,500 1,007 942 1,000 738 637 500 Blaby Harborough Hinckley & North West Charnwood Leicester Melton Oadby & Bosworth Leicestershire Wigston

Figure 3.23: Average Floorspace Leased

3.62 The figure below presents the same data but aggregated across the Study Area. Overall take-up peaked in 2017 but has been falling over the subsequent years. This is influenced by a declining level of available space/ supply.

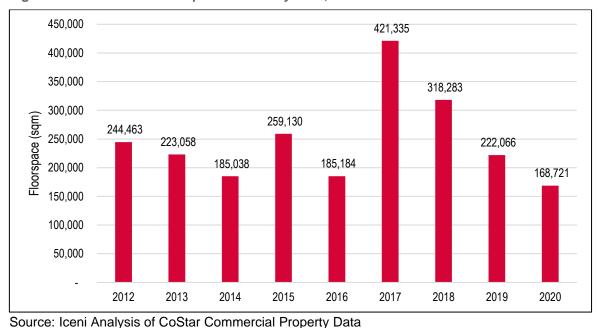


Figure 3.24: Industrial Floorspace Leased by Year, Leicestershire 2012-20

3.63 The figure below shows the number of industrial leases by size band over time. It can be seen that there has been a general decline in leasing at all size bands (of 30% to 55% between 2011 and 2020), aside from the largest size band of 10,000+ sqm which saw an increase (although numbers of leases are low).

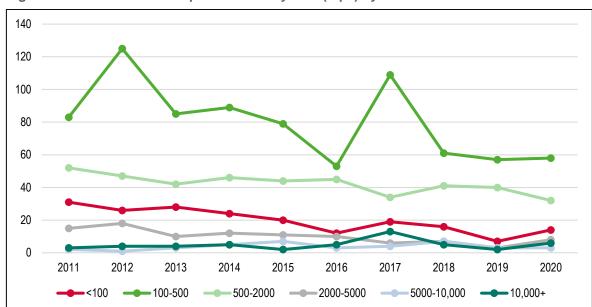


Figure 3.25: Industrial Floorspace Leased by Size (sqm) by Year - Leicester & Leicestershire

- 3.64 The recent demand picture has been of very strong demand for industrial premises, with a record level of activity in 2020. Set against strong demand, particularly for warehouse space from 3rd Party Logistics Providers (3PLs) and retailers as well as from manufacturing firms, there is a lack of stock.
- 3.65 Innes England report that demand is pretty strong across size bands. Their data shows overall takeup of 3 million sq.ft of industrial space across Leicestershire (excluding East Midlands Gateway) in 2020 with 70% of floorspace in units of over 100,000 sq.ft.

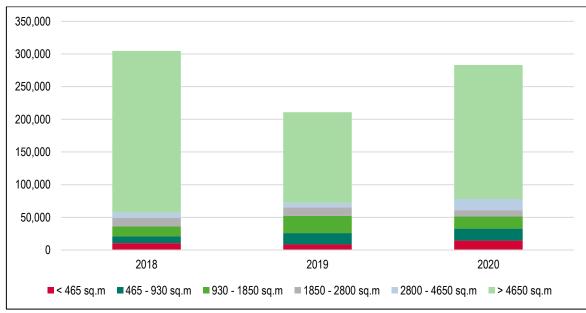


Figure 3.26: Take-Up by Size Band – Leicestershire (excl Castle Donington/EMG)

Source: Iceni analysis of Innes England data

3.66 There is a more local market for units of under 50,000 sq.ft (4,650 sq.m), with limited current stock.
41% of transactions are for units of under 10,000 sq.m focused towards the City and locations such as Thurmaston and Braunstone.

Industrial Availability

- 3.67 The figure below shows the current availability of industrial space in 2021 (including industrial, logistics and light industrial) broken down by status (existing, proposed, under construction and under renovation). North West Leicestershire has the most available or pipeline industrial floorspace. However, the majority of this is in the pipeline, with just small fractions which are existing and under construction. Excluding proposed floorspace, Harborough has by far the most available industrial floorspace however Iceni understands that the space at the extensions to Magna Park have largely now been pre-let or be delivered speculatively.
- 3.68 The lowest levels of available industrial floorspace are in Melton and Oadby and Wigston. Excluding proposed floorspace there are similarly low levels in Leicester, Hinckley and Bosworth, and Blaby.

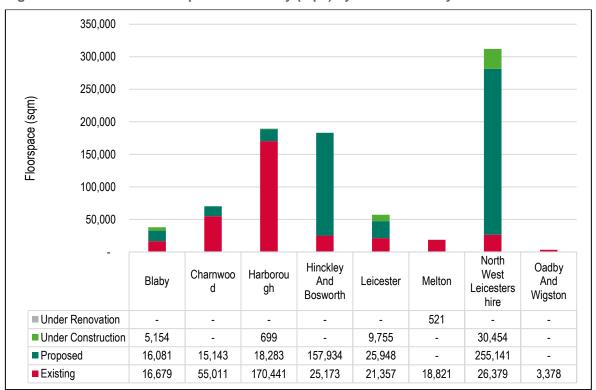


Figure 3.27: Industrial Floorspace Availability (sqm) by Local Authority and Status

Source: Iceni Analysis of CoStar Commercial Property Data

3.69 The figure below shows the number of industrial spaces available by size band and broken down by status. It can be seen that industrial space between 500 and 2,000 sqm has the largest availability. A significant proportion of available space above 500 sqm is proposed – 24% between 500 and 2,000 sqm, 13% between 2,000 and 5,000 sqm and 50% between 5,000 and 10,000 sqm.

80 70 60 Industrial Spaces Available 50 40 30 20 10 100-500 sqm 500-2000 sqm 2000-5000 sqm 5000-10,000 sqm <100 sqm ■ Under Renovation ■ Under Construction 4 4 1 1 4 43 50 17 3 Existing ■ Proposed 1 17 3 4 ■ Proposed Existing Under Construction ■ Under Renovation

Figure 3.28: Industrial Availability by Size and Status

3.70 Using Innes England's data on availability and take-up, the supply position is relatively tight at around 1.3 years highlighting the need to bring forward additional industrial space in the short-term.

Table 3.3 Notional Years Supply – Leicestershire (excl Castle Donington/EMG)

| | Availability, Dec 2020 | 3 Year Average Take- | Notional Years' |
|--------------------|------------------------|----------------------|-----------------|
| | | Up | Supply |
| Grade A | 221,538 | 141,527 | 1.6 |
| Grade B | 35,757 | 64,473 | 0.6 |
| Grade C | 41,497 | 26,953 | 1.5 |
| Total availability | 298,792 | 232,953 | 1.3 |

Source: Iceni Analysis of Innes England data

Industrial Rental Price Trends

3.71 The figure below shows average rental values in Leicester and Leicestershire between 2009 and 2021. Across Leicester and Leicestershire, rents have gradually risen with a sharper rate of increase between 2013 and 2018. In 2021, average rental values for industrial floorspace are £6.63 per sqft in Leicestershire and £5.55 per sqft in Leicester.

£7.00 £6.50 £6.00 £5.50 £5.00 £4.50 £4.00 £3.50 £3.00 2009 2010 2011 2012 2013 2014 2015 2016 2017 2018 2019 2020 2021 Leicestershire -Leicester

Figure 3.29: Industrial Rents per sqft (2009-2020)

Source: CoStar Commercial Property Data

3.72 Prime rents are currently around £8.25 psf for smaller units, and £7.75 for big box units in the subregion, with recent evidence of growth in industrial rents. The rent for a 60,000 sq.ft unit at Leicester Distribution Park has risen from £6.75 to £7.50 over the last 18 months.

Agent Feedback - Industrial

- 3.73 The industrial market is as strong as its ever been. 2020 was a record year. There is generally a lack of stock and high levels of demand. Third Party Logistics providers (3PLs) and retailers in particular need more warehouses. Manufacturing, Brexit and Covid are also all driving requirement levels. Anecdotally there is more demand for local manufacturing.
- 3.74 Demand for all sizes is high with a lack of stock across the board. Overall take up 3 million sqft (exc EMG) and 70% of floorspace is from over 100,000 sqft units. Demand for larger units is predominantly focused on M1 and motorway network. Magna Park (South) extension is pretty much all pre-let over 1,000,000 sq.ft. The strength of the market for larger units is illustrated through the delivery of speculative development at Magna Park North. Units of less than 30,000 sq.ft are likely to be attractive the local market; with occupiers seeking over 50,000 sq.ft of space typically looking both in the County and beyond.
- 3.75 Development close to the trunk road network in the sub-region is likely to be in demand, particularly where freehold space is available. There is almost no availability of freehold space within the sub-regional market. Manufacturers are likely to particularly seek suburban locations in and around Leicester; with larger logistics occupiers more focused on those close and immediately accessible from the motorway network.

- 3.76 In terms of the local market below 50,000 sqft there is limited available stock. 41% of transactions under 10,000 sqft. There is considered to be a need to bring forward units at this end of the market, to meet demand.
- 3.77 Innes England suggest that there will be demand for industrial units across the Leicester urban area in locations with good access to arterial routes and labour and more space is required for development in these areas.
- 3.78 Leicester Distribution Park at J21/21a is now fully let. There will be further units coming to the market in a range of sizes at 30,000, 45,000 , 75,000, 150,000 sqft.
- 3.79 A series of large-scale lettings have occurred in 2020/21 including the following:

Table 3.4 Recent Large Lettings – Leicester & Leicestershire

| Hinckley 532, Hinckley Park, J1 M69, Leicestershire | 532,500 sq ft |
|--|---------------|
| Xdock 377, Magna Park, Lutterworth LE17 4XH | 377,070 sq ft |
| Unit 2, Phase II, West Lane, Coalville LE67 1FA | 359,000 sq ft |
| Zorro Coalfield Way, Ashby De La Zouch, LE65 1JR | 237,565 sq ft |
| 225 at Interlink, Beveridge Lane, Coalville LE67 1TB | 225,690 sq ft |
| Tornado 186, Magna Park, Lutterworth LE17 4XN | 186,695 sq ft |

Source: Innes England

- 3.80 2022/3 will see a scheme being brought forward in Wigston at Genesis Park on Magna Road in South Wigston. This will be smaller mostly under 10,000 sqft freehold units. Market Harborough and Lutterworth will also see a smaller development schemes being brought forward. Smaller estates in Blaby and Whetstone continue to perform well.
- 3.81 Loughborough, Shepshed and Coalville have generally limited stock; with schemes around Coalville/Bardon and Loughborough having historically performed strongly.

Industrial Market – Key Findings

- Leicestershire benefits from a strong market for industrial space reflecting the strength of
 its manufacturing sector together with its locational advantages, which support its
 attractiveness for both manufacturing and warehousing/logistics.
- Net absorption of industrial floorspace across the Study Area has outweighed net delivery by around 288,000 sqm over the last 11-year period leading to a decline in vacancy rates from 9% in 2011 to just 2.3% in 2020. Very substantial levels of new development had been achieved, with the last 4 years seeing delivery of over 200,000 sq.m per annum absorbed within the sub-regional market.
- Leicester supports a large proportion of the Study Area's industrial market (25% of floorspace). North West Leicestershire also supports a significant proportion (20% of floorspace) influenced in particular by strategic warehousing. However, absorption has been highest in North West Leicestershire over the last nine years making up 29% of absorption across the Study Area.
- The amount of industrial floorspace in the Study Area grew (by 6.4%) between 2010 and 2020 - driven by growth of 12.7% across Leicestershire and in particular Blaby and North West Leicestershire.
- Industrial floorspace absorption across the Study Area peaked in 2017 before gradually falling to a low in 2020. This roughly follows trends across North West Leicestershire and Hinckley and Bosworth.
- Most industrial leases in the Study Area were of space between 100 and 500 sqm.
 Leicester and Charnwood had by far the most leases in this size band. North West
 Leicestershire had by far the most leases in the three largest size bands. Along with North
 West Leicestershire, the average size of space rented was highest in Harborough.
- Levels of availability at the current time are relatively low, with the evidence pointing to
 just 1.3 years of available supply. New space/ sites which have been brought to the
 market, including at Magna Park, have performed strongly with significant levels of market
 interest. There is therefore a need to bring forward additional space short-term to cater for
 strong demand.

Page 171 of 1014

4. HOUSING MARKET DYNAMICS

4.1 In this section we move on to consider housing market dynamics, addressing both the sales and rental markets.

Sales Market

4.2 The median house price across the L&L Housing Market Area was £222,300 considering sales over the year to Sept 2020. This was 11% below the national average. Values however vary within the HMA, with the highest prices in Harborough at £290,000; and the lowest in Leicester at £182,000.

Table 4.1 Median House Price, Year to Sept 2020

| | Median House Price, Year to | Difference to HMA Average |
|---------------------------|-----------------------------|---------------------------|
| | Sept 2020 | |
| Leicester | £182,000 | -18% |
| Blaby | £225,000 | 1% |
| Charnwood | £225,000 | 1% |
| Harborough | £289,998 | 30% |
| Hinckley and Bosworth | £205,000 | -8% |
| Melton | £214,000 | -4% |
| North West Leicestershire | £222,500 | 0% |
| Oadby and Wigston | £231,500 | 4% |
| L&L HMA | £222,345 | 0% |
| East Midlands | £196,950 | 13% |
| England | £249,000 | -11% |

Source: ONS Small Area House Price Statistics Dataset 9

4.3 House prices have grown over the last 20 years (2000-2020) by an average of 6.4% per annum. This is modestly above average for both the region and nationally and in particular reflects stronger recent house price growth.

Table 4.2 Annual House Price Growth over different Periods (% CAGR)

| CAGR | 2000-2005 | 2005-10 | 2010-15 | 2015-20 | 20 Year |
|---------------|-----------|---------|---------|---------|---------|
| L&L HMA | 17.0% | 0.6% | 2.7% | 5.4% | 6.4% |
| East Midlands | 16.8% | 0.7% | 2.3% | 4.6% | 6.1% |
| England | 14.6% | 1.3% | 3.1% | 3.5% | 5.8% |

Source: Derived from ONS Small Area House Price Statistics Dataset 9

4.4 As the chart below shows, we have seen stronger house price growth in the HMA relative to the regional and national average since 2013 – and in particular since 2017. The median house price in 2020 was £25,000 above the East Midlands average across the HMA.

£260,000 £240,000 **Jedian Prices (Year to Sept)** £220,000 £200,000 £180,000 £160,000 £140,000 £120,000 £100,000 2010 2011 2012 2013 2014 2015 2016 2017 2018 2019 2020 L&L HMA -East Midlands England

Figure 4.1: House Price Trends in HMA, 2010-2020

Source: Derived from ONS Small Area House Price Statistics Dataset 9

4.5 Within the HMA, long-term house price growth, looking over the last 20 years, has been strongest in Leicester, Charnwood and Oadby and Wigston (at 6.5%+ pa) and weakest in Melton (5.5% pa). Leicester and Oadby and Wigston saw particularly strong growth in values over the 2015-20 period (6.5%+ pa).

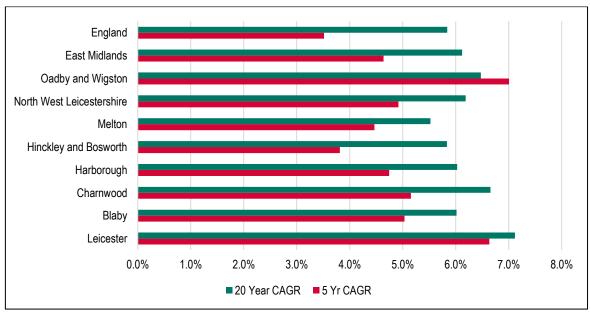


Figure 4.2: Growth Rates in Median House Prices, to Sept 2020

Source: Derived from ONS Small Area House Price Statistics Dataset 9

4.6 Analysis of actual changes in values also produces interesting results. Over the last 5 years, Oadby and Wigston stands out at having some of the strongest value growth with the median house price growing by £66,500. Harborough has also seen stronger relative value growth. In contrast, Melton

and Hinckley and Bosworth have seen the weakest value growth over the last 5 years; with the latter being the only authority in the HMA where value growth has been weaker than across the East Midlands region.

Table 4.3 House Price Growth in L&L Local Authorities

| | 1 Year | 5 Year | 10 Year |
|---------------------------|---------|---------|---------|
| Leicester | £5,000 | £50,000 | £60,000 |
| Blaby | £5,000 | £49,000 | £76,000 |
| Charnwood | £2,500 | £50,000 | £73,750 |
| Harborough | -£378 | £59,998 | £89,998 |
| Hinckley and Bosworth | £0 | £35,000 | £50,003 |
| Melton | -£8,000 | £42,000 | £59,000 |
| North West Leicestershire | £14,500 | £47,500 | £77,500 |
| Oadby and Wigston | £18,500 | £66,500 | £83,525 |
| L&L HMA | £6,668 | £51,499 | £73,101 |
| East Midlands | £4,450 | £39,950 | £56,950 |

Source: Derived from ONS Small Area House Price Statistics Dataset 9

4.7 Analysis of house prices by type provides a clearer picture of the value geography across the HMA. Harborough District has the highest house prices, with semi-detached properties selling for over £235,000. There are similar values in Oadby and Wigston, Charnwood, Blaby and Leicester with median values for semi-detached properties at around £200,000 - £220,000 and median values for terraced houses of between £165,000 - £175,000. Values in Hinckley and Bosworth, Melton and NW Leicestershire are then lower with semi-detached values of around £185,000 - £195,000.

Table 4.4 Median House Prices by Type, Year to Sept 2020

| | Detached | Semi- | Terraced | Flat/ |
|---------------------------|----------|----------|----------|------------|
| | | Detached | | Maisonette |
| Harborough | £369,950 | £237,000 | £209,750 | £153,000 |
| Oadby and Wigston | £346,250 | £220,000 | £165,000 | £108,500 |
| Charnwood | £323,750 | £211,000 | £170,000 | £126,000 |
| Blaby | £297,000 | £210,000 | £175,000 | £135,000 |
| Leicester | £306,250 | £200,000 | £168,000 | £115,000 |
| Hinckley and Bosworth | £310,000 | £192,425 | £155,000 | £107,500 |
| Melton | £310,000 | £185,000 | £152,250 | £139,000 |
| North West Leicestershire | £294,995 | £186,500 | £146,000 | £131,000 |
| East Midlands | £282,000 | £180,000 | £150,000 | £117,000 |
| England | £350,000 | £223,000 | £195,000 | £216,000 |

Source: Derived from ONS Small Area House Price Statistics Dataset 9

4.8 The graph below analyses the distribution of property sales by type across the HMA. It shows that most property sales (for the 2020 calendar year) were for properties valued at between £150,000 -

£300,000. There is however a level of sales of larger properties – particularly detached – which command higher values still.

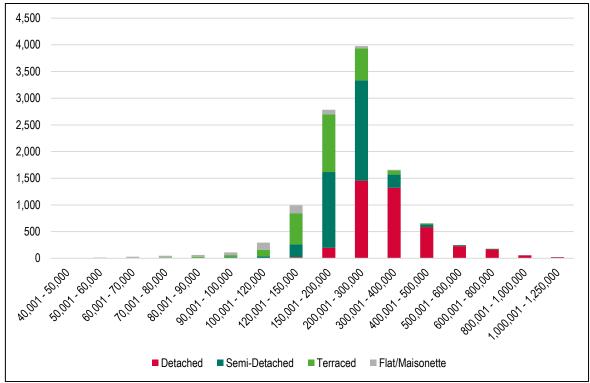


Figure 4.3: Distribution of Sales – Leicester and Leicestershire HMA (2020)

Source: HM Land Registry House Price Index

4.9 The profile of sales by type across the HMA is generally focused towards larger detached and semidetached homes, which made up over 70% of sales over the year to Sept 2020. The sales profile in the City is however notably different to the County, focused much more towards terraced homes and semi-detached properties, with twice the proportion of flatted sales of other authorities within the HMA.

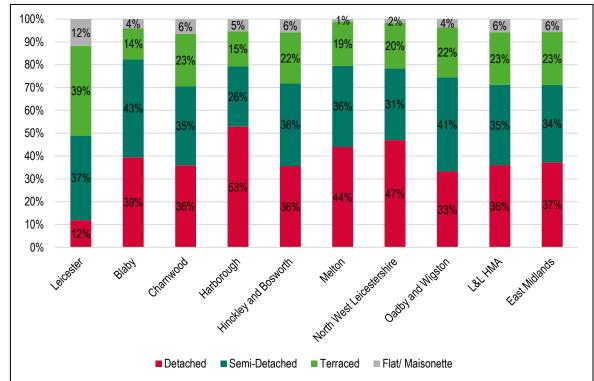


Figure 4.4: Distribution of Sales by Type, Year to Sept 2020

Source: Derived from ONS Small Area House Price Statistics Dataset 6

- 4.10 The trend in market housing sales over time highlights the influence of macro-economic factors. A rise in interest rates saw a notable drop in sales in 2005; whilst the onset of the 'credit crunch' in 2007 saw a dramatic fall in the ability to access mortgage finance and combined with reduced market confidence and falling values saw a notable drop in sales volumes and market activities between 2007-9. A substantive recovery in market conditions was not seen before 2013, from which point the Bank of England's Funding for Lending Scheme saw improved mortgage availability; which together with improved economic confidence and the Government's Help-to-Buy Scheme supported a recovery in the market.
- 4.11 Sales volumes between 2014-2018 averaged 16,000 a year across Leicester & Leicestershire; which was 20% down on the pre-recession average. Indeed we have seen a decade of lower sales volumes. There are a complex set of factors which appear to have contributed to this, including: a low inflation environment such that inflation is not reducing the value of debt in real terms as it did in previous decades (pre-2000); longer mortgage terms; an ageing population who typically move infrequently; and a policy focus on caring for older persons in their home (resulting in fewer moves). Added to this have been increasing transactional costs of moving, particularly associated with the costs of Stamp Duty, which have affected both home owners and investors (with 3% additional Stamp Duty applicable to investment purchases from April 2016).

Figure 4.5: Sales Volumes - Leicester & Leicestershire HMA

Source: Derived from ONS Small Area House Price Statistics Dataset 6

4.12 The Government's Help-to-Buy Equity Loan scheme has played an important role in supporting the housing market. Across the HMA it has supported 50% of new-build sales over the last 5 years (to Sept 2020).

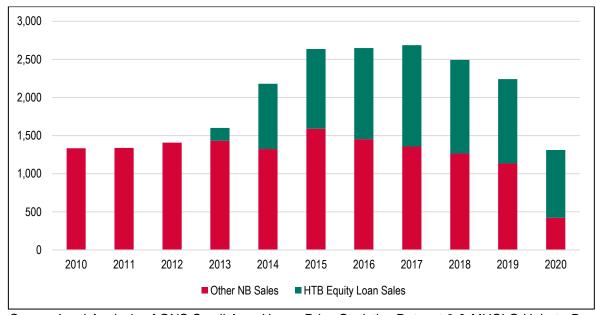


Figure 4.6: New-Build Sales in HMA supported by Help-to-Buy Equity Loan Scheme

Source: Iceni Analysis of ONS Small Area House Price Statistics Dataset 6 & MHCLG Help-to-Buy Equity Loan Scheme Statistics

4.13 This evidence for individual authorities shows some variance within the HMA, with the lowest proportion of new-build sales supported by Help-to-Buy in Melton, Hinckley and Bosworth and

Harborough (40-45%) with over 50% supported in the other authorities, the highest numbers in Leicester (56%), Blaby (57%) and Oadby and Wigston (58%).

Table 4.5 Sales supported by Help-to-Buy Equity Loan in HMA – 5 Years to Sept 2020

| 5 years to Sept 2020 | Overall New-Build | HTB Equity Loan | % Sales Supported |
|---------------------------|-------------------|-----------------|-------------------|
| | Sales | Sales | |
| Leicester UA | 1,102 | 613 | 56% |
| Blaby | 1,567 | 894 | 57% |
| Charnwood | 2,734 | 1,372 | 50% |
| Harborough | 1,938 | 834 | 43% |
| Hinckley and Bosworth | 994 | 452 | 45% |
| Melton | 360 | 143 | 40% |
| North West Leicestershire | 2,403 | 1,271 | 53% |
| Oadby and Wigston | 284 | 165 | 58% |
| L&L HMA | 11,382 | 5,744 | 50% |

Source: Iceni Analysis of ONS Small Area House Price Statistics Dataset 6 & MHCLG Help-to-Buy Equity Loan Scheme Statistics

4.14 Iceni's analysis indicates that 70% of those supported by the Help-to-Buy Scheme in the HMA have been First-time Buyers. This rises to 75% in Melton, 78% in Oadby and Wigston and 88% in Leicester.

Table 4.6 First Time Buyers Supported by Help-to-Buy Equity Loan, to Sept 2020

| | HTB Equity Loan | Sales to First-time | % First-time |
|---------------------------|-----------------|---------------------|--------------|
| | Sales | Buyers | Buyers |
| Leicester UA | 891 | 780 | 88% |
| Blaby | 1,143 | 759 | 66% |
| Charnwood | 1,836 | 1,262 | 69% |
| Harborough | 1,084 | 747 | 69% |
| Hinckley and Bosworth | 861 | 583 | 68% |
| Melton | 166 | 124 | 75% |
| North West Leicestershire | 1,629 | 1,056 | 65% |
| Oadby and Wigston | 204 | 159 | 78% |
| L&L HMA | 7,814 | 5,470 | 70% |

Source: MHCLG Help-to-Buy Equity Loan Scheme Statistics

4.15 The Help-to-Buy Equity Loan Scheme has been refocused such that from 1st April 2021 it has been limited to first-time buyers and includes regional price caps. The scheme itself will run until March 2023. As the figures above show, the limitation to first-time buyers may have some impact on moderating new-build sales; but schemes such as First Homes and Shared Ownership are intended

to replace it in part; whilst there remain some mortgage indemnity schemes such as 'Deposit Unlock'8 which offers mortgages on higher loan-to-value ratios and there may be further evolution of mortgage products.

- 4.16 A more detailed recent picture of market activity can be gleaned by analysing HM Land Registry monthly data. This shows a particular dip in sales in April and May 2020 influenced by the 1st Covid-19 lockdown. Sales volumes however grew through the second half of 2020 recovering to around 1,250 per month by December 2020 (which in the context of the long-term trends shown above would be equivalent to c. 15,000 pa). Market conditions have thus been returning to relatively buoyant levels.
- 4.17 The relatively high current sales volumes is being driven by mortgaged home owners (particularly those looking to trade up who are looking for homes with more internal space, such as to work, and outside space). A combination of rising house prices and limited availability of mortgages with higher loan-to-value ratios has been restricting first-time buyer numbers; with first-time buyers also more likely to be younger and affected by the furlough scheme or issues around unemployment. There are however emerging signs of the availability of mortgages with a 5% or 10% deposit improving and the Government has provided support through the Mortgage Guarantee Scheme.

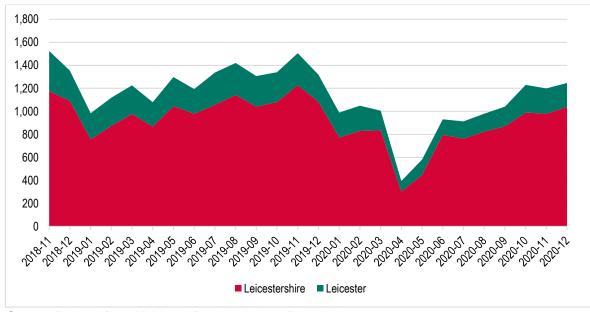


Figure 4.7: Short-term Sales Volumes – Leicester & Leicestershire HMA

Source: Derived from HM Land Registry House Price Index

4.18 Monthly house price data from the HM Land Registry index shows a month-on-month growth in house prices over the last year, with a growth in average values of around £19,800 in Leicester and £23,100

⁸ https://www.hbf.co.uk/deposit-unlock/

in Leicestershire over the period from May 2020 (when the market reopened) to March 2021. Strong market conditions appear to have been influenced by a variety of factors including:

- Government support to the market through the Help-to-Buy scheme and the Stamp Duty Holiday, which ended in June 2021;
- The influence of the pandemic on people's housing need and choices, from both a growth in home working which is reducing the requirement for being close to a workplace (with some evidence that households are looking further from the workplace as a result) to changing space requirements including space to work and a requirement for outdoor space.
- 4.19 Nationwide reported in May 2021 house price growth of 10.9% over the last year nationally (which accords with our analysis), with values growing at the fastest rate since 2014. Whilst their research suggested that the Stamp Duty Holiday was a factor, three quarters of homeowners surveyed indicated that they would have been moving even if the Stamp Duty Holiday had not been extended. Of those moving or considering a move they found 33% were moving to a different area, whilst nearly 30% were doing so to access a garden or outdoor space more easily. The majority were looking to move to less urban areas, as the chart below shows.

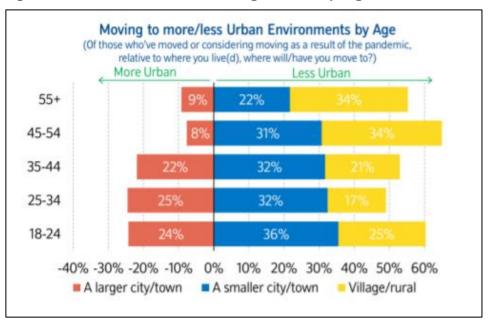


Figure 4.8: Preferences of those looking to move, Spring 2021

Source: Nationwide House Price Index Press Release, May 2021

4.20 However over a third (36%) of those surveyed also indicated that they were more likely to consider enhancing their home as a result of Covid, with nearly half (46%) of these looking to add or maximise space; and 35% looking to improve energy efficiency or reduce their home's carbon footprint.

- 4.21 The current evidence (as at Summer 2020) indicates more buyers looking for property than stock on the market, with the RICS UK Residential Market Survey pointing to more buyers than properties on estate agents books; with market conditions buoyant reflecting the economic recovery, low interest rates and lifestyle changes acting as catalysts for current moves; together with the extended Stamp Duty holiday.
- 4.22 Savills forecast in Spring 2021 was of further house price growth in the short-term (outside of London), but weakening beyond 2023.

Table 4.7 Savills House Price Forecasts, March 2021

| | 2021 | 2022 | 2023 | 2024 | 2025 |
|---------------|------|------|------|------|------|
| East Midlands | 4.5% | 5.5% | 5.0% | 4.0% | 3.0% |
| UK | 4.0% | 5.0% | 4.0% | 3.5% | 3.0% |

Source: Savills UK Housing Market Update, April 2021

- 4.23 Savills December 2021 Market Update shows that the end of the stamp duty holiday has resulted in some dip in activity, but new sales agreed are still running at elevated levels; with Nationwide pointing to annual house price growth still at 10.0% through 2021.
- 4.24 The medium-term outlook is however somewhat uncertain; and if unemployment rises sharply towards the end of 2021 (as the OBR and a range of other analysts expect) there is scope for activity and sales to slow, perhaps sharply, albeit that the effects of this could be offset in part by changing buyer preferences as discussed. The latest evidence however suggests a trend in unemployment which is downwards; and continuing relative buoyant housing market conditions.

Lettings Market

4.25 Across the Study Area, median rents are relatively similar to regional average (£625 per calendar month), with median rents in Leicester and Charnwood slightly lower than in other areas; and rents the highest in Blaby, Harborough and Oadby and Wigston at £725 per calendar month (equal to the national average).

800 700 600 500 400 300 200 100 0 Hindrey and Boshoth Ozdał się więtor Chammood Halboroud^Y Median, Sept 2020 East Midlands England

Figure 4.9: Median Rents, Year to Sept 2020

Source: ONS/VOA Private Rental Market Statistics

4.26 The chart below tracks changes in rental costs over time. Over the period since 2011 the medium-term trend has been of rental growth in line with the regional trend. It is notable however that Leicester has seen stronger relative growth in rents since 2016; albeit that over the period since 2018 rentals have been flat (and on average across the County have fallen slightly).

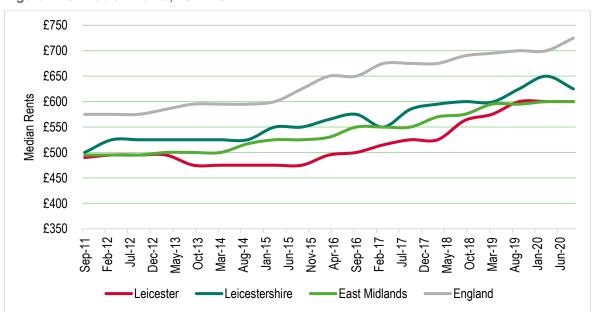


Figure 4.10: Median Rents, 2011-20

Source: ONS/VOA Private Rental Market Statistics

4.27 The table below considers growth in median and lower quartile (entry level) rents over the last 5 years. The strongest rental growth has been in Leicester, Blaby and Hinckley and Bosworth over the last 5 years (2014/15 – 2019/20), with notably weaker growth in median rents in Melton. Lower

quartile rents are highest in Harborough, Blaby and Oadby and Wigston; but the City has seen the strongest rental growth over the last 5 years. Charnwood has the lowest median and LQ rents, and has seen relatively static rents over the last 5 years.

Table 4.8 Trends in Median and Lower Quartile Rents

| | Median Rent | 5 Year | LQ Rent | 5 Year |
|---------------------------|-------------|--------|---------|--------|
| | | Growth | | Growth |
| Leicester | £600 | £125 | £475 | £130 |
| Blaby | £725 | £125 | £625 | £75 |
| Charnwood | £550 | £50 | £395 | -£5 |
| Harborough | £725 | £100 | £650 | £110 |
| Hinckley and Bosworth | £650 | £125 | £550 | £100 |
| Melton | £600 | £50 | £530 | £70 |
| North West Leicestershire | £615 | £65 | £550 | £75 |
| Oadby and Wigston | £695 | £120 | £600 | £75 |
| Leicestershire | £625 | £75 | £500 | £40 |
| East Midlands | £600 | £75 | £495 | £65 |
| England | £725 | £100 | £550 | £56 |

Source: ONS/VOA Private Rental Market Statistics

5. DEMOGRAPHIC DYNAMICS

5.1 We move on next to interrogate key statistics about demographic trends in Leicester & Leicestershire; particularly focussing on past population growth and the reasons for changes (components of change). The data presented is mainly for Leicester & Leicestershire, although key demographic data for local authorities is also provided.

Population

The table below shows the estimated population in each authority in 2019 and the proportion of the Leicester & Leicestershire total this amounts to. As of 2019, the population of Leicester & Leicestershire was estimated to be around 1,060,400 with over a third of people living in Leicester. Charnwood is the next most populous area.

Table 5.1 Population by Local Authority, 2019

| | Estimated population | % of population |
|----------------------------|----------------------|-----------------|
| Leicester | 354,224 | 33.4% |
| Blaby | 101,526 | 9.6% |
| Charnwood | 185,851 | 17.5% |
| Harborough | 93,807 | 8.8% |
| Hinckley & Bosworth | 113,136 | 10.7% |
| Melton | 51,209 | 4.8% |
| North West Leicestershire | 103,611 | 9.8% |
| Oadby & Wigston | 57,015 | 5.4% |
| Leicester & Leicestershire | 1,060,379 | 100.0% |

Source: ONS Mid-Year Population Estimates

Age Structure

5.3 Leicester has a relatively young age structure in comparison with the regional and national position with Leicestershire having a profile more in line with that seen across other areas. Notably, the proportion of the population in Leicester is lower than seen regionally or nationally for all age groups from about 45 onwards. The City also sees a particular spike of people in their late teens and early twenties which will be related to the student population.

3.0%

2.5%

2.0%

1.5%

1.0%

0.5%

0.0%

0.0%

0.0%

0.0%

0.0%

0.0%

0.0%

0.0%

0.0%

0.0%

0.0%

0.0%

0.0%

0.0%

0.0%

0.0%

0.0%

0.0%

0.0%

0.0%

0.0%

0.0%

0.0%

0.0%

0.0%

0.0%

0.0%

0.0%

0.0%

0.0%

0.0%

0.0%

0.0%

0.0%

0.0%

0.0%

0.0%

0.0%

0.0%

0.0%

0.0%

0.0%

0.0%

0.0%

0.0%

0.0%

0.0%

0.0%

0.0%

0.0%

0.0%

0.0%

0.0%

0.0%

0.0%

0.0%

0.0%

0.0%

0.0%

0.0%

0.0%

0.0%

0.0%

0.0%

0.0%

0.0%

0.0%

0.0%

0.0%

0.0%

0.0%

0.0%

0.0%

0.0%

0.0%

0.0%

0.0%

0.0%

0.0%

0.0%

0.0%

0.0%

0.0%

0.0%

0.0%

0.0%

0.0%

0.0%

0.0%

0.0%

0.0%

0.0%

0.0%

0.0%

0.0%

0.0%

0.0%

0.0%

0.0%

0.0%

0.0%

0.0%

0.0%

0.0%

0.0%

0.0%

0.0%

0.0%

0.0%

0.0%

0.0%

0.0%

0.0%

0.0%

0.0%

0.0%

0.0%

0.0%

0.0%

0.0%

0.0%

0.0%

0.0%

0.0%

0.0%

0.0%

0.0%

0.0%

0.0%

0.0%

0.0%

0.0%

0.0%

0.0%

0.0%

0.0%

0.0%

0.0%

0.0%

0.0%

0.0%

0.0%

0.0%

0.0%

0.0%

0.0%

0.0%

0.0%

0.0%

0.0%

0.0%

0.0%

0.0%

0.0%

0.0%

0.0%

0.0%

0.0%

0.0%

0.0%

0.0%

0.0%

0.0%

0.0%

0.0%

0.0%

0.0%

0.0%

0.0%

0.0%

0.0%

0.0%

0.0%

0.0%

0.0%

0.0%

0.0%

0.0%

0.0%

0.0%

0.0%

0.0%

0.0%

0.0%

0.0%

0.0%

0.0%

0.0%

0.0%

0.0%

0.0%

0.0%

0.0%

0.0%

0.0%

0.0%

0.0%

0.0%

0.0%

0.0%

0.0%

0.0%

0.0%

0.0%

0.0%

0.0%

0.0%

0.0%

0.0%

0.0%

0.0%

0.0%

0.0%

0.0%

0.0%

0.0%

0.0%

0.0%

0.0%

0.0%

0.0%

0.0%

0.0%

0.0%

0.0%

0.0%

0.0%

0.0%

0.0%

0.0%

0.0%

0.0%

0.0%

0.0%

0.0%

0.0%

0.0%

0.0%

0.0%

0.0%

0.0%

0.0%

0.0%

0.0%

0.0%

0.0%

0.0%

0.0%

0.0%

0.0%

0.0%

0.0%

0.0%

0.0%

0.0%

0.0%

0.0%

0.0%

0.0%

0.0%

0.0%

0.0%

0.0%

0.0%

0.0%

0.0%

0.0%

0.0%

0.0%

0.0%

0.0%

0.0%

0.0%

0.0%

0.0%

0.0%

0.0%

0.0%

0.0%

0.0%

0.0%

0.0%

0.0%

0.0%

0.0%

0.0%

0.0%

0.0%

0.0%

0.0%

0.0%

0.0%

0.0%

0.0%

0.0%

0.0%

0.0%

0.0%

0.0%

0.0%

0.0%

0.0%

0.0%

0.0%

0.0%

0.0%

0.0%

0.0%

0.0%

0.0%

0.0%

0.0%

0.0%

0.0%

0.0%

0.0%

0.0%

0.0%

0.0%

0.0%

0.0%

0.0%

0.0%

0.0%

0.0%

0.0%

0.0%

0.0%

0.0%

0.0%

0.0%

0.0%

0.0%

0.0%

0.0%

Figure 5.2: Population Age Profile, 2019

The analysis below summarises the above information by assigning population to three broad age groups (which can generally be described as a) children, b) working-age and c) pensionable age). This analysis shows that, compared with the regional and national position, Leicester has a low proportion of people aged 65 and over (12%) and a higher proportion of children; people aged 16-64 also makes up a higher proportion of the population than seen in other locations. For Leicestershire, the proportion of people aged 65 and over is slightly higher than seen regionally and nationally, with the proportion of children being slightly lower. Overall, however, the data does point to the County having a broadly similar age profile to the region and country.

Table 5.2 Population Profile (2019) – Summary Age Bands

| | Leicester | | Leicest | Leicestershire | | England |
|----------|------------|------------|------------|----------------|------------|------------|
| | | | | | Midlands | |
| | Population | % of | Population | % of | % of | % of |
| | | population | | population | population | population |
| Under 16 | 76,053 | 21.5% | 126,750 | 17.9% | 18.6% | 19.2% |
| 16-64 | 235,050 | 66.4% | 434,513 | 61.5% | 61.9% | 62.4% |
| 65+ | 43,121 | 12.2% | 144,892 | 20.5% | 19.5% | 18.4% |
| All Ages | 354,224 | 100.0% | 706,155 | 100.0% | 100.0% | 100.0% |

Source: ONS Mid-Year Population Estimates

5.5 The figure below takes this data forward to look at differences by local authority. The analysis shows slightly different age profiles in local authorities in the County, with Melton having the highest proportion of people aged 65 and over and Charnwood seeing the highest proportion aged 16-64 (outside of the City). This latter finding is likely to be linked to the student population of Loughborough. An older age profile is generally seen in those authorities which have seen less population and housing growth (as the report comes onto).

Leicester Blaby Charnwood Harborough H & B Melton NWL 0 & W 21.79 L&L 10% 20% 0% 30% 40% 50% 60% 70% 80% 90% 100% ■ Under 16 ■ 16-64 ■ 65+

Figure 5.3: Age Profile by Local Authority, 2019

Past Population Change

- The figure below considers population growth in the period from 2001 to 2019 (indexed to 2011). The analysis shows over this period that the population of both Leicester and Leicestershire has increased, and at a rate above that seen regionally or nationally. Leicester's strong growth over this period could be influenced, in part, by an undercount of the City's population in 2001. In 2019, it is estimated that the population of Leicester had risen by 25% from 2001 levels, with a 16% increase seen in Leicestershire. These figures are in contrast with a 15% rise across the region and 14% nationally.
- 5.7 When looking at more recent data (from 2011), the analysis shows very slightly stronger growth in Leicestershire than Leicester and focussing on the past three years or so there is a clear move for stronger growth in the County and evidence of a falling population in Leicester.

1.1 1.05 Indexed population growth (2011=1) 0.95 0.9 0.85 2019 2008 2009 2010 2012 2007 2011 -East Midlands Leicester Leicestershire England

Figure 5.4: Indexed Population Growth, 2011-19

The table below considers population change over the 8-year period to 2019 (an 8-year period being chosen as the start point of 2011 has data at a smaller area level and is likely to be fairly accurate as it draws on information in the Census). The analysis shows over the period that the population of Leicester increased by 7.5% with an 8.4% increase for Leicestershire. This is a relatively high level of population change and compares with increases of 6.6% in the East Midlands and 6% in England.

Table 5.3 Population Change, 2011-19

| | Population (2011) | Population (2019) | Change | % change |
|----------------|----------------------|----------------------|-----------|----------|
| Leicester | 329,627 | 354,224 | 24,597 | 7.5% |
| Leicestershire | 651,179 | 706,155 | 54,976 | 8.4% |
| East Midlands | 4,537,448 | 4,835,928 | 298,480 | 6.6% |
| England | 53,107,169 | 56,286,961 | 3,179,792 | 6.0% |

Source: ONS Mid-Year Population Estimates

5.9 The figures and tables below show population change by age (again for the 2011-19 period) for each of Leicester and Leicestershire. In Leicester, the analysis suggests there has not been any notable change to the age structure although differences can be observed for many individual age groups. The analysis shows that all of the three broad age bands have seen an increase in population – the 65 and over band has seen the highest proportionate increase in population, but this band actually sees the lowest growth in population terms.

Figure 5.5: Population Age Structure in 2011 and 2019 – Leicester

Table 5.4 Change in Population by Broad Age Group 2011-19 – Leicester

| | 2011 | 2019 | Change | % change |
|----------|---------|---------|--------|----------|
| Under 16 | 69,411 | 76,053 | 6,642 | 9.6% |
| 16-64 | 222,820 | 235,050 | 12,230 | 5.5% |
| 65+ | 37,396 | 43,121 | 5,725 | 15.3% |
| TOTAL | 329,627 | 354,224 | 24,597 | 7.5% |

Source: ONS Mid-Year Population Estimates

In Leicestershire, there are arguably greater differences between 2011 and 2019 although when looking at the single year of age data it is clear that some of this will be due to cohort effects (such as the high population aged 64 in 2011 developing into a high population aged 72 eight years later). When looking at broad age bands, it can again be observed that all age groups have seen an increase in population. However, in the case of the county the ageing of the population is more notable; the population aged 65 and over increased by 24% over the 8-year period and accounted for over half of all population growth.

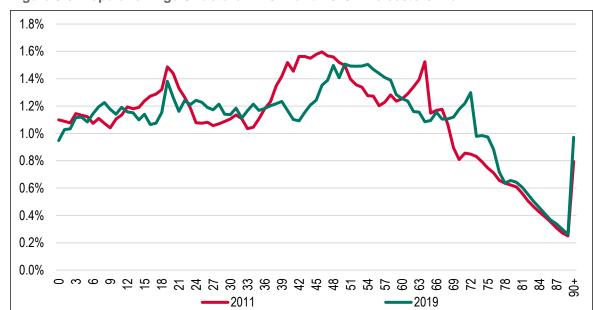


Figure 5.6: Population Age Structure in 2011 and 2019 - Leicestershire

Table 5.5 Change in Population by Broad Age Group 2011-19 – Leicester

| | 2011 | 2019 | Change | % change |
|----------|---------|---------|--------|----------|
| Under 16 | 117,232 | 126,750 | 9,518 | 8.1% |
| 16-64 | 417,422 | 434,513 | 17,091 | 4.1% |
| 65+ | 116,525 | 144,892 | 28,367 | 24.3% |
| TOTAL | 651,179 | 706,155 | 54,976 | 8.4% |

Source: ONS Mid-Year Population Estimates

5.11 Considering individual local authorities, data shows for the 2011-19 period the highest increase in population was in Charnwood (12%) followed by NW Leicestershire (11%). At the other end of the scale, both Melton (1%) and Oadby & Wigston (2%) have seen fairly modest changes to population. These differences in growth relate in part to differences in the rate of household growth alongside wider demographic characteristics including the population age structure.

Table 5.6 Change in Population 2011-19 by Local Authority

| | 2011 | 2019 | Change | % change |
|----------------------------|---------|-----------|--------|----------|
| Leicester | 329,627 | 354,224 | 24,597 | 7.5% |
| Blaby | 94,132 | 101,526 | 7,394 | 7.9% |
| Charnwood | 165,876 | 185,851 | 19,975 | 12.0% |
| Harborough | 85,699 | 93,807 | 8,108 | 9.5% |
| Hinckley & Bosworth | 105,328 | 113,136 | 7,808 | 7.4% |
| Melton | 50,495 | 51,209 | 714 | 1.4% |
| North West Leicestershire | 93,670 | 103,611 | 9,941 | 10.6% |
| Oadby & Wigston | 55,979 | 57,015 | 1,036 | 1.9% |
| Leicester & Leicestershire | 980,806 | 1,060,379 | 79,573 | 8.1% |

Source: ONS Mid-Year Population Estimates

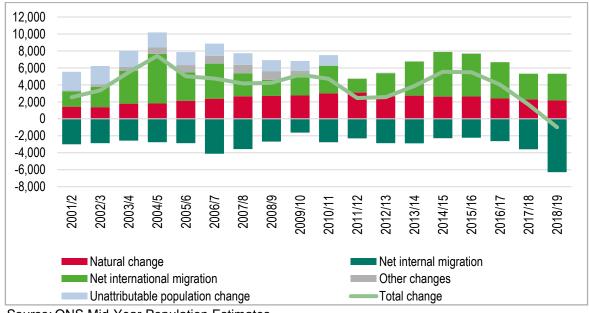
Components of Population Change

- 5.12 The main components of change are natural change (births minus deaths), net migration (internal/domestic and international) and other changes. There is also an Unattributable Population Change (UPC) which is a correction made by ONS upon publication of Census data if population has been under- or over-estimated.
- 5.13 For Leicester, the data shows a high positive level of natural change throughout the period (i.e. more births than deaths). Internal migration has been quite variable negative in all years with the data for 2018/19 showing a particularly high number of people (net) moving from the City to other locations; the last five years for which data is available shows an average of about 3,400 people (net) moving from the area to other parts of the United Kingdom. International migration is also variable, although the data does suggest a positive net level for each year back to 2001/2. Over the past five years international migration has averaged about 4,100 people per annum (net).
- 5.14 For Leicestershire, the data also shows a positive level of natural change throughout the period, but at a lower level than seen in the City. Internal migration has been positive in all years and generally has been on an upward trend over the past decade or so. The last five years for which data is available shows an average of about 5,800 people (net) moving to the area from other parts of the United Kingdom. International migration has also been positive throughout the period studied (all years apart from 2001/2). Over the past five years international migration has averaged about 1,400 people per annum (net).
- 5.15 The data also shows a positive level of UPC in Leicester, suggesting that between 2001 and 2011, ONS may have initially underestimated population growth within population estimates (and this was corrected once Census data had been published) and/or the 2001 Census undercounted the population. For Leicestershire, there is a negative UPC, suggesting a potential over-estimate of population growth in the 2001-11 period. The UPC is particularly high in Leicester, where in total over the 10-years to 2011, it appears as if ONS mid-year estimates were a total of 16,100 people different from the actual count in the 2011 Census. For Leicestershire, the discrepancy is a not insignificant 8,600 people in total (in the opposite direction).

Table 5.7 Components of Population Change, mid 2001-2019 – Leicester

| | Natural | Net internal | Net intern- | Other | Other | Total |
|---------|---------|--------------|-------------|---------|-----------|--------|
| | change | migration | ational | changes | (unattri- | change |
| | | | migration | | butable) | |
| 2001/2 | 1,424 | -2,996 | 1,819 | 84 | 2,207 | 2,538 |
| 2002/3 | 1,368 | -2,876 | 2,399 | 322 | 2,140 | 3,353 |
| 2003/4 | 1,791 | -2,579 | 3,888 | 471 | 1,908 | 5,479 |
| 2004/5 | 1,808 | -2,768 | 5,848 | 752 | 1,776 | 7,416 |
| 2005/6 | 2,122 | -2,863 | 3,353 | 864 | 1,529 | 5,005 |
| 2006/7 | 2,370 | -4,112 | 4,133 | 918 | 1,446 | 4,755 |
| 2007/8 | 2,662 | -3,565 | 2,712 | 997 | 1,364 | 4,170 |
| 2008/9 | 2,699 | -2,691 | 1,891 | 1,034 | 1,302 | 4,235 |
| 2009/10 | 2,750 | -1,623 | 2,123 | 805 | 1,149 | 5,204 |
| 2010/11 | 2,991 | -2,758 | 3,275 | -29 | 1,236 | 4,715 |
| 2011/12 | 3,089 | -2,311 | 1,650 | 12 | 0 | 2,440 |
| 2012/13 | 2,644 | -2,872 | 2,717 | 75 | 0 | 2,564 |
| 2013/14 | 2,731 | -2,900 | 4,020 | 9 | 0 | 3,860 |
| 2014/15 | 2,626 | -2,266 | 5,247 | -62 | 0 | 5,545 |
| 2015/16 | 2,627 | -2,235 | 5,051 | 34 | 0 | 5,477 |
| 2016/17 | 2,396 | -2,625 | 4,273 | -17 | 0 | 4,027 |
| 2017/18 | 2,291 | -3,585 | 3,022 | -50 | 0 | 1,678 |
| 2018/19 | 2,165 | -6,287 | 3,145 | -17 | 0 | -994 |

Figure 5.7: Components of Population Change, mid 2001-2019 - Leicester

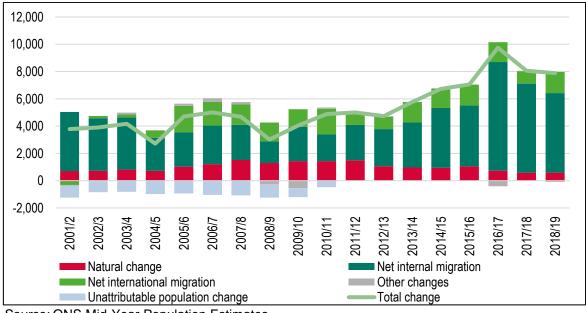


Source: ONS Mid-Year Population Estimates

Table 5.8 Components of Population Change, mid 2001-2019 – Leicestershire

| | Natural | Net internal | Net intern- | Other | Other | Total |
|---------|---------|--------------|-------------|---------|-----------|--------|
| | change | migration | ational | changes | (unattri- | change |
| | | | migration | | butable) | |
| 2001/2 | 704 | 4,328 | -319 | -59 | -868 | 3,786 |
| 2002/3 | 723 | 3,860 | 159 | -47 | -792 | 3,903 |
| 2003/4 | 815 | 3,825 | 209 | 137 | -820 | 4,166 |
| 2004/5 | 724 | 2,412 | 541 | 27 | -986 | 2,718 |
| 2005/6 | 1,026 | 2,514 | 1,940 | 163 | -939 | 4,704 |
| 2006/7 | 1,206 | 2,835 | 1,732 | 268 | -1,042 | 4,999 |
| 2007/8 | 1,516 | 2,579 | 1,497 | 171 | -1,082 | 4,681 |
| 2008/9 | 1,294 | 1,582 | 1,385 | -263 | -979 | 3,019 |
| 2009/10 | 1,438 | 2,507 | 1,292 | -547 | -653 | 4,037 |
| 2010/11 | 1,439 | 1,943 | 1,882 | 99 | -476 | 4,887 |
| 2011/12 | 1,496 | 2,591 | 871 | 45 | 0 | 5,003 |
| 2012/13 | 1,063 | 2,717 | 900 | 55 | 0 | 4,735 |
| 2013/14 | 961 | 3,296 | 1,511 | -3 | 0 | 5,765 |
| 2014/15 | 947 | 4,378 | 1,438 | -35 | 0 | 6,728 |
| 2015/16 | 1,051 | 4,455 | 1,536 | 14 | 0 | 7,056 |
| 2016/17 | 735 | 7,960 | 1,453 | -402 | 0 | 9,746 |
| 2017/18 | 594 | 6,518 | 920 | 24 | 0 | 8,056 |
| 2018/19 | 595 | 5,827 | 1,551 | -86 | 0 | 7,887 |

Figure 5.8: Components of Population Change, mid 2001-2019 – Leicestershire



Source: ONS Mid-Year Population Estimates

Other Measures of Past Population Growth

- 5.16 The analysis above has focussed on data from the ONS mid-year population estimates (MYE). It is possible to contrast estimates of population growth in this source with other measures the main one being the NHS Patient Register (PR)⁹. The table below shows estimated population growth in both the MYE and the PR data is shown for Leicester, Leicestershire, the East Midlands region and England.
- 5.17 In Leicester, the analysis suggests a much higher population growth in the Patient Register than the MYE since 2011 (15.4% population increase compared with 7.5%) whereas the MYE shows a slightly higher population increase in Leicestershire. Across the East Midlands and nationally, the Patient Register shows higher estimates of population growth, the PR growth being some 29% higher regionally and 50% higher nationally (as not all people reregister with doctors when they move).
- 5.18 It is difficult to draw many conclusions from this data, although if the general trends of the PR showing higher growth were to apply more generally to smaller areas then it is arguable that the MYE is showing population growth in Leicester that is too low, with the opposite being the case in Leicestershire. It is however difficult to be certain; and not all people who move away from an area will reregister doctors, particularly when emigrating.
- 5.19 On balance, it is not considered that the analysis of PR data shows anything sufficiently compelling to suggest setting aside the MYE, either in terms of current population estimates, or trend levels of growth. This analysis can therefore be seen as mainly included for reference purposes although it will be interesting for this data to be checked when new information starts to filter through from the 2021 Census.

Page 193 of 1014

⁹ NHS Patient Register is a record of all persons registered with a General Practitioner (GP) in England and Wales

Table 5.9 Comparing ONS mid-year population estimates with estimates of population from the Patient Register

| | | 2011 | 2019 | Change | % change |
|------------|------------------|------------|------------|-----------|----------|
| Leicester | MYE | 329,660 | 354,220 | 24,560 | 7.5% |
| | Patient Register | 352,620 | 406,770 | 54,150 | 15.4% |
| Leicester- | MYE | 651,200 | 706,160 | 54,960 | 8.4% |
| shire | Patient Register | 671,540 | 723,560 | 52,020 | 7.7% |
| East | MYE | 4,537,450 | 4,835,920 | 298,470 | 6.6% |
| Midlands | Patient Register | 4,690,790 | 5,091,710 | 400,920 | 8.5% |
| England | MYE | 53,107,200 | 56,286,990 | 3,179,790 | 6.0% |
| | Patient Register | 55,312,750 | 60,288,290 | 4,975,540 | 9.0% |

Source: ONS/JGC

5.20 The table below shows the same data for individual authorities (excluding Leicester). This shows most areas having higher growth in the MYE, the exceptions are Melton and Oadby & Wigston, which is interesting as these are the two areas with the lowest level of population growth (under any measure). There is greater potential that the MYEs for these areas have under-estimated population, but it is difficult to be certain. Again the 2021 Census data should in due course provide better data. There is however a correlation between weaker population growth in these areas and weaker housing delivery (as the later analysis in this section explores).

Table 5.10 Comparing ONS mid-year population estimates with estimates of population from the Patient Register – Other Local Authorities

| | | 2011 | 2019 | Change | % change |
|---------|------------------|---------|---------|--------|----------|
| Blaby | MYE | 94,120 | 101,570 | 7,450 | 7.9% |
| | Patient Register | 96,550 | 104,200 | 7,650 | 7.9% |
| Charn- | MYE | 165,900 | 185,870 | 19,970 | 12.0% |
| wood | Patient Register | 173,980 | 190,580 | 16,600 | 9.5% |
| Har- | MYE | 85,710 | 93,830 | 8,120 | 9.5% |
| borough | Patient Register | 86,950 | 94,630 | 7,680 | 8.8% |
| H&B | MYE | 105,350 | 113,130 | 7,780 | 7.4% |
| | Patient Register | 108,480 | 115,960 | 7,480 | 6.9% |
| Melton | MYE | 50,520 | 51,250 | 730 | 1.4% |
| | Patient Register | 51,420 | 52,800 | 1,380 | 2.7% |
| NWL | MYE | 93,680 | 103,630 | 9,950 | 10.6% |
| | Patient Register | 94,740 | 104,360 | 9,620 | 10.2% |
| O & W | MYE | 56,000 | 57,040 | 1,040 | 1.9% |
| | Patient Register | 59,570 | 61,120 | 1,550 | 2.6% |

Source: ONS/JGC

2018-based Sub-National Population Projections

5.21 The latest (2018-based) set of subnational population projections (SNPP) were published by ONS in March 2020 (replacing a 2016-based release). The projections provide estimates of the future

population of local authorities, assuming a continuation of recent local trends in fertility, mortality and migration which are constrained to the assumptions made for the 2018-based national population projections.

- 5.22 The 2018-based SNPP contain a number of assumptions that have been changed from the 2016-based version, these assumptions essentially filtering down from changes made at a national level. The key differences are:
 - ONS' long-term international migration assumptions have been revised upwards to 190,000 per annum compared to 165,000 in the 2016-based projections. This is based on a 25-year average;
 - The latest projections assume that women will have fewer children, with the average number of children per woman expected to be 1.78 compared to 1.84 in the 2016-based projections; and
 - Life expectancy increases are less than in the 2016-based projections as a consequence of the continued limited growth in life expectancy over the last two years.
- 5.23 As well as providing a principal projection, ONS has developed a number of variants. In all cases the projections use the same fertility and mortality rates with differences being applied in relation to migration.
- 5.24 In the **principal projection**, data about internal (domestic) migration uses data for the past 2-years and data about international migration from the past 5-years. The use of 2-years data for internal migration has been driven by ONS changing their methodology for recording internal moves, with this data being available from 2016 only.
- 5.25 The alternative internal migration variant uses data about migration from the last 5-years (2013-18), as well as also using 5-years of data for international migration. This variant is closest to replicating the methodology used in the 2016-based SNPP although it does mean for internal migration that data used is collected on a slightly different basis.
- 5.26 The **10-year migration variant** (as the name implies) uses data about trends in migration over the past decade (2008-18). This time period is used for both internal and international migration.
- 5.27 The tables below show the outputs from each of these three variant scenarios along with comparisons from the 2016- and 2014-based SNPP. The comparison with the 2014-based SNPP is particularly important as it underpins the 2014-based SNHP which is used in the Standard Method. Due to the tables looking to 2041 (and the 2014-based SNPP only being published to 2039) an estimate has been made for the last two years by simply adding on two further years of the incremental change from 2038 to 2039.

5.28 In Leicester the principal projection shows a population increase of 8%, with the alternative internal migration scenario being higher than this (11%). The 10-year trend variant sits somewhere in the middle of this range. Population growth in the 2016-based projections is similar to the 2018-based alternative internal migration variant whilst the 2014-based projection shows the highest population increase of any of the scenarios studied.

Table 5.11 Projected Population Growth (2020-2041) - Leicester

| | 2020 | 2041 | Change in | % change |
|-----------------------------|---------|---------|------------|----------|
| | | | population | |
| 2018 (principal) | 360,557 | 389,622 | 29,065 | 8.1% |
| 2018 (alternative internal) | 361,500 | 401,536 | 40,036 | 11.1% |
| 2018 (10-year trend) | 359,865 | 394,528 | 34,663 | 9.6% |
| 2016-based | 362,162 | 404,523 | 42,361 | 11.7% |
| 2014-based | 358,218 | 410,695 | 52,477 | 14.6% |

Source: ONS

- 5.29 In Leicestershire almost the opposite pattern emerges, with the principal projection showing the highest level of population growth in this case the alternative internal migration variant sits in the middle of the range from the 2018-SNPP. Both the 2016- and 2014-based SNPP show projected increases below the principal and alternative internal variants.
- 5.30 The more recent trends are thus of stronger growth in the County, and less growth in the City. This is characteristic of a number of other areas in which we have worked, and is likely in part to be reflected by weak housing market conditions between 2009-13 which resulted in less movement from urban areas to their associated hinterlands, but with greater out-migration from 2013 onwards as wider housing market conditions have improved. The evidence points to some recessionary influence on the distribution of demographic growth informing the 2014-based Projections.

Table 5.12 Projected Population Growth (2019-2041) - Leicestershire

| | 2020 | 2041 | Change in population | % change |
|-----------------------------|---------|---------|----------------------|----------|
| 2018 (principal) | 715,117 | 850,255 | 135,138 | 18.9% |
| 2018 (alternative internal) | 711,526 | 820,237 | 108,711 | 15.3% |
| 2018 (10-year trend) | 708,254 | 784,515 | 76,261 | 10.8% |
| 2016-based | 700,527 | 787,455 | 86,928 | 12.4% |
| 2014-based | 697,889 | 791,808 | 93,919 | 13.5% |

Source: ONS

5.31 As noted, the 2018-based SNPP has three main scenarios and rather than provide data from all three, the analysis below looks at a preferred scenario. In this case it is considered that the alternative internal migration variant is likely to be the most robust of the three as a trend-based projection of growth in a local context based on recent trends. The principal SNPP has too short a data period

when looking at internal migration whilst the 10-year alternative is not thought likely to reflect recent changes and may include some influence from the economic downturn/credit crunch of 2008 (given that the 10-year period will be 2008-18). The alternative internal migration variant is also based on a broadly similar methodology to previous SNPP releases.

5.32 The table below shows projected population growth from 2020-41 (using alternative internal migration assumptions) in Leicester & Leicestershire and a range of comparator areas. The data shows that the population increase in both areas is above the regional and national average, in particular for Leicestershire the projected population increase is approaching double that projected for England. The difference between areas will largely reflect the different levels of population growth seen in the five-year period to 2018.

Table 5.13 Projected population growth (2020-2041) – 2018-based SNPP (alternative internal migration assumptions)

| | 2020 | 2041 | Change in | % change |
|----------------|------------|------------|------------|----------|
| | | | population | |
| Leicester | 361,500 | 401,536 | 40,036 | 11.1% |
| Leicestershire | 711,526 | 820,237 | 108,711 | 15.3% |
| East Midlands | 4,871,321 | 5,350,390 | 479,069 | 9.8% |
| England | 56,678,470 | 61,353,965 | 4,675,495 | 8.2% |

Source: ONS 2018-based SNPP

5.33 With the overall change in the population will also come changes to the age profile. The tables below summarise findings for key age groups. In Leicester it can be seen that the main increase in number terms is projected to be in the 16-64 age group – increasing by 8.6% and making up over half of all the projected increase. However, the population aged 65 and over is projected to see the proportional highest increase, growing in size by 40% in the 22-year period. For Leicestershire, the increase in the 65+ population is more notable, with a 42% increase accounting for more than half of all population change. In the County there are still projected to be increases in the other two age groups studied.

Table 5.14 Population change 2020 to 2041 by broad age bands – Leicester (2018-based SNPP – alternative internal migration assumptions)

| | 2020 | 2041 | Change in population | % change |
|-------------|---------|---------|----------------------|----------|
| | | | | |
| Under 16 | 77,215 | 78,782 | 1,567 | 2.0% |
| 16-64 | 240,247 | 261,005 | 20,758 | 8.6% |
| 65 and over | 44,038 | 61,749 | 17,711 | 40.2% |
| Total | 361,500 | 401,536 | 40,036 | 11.1% |

Source: ONS 2018-based SNPP

Table 5.15 Population change 2020 to 2041 by broad age bands – Leicestershire (2018-based SNPP – alternative internal migration assumptions)

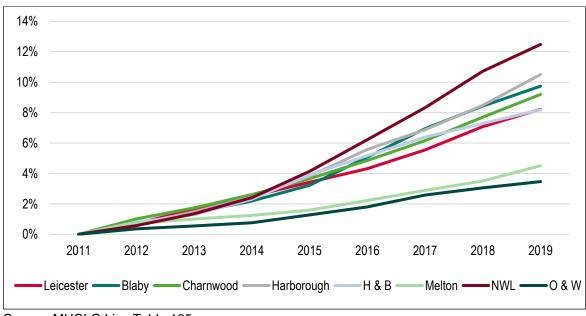
| | 2020 | 2041 | Change in population | % change |
|-------------|---------|---------|----------------------|----------|
| Under 16 | 127,412 | 136,526 | 9,114 | 7.2% |
| 16-64 | 436,625 | 473,695 | 37,070 | 8.5% |
| 65 and over | 147,489 | 210,016 | 62,526 | 42.4% |
| Total | 711,526 | 820,237 | 108,711 | 15.3% |

Source: ONS 2018-based SNPP

Inter-relationship between Population Growth and Housing Delivery

- 5.34 The ONS projections are trend based and will therefore to a considerable extent link to past levels of population growth. It is possible that higher population growth is to some extent linked to past housing delivery (as providing homes would provide opportunities for households to move to the area and influence net migration).
- 5.35 The analysis in the figure below therefore looks at changes to the housing stock since 2011. This shows that areas with more modest population growth (Melton and Oadby & Wigston) are also the locations to have seen the lowest net change to the housing stock. At the other end of the scale, NW Leicestershire has seen one of the highest levels of population growth, and also the highest increase in the number of dwellings. This analysis does point to the likelihood that housing delivery has had an impact on past population growth and hence future (trend-based) projections, although household size and structure will also play a part in respective changes.

Figure 5.9: Indexed Change to Housing Stock since 2011



Source: MHCLG Live Table 125

5.36 The table below provides future evidence of the link between dwelling changes and population growth. Generally, proportionate increases in population are slightly lower than changes to stock, the only exception to this is in Charnwood where there has been a 12% increase in the population but a lower (9%) increase in the number of dwellings. Overall, however, the relationship across the whole study area is pretty clear. This is a potential influence on considering the future distribution of development.

Table 5.16 Comparison of Growth in Dwelling Stock and Population, 2011-19

| | % increase in stock | % increase in population |
|----------------------------|---------------------|--------------------------|
| Leicester | 8.2% | 7.5% |
| Blaby | 9.7% | 7.9% |
| Charnwood | 9.2% | 12.0% |
| Harborough | 10.5% | 9.5% |
| Hinckley & Bosworth | 8.2% | 7.4% |
| Melton | 4.5% | 1.4% |
| North West Leicestershire | 12.5% | 10.6% |
| Oadby & Wigston | 3.5% | 1.9% |
| Leicestershire | 8.9% | 8.4% |
| Leicester & Leicestershire | 8.7% | 8.1% |

Source: MHCLG Live Table 125 and ONS

Comparing 2014- and 2018-based SNPP

- 5.37 The analysis above shows that projected population growth in the 2014-based SNPP is somewhat higher than in the 2018-based version in Leicestershire, with the opposite being the case for Leicester. It is of interest to see what reasons there are for the differences. Essentially this means looking at the components of population change natural change (births minus deaths) and migration.
- 5.38 The figures below show past trends in natural change and also projected figures from both the 2014-and 2018-based projections. From this it is clear that natural change has been declining and the 2018-based SNPP project for natural change to continue at a lower level in the future (continuing to decline in Leicestershire). In both areas, natural change in the 2014-based SNPP is projected to be somewhat higher and can already be seen to be too high in comparison to estimates made by ONS since 2014.
- 5.39 Given that the latest projections build in trends towards lower fertility rates and lower improvements to life expectancy, the difference between the two projections is to be expected and does point to the 2018-based sub-national population projections being more realistic. It should however be noted that the trends observed for Leicester & Leicestershire are not unique to the area and are replicated for most local authorities across the country. They do not therefore constitute an exceptional circumstance for deviation from the standard methodology for assessing housing need.

Figure 5.10: Past Trends and Projected Natural Change - Leicester

Source: ONS

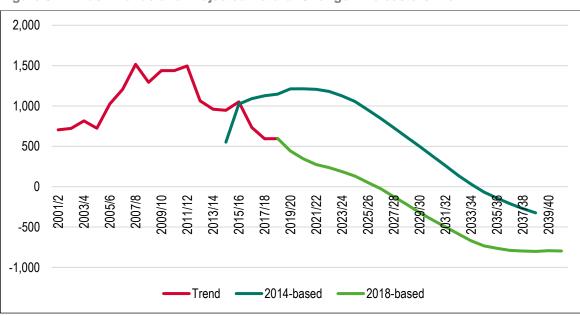


Figure 5.11: Past Trends and Projected Natural Change – Leicestershire

Source: ONS

5.40 For migration, the analysis below looks at trends in net migration, this combines figures for internal, cross-border and international migration. In Leicester the data shows broadly similar net migration estimates for both projections (slightly higher in the 2018-based SNPP, and particularly in the early years of the projection). For Leicestershire, the migration in the 2018-based SNPP is notably higher than the 2014-based version.

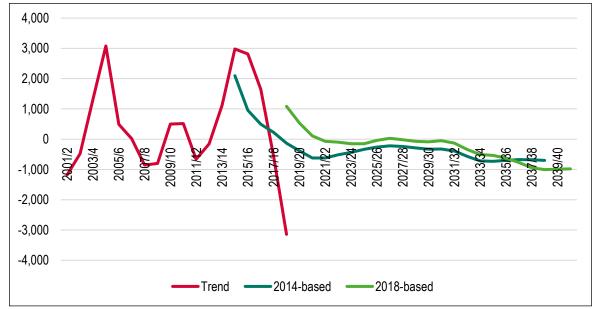


Figure 5.12: Past Trends and Projected Net Migration in Leicester

Source: ONS

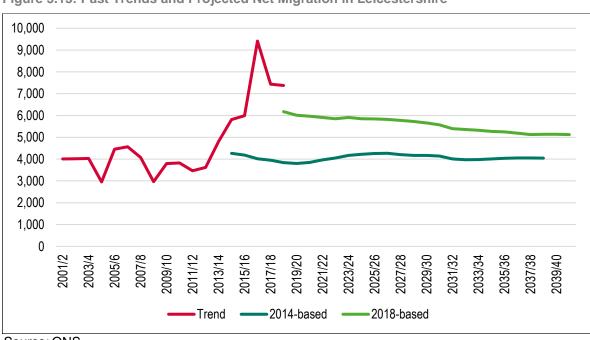


Figure 5.13: Past Trends and Projected Net Migration in Leicestershire

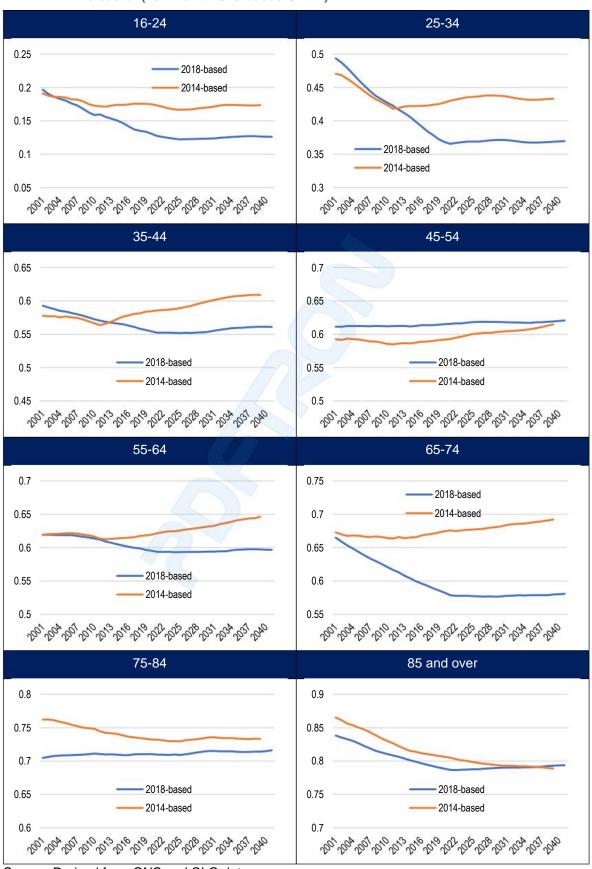
Source: ONS

5.41 Overall, the analysis shows higher migration in the 2018-based SNPP but there is unlikely to be a case to suggest therefore that the 2014-based figures (which drive the Standard Method) are too high. The higher levels of migration are however in part offset by lower levels of natural change so that population growth across the whole study area is broadly similar regardless of the projection chosen. That said there is a clear difference between Leicester and Leicestershire, with the 2018-based figures being lower for the City, and the opposite being the case for the County.

Household Formation

- 5.42 Projections for household formation are required to relate growth in population to households. To do this the concept of household representative rates (HRR) is used. HRRs can be described in their most simple terms as the number of people who are counted as heads of households (or in this case the more widely used Household Reference Person (HRP)).
- 5.43 The latest HRRs are as contained in the ONS 2018-based subnational household projections (SNHP). It would be fair to say that recent SNHP (since the 2016-based release) have come under some criticism, this is largely because they are based only on data in the 2001-11 Census period. The issue is that the projections are based on just two data points (2001 and 2011 Census data) due to definitional changes; and do so over a period in which affordability deteriorated substantially in many areas and therefore potentially build in and project forward the suppression of household formation experienced in that period.
- 5.44 In Leicester, this suppression can be seen in the figure below, and particularly for the 25-34 age group where there was a notable drop in formation rates from 2001 to 2011, and ONS are projecting this forward as far as 2021 (following which the rate is held broadly stable). In Leicestershire, the evidence of suppression in the 2018-SNHP is less clear-cut. Nonetheless, household formation amongst younger households falls.
- 5.45 Given the criticisms of the 2018-SNHP a sensitivity analysis has been developed that applies the HRRs from an earlier 2014-based household projections. The rates from this projection are also shown on the figures below and clearly identify less suppression being built into future projections in Leicester (although they do still recognise the apparent change from 2001 to 2011). In Leicestershire the general trends for younger age groups are similar in the two sets of data.
- 5.46 The 2014-based data has the advantage of using more data points for analysis. It looks at a time series back to 1971. It should also be noted that the 2014-based figures do take a slightly different approach to establishing the households reference person. In the 2014-SNHP a male is taken as a default HRP where there is a couple household (of different sexes) whereas the 2018-SNHP uses the Census definition of a HRP which takes account of the economic activity and age of people in a household.
- 5.47 Therefore, two scenarios have been developed, firstly using the HRRs in the 2018-based SNHP and secondly using the same data but from an earlier (2014-based) release. For clarity these two scenarios have been labelled as:
 - 2018-HRRs; and
 - 2014-HRRs.

Figure 5.14: Projected Household Representative Rates by age of head of household – Leicester (2014- and 2018-based SNHP)



Source: Derived from ONS and CLG data

Figure 5.15: Projected Household Representative Rates by age of head of household – Leicestershire (2014- and 2018-based SNHP)



Source: Derived from ONS and CLG data

5.48 It is evident that there is a substantial degree of suppression in the 2018-based Household Projections for Leicester in particular within younger age groups. It is also notable that the projections result in quite different results for older age groups. Iceni and JGC consider that the 2014-based HRR assumptions should be preferred for demographic modelling herein, not least as they are based on longer-term trend data and look more realistic.

| PART 2: FUTURE DEVELOPMENT NEEDS | |
|----------------------------------|--|
| | |
| | |
| | |
| | |
| | |
| | |
| | |
| | |

6. FUTURE ECONOMIC PERFORMANCE

- 6.1 This section considers potential future economic performance. The starting point has been a set of 'baseline' projections provided by Cambridge Econometrics (CE). Iceni has been through a process of:
 - Interrogating and testing the baseline projections, including comparing them to past economic performance (see Appendix A2);
 - Undertaking an economic strategy review which considers, reviews and collates information from local and sub-regional economic strategy documents (see Appendix A3);
 - Engagement with economic development officers from the each of the local authorities together
 with the County Council including its Research/Business Intelligence Function which is aligned
 to the Leicester and Leicestershire Enterprise Partnership (LLEP).
- 6.2 Alongside this, Cambridge Econometrics has been working with the LLEP on the development of its Economic Growth Strategy 2021-30¹⁰, which includes work to consider sector growth opportunities in the Study Area.
- Drawing together the stakeholder engagement, baseline analysis, policy review and Iceni's consideration of the baseline projections an alternative 'Growth Scenario' has been developed. The Growth Scenario results are summarised in this section. The detailed narrative associated with this scenario overall, and for specific sectors, is set out in **Appendix A4**.
- The baseline and growth scenarios together should be considered as a set of parameters for future economic performance, recognising that the baseline has had regard to past trends whilst the Growth Scenario considers economic initiatives and ambitions but is potentially somewhat aspirational in nature.

Baseline Growth Scenario

6.5 The local area baseline projections are developed based on CE's March 2021 UK and regional forecast. The projections include historical local area employment data to 2019, regional and national employment data to 2020, and GVA data to 2018.

¹⁰ https://llep.org.uk//app/uploads/2021/12/LLEP-Economic-Growth-Strategy.pdf

UK Forecast

6.6 CE's UK forecast is developed using CE's Multi-Sectoral Dynamic Model (MDM). The model determines final expenditure, output and employment by disaggregating sectors, commodities, and household and government expenditures, as well as foreign trade and investment, within an input-output framework to identify the inter-relationships between sectors. The forecasts are based on the latest available national and regional historical data and macroeconomic assumptions (e.g. components of output). The key COVID-19 and EU exit assumptions are summarised below.

Covid-19

- 6.7 The baseline projections assumed that lockdown and social distancing measures will follow the Government's envisaged 'road map', with lockdown formally ending in late-March, social distancing to progressively ease over spring and the domestic economy to open fully by mid/late summer (with all UK adults expected to be offered a dose of the COVID vaccine by this time). The assumed 'post-lockdown' pick-up in activity will mean that GDP is assumed to increase in 2021, though to a lesser extent than previously forecast due to the weak start to the year.
- 6.8 Despite the assumed opening of the UK economy in 2021 Q2, persistent economic scarring and a muted economic recovery in 2021/2022 is expected. This comes as a result of rising unemployment, business closures, weak capital accumulation and permanent productivity impacts of the pandemic.
- 6.9 Moreover, UK trade prospects remain very weak due to slow global economic growth (exacerbated/perpetuated by inequalities in the global allocation of the vaccine) and Brexit trade disruptions (see EU exit section below). Given this, the central assumption of the forecast is a 3.6% increase in GDP in 2021 and a 2.8% increase in GDP in 2022.

EU Exit

- 6.10 Based on the general terms included in the EU–UK Trade and Cooperation Agreement that was signed on 30th December 2020, the following political assumptions were adopted:
 - The agreed Free Trade Agreement with the EU avoids reversal to WTO terms, but results in some barriers to trade which will gradually phase in.
 - The points-based migration system introduces restrictions on inward migration from the EU.
 - The uncertainty about the possibility of no-deal Brexit is lifted. However, some uncertainty remains over the speed of regulatory divergence.
 - Some uncertainty remains over the possibility of changes to the agreement in the future that could affect the barriers to trade, such as the equivalence rules in the financial sector.

- The UK will continue to seek other trade agreements, which could reduce barriers to trade with non-EU countries in the future.
- 6.11 These feed into the assumptions which are made on the future growth outlook for different economic sectors.
- 6.12 The local area baseline projections are based on historical growth in the local area (i.e. the relevant local authority) relative to the region (East Midlands) or UK (depending on which area it has the strongest relationship with), on a sector-by-sector basis. They assume that those relationships continue into the future. Thus, if a sector in the local area outperformed the sector in the region (or UK) as a whole in the past, then it will be assumed to do so in the future. Similarly, if it underperformed the region (or UK) in the past then it will be assumed to underperform the region (or UK) in the future.
- 6.13 The projections further assume that economic growth in the local area is not constrained by supplyside factors, such as population and the supply of labour. They assume that there will be enough labour (either locally or through commuting) with the right skills to fill the jobs. If, for example, in reality, the labour supply is not there to meet projected growth in employment, growth could be slower.
- 6.14 The measure of employment is workplace-based jobs, which include full-time, part-time and self-employed.
- 6.15 The projections show employment growth of 34,100 jobs between 2020-41 which, as the chart below shows, represents a weaker rate of growth in employment relative to the long-term trend.

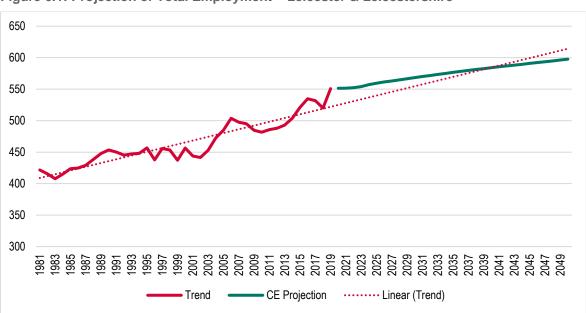


Figure 6.1: Projection of Total Employment - Leicester & Leicestershire

Source: Cambridge Econometrics/Iceni

6.16 Drilling into the performance of individual authorities, the strongest forecast growth in absolute terms is projected to be in Leicester and NW Leicestershire; but in relative terms the rate of growth in total employment in the baseline projections is strongest in Harborough and NW Leicestershire. Weaker growth is forecast in particular in Charnwood, and in Oadby and Wigston.

Table 6.1 Baseline Projections by District, 2020-41

| | Employment, 2020 | Employment | % Change |
|----------------------------|------------------|---------------------|----------|
| | ('000s) | Projection, 2020-41 | |
| Blaby | 69.9 | 6.5 | 9.3% |
| Charnwood | 77.7 | 3.2 | 4.2% |
| Harborough | 48.0 | 4.8 | 10.1% |
| Hinckley and Bosworth | 49.8 | 2.0 | 4.1% |
| Leicester | 190.7 | 8.5 | 4.5% |
| Melton | 22.3 | 1.8 | 7.9% |
| North West Leicestershire | 71.1 | 6.5 | 9.2% |
| Oadby and Wigston | 21.9 | 0.7 | 3.2% |
| Leicester & Leicestershire | 551.4 | 34.1 | 6.2% |
| East Midlands | 2415.2 | 158.7 | 6.6% |
| UK | 35517.0 | 3941.0 | 11.2% |

Source: Cambridge Econometrics

6.17 The scale of employment growth envisaged in the Baseline Projection over different timescales, including to 2036 and 2050 is shown in Table 6.2 below. Across the sub-region, employment is projected to grow by 0.3% pa.

Table 6.2 Baseline Projections by District to 2036, 2041 and 2050 – Employment Change ('000s)

| | 2020-36 | 2020-41 | 2020-50 |
|----------------------------|---------|---------|---------|
| Blaby | 5.1 | 6.5 | 8.8 |
| Charnwood | 2.4 | 3.2 | 4.7 |
| Harborough | 3.9 | 4.8 | 6.5 |
| Hinckley and Bosworth | 1.6 | 2.0 | 2.9 |
| Leicester | 6.8 | 8.5 | 11.3 |
| Melton | 1.4 | 1.8 | 2.3 |
| North West Leicestershire | 5.2 | 6.5 | 8.8 |
| Oadby and Wigston | 0.5 | 0.7 | 1.0 |
| Leicester & Leicestershire | 26.9 | 34.1 | 46.3 |

Source: Cambridge Econometrics

Growth Scenario

6.18 Iceni has reviewed the sectoral outlook and the projections for performance of individual districts, including how this compares to historical growth. This is set out in **Appendix A2.** Iceni have also

undertaken a review of relevant economic policy/strategy documents at a sub-regional and local level. This is set out in **Appendix A3**.

- 6.19 This analysis and evidence has been brought together with the strategy set out within the LLEP's Economic Growth Strategy to 2030. This is based on the four core pillars of productivity, innovation, inclusivity and sustainability to deliver an innovative, technology-led and knowledge economy. It addresses short-term measures to support recovery from the Covid-19 pandemic and transition to new trading arrangements after leaving the EU; as well as seeking to support longer-term competitiveness.
- 6.20 There are several sectors, where the Leicester and Leicestershire offer has significant potential where the R&D, firms, and sites give good prospects for growth:
 - Advanced manufacturing and engineering this is a real specialism, particularly in automotive, and already active in alternative fuels, electric and autonomous vehicles.
 - Life sciences and biotechnology there are significant university specialisms, a new regenerative medicine hospital for military injuries; and a reasonable amount of start-up / SME development.
 - Logistics and distribution there are several large sites (e.g. Magna Park, EM Gateway), plus
 development of rail freight and East Midlands Airport (principally freight) plus the new Freeport.
 The area falls within the Golden Triangle which is the core area nationally for National Distribution
 Centres (NDCs).
 - **Sports science** this is a world class specialism at Loughborough University and ripe for further commercialisation. It's a niche, but some good prospects that are probably much higher than the national trend rates of growth
 - Space / aerospace / earth observation this is a niche, but Leicester is well placed with SpacePark Leicester and surrounding sites, and government interest / investment in space sector
- In addition, there are some office-based sectors, where the locational factors are strong workforce availability, graduate skills (where relevant), location, infrastructure but the limiting factors are mostly about office accommodation in Leicester City Centre and other centres, and the commercial viability of bringing forward new development. The Growth Scenario recognises the potential in IT and Digital recognising the area has the graduate skills, university R&D and teaching specialisms; and that these also support the potential for Professional and Financial Services, with the potential to benefit from jobs growth outside London. However there is modest commercial interest in office development and much of the office space in the past 20 years has been from public sector investment and initiatives. So growth in these areas will depend on significant public intervention.

- 6.22 The Growth Scenario recognises the sub-region's universities are important innovation assets and support the growth potential in key sectors; with the potential that a scenario is aligned to driving forward both GVA and productivity; increasing innovation activities; and supporting sustainable growth including in low carbon sectors/ activities. It takes account of sustainability principles and the implications of a shift towards a green economy.
- 6.23 Taking account of the Economic Growth Strategy, Cambridge Econometrics and Iceni have therefore worked with stakeholders to define a Growth Scenario which takes account of enhanced performance across a number of sectors. The sector specific outlook is set out in **Appendix A4**. There is a strong alignment of the sectors/activities (identified through the work on the LLEP Strategy) with the HENA baseline analysis and stakeholder engagement.
- The results of the Aspirational Growth Scenario for growth in employment are shown below, with a comparison to the baseline growth shown. Total employment is expected to grow in this scenario by 0.7% pa compared to 0.3% pa in the Baseline Projection.

Table 6.3 Projections for Jobs Growth, 2020-36 ('000s)

| | Baseline | Growth |
|---------------------------|----------|--------|
| Blaby | 5.1 | 8.6 |
| Charnwood | 2.4 | 6.3 |
| Harborough | 3.9 | 7.1 |
| Hinckley and Bosworth | 1.6 | 4.6 |
| Leicester | 6.8 | 20.6 |
| Melton | 1.4 | 3.9 |
| North West Leicestershire | 5.2 | 10.0 |
| Oadby and Wigston | 0.5 | 2.1 |
| Leicestershire | 26.9 | 63.2 |
| CAGR | 0.3% | 0.7% |

6.25 As Figure 6.2 below shows, the strongest employment growth in absolute terms is expected in Leicester followed by NW Leicestershire and Blaby.

25.0 20.0 Employment ('000s) 15.0 10.0 5.0 0.0 Blaby Charnwood Harborough Hinckley and Leicester Melton North West Oadby and Bosworth Leicestershire Wigston ■ Baseline ■ Growth

Figure 6.2: Employment Growth by Authority, 2020-36

Source: Cambridge Econometrics

6.26 The scenarios for employment growth to 2041 are shown in Table 6.4 below, and to 2050 in Table 6.5. Table 6.5 then summarises and compares the growth in employment envisaged in the two scenarios between 2020-50. The Growth Scenario envisages notably stronger employment growth in all authorities. The strongest growth rate in this scenario is in Melton, but this is influenced by the relatively low base position. Absolute growth is strongest in Leicester and NW Leicestershire in the Growth Scenario.

Table 6.4 Projections for Jobs Growth, 2020-41 ('000s)

| | Baseline | Growth |
|----------------------------|----------|--------|
| Blaby | 6.5 | 11.1 |
| Charnwood | 3.2 | 8.2 |
| Harborough | 4.8 | 9.0 |
| Hinckley and Bosworth | 2.0 | 5.9 |
| Leicester | 8.5 | 26.3 |
| Melton | 1.8 | 5.0 |
| North West Leicestershire | 6.5 | 12.9 |
| Oadby and Wigston | 0.7 | 2.9 |
| Leicester & Leicestershire | 34.1 | 81.4 |
| CAGR | 0.3% | 0.7% |

Source: Cambridge Econometrics

Table 6.5 Projections for Jobs Growth, 2020-50 ('000s)

| | Baseline | Growth |
|----------------------------|----------|--------|
| Blaby | 8.8 | 15.4 |
| Charnwood | 4.7 | 11.8 |
| Harborough | 6.5 | 12.5 |
| Hinckley and Bosworth | 2.9 | 8.3 |
| Leicester | 11.3 | 36.1 |
| Melton | 2.3 | 7.2 |
| North West Leicestershire | 8.8 | 17.8 |
| Oadby and Wigston | 1.0 | 4.1 |
| Leicester & Leicestershire | 46.3 | 113.2 |
| CAGR | 0.3% | 0.6% |

Source: Cambridge Econometrics

Page 214 of 1014

7. EMPLOYMENT LAND NEEDS

- 7.1 This section provides commentary on the future employment land needs by type from 2021¹¹ to 2036, 2041 and 2050. It considers labour demand (baseline and growth) scenarios provided by Cambridge Econometrics, as well as completions trends using Local Planning Authority (LPA) monitoring data. Consideration is also given to margins for flexibility, vacancy and replacement demand.
- 7.2 Recommendations are made regarding future needs for office, industrial and local warehousing / distribution units under 9,000 sqm. Large scale warehousing/ distribution unit needs are reported in the Strategic Warehousing Study prepared by GL Hearn and finalised in April 2021.¹²
- 7.3 Different forecasting techniques have their advantages and disadvantages. Econometric forecasts take account of differences in expected economic performance moving forward relative to the past. However a detailed model is required to relate net forecasts to use classes and estimate gross floorspace and land requirements. For office based sectors consideration needs to be given to the impacts of trends in home working. For industrial sectors however the relationship between floorspace needs and employment trends may be weak influenced by productivity improvements. In contrast, past take-up is based on actual delivery of employment development; but does not take account of implications of growth in labour supply or housing growth nor any differences in economic performance relative to the past. It is also potentially influenced by past land supply and/or policies.
- 7.4 Ultimately therefore an appropriate approach is therefore to utilise different forecasting techniques and an understanding of the merits of different approaches in drawing conclusions. This approach of comparing different approaches and testing findings, which Iceni adopts, is consistent with the Planning Practice Guidance (PPG).

Labour Demand Model: Baseline and Growth

7.5 Using the baseline and growth employment forecasts from CE (see previous section), Iceni has developed a set of employment floorspace requirements. They relate to the floorspace and land required to accommodate net growth in jobs. Provision for flexibility of supply and replacement demand is then considered.

¹¹ Note: employment land forecasting base 2021, job projections chapter 6 start 2020

https://www.llstrategicgrowthplan.org.uk/wp-content/uploads/2021/09/Leicester-and-Leicestershire-Strategic-Distribution-Study-2021.pdf

- 7.6 CE provided a 45 sector breakdown which we have used to model floorspace needs. A Leicestershire wide ratio of jobs to FTEs has been used to convert jobs to FTEs.
- 7.7 Prior to converting FTEs to floorspace, an adjustment has been made for typical homeworking levels therefore those not requiring commercial floorspace using pre pandemic data for 2019. This has been developed from ONS data on homeworking by sector as set out below. This is up to 15% for office-based sectors and between 2-5% for industrial/ warehousing with sector-specific assumptions informed by the data in Figure 7.1 below. A further adjustment is considered later in terms of a post Covid scenario.

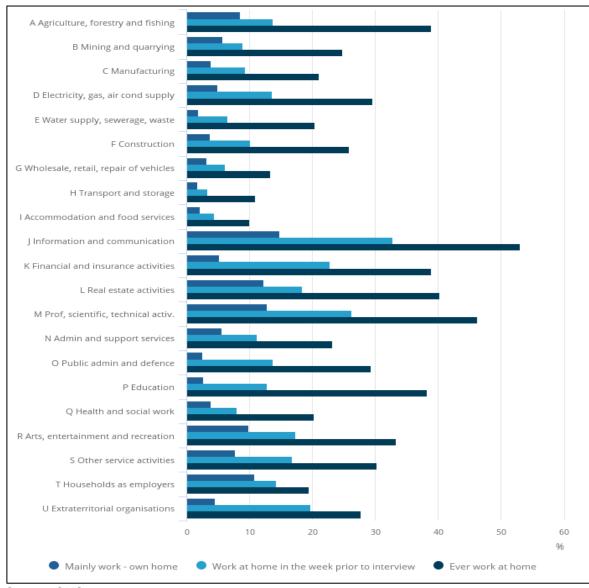


Figure 7.1: Homeworking by Sector, 2019

Source: ONS

7.8 Converting the residual FTEs to floorspace, employment density ratios are assumed as follows:

- 15 sqm offices¹³
- 30 sqm R&D
- 44 sqm industrial
- 80 sqm warehousing
- 7.9 These are derived having regard to the Homes and Communities Agency *Employment Densities Guide* (3rd Edition, 2015). They relate to the Gross External Area (GEA) floorspace. The industrial density figure relates to the midpoint of E(g)(iii) light industrial and B2 uses; whilst that for warehousing takes account of the demand focus on 'big box' larger units (but assumes a range of different sizes of units are delivered). Offices and R&D now relate to E(g)(i) and E(g)(ii) use classes.
- 7.10 It is of note that the warehousing needs reported in this paper are considered to be focused on non strategic warehousing, as the 2021 Strategic Warehousing Study reports on needs for units over 9,000 sqm / 100,000 sqft. However the labour demand models cannot separate local and strategic units, which is dealt with via completions trends.
- 7.11 The summary outputs for the authorities for 2021 to 2036,2041 and 2050 are as follows. Over the period to 2041, a net need for 132,600 213,500 sq.m of office space and 40,200 59,100 sq.m for R&D is shown. Figures for other timeframes are shown in the respective tables.
- 7.12 A negative need for industrial space is shown in the baseline projection to 2041 (-226,000 sq.m) with a modest positive need for almost 80,000 sq.m in the growth scenario. Productivity improvements in the manufacturing sector are modelled that still result in a decline in employment in the baseline scenario which drives these figures. In reality there is likely to be a weaker relationship between employment trends and floorspace/ land requirements due to the need to invest in capital to drive productivity, meaning that greater weight should be given to the completions trend analysis in drawing conclusions on industrial floorspace/ land needs to the completions trends analysis.
- 7.13 For warehousing and distribution, a floorspace need for between 277,900 829,600 sq.m is shown to 2041. For this market segment, automation is expected to change (and indeed weaken) the relationship between floorspace and employment numbers over time. This is built into the CE model which assumes automation influences growth in employment. The labour demand modelling is driven by job numbers, and therefore for this sector likely under-estimates the scale of need.

-

¹³ Equivalent to 12 s.m NIA per job

Table 7.1 Labour Demand Floorspace Needs (net), 2021-2036, sqm

| | Offi | ces | R8 | &D | Indu | strial | Distril | oution |
|------------|---------|-----------------|---------------|--------|----------|---------------|---------|---------|
| | Basel. | Growth | Basel. Growth | | Basel. | Basel. Growth | | Growth |
| Blaby | 24,400 | 37,200 | 3,000 | 4,300 | -8,200 | 5,700 | 14,900 | 48,300 |
| Charnwood | 13,200 | 20,300 | 3,400 | 5,800 | -33,000 | -6,300 | 13,400 | 53,300 |
| Harborough | 8,700 | 13,500 | 4,200 | 5,800 | -19,000 | -9,200 | 54,500 | 146,100 |
| H&B | 10,000 | 00 14,300 4,100 | | 6,300 | -44,200 | -17,000 | 27,100 | 73,000 |
| Leicester | 16,200 | 32,600 | 8,200 | 12,000 | -56,400 | 64,600 | 19,500 | 94,400 |
| Melton | 3,200 | 5,800 | 1,200 | 1,600 | 24,400 | 33,900 | 3,700 | 14,500 |
| NW Leics | 25,400 | 36,100 | 7,900 | 9,900 | -31,900 | -6,700 | 79,100 | 199,600 |
| O&W | 2,600 | 4,200 | 400 | 900 | -14,900 | -6,300 | 7,900 | 19,300 |
| Total | 103,600 | 164,000 | 32,300 | 46,600 | -183,200 | 58,600 | 220,000 | 648,500 |

Table 7.2 Labour Demand Floorspace Needs (net), 2021-2041, sqm

| | Offi | ces | R | &D | Indu | strial | Distrib | oution |
|------------|---------|---------|--------|--------|----------|---------|---------|---------|
| | Basel. | Growth | Basel. | Growth | Basel. | Growth | Basel. | Growth |
| Blaby | 31,100 | 48,300 | 3,700 | 5,400 | -10,500 | 6,600 | 18,700 | 61,500 |
| Charnwood | 17,000 | 26,500 | 4,100 | 7,300 | -39,300 | -5,700 | 16,700 | 68,100 |
| Harborough | 11,100 | 17,600 | 5,200 | 7,300 | -23,200 | -10,500 | 69,700 | 187,700 |
| H&B | 12,900 | 18,900 | 5,100 | 7,900 | -54,200 | -20,400 | 34,700 | 93,900 |
| Leicester | 19,900 | 41,500 | 10,100 | 15,200 | -71,500 | 81,700 | 24,100 | 120,500 |
| Melton | 4,200 | 7,800 | 1,600 | 2,100 | 30,100 | 42,600 | 4,500 | 18,600 |
| NW Leics | 32,900 | 47,400 | 10,000 | 12,700 | -39,300 | -6,900 | 99,500 | 254,500 |
| O&W | 3,300 | 5,500 | 500 | 1,100 | -18,300 | -7,400 | 9,900 | 24,800 |
| Total | 132,600 | 213,500 | 40,200 | 59,100 | -226,000 | 79,900 | 277,900 | 829,600 |

Source: CE/ Iceni

Table 7.3 Labour Demand Floorspace Needs (net), 2021-2050, sqm

| | Offi | ces | R8 | ßD | Indus | strial | Distri | bution |
|------------|---------|---------|--------|--------|-----------|----------|---------|-----------|
| | Basel. | Growth | Basel. | Growth | Basel. | Growth | Basel. | Growth |
| Blaby | 42,100 | 67,100 | 5,100 | 7,500 | - 14,200 | 7,900 | 25,200 | 84,800 |
| Charnwood | 23,600 | 37,400 | 5,800 | 10,200 | - 47,300 | - 2,700 | 22,100 | 93,800 |
| Harborough | 15,300 | 24,800 | 7,200 | 10,200 | - 28,500 | - 11,500 | 95,400 | 262,300 |
| H&B | 17,900 | 26,700 | 6,800 | 10,800 | - 68,800 | - 25,000 | 47,600 | 131,300 |
| Leicester | 26,100 | 56,500 | 13,300 | 20,600 | - 97,300 | 106,500 | 31,400 | 166,000 |
| Melton | 5,900 | 11,200 | 2,200 | 2,900 | 36,600 | 54,700 | 5,900 | 26,100 |
| NW Leics | 45,800 | 67,200 | 13,900 | 17,900 | - 51,300 | - 7,100 | 133,700 | 352,500 |
| O&W | 4,500 | 7,700 | 500 | 1,500 | - 22,900 | - 8,400 | 13,200 | 34,400 |
| Total | 181,200 | 298,600 | 54,700 | 81,600 | - 293,800 | 114,300 | 374,400 | 1,151,200 |

Source: CE/ Iceni

7.14 These have been converted to land using plot ratios of:

• 0.35 for offices (2.0 in Leicester, in line with 2017 HEDNA / Leicester 2020 EDNA)

- 0.4 for industrial and distribution uses.
- 7.15 The plot ratio described the relationship between floorspace and site area, and allows for provision for parking; vehicle turning etc. It should be noted that the land requirements generated through the modelling relate to the developable area, and that site areas may be greater to allow for landscaping and infrastructure.
- 7.16 The initial summary outputs on land requirements for the individual authorities are as follows:

Table 7.4 Labour Demand Land Needs, 2021-2036, ha

| | Offi | ces | R8 | &D | Industrial | | Distribution | |
|------------|--------|--------|--------|--------|------------|--------|--------------|--------|
| | Basel. | Growth | Basel. | Growth | Basel. | Growth | Basel. | Growth |
| Blaby | 7.0 | 10.6 | 0.7 | 1.1 | -2.0 | 1.4 | 3.7 | 12.1 |
| Charnwood | 3.8 | 5.8 | 0.8 | 1.4 | -8.2 | -1.6 | 3.3 | 13.3 |
| Harborough | 2.5 | 3.9 | 1.0 | 1.4 | -4.8 | -2.3 | 13.6 | 36.5 |
| H&B | 2.8 | 4.1 | 1.0 | 1.6 | -11.0 | -4.2 | 6.8 | 18.3 |
| Leicester | 0.8 | 1.6 | 2.0 | 3.0 | -14.1 | 16.2 | 4.9 | 23.6 |
| Melton | 0.9 | 1.7 | 0.3 | 0.4 | 6.1 | 8.5 | 0.9 | 3.6 |
| NWL | 7.3 | 10.3 | 2.0 | 2.5 | -8.0 | -1.7 | 19.8 | 49.9 |
| O&W | 0.7 | 1.2 | 0.1 | 0.2 | -3.7 | -1.6 | 2.0 | 4.8 |
| Total | 25.8 | 39.2 | 8.1 | 11.7 | -45.8 | 14.7 | 55.0 | 162.1 |

Table 7.5 Labour demand land needs 2021-2041, ha

| | Offi | ces | R8 | &D | Indu | strial | Distribution | |
|------------|--------|--------|--------|--------|--------|--------|--------------|--------|
| | Basel. | Growth | Basel. | Growth | Basel. | Growth | Basel. | Growth |
| Blaby | 8.9 | 13.8 | 0.9 | 1.4 | -2.6 | 1.6 | 4.7 | 15.4 |
| Charnwood | 4.9 | 7.6 | 1.0 | 1.8 | -9.8 | -1.4 | 4.2 | 17.0 |
| Harborough | 3.2 | 5.0 | 1.3 | 1.8 | -5.8 | -2.6 | 17.4 | 46.9 |
| H&B | 3.7 | 5.4 | 1.3 | 2.0 | -13.5 | -5.1 | 8.7 | 23.5 |
| Leicester | 1.0 | 2.1 | 2.5 | 3.8 | -17.9 | 20.4 | 6.0 | 30.1 |
| Melton | 1.2 | 2.2 | 0.4 | 0.5 | 7.5 | 10.6 | 1.1 | 4.6 |
| NWL | 9.4 | 13.5 | 2.5 | 3.2 | -9.8 | -1.7 | 24.9 | 63.6 |
| O&W | 0.9 | 1.6 | 0.1 | 0.3 | -4.6 | -1.8 | 2.5 | 6.2 |
| Total | 33.2 | 51.2 | 10.1 | 14.8 | -56.5 | 20.0 | 69.5 | 207.4 |

Table 7.6 Labour demand land needs 2021-2050, ha

| | Offi | ces | R | &D | Indu | strial | Distril | bution |
|------------|--------|--------|--------|--------|--------|--------|---------|--------|
| | Basel. | Growth | Basel. | Growth | Basel. | Growth | Basel. | Growth |
| Blaby | 12.0 | 19.2 | 1.3 | 1.9 | -3.6 | 2.0 | 6.3 | 21.2 |
| Charnwood | 6.7 | 10.7 | 1.4 | 2.6 | -11.8 | -0.7 | 5.5 | 23.5 |
| Harborough | 4.4 | 7.1 | 1.8 | 2.6 | -7.1 | -2.9 | 23.8 | 65.6 |
| H&B | 5.1 | 7.6 | 1.7 | 2.7 | -17.2 | -6.3 | 11.9 | 32.8 |
| Leicester | 1.3 | 2.8 | 3.3 | 5.1 | -24.3 | 26.6 | 7.8 | 41.5 |
| Melton | 1.7 | 3.2 | 0.5 | 0.7 | 9.1 | 13.7 | 1.5 | 6.5 |
| NWL | 13.1 | 19.2 | 3.5 | 4.5 | -12.8 | -1.8 | 33.4 | 88.1 |
| O&W | 1.3 | 2.2 | 0.1 | 0.4 | -5.7 | -2.1 | 3.3 | 8.6 |
| Total | 45.6 | 72.0 | 13.7 | 20.4 | -73.4 | 28.6 | 93.6 | 287.8 |

- 7.17 The most significant differences between the scenarios are evidenced in the industrial and warehousing/distribution sectors.
- 7.18 A sensitivity model has been developed which reflects the very significant impact of the Covid-19 pandemic on the use of offices and enforced use of home working. At the time of writing (mid 2021) there remains considerable uncertainty on the long term trend for office space. Property market feedback for Leicestershire reports a freeze on transactions since the initial 2020 lockdown. The sensitivity scenario reduces the office based requirements under the circumstance that post pandemic there is a reduced requirement for new space despite growth in office type jobs due to an increased prevalence of home working.
- 7.19 Whilst it is likely that office usage may see a reorganisation of space, for example more breakout / collaboration space, it remains plausible that there will be a reduced overall requirement for new offices. Some examples of major corporate activity in this regard include: HSBC cutting its global office space by 40%; Lloyds cutting desk numbers by 20%; Alphabet developing a model where staff work three days in the office and two days from home; and Facebook allowing 'complete flexibility'. Whilst recognising these are global corporations, as can be best judged at present there does some to be a likely move to greater home working.
- 7.20 On balance, Iceni considers it reasonable to run a scenario that reduces future need by 30% against that of the typical office needs, as below. Given the uncertainty at the current time (given ongoing impacts of the pandemic), it is recommended that trends are monitored in the near term.

Table 7.7 Labour demand land needs, sqm office sensitivity

| | | | | Offi | ces | | | |
|------------|---------|---------|---------------|---------|----------------|----------|----------|---------|
| | | Standa | rd need | | | Need red | uced 30% | |
| | 2021-36 | | 2021-41 | | 202 | 1-36 | 202 | 1-41 |
| | Basel. | Growth | Basel. Growth | | Basel. | Growth | Basel. | Growth |
| Blaby | 24,400 | 37,200 | 31,100 | 48,300 | 17,100 | 26,000 | 21,800 | 33,800 |
| Charnwood | 13,200 | 20,300 | 17,000 | 26,500 | 9,200 | 14,200 | 11,900 | 18,600 |
| Harborough | 8,700 | 13,500 | 11,100 | 17,600 | 6,100 | 9,500 | 7,800 | 12,300 |
| H&B | 10,000 | 14,300 | 12,900 | 18,900 | 7,000 | 10,000 | 9,000 | 13,200 |
| Leicester | 16,200 | 32,600 | 19,900 | 41,500 | 11,300 | 22,800 | 13,900 | 29,100 |
| Melton | 3,200 | 5,800 | 4,200 | 7,800 | 2,200 | 4,100 | 2,900 | 5,500 |
| NWL | 25,400 | 36,100 | 32,900 | 47,400 | 17,800 | 25,300 | 23,000 | 33,200 |
| O&W | 2,600 | 4,200 | 3,300 | 5,500 | 1,800 | 2,900 | 2,300 | 3,900 |
| Total | 103,600 | 164,000 | 132,600 | 213,500 | 72,500 114,800 | | 92,800 | 149,500 |

7.21 Furthermore to the above, we can consider from the authority completions data that there has been limited overall net change in office floorspace from 2011-19 (suppressed through losses in Leicester) whilst there had been growth in office FTE employees of around 17,000 against gross office gains of around 125,000 sqm, which is in itself around half of what would be expected through a typical density model. This suggests that the prevalence of home based working is more common than suggested in Figure 7.1, facilitated in part by changes in technology, and that the sensitivity reduction above of 30% is appropriate as a minimum discount to adjust for non office based activities for these sectors.

Completions Trend Model

- 7.22 Using gross and net completion data provided by the authorities for the 2011/12 to 2019/20 period, lceni has derived a past completions trend to model a future completions trend based need. For Charnwood only gross completions were provided and for Charnwood and Oadby and Wigston, provision in hectares has been converted to sqm. The data used represents the longest time period for which a consistent dataset is available and includes periods of stronger and weaker economic and market conditions.
- 7.23 All completions refer to non strategic units (i.e. those under 9,000 sqm). Non strategic B8 completions have been provided by North West Leicestershire and Harborough as defined by the LPAs whilst large completions (B8 units of over 9,000 sq.m) have been manually excluded from Blaby (3) and Hinckley & Bosworth (2). Strategic need completions are covered in the Strategic Warehousing Study that uses completions and traffic growth with replacement demand models to project future needs.
- 7.24 The key trends are:

- Gross gains in all floorspace typologies.
- Strongest gross office gains in Leicester, Harborough (from two developments early in the period) and NW Leicestershire (notably Ivanhoe Business Park). In net terms Leicester has seen significant losses in offices through conversion to residential.
- Gross non strategic industrial and warehousing development has occurred in all areas other than
 Oadby and Wigston. In net terms there has been a decline of industrial stock overall in Leicester,
 NW Leicestershire, Hinckley and Bosworth and Blaby. In some instances this is due to large
 single demolitions of older premises (such as Arla Dairies, 2018/19 NW Leicestershire for 21,000
 sqm).
- Only Leicester and Oadby and Wigston have seen losses of warehousing and distribution.

Table 7.8 Completions trend forecast 2021/22-2036/37, sqm

| | | Gr | oss | | | N | et | |
|------------|---------|--------|------------|-----------------------|---------|--------|------------|-----------------------|
| | Offices | R&D | Industrial | Local Distribution | Offices | R&D | Industrial | Local Distribution |
| Blaby | 27,400 | - | 19,700 | 44,300 | 24,900 | - | -23,300 | 34,600 |
| Charnwood | 21,100 | 6,800 | 45,300 | 38,600 | - | - | - | - |
| Harborough | 42,500 | 6,600 | 74,100 | 29,000 | 33,700 | 6,600 | 66,900 | 18,900 |
| H&B | 23,300 | 740* | 50,100 | 82,700 | -1,500 | -800 | -76,300 | 46,700 |
| Leicester | 47,000 | 5,100 | 84,100 | 52,800 | -89,900 | 5,100 | -209,300 | -270,700 |
| Melton | 11,900 | 700 | 68,800 | 34,300 | 11,400 | 700 | 56,400 | 17,900 |
| NWL | 30,300 | - | 15,300 | 56,800 | 28,300 | - | -113,200 | 52,800 |
| O&W | 1,900 | - | - | - | 1,500 | - | -1,500 | -17,800 |
| Total | 205,300 | 20,000 | 357,400 | 338,600 | 8,400 | 11,600 | -300,300 | -117,400 |

Source: LPAs / Iceni (* excludes MIRA)

Table 7.9 Completions trend forecast 2021/22-2041/42, sqm

| | | Gro | oss | | | N | et | |
|------------|---------|--------|-------------------------------|---------|----------|--------|------------|-----------------------|
| | Offices | R&D | Industrial Local Distribution | | Offices | R&D | Industrial | Local Distribution |
| Blaby | 36,600 | - | 26,200 | 59,100 | 33,300 | - | -31,100 | 46,200 |
| Charnwood | 28,100 | 9,100 | 60,400 | 51,400 | - | - | - | - |
| Harborough | 56,700 | 8,800 | 98,800 | 38,700 | 44,900 | 8,800 | 89,200 | 25,200 |
| H&B | 31,000 | 1,000* | 66,800 | 110,300 | -2,000 | -1,100 | -101,800 | 62,300 |
| Leicester | 62,600 | 6,800 | 112,100 | 70,400 | -119,900 | 6,800 | -279,100 | -360,900 |
| Melton | 15,800 | 900 | 91,700 | 45,700 | 15,200 | 900 | 75,300 | 23,900 |
| NWL | 40,400 | - | 20,400 | 75,800 | 37,700 | - | -150,900 | 70,400 |
| O&W | 2,600 | - | - | - | 2,000 | - | -2,000 | -23,700 |
| Total | 273,800 | 26,600 | 476,500 | 451,500 | 11,200 | 15,400 | -400,400 | -156,600 |

Source: LPAs / Iceni (* excludes MIRA)

Table 7.10 Completions trend forecast 2021/22-2050/51, sqm

| | | Gr | oss | | | N | et | |
|------------|---------|--------|-------------------------------|---------|----------|--------|------------|-----------------------|
| | Offices | R&D | Industrial Local Distribution | | Offices | R&D | Industrial | Local Distribution |
| Blaby | 53,000 | - | 38,000 | 85,700 | 48,200 | - | -45,100 | 67,000 |
| Charnwood | 40,800 | 13,200 | 87,600 | 74,600 | - | - | - | - |
| Harborough | 82,200 | 12,800 | 143,200 | 56,100 | 65,200 | 12,800 | 129,400 | 36,600 |
| H&B | 45,000 | 1,400* | 96,900 | 159,900 | -2,900 | -1,600 | -147,600 | 90,300 |
| Leicester | 90,800 | 9,900 | 162,600 | 102,100 | -173,900 | 9,900 | -404,700 | -523,300 |
| Melton | 23,000 | 1,300 | 133,000 | 66,300 | 22,000 | 1,300 | 109,100 | 34,600 |
| NWL | 58,500 | - | 29,600 | 109,900 | 54,700 | - | -218,800 | 102,100 |
| O&W | 3,700 | - | - | - | 2,900 | - | -2,800 | -34,400 |
| Total | 396,900 | 38,600 | 690,900 | 654,600 | 16,200 | 22,400 | -580,500 | -227,000 |

Source: LPAs / Iceni (* excludes MIRA)

- 7.25 The net change from 2011-19 has also been compared with the VOA records from the same period alongside the 2001-19 period. Industrial records have not been compared as this would encompass strategic development (strategic distribution units of > 9000 sq.m) which are not being considered at this time.
- 7.26 The recent results between VOA and monitoring broadly follow a similar pattern, except in Blaby, although tend to be more conservative (other than for Charnwood). The longer term trend is more positive for all areas which indicates a decrease in office demand over the last economic cycle, influenced partly by changes in technology that reduce the need for office presence, as well as increased demand for other types of premises such as residential (notably in Leicester) and industrial / warehousing.

Table 7.11 Comparison of average annual change: monitoring and & VOA (sqm)

| | | Off | ces | |
|---------------------------|-----------------------------------|---------------------------|---------------|---------------|
| | Gross completions (2011-19) | Net completions (2011-19) | VOA (2011-19) | VOA (2001-19) |
| Blaby | 1,800 | 1,700 | -1,800 | 1,500 |
| Charnwood | 1,400 | 1,400 | 2,400 | 3,200 |
| Harborough | 2,800 | 2,200 | 1,100 | 2,300 |
| Hinckley and Bosworth | 1,600 | -100 | 100 | 600 |
| Leicester | 3,100 | -6,000 | -4,800 | -3,400 |
| Melton | 800 | 800 | 0 | 100 |
| North West Leicestershire | 2,000 | 1,900 | 600 | 1,500 |
| Oadby and Wigston | 100 | 100 | -200 | 100 |
| Total | 13,700 | 600 | -2,600 | 5,800 |

Source: LPAs / Iceni / VOA

Comparing Labour Demand and Completions Trend

- 7.27 The table below compares the labour demand models and the completions trends for the 2021-36, 2021-41 and 2021-50 periods. The labour demand for offices with the sensitivity reduction is assumed below.
- It is of note that the completions trends are not directly comparable with the labour demand for 7.28 warehousing as strategic developments (strategic distribution units of > 9000 sq.m) have been excluded from the monitoring data.

Page 224 of 1014

Table 7.12 Employment needs 2021-2036, sqm

| | | Off | ices | | | R& | D | | Industrial | | | | Distribution | | | |
|------------|--------|---------|---------------|--------------|--------|--------|---------------|--------------|------------|---------|---------------|--------------|--------------|---------|-------------|---------------|
| | Basel. | Growth | Compl. Gr. | Compl Ne. | Basel. | Growth | Compl. Gr. | Compl Ne. | Basel. | Growth | Compl. Gr. | Compl Ne. | Basel. | Growth | Compl. Gr.* | Compl Ne.* |
| Blaby | 17,100 | 26,000 | 27,400 | 24,900 | 3,000 | 4,300 | - | - | -8,200 | 5,700 | 19,700 | -23,300 | 14,900 | 48,300 | 44,300 | 34,600 |
| Charnwood | 9,200 | 14,200 | 21,100 | - | 3,400 | 5,800 | 6,800 | - | -33,000 | -6,300 | 45,300 | - | 13,400 | 53,300 | 38,600 | - |
| Harborough | 6,100 | 9,500 | 42,500 | 33,700 | 4,200 | 5,800 | 6,600 | 6,600 | -19,000 | -9,200 | 74,100 | 66,900 | 54,500 | 146,100 | 29,000 | 18,900 |
| H&B | 7,000 | 10,000 | 23,300 | -1,500 | 4,100 | 6,300 | 700 | -800 | -44,200 | -17,000 | 50,100 | -76,300 | 27,100 | 73,000 | 82,700 | 46,700 |
| Leicester | 11,300 | 22,800 | 47,000 | -89,900 | 8,200 | 12,000 | 5,100 | 5,100 | -56,400 | 64,600 | 84,100 | -209,300 | 19,500 | 94,400 | 52,800 | -270,700 |
| Melton | 2,200 | 4,100 | 11,900 | 11,400 | 1,200 | 1,600 | 700 | 700 | 24,400 | 33,900 | 68,800 | 56,400 | 3,700 | 14,500 | 34,300 | 17,900 |
| NWL | 17,800 | 25,300 | 30,300 | 28,300 | 7,900 | 9,900 | - | - | -31,900 | -6,700 | 15,300 | -113,200 | 79,100 | 199,600 | 56,800 | 52,800 |
| O&W | 1,800 | 2,900 | 1,900 | 1,500 | 400 | 900 | - | - | -14,900 | -6,300 | - | -1,500 | 7,900 | 19,300 | - | -17,800 |
| Total | 72,500 | 114,800 | 205,300 | 8,400 | 32,300 | 46,600 | 20,000 | 11,600 | -183,200 | 58,600 | 357,400 | -300,300 | 220,000 | 648,500 | 338,600 | -117,400 |

^{*} In the case of completions this solely relates to those under 9,000 sqm

Table 7.13 Employment needs 2021-2041, sqm

| | | 0 | Offices | | R&D | | | Industrial | | | Distribution | | | | | |
|------------|--------|---------|------------|----------|--------|--------|--------|------------|----------|---------|--------------|----------|---------|---------|-------------|----------|
| | Basel. | Growth | Compl. Gr. | Compl | Basel. | Growth | Compl. | Compl | Basel. | Growth | Compl. | Compl | Basel. | Growth | Compl. Gr.* | Compl |
| | | | | Ne. | | | Gr. | Ne. | | | Gr. | Ne. | | | | Ne.* |
| Blaby | 21,800 | 33,800 | 36,600 | 33,300 | 3,700 | 5,400 | - | - | -10,500 | 6,600 | 26,200 | -31,100 | 18,700 | 61,500 | 59,100 | 46,200 |
| Charnwood | 11,900 | 18,600 | 28,100 | - | 4,100 | 7,300 | 9,100 | - | -39,300 | -5,700 | 60,400 | - | 16,700 | 68,100 | 51,400 | - |
| Harborough | 7,800 | 12,300 | 56,700 | 44,900 | 5,200 | 7,300 | 8,800 | 8,800 | -23,200 | -10,500 | 98,800 | 89,200 | 69,700 | 187,700 | 38,700 | 25,200 |
| H&B | 9,000 | 13,200 | 31,000 | -2,000 | 5,100 | 7,900 | 1,000 | -1,100 | -54,200 | -20,400 | 66,800 | -101,800 | 34,700 | 93,900 | 110,300 | 62,300 |
| Leicester | 13,900 | 29,100 | 62,600 | -119,900 | 10,100 | 15,200 | 6,800 | 6,800 | -71,500 | 81,700 | 112,100 | -279,100 | 24,100 | 120,500 | 70,400 | -360,900 |
| Melton | 2,900 | 5,500 | 15,800 | 15,200 | 1,600 | 2,100 | 900 | 900 | 30,100 | 42,600 | 91,700 | 75,300 | 4,500 | 18,600 | 45,700 | 23,900 |
| NWL | 23,000 | 33,200 | 40,400 | 37,700 | 10,000 | 12,700 | - | - | -39,300 | -6,900 | 20,400 | -150,900 | 99,500 | 254,500 | 75,800 | 70,400 |
| O&W | 2,300 | 3,900 | 2,600 | 2,000 | 500 | 1,100 | - | - | -18,300 | -7,400 | - | -2,000 | 9,900 | 24,800 | - | -23,700 |
| Total | 92,800 | 149,500 | 273,800 | 11,200 | 40,200 | 59,100 | 26,600 | 15,400 | -226,000 | 79,900 | 476,500 | -400,400 | 277,900 | 829,600 | 451,500 | -156,600 |

^{*} In the case of completions this solely relates to those under 9,000 sqm

Table 7.14 Employment needs 2021-2050, sqm

| | | Offices | | | | R& | D | | | Inc | lustrial | | Distribution | | | |
|------------|---------|---------|---------------|--------------|--------|--------|---------------|--------------|----------|---------|---------------|-----------|--------------|-----------|----------------|---------------|
| | Basel. | Growth | Compl. Gr. | Compl Ne. | Basel. | Growth | Compl. Gr. | Compl Ne. | Basel. | Growth | Compl. Gr. | Compl Ne. | Basel. | Growth | Compl. Gr.* | Compl Ne.* |
| Blaby | 29,500 | 47,000 | 53,000 | 48,200 | 5,100 | 7,500 | - | - | -14,200 | 7,900 | 38,000 | -45,100 | 25,200 | 84,800 | 85,700 | 67,000 |
| Charnwood | 16,500 | 26,200 | 40,800 | - | 5,800 | 10,200 | 13,200 | - | -47,300 | -2,700 | 87,600 | - | 22,100 | 93,800 | 74,600 | - |
| Harborough | 10,700 | 17,400 | 82,200 | 65,200 | 7,200 | 10,200 | 12,800 | 12,800 | -28,500 | -11,500 | 143,200 | 129,400 | 95,400 | 262,300 | 56,100 | 36,600 |
| H&B | 12,500 | 18,700 | 45,000 | -2,900 | 6,800 | 10,800 | 1,400 | -1,600 | -68,800 | -25,000 | 96,900 | -147,600 | 47,600 | 131,300 | 159,900 | 90,300 |
| Leicester | 18,300 | 39,600 | 90,800 | -173,900 | 13,300 | 20,600 | 9,900 | 9,900 | -97,300 | 106,500 | 162,600 | -404,700 | 31,400 | 166,000 | 102,100 | -523,300 |
| Melton | 4,100 | 7,800 | 23,000 | 22,000 | 2,200 | 2,900 | 1,300 | 1,300 | 36,600 | 54,700 | 133,000 | 109,100 | 5,900 | 26,100 | 66,300 | 34,600 |
| NWL | 32,100 | 47,000 | 58,500 | 54,700 | 13,900 | 17,900 | - | - | -51,300 | -7,100 | 29,600 | -218,800 | 133,700 | 352,500 | 109,900 | 102,100 |
| O&W | 3,200 | 5,400 | 3,700 | 2,900 | 500 | 1,500 | - | - | -22,900 | -8,400 | 0 | -2,800 | 13,200 | 34,400 | - | -34,400 |
| Total | 126,800 | 209,000 | 396,900 | 16,200 | 54,700 | 81,600 | 38,600 | 22,400 | -293,800 | 114,300 | 690,900 | -580,500 | 374,400 | 1,151,200 | 654,600 | -227,000 |

^{*} In the case of completions this solely relates to those under 9,000 sqm

Drawing Conclusions on Employment Land Needs

- 7.29 The outcomes of the modelling and recommended future requirements are considered below.
- 7.30 Offices: gross completions exceed even the growth model for almost all authorities, reflecting the past delivery of new floorspace. The labour demand models (adjusted) sit suitably above net completions trends at the overall study area level which are suppressed by Leicester's losses which are unlikely to be continued in the future, given that much of the stock able to be converted to residential has now done so. In some instances the net completions trends are in line with growth model labour demand figures (Blaby, NW Leicestershire, Oadby & Wigston) which suggests that the historic stable volume of offices supports a workforce in line with the growth labour demand model. There are a number of exceptions, being: Harborough, with completions driven by single developments early in the monitoring period; Hinckley and Bosworth, which appears to have been affected by losses; and Melton, which has a higher net completion rate although VOA data suggests this may be overstated. Net figures are not provided for Charnwood and Leicester, which has been heavily affected by losses to residential.
- 7.31 In Iceni's view, although weakened by technology, office requirements are still best represented by changes in employment levels. Therefore, it is recommended that the labour demand models best represent future needs. The growth scenario model should best represent the future economic outlook given that this has been adjusted to reflect local economic ambitions and interventions and it is recommended that this be used for planning policy requirements. There is some uncertainty about future levels of occupancy and utilisation of offices post pandemic, so a 'sensitivity' model has been run which helps to inform parameters for office floorspace and job needs. Based on historic job and floorspace delivery tested above, even the sensitivity model may be aspirational.
- 7.32 **R&D:** the R&D labour demand figures are generally higher than the completions. Planning for the labour demand risks overprovision of land for this requirement. On balance it seems most appropriate to include the R&D completions trend gross within the overall office needs figure for the relevant authorities.
- 7.33 Industrial: gross completions vastly exceed the labour demand models (which only see notable growth demand in Leicester and Melton), whilst net completion trends are negative due to strong losses in most areas. The pattern suggests that older premises not suitable for modern business needs are being lost, whilst strong demand for new modern premises exists to support employment growth and replacement demand for older premises. In this context it is recommended that the projected gross completions are planned for, which assumes that some older stock will continue to be lost and need to be replaced.

Page 228 of 1014

- 7.34 Local distribution and warehousing: gross completions (for sub 9,000 sqm sites) requirements fall between the labour demand models. However many of the jobs under the growth model are expected to occur in larger scale distribution whilst even the baseline labour demand forecast will incorporate some strategic needs. On balance therefore, completions trends are therefore most likely to represent future needs. Gross completions trends are recommended to plan for however it should be recognised that some of this need will be met through recycling of sites on existing industrial areas, the potential for which can be identified through local employment land studies. Simply planning for the net change is likely to underestimate the future level of need if patterns of past loss continue, and market signals indicate current delivery rates are insufficient. It is of note that demand for industrial and distribution premises has been steadily rising since 2011 after a previous period of decline, particularly since 2001. It is expected that the current levels of demand will continue in at least the medium term (i.e. 5-10 years). On this basis the completions trend is reasonable. It is possible that the market will stabilise in the future and for the longer term to 2041 and beyond there will be a slowdown in demand for premises compared to the last decade. Monitoring and future updates can consider how the market has performed and whether new planning policy figures and targets should be considered.
- 7.35 The table below therefore represents the recommended needs taking into account the above and assumes that industrial losses will continue to occur at a comparable rate to the past.

Table 7.15 Recommended employment land need needs 2021-2036, sqm

| | Offices inc R&D | Industrial | Local Distribution | Total |
|------------|-----------------|------------|--------------------|---------|
| Blaby | 26,000 | 19,700 | 44,300 | 90,000 |
| Charnwood | 21,000 | 45,300 | 38,600 | 104,900 |
| Harborough | 16,100 | 74,100 | 29,000 | 119,200 |
| H&B | 10,700 | 50,100 | 82,700 | 143,100 |
| Leicester | 27,900 | 84,100 | 52,800 | 164,800 |
| Melton | 4,800 | 68,800 | 34,300 | 107,900 |
| NWL | 25,300 | 15,300 | 56,800 | 97,400 |
| O&W | 2,900 | 0 | 0 | 2,900 |
| Total | 134,800 | 357,400 | 338,600 | 830,800 |

Source: Iceni

Table 7.16 Recommended employment land need needs 2021-2041, sqm

| | Offices inc R&D | Industrial | Local Distribution | Total |
|------------|-----------------|------------|--------------------|-----------|
| Blaby | 33,800 | 26,200 | 59,100 | 119,100 |
| Charnwood | 27,700 | 60,400 | 51,400 | 139,500 |
| Harborough | 21,100 | 98,800 | 38,700 | 158,600 |
| H&B | 14,200 | 66,800 | 110,300 | 191,300 |
| Leicester | 35,900 | 112,100 | 70,400 | 218,400 |
| Melton | 6,400 | 91,700 | 45,700 | 143,800 |
| NWL | 33,200 | 20,400 | 75,800 | 129,400 |
| O&W | 3,900 | 0 | 0 | 3,900 |
| Total | 176,200 | 476,500 | 451,500 | 1,104,100 |

Source: Iceni

Table 7.17 Recommended employment land need needs 2021-2050, sqm

| | Offices inc R&D | Industrial | Local Distribution | Total |
|------------|-----------------|------------|--------------------|-----------|
| Blaby | 47,000 | 38,000 | 85,700 | 170,700 |
| Charnwood | 39,400 | 87,600 | 74,600 | 201,600 |
| Harborough | 30,200 | 143,200 | 56,100 | 229,500 |
| H&B | 20,100 | 96,900 | 159,900 | 276,900 |
| Leicester | 49,500 | 162,600 | 102,100 | 314,200 |
| Melton | 9,100 | 133,000 | 66,300 | 208,400 |
| NWL | 47,000 | 29,600 | 109,900 | 186,500 |
| O&W | 5,400 | 0 | 0 | 5,400 |
| Total | 247,600 | 690,900 | 654,600 | 1,593,100 |

Source: Iceni

Margin for Flexibility

- 7.36 As in the 2017 HEDNA and as common in other studies, it is recommended a margin for flexibility be applied that recognises:
 - Forecasting is not an exact science;
 - Locational and site size requirements vary; and
 - Potential for delay/slippage in sites coming forward.
- 7.37 This is included as five years of gross completions for industrial / distribution and 2 years for offices / R&D, as shown below. Five years is traditionally considered suitable as a margin however in the case of offices it is disproportionate to the scale of need modelled and likely to lead to an over inflation of figures.

Table 7.18 Margin for Flexibility

| | Offices inc R&D | Industrial | Local Distribution | Total |
|------------|-----------------|------------|-----------------------|---------|
| Blaby | 3,700 | 6,600 | 14,800 | 25,100 |
| Charnwood | 3,700 | 15,100 | 12,900 | 31,700 |
| Harborough | 6,500 | 24,700 | 9,700 | 40,900 |
| H&B | 3,200 | 16,700 | 27,600 | 47,500 |
| Leicester | 6,900 | 28,000 | 17,600 | 52,500 |
| Melton | 1,700 | 22,900 | 11,400 | 36,000 |
| NWL | 4,000 | 5,100 | 18,900 | 28,000 |
| O&W | 300 | - | - | 300 |
| Total | 30,000 | 119,100 | 112,900 | 262,000 |

Source: Iceni

Margin for Churn and Choice

7.38 It is widely recognised that a level of vacancy in property markets needs to be maintained of 5-10% of total stock (with 7.5% as a central marker) to ensure that businesses have space to grow, downsize or for inward investment opportunities. Any future needs therefore should include this margin in addition to the core recommended requirement. This is set out below, being 7.5% of Table 7.15 (figures rise for future periods reflecting tables 7.16 and 7.17).

Table 7.19 Margin for vacancy, future need (sqm) 2021-36 period

| | Offices inc R&D | Industrial | Local Distribution | Total |
|-------------------|-----------------|------------|-----------------------|--------|
| Blaby | 2,000 | 1,500 | 3,300 | 6,800 |
| Charnwood | 1,600 | 3,400 | 2,900 | 7,900 |
| Harborough | 1,200 | 5,600 | 2,200 | 8,900 |
| Hinckley & | 800 | 3,800 | 6,200 | 10,800 |
| Bosworth | | | | |
| Leicester | 2,100 | 6,300 | 4,000 | 12,400 |
| Melton | 400 | 5,200 | 2,600 | 8,100 |
| NW Leicestershire | 1,900 | 1,100 | 4,300 | 7,300 |
| O&W | 200 | - | - | 200 |
| Total | 10,100 | 26,800 | 25,400 | 62,300 |

Source: Iceni (figures may not sum due to rounding)

7.39 Furthermore, at the present time the current property markets are reporting levels of vacancy significantly below the preferred 7.5%, as below. The availability rate is also included, which includes stock that is being marketed, usually as it is expected to come onto the market in the short-term as current leases end alongside that which is already vacant, indicating the market direction. CoStar does not differentiate industrial and distribution however the market reports have been filtered to units under 100,000 sqft. Given the limited vacancy, which is corroborated as acute by commercial agents, it is recommended that a further margin be included to increase provision in stock. However,

at the present time there is some uncertainty in future levels of office demand and availability rates are typically over 5% and rising, which indicates that vacancy is likely to increase in the future. As a result it is only considered necessary to increase industrial stock provision (and not offices). Stock count is based on CoStar which has been filtered to exclude large scale units that would be captured by VOA, CoStar data may differ from VOA.

Table 7.20 Current Vacancy and Availability

| | | Offic | ces | | Industrial / Distribution | | | | | | |
|------------|---------|--------------|------------|-------------|---------------------------|--------------|---------|-------------|----------------|--|--|
| | Vacancy | Availability | Stock | m sqm req'd | Vacancy | Availability | Stock | m sqm req'd | Ha req'd | | |
| | % | % | (m sqm) | for 7.5% V. | % | % | (m sqm) | for 7.5% V. | for 7.5% V. | | |
| Blaby | 2.6 | 5.3 | 0.2 | | 1.0 | 4.0 | 0.4 | 0.03 | 6.4 | | |
| Charnwood | 5.5 | 12.2 | 0.2 | | 3.2 | 3.4 | 0.6 | 0.02 | 6.1 | | |
| Harborough | 4.6 | 8.8 | 0.1 | | 2.4 | 5.2 | 0.2 | 0.01 | 3.0 | | |
| H&B | 2.4 | 6.3 | 0.1 | | 0.3 | 2.3 | 0.4 | 0.03 | 6.6 | | |
| Leicester | 2.4 | 5.8 | 0.6 | | 0.3 | 2.0 | 1.4 | 0.10 | 24.5 | | |
| Melton | 0.5 | 2.7 | 0.0 | | 3.5 | 6.9 | 0.2 | 0.01 | 1.8 | | |
| NWL | 1.9 | 5.4 | 0.2 | | 3.4 | 5.3 | 0.6 | 0.03 | 6.4 | | |
| O&W | 1.0 | 1.2 | 0.0 | | 0.0 | 1.7 | 0.2 | 0.01 | 3.0 | | |
| Total | 2.9 | 6.6 | 1.5 | | 1.6 | 3.4 | 3.9 | 0.23 | 57.5 | | |

Source: Iceni / CoStar July 2021

Replacement Demand

- 7.40 Replacement demand factors make provision for future losses of existing stock, assuming that past patterns of losses continue. It is normal that some stock is lost as it ages and premises become redundant. This can be due to changing industry patterns or because firms simply need new premises. In fully functioning markets, replacement demand needs are met through the market itself, however in reality many smaller businesses survive on older cheaper premises that the market cannot viably supply. Provision for new land for development is required and public intervention may also be needed to ensure premises can viably be brought forward. In Leicestershire, market feedback suggests that both smaller industrial premises and general office space can suffer from marginal viability.
- 7.41 Differences between losses and gains as well as market feedback can be useful indicators of the need for replacement demand. The sector by sector matters are discussed below.
- 7.42 Offices: considerable losses have occurred in Leicester City through permitted development rights, although elsewhere, other than Hinckley & Bosworth, differences between net and gross trends are more limited. On balance it is considered that there is limited need for provision over and above the need factors noted previously however monitoring of office losses would be prudent in order to consider changes in market activity particularly post pandemic.

- 7.43 Industrial and warehousing: given the positive approach taken to provision overall, through the use of gross completions, there is no need to make further inclusion for replacement demand. If net trends were used then a considerable additional allowance would be required. Making a judgement on the rate of replacement of older stock (such as 50% of historic losses) preferably requires a detailed understanding of the pattern, type and nature of losses in local areas which is better suited to individual area ELRs. Using the gross completions does assume that past losses will to an extent continue and some of the forecast need may occur on recycled existing industrial premises.
- 7.44 It would be reasonable to assume however that historic stock loss rates will decline particularly in Leicester City as older employment and industrial areas are regenerated and remaining areas protected.

Quantitative Conclusions on Need

- 7.45 Drawing together the previous section, the overall needs for employment are set out below. The margin to improve current vacancy levels does not differentiate B2/B8 and so is combined with the sub totals. This is considered practical as these requirements would be merged under any allocation.
- 7.46 Overall the figures point to a moderate level of office needs, based on future labour demand projections, adjusted downwards for home working patterns. In Harborough, Hinckley & Bosworth and Leicester the office figures are inflated by 5,000 10,000 sqm of R&D included.
- 7.47 Industrial and local distribution figures are based on gross completions from 2011-19. A further adjustment is made as below to try and improve the considerable existing tightness in the industrial markets that requires additional stock to relieve pressure. Some of the need may be met by the intensification and redevelopment of existing sites. Viability for smaller scale units of 10,000 sqft and below can be challenging and may benefit from being included in mixed use development allocations.

Table 7.21 Total Employment Floorspace Needs 2021-2036, sqm

| | Offices inc R&D | Industrial Sub Total | Distribution Sub Total | Current V. adjustment (Ind. & Dist.) | Industrial & Distribution Total | All Employment Land |
|------------|--------------------|-------------------------|---------------------------|--|---------------------------------------|---------------------------|
| Blaby | 31,700 | 27,800 | 62,400 | 25,700 | 115,900 | 147,600 |
| Charnwood | 26,300 | 63,800 | 54,400 | 24,400 | 142,600 | 168,900 |
| Harborough | 23,800 | 104,400 | 40,900 | 11,900 | 157,200 | 181,000 |
| H&B | 14,700 | 70,600 | 116,500 | 26,600 | 213,700 | 228,400 |
| Leicester | 36,900 | 118,400 | 74,400 | 97,800 | 290,600 | 327,500 |
| Melton | 6,900 | 96,900 | 48,300 | 7,200 | 152,400 | 159,300 |
| NWL | 31,200 | 21,500 | 80,000 | 25,500 | 127,000 | 158,200 |
| O&W | 3,400 | - | - | 12,200 | 12,200 | 15,600 |
| Total | 174,900 | 503,300 | 476,900 | 231,300 | 1,211,500 | 1,386,400 |

Source: Iceni (figures may not sum due to rounding)

Table 7.22 Total Employment Floorspace Needs 2021-2041, sqm

| | Offices inc R&D | Industrial Sub Total | Distribution Sub Total | Current V. adjustment (Ind. & Dist.) | Industrial & Distribution Total | All Employment Land |
|------------|--------------------|-------------------------|---------------------------|--|---------------------------------------|---------------------------|
| Blaby | 40,000 | 34,800 | 78,300 | 25,700 | 138,800 | 178,800 |
| Charnwood | 33,500 | 80,000 | 68,200 | 24,400 | 172,600 | 206,100 |
| Harborough | 29,200 | 130,900 | 51,300 | 11,900 | 194,100 | 223,300 |
| H&B | 18,500 | 88,500 | 146,200 | 26,600 | 261,300 | 279,800 |
| Leicester | 45,500 | 148,500 | 93,300 | 97,800 | 339,600 | 385,100 |
| Melton | 8,600 | 121,500 | 60,500 | 7,200 | 189,200 | 197,800 |
| NWL | 39,700 | 27,000 | 100,400 | 25,500 | 152,900 | 192,600 |
| O&W | 4,500 | - | - | 12,200 | 12,200 | 16,700 |
| Total | 219,300 | 631,300 | 598,200 | 231,300 | 1,460,900 | 1,680,200 |

Source: Iceni (figures may not sum due to rounding)

Table 7.23 Total Employment Floorspace Needs 2021-2050, sqm

| | Offices inc R&D | Industrial Sub Total | Distribution Sub Total | Current V. adjustment (Ind. & Dist.) | Industrial & Distribution Total | All Employment Land |
|------------|--------------------|-------------------------|---------------------------|--|---------------------------------------|---------------------------|
| Blaby | 54,200 | 47,500 | 106,900 | 25,700 | 180,100 | 234,300 |
| Charnwood | 46,100 | 109,300 | 93,100 | 24,400 | 226,800 | 272,900 |
| Harborough | 39,000 | 178,600 | 70,000 | 11,900 | 260,500 | 299,500 |
| H&B | 24,800 | 120,900 | 199,500 | 26,600 | 347,000 | 371,800 |
| Leicester | 60,100 | 202,800 | 127,400 | 97,800 | 428,000 | 488,100 |
| Melton | 11,500 | 165,900 | 82,700 | 7,200 | 255,800 | 267,300 |
| NWL | 54,500 | 36,900 | 137,000 | 25,500 | 199,400 | 253,900 |
| O&W | 6,100 | - | - | 12,200 | 12,200 | 18,300 |
| Total | 296,200 | 861,800 | 816,600 | 231,300 | 1,909,700 | 2,205,900 |

Source: Iceni (figures may not sum due to rounding)

7.48 The land needs are reported below including for up to 2050.

Table 7.24 Employment Land Needs 2021-2036, ha

| | Offices inc R&D | Ind. & Dist. | All Employment Land |
|-------------------|-----------------|--------------|---------------------|
| Blaby | 9.1 | 29.0 | 38.0 |
| Charnwood | 7.5 | 35.7 | 43.2 |
| Harborough | 6.8 | 39.3 | 46.1 |
| H&B | 4.2 | 53.4 | 57.6 |
| Leicester | 1.8 | 72.7 | 74.5 |
| Melton | 2.0 | 38.1 | 40.1 |
| NW Leicestershire | 8.9 | 31.8 | 40.7 |
| O&W | 1.0 | 3.1 | 4.0 |
| Total | 41.3 | 302.9 | 344.1 |

Source: CE/ Iceni, * 2.0 plot ratio equivalent to 10.5 ha at same 0.35 ratio as other areas

Page 234 of 1014

Table 7.25 Employment Land Needs 2021-2041, ha

| | Offices inc R&D | Ind. & Dist. | All Employment Land |
|-------------------|-----------------|--------------|---------------------|
| Blaby | 11.4 | 34.7 | 46.1 |
| Charnwood | 9.6 | 43.2 | 52.7 |
| Harborough | 8.3 | 48.5 | 56.9 |
| H&B | 5.3 | 65.3 | 70.6 |
| Leicester | 2.3* | 84.9 | 87.2 |
| Melton | 2.5 | 47.3 | 49.8 |
| NW Leicestershire | 11.3 | 38.2 | 49.6 |
| O&W | 1.3 | 3.1 | 4.3 |
| Total | 52.0 | 365.2 | 417.2 |

Source: CE/ Iceni, * 2.0 plot ratio equivalent to 13.0 ha at same 0.35 ratio as other areas

Table 7.26 Employment Land Needs 2021-2050, ha

| | Offices inc R&D | Ind. & Dist. | All Employment Land |
|-------------------|-----------------|--------------|---------------------|
| Blaby | 15.5 | 45.0 | 60.5 |
| Charnwood | 13.2 | 56.7 | 69.9 |
| Harborough | 11.1 | 65.1 | 76.3 |
| H&B | 7.1 | 86.8 | 93.8 |
| Leicester | 3.0 | 107.0 | 110.0 |
| Melton | 3.3 | 64.0 | 67.2 |
| NW Leicestershire | 15.6 | 49.9 | 65.4 |
| O&W | 1.7 | 3.1 | 4.8 |
| Total | 70.5 | 477.4 | 546.2 |

Source: CE/ Iceni, * 2.0 plot ratio equivalent to 17.2 ha at same 0.35 ratio as other areas

Locational Approach to Meeting Needs

Offices

- 7.49 Office markets had been slowing prior to the pandemic and Leicester based agents Innes England report almost no office transactions since the pandemic outbreak other than occasional downsizing. This study necessarily takes a medium term and balanced albeit cautious perspective on office requirements. Businesses will still require space to work and collaborate, including both refurbished and new workspaces, and in due course growth of existing and new firms is expected to generate requirements. In reality the viability of new offices, particularly speculatively, has been and will remain to be very weak in most areas (including Leicester), due to rising build costs and competing land interests for residential and distribution, making delivery often challenging.
- 7.50 The expectation is that in the medium term demand will give rise to new office requirements manifesting in historical growth locations including Leicester City Centre although viability is not likely to improve and may require public sector assistance as has seen successful schemes in other East Midlands cities. Accessible out of town locations akin to Grove Park or Meridian Business Park are also likely to be desirable in due course given reduced deliverability constraints for new stock.

This is expected to be applicable to other districts in the FEMA, with smaller flexible spaces potentially desirable in both town centre and business centre locations, giving way to office requirements later in the plan period(s) assuming employment growth achieves levels forecast. The potential to repurpose redundant retail space to deliver office floorspace in town centres should be supported.

R&D

7.51 R&D type space is expected to come forward again in line with historic patterns of growth at MIRA and Loughborough University Science and Enterprise Park, although based on past trends and forecast job growth this is unlikely to exceed 10,000 sqm without substantial inward investment. The nature of future employment growth also suggests that higher end traditional business parks or distribution parks might see combined R&D with other types of commercial development given increasingly automated and technologically advanced processes across food manufacture, ICT and distribution of perishable goods.

Industrial and local Distribution

- 7.52 The key locations of demand for industrial and local distribution from a market perspective are at accessible locations in proximity to the labour force ideally at motorway or A road junctions. There are numerous examples of recent and ongoing developments of midsized industrial stock around Leicester such as Optimus Point and Leicester Distribution Park which represent market preferences.
- 7.53 Mid sized and smaller stock opportunities should be considered as intensification or extensions of existing estates around the FEMA often in proximity to local settlements, examples include Genesis Park (Wigston), Stoney Stanton (Blaby), Bardon Hill (NW Leicestershire) and Beauchamp Business Park (Harborough). Many of the authorities have a pipeline of proposals for mid sized units.
- 7.54 Urban extensions or other future growth locations such as Leicester south-eastern growth corridor¹⁴ present an opportunity to support the delivery of new employment spaces of smaller and midsized units where well connected to the road network. Smaller units tend to rely on closer proximity to the population centres due to the nature of occupiers.

-

¹⁴ As identified in the Strategic Growth Plan

8. OVERALL HOUSING NEEDS

8.1 The section considers overall housing needs. It begins by reviewing the Government's standard method, before overlaying broader considerations including the performance of the economy and the need for affordable housing.

National Policy

- 8.2 In 2018, the Government amended the NPPF and released new Planning Practice Guidance to introduce the 'standard method' for calculating local housing need. This replaced the approach to defining Objectively Assessed Needs (OAN) set out in the 2014 Planning Practice Guidance.
- 8.3 The Government's intention in doing so was to introduce a standardised approach using consistent data sources for all local authorities nationally to calculate housing need. Its ambitions were to make the process of doing so simpler, quicker and more transparent, with the intention of speeding up plan-making.
- 8.4 The 2021 NPPF now sets out in Para 61 that to determine the minimum number of homes needed, "strategic policies should be informed by a local housing need assessment, conducted using the standard method in national planning guidance unless exceptional circumstances justify an alternative approach which also reflects current and future demographic trends and market signals. In addition to the local housing need figure, any need that cannot be met within neighbouring areas should also be taken into account in establishing the amount of housing to be planned for."
- 8.5 The standard method is a 4-stepped calculation using nationally published data, as set out below.

Figure 8.1: Overview of the Current Standard Method for Calculating Local Housing Need



8.6 The PPG sets out that the standard method does not predict the impact that future Government policies, changing economic circumstances or other factors may have. The PPG¹⁵ states that there will be circumstances where it is appropriate to consider whether actual housing need is higher than the standard method indicates. It outlines the circumstances where this may be appropriate, which include:

 Where funding is in place to promote and facilitate additional growth (i.e. Housing Deals, City Growth Deals, etc.); or

 Where strategic infrastructure improvements are likely to drive an increase in the homes needed locally; or

 An authority agreeing to take on unmet need from neighbouring authorities, as set out in a Statement of Common Ground.

8.7 The PPG¹⁶ also requires consideration to be given to the inter-relationship with the assessed need for affordable housing. It sets out that:

"The total affordable housing need [once assessed] can then be considered in the context of its likely delivery as a proportion of mixed market and affordable housing developments, taking into account the probable percentage of affordable housing to be delivered by eligible market housing led developments. An increase in the total housing figures included in the plan may need to be considered where it could help deliver the required number of affordable homes."

8.8 This section therefore works through these issues to consider overall housing need.

Standard Method

8.9 The methodology for calculating housing need is clearly set out by Government in Planning Practice Guidance and follows a four-step process worked through in the following sub-sections.

¹⁵ Paragraph: 010 Reference ID: 2a-010-20201216

¹⁶ Paragraph: 024 Reference ID: 2a-024-20190220

Step One: Setting the Baseline

- 8.10 The first step in considering housing need against the Standard Method is to establish a demographic baseline of household growth. This baseline is drawn from the 2014-based Household Projections and should be the annual average household growth over a ten-year period, with the current year being the first year. Data for the 2022 to 2032 period has therefore been used with the exception of Charnwood where the 2021-31 period is used due to the Council having already submitted a plan for examination using this period. This results in household growth of around 40,000 households (4,000 per annum) over the ten-year period for the Leicester and Leicestershire Study Area.
- 8.11 Although this figure is calculated over a ten-year period from 2022 to 2032, Paragraph 12 of the PPG states that this average household growth and the local housing need arising from it can then "be applied to the whole plan period".

Step Two: Affordability Adjustment

- 8.12 The second step of the standard method is to consider the application of an uplift on the demographic baseline, to take account of market signals (i.e. relative affordability of housing). The adjustment increases the housing need where house prices are high relative to workplace incomes. It uses the published median affordability ratios from ONS based on workplace-based median house price to median earnings ratio for the most recent year for which data is available.
- 8.13 The latest (workplace-based) affordability data is for 2021-based and was published by ONS in March 2022 (although 2020 data has been used for Charnwood as its Local Plan has been submitted for Examination). The Government's Guidance states that for each 1% increase in the ratio of house prices to earnings, above 4, the average household growth should be increased by 6.25%, with the calculation being as follows:

$$Adjustment\ factor = \left(\frac{Local\ affordability\ ratio\ -4}{4}\right)x\ 0.25 + 1$$

Step Three: The Cap

- 8.14 The third step of the standard method is to consider the application of a cap on any increase and ensure that the figure which arises through the first two steps does not exceed a level which can be delivered. There are two situations where a cap is applied:
 - The first is where an authority has reviewed their plan (including developing an assessment of housing need) or adopted a plan within the last five years. In this instance the need may be capped at 40% above the requirement figure set out in the plan.

- The second situation is where plans and evidence are more than five years old. In such circumstances a cap may be applied at 40% of the higher of the projected household growth (step 1) or the housing requirement in the most recent plan, where this exists.
- 8.15 A cap is not applicable to the calculations for any of the local authorities. In the case of Harborough District and Melton Borough, an affordability uplift of over 40% is applicable as the cap is applied to the higher figure generated by the adopted Local Plan (the requirement of 557 dpa in Harborough's 2019 Local Plan and 245 dpa in Melton's 2018 Local Plan). For the other authorities, the affordability ratios give an uplift of below 40% there is no cap is applied.

Step Four: Urban Uplift

- 8.16 The fourth and final step in the calculation means that the 20 largest urban areas in England are subject to a further 35% uplift. This uplift ensures that the Governments stated target of 300,000 dwellings per annum is met and that "homes are built in the right places, to make the most of existing infrastructure, and to allow people to live nearby the service they rely on, making travel patterns more sustainable." (Paragraph: 035).
- 8.17 Leicester City is listed within the top 20 urban areas in the country it is therefore subject to this additional uplift of 35%.

Standard Method Calculation

- 8.18 The table below works through the Standard Method calculations and for the whole of the study area shows a need for 5,074 dwellings per annum before the urban uplift; this increases to 5,713 dpa with the inclusion of this uplift, with a further 639 dpa dwellings in Leicester.
- 8.19 The standard method local housing need is equivalent to 91,410 dwellings over the 2020-36 period or 119,970 dwellings over the 2020-41 period.¹⁸

¹⁷ Reference ID: 2a-035-20201216

¹⁸ Rounded to the nearest 10 dwellings

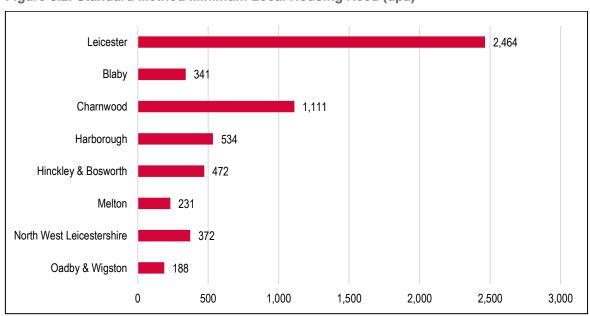
Table 8.1 Standard Method Calculations – Minimum Local Housing Need

| | Leic- ester | Blaby | Charn- wood | Har- borough | H & B | Melton | NWL | O & W | L&L |
|------------------------------|----------------|-------|----------------|-----------------|-------|--------|-----|-------|-------|
| Change in households (pa) | 1,492 | 272 | 903 | 377 | 371 | 152 | 298 | 136 | 4,000 |
| Affordability ratio (2020/1) | 22% | 25% | 23% | 42% | 27% | 52% | 25% | 38% | - |
| Initial need (per annum) | 1,825 | 341 | 1,111 | 534 | 472 | 231 | 372 | 188 | 5,074 |
| Capped | NA | NA | NA | NA | NA | NA | NA | NA | - |
| Urban uplift | 35% | 0% | 0% | 0% | 0% | 0% | 0% | 0% | - |
| Total need (per annum) | 2,464 | 341 | 1,111 | 534 | 472 | 231 | 372 | 188 | 5,713 |

Source: Derived from ONS data

8.20 These figures (on a dpa basis) are shown in Figure 8.2 below. The PPG is clear that these are a starting point for assessing housing need and a range of broader considerations need to be overlaid.

Figure 8.2: Standard Method Minimum Local Housing Need (dpa)



Source: Derived from ONS data

Inter-relationship with Economic Growth

- 8.21 Whilst there may be circumstances where it may be appropriate to plan for higher housing growth than the standard method, as set out in the PPG in Para 2a-010, it does not appear that these affect dynamics within this HMA when considered as a whole (as explored in this section).
- 8.22 The NPPF sets out that plans should encourage sustainable economic growth but also limit the need to travel. In spatial terms, it makes sense to seek to align the strategy for housing and employment,

and in broad terms this means seeking to ensure sufficient workforce growth (through housing development) is available to align with expected employment growth. Iceni has sought to consider this issue as two levels: firstly the alignment of housing and economic growth at the HMA level, recognising this as the relevant functional geography (which his considered in this section); and secondly how the distribution of economic growth might influence the appropriate distribution of homes to minimise the need to travel (which is considered in this Section and the next).

Homes-Jobs Alignment to 2036

- 8.23 We consider first the alignment between economic growth and the standard method housing need over the period to 2036, as this feeds into consideration of the potential distribution of housing provision over this period. Then consideration is given to the economic-led need to housing over longer time periods recognising that some local plans look beyond this.
- 8.24 The Cambridge Econometrics (CE) baseline projections envisage employment growth of 27,000 jobs over the period to 2036. At the headline level across the HMA, this is about a third of the level of workforce growth which the standard method LHN figures could potentially support (see Table 8.3 below). There is therefore no need to plan for housing provision across Leicester and Leicestershire above the standard method to support the baseline economic growth scenario.
- 8.25 However there are potentially some distributional issues. The baseline economic forecasts expect stronger relative employment growth in Harborough and NW Leicestershire. Weak growth is expected in Oadby and Wigston in particular.

Table 8.2 CE Baseline Economic Projections ('000s Jobs)

| '000s | 2020 | 2036 | Change | % Change |
|---------------------|-------|-------|--------|----------|
| Leicester | 190.7 | 197.6 | 6.8 | 3.6% |
| Blaby | 69.9 | 75.0 | 5.1 | 7.3% |
| Charnwood | 77.7 | 80.1 | 2.4 | 3.1% |
| Harborough | 48.0 | 51.8 | 3.9 | 8.0% |
| Hinckley & Bosworth | 49.8 | 51.4 | 1.6 | 3.2% |
| Melton | 22.3 | 23.7 | 1.4 | 6.3% |
| NW Leicestershire | 71.1 | 76.3 | 5.2 | 7.3% |
| Oadby & Wigston | 21.9 | 22.4 | 0.5 | 2.4% |
| L&L | 551.4 | 578.3 | 26.9 | 4.9% |

Source: Cambridge Econometrics

- 8.26 Iceni has then sought to compare this to the jobs which would be supported by the standard method figures in each area. Our modelling is shown below. Our modelling assumptions are as follows in considering the workforce supported by the standard method LHN figures:
 - 2018 SNPP Internal Migration provides base population projection

- 2014 headship rates as a starting point
- Part return to rent (PRT) headship adjustment for under 45s and adjustment to 75+
- Migration then adjusted to align to projected growth
- Workforce calculated using OBR economic participation rates
- 8.27 The resultant number of jobs supported is set out below. Comparing this to Table 8.2 it is clear that in most authorities housing provision in line with the standard method LHN would result in sufficient workforce growth to support the baseline employment projections. The exception is North West Leicestershire where the evidence indicates that stronger housing provision would be needed to support the Borough's economy.

Table 8.3 Comparing Jobs Growth supported by the Standard Method (Labour Supply) against CE Baseline Projections (Labour Demand)

| | Jobs Growth - Baseline 2020-36 | Jobs Supported by Standard Methor 2020-36 | |
|---------------------|-----------------------------------|---|---------------------------|
| | | Census Commuting | 1:1 commuting on new jobs |
| Leicester | 6,800 | 50,558 | 42,569 |
| Blaby | 5,100 | 5,489 | 5,100 |
| Charnwood | 2,400 | 15,034 | 17,620 |
| Harborough | 3,900 | 6,672 | 6,973 |
| Hinckley & Bosworth | 1,600 | 5,379 | 6,791 |
| Melton | 1,400 | 2,610 | 3,088 |
| NW Leicestershire | 5,200 | 4,562 | 3,932 |
| Oadby & Wigston | 500 | 2,677 | 3,342 |
| L&L | 26,900 | 92,981 | 89,415 |

Source: Cambridge Econometrics and Demographic Modelling

8.28 North West Leicestershire is the only authority where the Baseline Scenario results in potentially upward pressure on housing need. With the Baseline Scenario for employment growth, our analysis envisages that between 391-418 homes per year would be required in NW Leicestershire. The higher end of this range is based on a 1:1 commuting ratio. A 1:1 commuting ratio means that growth in the resident labour force and employment is assumed to align to one another. Where the Census commuting pattern is applied, this assumes that the commuting ratio (the ratio of workers in an area to residents in work) in 2011 is maintained, such that where areas see net in-commuting this is predicted to continue and visa versa.

Page 243 of 1014

Table 8.4 Housing Need in Baseline Economic Growth Scenario, 2020-41 (dpa)

| | Baseline (Census commuting) | Baseline (1-1 Commuting) |
|----------------|-----------------------------|--------------------------|
| Leicester | 699 | 743 |
| Blaby | 303 | 316 |
| Charnwood | 464 | 447 |
| Harborough | 398 | 392 |
| H&B | 269 | 252 |
| Melton | 163 | 153 |
| NWL | 371 | 398 |
| O&W | 113 | 108 |
| Leicestershire | 2,080 | 2,067 |
| L&L | 2,779 | 2,810 |

Source: Demographic Modelling

Aspirational Economic Growth Scenario

- 8.29 The Aspirational Growth Scenario constructed aligns with the emerging Leicester & Leicestershire Economic Growth Strategy 2021-30. This is considered next.
- 8.30 Adopting consistent assumptions to those described above (see Para 8.26) we have assessed the implications for housing need. The analysis indicates that to support the Aspirational Growth Scenario would require between 4,200 – 4,250 homes across Leicester and Leicestershire to 2041. This is below the standard method figure of 5,713 dpa.
- 8.31 However there are some individual authorities where this economic scenario generates a higher housing need than the standard method baseline - in Blaby, NW Leicestershire and Melton. These needs can be met through agreeing a redistribution of housing needs (in addressing Leicester's unmet need) and are considered in the Housing Distribution Paper which accompanies this HENA Report.
- 8.32 Iceni consider that given the potential changes which have occurred to commuting patterns since 2011 and the effects of the pandemic on growth in home-based working, but also the potential for supply constraints in Leicester to influence workforce growth in the City, it is reasonable to consider both scenarios for commuting.

Page 244 of 1014

Table 8.5 Implications of Aspirational Growth Scenario on Housing Need, 2020-41

| | Jobs Growth ('000s) | · · | Housing Need - Aspirational Growth Scenario (dpa) | |
|----------------|------------------------|---------------------|---|---------------------|
| | | Census Commuting | 1:1 Commuting | Comparator (dpa) |
| Leicester | 26.3 | 1,182 | 1,317 | 2,464 |
| Blaby | 11.1 | 424 | 447 | 341 |
| Charnwood | 8.2 | 640 | 598 | 1,111 |
| Harborough | 9.0 | 526 | 514 | 534 |
| H&B | 5.9 | 417 | 370 | 472 |
| Melton | 5.0 | 278 | 250 | 231 |
| NW Leics | 12.9 | 535 | 589 | 372 |
| O&W | 2.9 | 179 | 161 | 188 |
| Leicestershire | 55.1 | 2,999 | 2,929 | 3,249 |
| L&L | 81.4 | 4,182 | 4,246 | 5,713 |

Source: Cambridge Econometrics and Demographic Modelling

8.33 The analysis suggests that upward adjustments to housing provision (relative to the standard method starting point) should be considered in Blaby, Melton and NW Leicestershire could help to support economic growth in these areas. This might be considered as a 1st stage redistribution. Redistributing unmet need from Leicester to these areas would support workforce growth within them and help them to achieve their economic potential. These issues are considered further in the Housing Distribution Paper.

Homes-Jobs Alignment to 2041 and 2050

- 8.34 Drawing on consistent modelling assumptions to those described above, we have modelled the level of housing need which would be generated by the economic baseline and growth scenarios to 2050.
- 8.35 The scale of housing need generated to 2050 falls notably below that generated by the standard method. However the Growth Scenario generates a higher need in Blaby, Melton and NW Leicestershire which can be met through agreeing a revised distribution of housing need which supports greater housing provision in these authorities. This is considered in the Housing Distribution Paper which accompanies the HENA.

Page 245 of 1014

Table 8.6 Economic-led Housing Need, Dwellings per Annum 2020-50

| Dpa | Base (Census commuting) | Base (1-1 Commuting) | Growth (Census Commuting) | Growth (1-1 Commuting) |
|----------------|-------------------------|-------------------------|---------------------------|---------------------------|
| Leicester | 676 | 718 | 1,171 | 1,306 |
| Blaby | 283 | 295 | 406 | 428 |
| Charnwood | 437 | 420 | 619 | 575 |
| Harborough | 355 | 349 | 485 | 473 |
| H&B | 246 | 230 | 394 | 347 |
| Melton | 132 | 123 | 256 | 228 |
| NWL | 338 | 364 | 506 | 558 |
| O&W | 102 | 97 | 172 | 153 |
| Leicestershire | 1,893 | 1,878 | 2,837 | 2,762 |
| L&L | 2,568 | 2,596 | 4,008 | 4,068 |

Source: Demographic Modelling

Wider Considerations

- 8.36 Iceni has had regard to the set of wider considerations identified in the Planning Practice Guidance, and would comment:
 - The area is not identified as a growth area and it is not expected that there are strategic
 infrastructure improvements which will come forward over the period to 2036 which will have an
 upward impact on overall housing need. Indeed infrastructure provision is needed to
 accommodate growth.
 - There is no unmet need from areas outside of the L&L HMA which it is envisaged will need to be accommodated within the HMA. This will however need to be kept under review.
 - The standard method LHN (5,713 dpa) is above the equivalent assessment of need from the L&L 2017 HEDNA (4,716 dpa, 2011-36). Indeed it is around 21% higher. It is also above past housing delivery which has averaged 4,133 dpa over the 2006-20 period or 5,255 dpa over the last 5 years (2015-20), noting that the latter does not cover a full economic cycle. It is not therefore necessary to consider any uplift to the standard method associated with these issues.
 - In respect of affordable housing need, there is not a basis for this specifically driving the assessment of overall housing need; but it is a consideration in setting a housing target. The affordability adjustment within the standard method represents in the aggregate across the HMA a 43% upward adjustment to the household projections. This will, in theory/notionally more than deal with the needs of concealed/ overcrowded households and contribute to boosting both the delivery of market and affordable housing. The LHN represents a 38% boost on long-term delivery rates in the HMA which will also, in theory/notionally contribute to boosting affordable housing delivery.

Conclusions on Local Housing Need

8.37 The standard method defines a need for 5,713 dwellings per annum across the Leicester and Leicestershire sub-region. The demographic analysis undertaken does not point to any exceptional circumstances to depart from the standard method. Consideration has been given to whether there are factors which might result in an upward adjustment to the overall housing need; with the evidence finding no such factors across the HMA – but factors which would influence the distribution of housing need. These distributional considerations are taken forward in the Housing Distribution Paper.

Page 247 of 1014

| ART 3: NEED FOR DIFFERENT TYPES OF HOMES | | | | |
|--|--|--|--|--|
| | | | | |
| | | | | |
| | | | | |
| | | | | |
| | | | | |
| | | | | |
| | | | | |
| | | | | |
| | | | | |
| | | | | |
| | | | | |
| | | | | |
| | | | | |
| | | | | |
| | | | | |
| | | | | |

9. AFFORDABLE HOUSING NEED

- 9.1 This section provides an assessment of the need for affordable housing in Leicester & Leicestershire and the eight local authorities. Whilst data is provided for each of the local authorities it does need to be noted that there will be variations within areas (including around housing costs as well as levels of need) this is not considered in this report which can be considered as 'strategic'; however, local authorities might consider smaller-area assessments to supplement the findings in this section.
- 9.2 The analysis follows the PPG (Sections 2a-018 to 2a-024) and provides two main outputs, linked to Annex 2 of the NPPF this is firstly an assessment of the need for social/affordable rented housing and secondly to consider the need for affordable home ownership products.
- 9.3 The analysis also considers First Homes, a new tenure (similar to discounted market housing) being promoted by the Government. Information about First Homes was set out in the Government's consultation document 'Changes to the current planning system' in August 2020; with the consultation being reported on in early April 2021. In May 2021 a new PPG and Written Ministerial Statement were published specifically dealing with First Homes.

Methodology Overview

- 9.4 The method for studying the need for affordable housing has been enshrined in Government Practice Guidance for many years, with an established approach to look at the number of households who are unable to afford market housing (to either rent or buy) it is considered that this group will mainly be a target for rented affordable homes (social/affordable rented) and therefore the analysis looks at need for 'affordable housing for rent' as set out in Annex 2 of the NPPF. The methodology for looking at the need for rented (social/affordable) housing considers the following:
 - Current affordable housing need: an estimate of the number of households who have a need
 now, at the point of the assessment, based on a range of data modelled from local information –
 this figure is then annualised so as to meet the current need over a period of time;
 - Projected newly forming households in need: using demographic projections to establish
 gross household formation, and then applying an affordability test to estimate numbers of such
 households unable to afford market housing;
 - Existing households falling into need: based on studying past trends in the types of households who have accessed social/affordable rented housing; and
 - Supply of affordable housing: an estimate of the likely number of lettings that will become
 available from the existing social/affordable housing stock.

- 9.5 The first three bullet points above are added together to identify a gross need, from which the supply of relets of existing properties is subtracted to identify a net annual need for additional affordable housing. For the purposes of this assessment, this analysis is used to identify the overall (net) need for social/affordable rented housing.
- 9.6 This approach has traditionally been used to consider the needs of households who have not been able to afford market housing (either to buy or to rent). As the income necessary to afford to rent homes without financial support is typically lower than that needed to buy, the ability of households to afford private rents has influenced whether or not they are in need of affordable housing.
- 9.7 The NPPF and associated guidance has expanded the definition of those in affordable housing need to include households who might be able to rent without financial support but who aspire to own a home, and require support to do so. The PPG includes households that "cannot afford their own homes, either to rent, or to own, where that is their aspiration" as having an affordable housing need.
- 9.8 This widened definition has been introduced by national Government to support increased access to home ownership, given evidence of declining home ownership and growth in private renting over the last 10-15 years. PPG does not however provide specific guidance on how the needs of such households should be assessed and so this study adopts a broadly consistent methodology to that identified in the PPG, and consider a current need; a newly-arising need on an annual basis; existing households falling into need; and an annual estimate of supply.
- 9.9 For some of the analysis in this section it has been necessary to draw on other sources of data (applied to local information) to make estimates of the need. The approach is consistent with the PPG (Housing and economic needs assessment see 2a-020 for example) and includes linking local Census data to national changes (as evidenced in national surveys such as the English Housing Survey).
- 9.10 Additionally, information drawn from local surveys previously undertaken by JGC across the country have been used to look at potential prevalence rates for some elements of need where comprehensive local data is lacking. This includes considering what proportion of households in the private rented sector might have a need due to potential loss of accommodation (e.g. tenancies ending) although again such rates are applied to local information about the size of the sector.
- 9.11 This approach is considered to provide a reasonable view about likely local needs and is an approach that has been accepted through a range of Local Plan Examinations over the past five or more years. Our analysis of affordable housing need is therefore structured to consider the need for rented affordable housing, and separately the need for affordable home ownership. The overall need is expressed as an annual figure, which can then be compared with likely future delivery (as required by 2a-024).

- 9.12 Whilst the need for social/affordable rented housing and affordable home ownership are analysed separately, there are a number of pieces of information that are common to both assessments. In particular, this includes an understanding of local housing costs, incomes and affordability.
- 9.13 An important part of the affordable needs model is to establish the entry-level costs of housing to buy and rent. These are assessed in **Appendix A7**. Appendix A7 also addresses household incomes and the distribution of incomes.
- 9.14 The table below shows the estimated incomes required to both buy and rent (privately) in each local authority. This shows a notable 'gap' in most areas across the study area, particularly locations with higher house prices. The information in the tables below is taken forward into further analysis in this section to look at affordable needs in different locations.

Table 9.1 Estimated Household Income Required to Buy and Privately Rent by local authority – Leicester & Leicestershire

| | To buy | To rent (privately) | Income gap |
|---------------------------|---------|---------------------|------------|
| Leicester | £29,600 | £21,900 | £7,700 |
| Blaby | £38,000 | £25,300 | £12,700 |
| Charnwood | £33,600 | £22,500 | £11,100 |
| Harborough | £42,400 | £25,900 | £16,500 |
| Hinckley & Bosworth | £32,800 | £23,400 | £9,400 |
| Melton | £33,800 | £23,300 | £10,500 |
| North West Leicestershire | £32,000 | £23,500 | £8,500 |
| Oadby & Wigston | £35,000 | £24,700 | £10,300 |

Source: Based on Housing Market Cost Analysis

Need for Social/Affordable Rented Housing

9.15 The sections below work through the various stages of analysis to estimate the need for social/affordable housing in each local authority. Final figures are provided as an annual need (including an allowance to deal with current need). As per 2a-024 of the PPG, this figure can then be compared with likely delivery of affordable housing.

Current Need

9.16 In line with PPG paragraph 2a-020, the current need for affordable housing has been based on considering the likely number of households with one or more housing problems. The table below sets out the categories in the PPG and the sources of data being used to establish numbers. The PPG also includes a category where households cannot afford to own despite it being their aspiration – this category is considered separately in this report (under the title of the need for affordable home ownership).

Table 9.2 Main sources for assessing the current unmet need for affordable housing

| | Source | Notes |
|-------------------------------|-------------------------|-----------------------------------|
| Homeless households (those | MHCLG Statutory | Household in temporary |
| in temporary accommodation | Homelessness data | accommodation at end of quarter. |
| Households in overcrowded | Census table | Analysis undertaken by tenure and |
| housing | LC4108EW | updated by reference to national |
| | | changes (from the English Housing |
| | | Survey (EHS)) |
| Concealed households | Census table | Number of concealed families |
| | LC1110EW | |
| Existing affordable housing | Modelled data linking | Excludes overcrowded households – |
| tenants in need | to past survey analysis | tenure estimates updated by |
| Households from other tenures | Modelled data linking | reference to the EHS |
| in need | to past survey analysis | |

Source: PPG [2a-020]

- 9.17 It should be noted that there may be some overlap between categories (such as overcrowding and concealed households, whereby the overcrowding would be remedied if the concealed household moved). The data available does not enable analysis to be undertaken to study the impact of this and so it is possible that the figures presented include a small element of double counting (although this is likely to be small). Additionally, some of the concealed households may be older people who have moved back in with their families, or where households chose to live together in multigenerational households, and might not be considered as in need.
- 9.18 The table below shows the initial estimate of the number of households within each local authority with a current housing need. These figures are before any 'affordability test' has been applied to assess the ability of households to meet their own housing needs; and has been termed 'the number of households in unsuitable housing'. Overall, the analysis estimates that there are currently some 39,400 households living in unsuitable housing (or without housing), with 23,700 of these being in Leicester.

Page 252 of 1014

Table 9.3 Estimated Number of Households Living in Unsuitable Housing – Leicester & Leicestershire

| | Homeless/ concealed households | Households in overcrowded housing | Existing affordable housing tenants in need | Households from other tenures in need | Total |
|---------------------|--------------------------------------|-----------------------------------|---|--|--------|
| Leicester | 4,096 | 15,403 | 708 | 3,527 | 23,734 |
| Blaby | 450 | 788 | 67 | 775 | 2,080 |
| Charnwood | 740 | 2,000 | 178 | 1,537 | 4,455 |
| Harborough | 302 | 619 | 66 | 740 | 1,727 |
| Hinckley & Bosworth | 384 | 935 | 106 | 950 | 2,375 |
| Melton | 171 | 409 | 54 | 507 | 1,141 |
| NWL | 351 | 897 | 127 | 803 | 2,178 |
| Oadby & Wigston | 497 | 757 | 36 | 430 | 1,720 |
| Leicestershire | 2,895 | 6,405 | 634 | 5,741 | 15,676 |
| L&L | 6,991 | 21,808 | 1,342 | 9,269 | 39,410 |

Source: MHCLG Live Tables, Census 2011 and Data Modelling

- 9.19 In taking this estimate forward, the data modelling next estimates housing unsuitability by tenure. From the overall number in unsuitable housing, households living in affordable housing are excluded (as these households would release a dwelling on moving and so no net need for affordable housing will arise). The analysis also excludes 90% of owner-occupiers under the assumption (which is supported by analysis of survey data) that the vast majority will be able to afford housing once savings and equity are taken into account.
- 9.20 A final adjustment is to slightly reduce the unsuitability figures in the private rented sector to take account of student-only households – such households could technically be overcrowded/living in unsuitable housing but would be unlikely to be allocated affordable housing (student needs are essentially assumed to be transient). Once these households are removed from the analysis, the remainder are taken forward for affordability testing.

The tables below show it is estimated that there are around 21,200 households living in unsuitable housing (excluding current social tenants and the majority of owner-occupiers) in Leicester & Leicestershire.

Table 9.4 Unsuitable Housing by Tenure and Number to Take Forward into Affordability Modelling (Leicester & Leicestershire)

| | In Unsuitable Housing | Number to Take Forward for Affordability Testing |
|---------------------------------|-----------------------|---|
| Owner-occupied | 9,763 | 976 |
| Affordable housing | 8,360 | 0 |
| Private rented | 14,295 | 13,185 |
| No housing (homeless/concealed) | 6,991 | 6,991 |
| Total | 39,410 | 21,152 |

Source: MHCLG Live Tables, Census 2011 and Data Modelling

- 9.21 Having established this figure, it needs to be considered that a number of these households might be able to afford market housing without the need for subsidy. To consider this, the income data has been used, with the distribution adjusted to reflect a lower average income amongst households living in unsuitable housing for the purposes of the modelling an income distribution that reduces the average household income to 88% of the figure for all households has been used to identify the proportion of households whose needs could not be met within the market (for households currently living in housing). A lower figure of 42% has been used to apply an affordability test for the concealed/homeless households who do not currently occupy housing.
- 9.22 These two percentage figures have been based on a consideration of typical income levels of households who are in unsuitable housing (based mainly on estimates in the private rented sector) along with typical income levels of households accessing social rented housing (for those without accommodation).
- 9.23 The figures have been based on analysis of the English Housing Survey (mainly looking at relative incomes of households in each of the private and social rented sectors) as well as consideration of similar information collected through household surveys across the country by JGC. These modelling assumptions are considered reasonable and have not been challenged through the Local Plan process in other locations (where the same assumptions have been used).
- 9.24 Overall, around half of households with a current need are estimated to be likely to have insufficient income to afford market housing and so the estimate of the total current need is around 11,100 households across the study area approaching two-thirds of the need estimated to be arising in the City. The table below shows how this is estimated to vary by local authority.

Table 9.5 Estimated Current Affordable Housing Need (for social/affordable rented housing)

| | In unsuitable housing (taken forward for affordability test) | % Unable to Afford Market Housing (without subsidy) | Revised Gross Need (including Affordability) |
|---------------------|--|---|--|
| Leicester | 12,879 | 54.9% | 7,076 |
| Blaby | 1,132 | 52.3% | 592 |
| Charnwood | 2,250 | 46.4% | 1,044 |
| Harborough | 929 | 48.0% | 446 |
| Hinckley & Bosworth | 1,236 | 47.6% | 589 |
| Melton | 651 | 45.5% | 296 |
| NWL | 1,109 | 47.0% | 522 |
| Oadby & Wigston | 966 | 55.0% | 531 |
| Leicestershire | 8,273 | 48.6% | 4,019 |
| L&L | 21,152 | 52.5% | 11,096 |

Source: CLG Live Tables, Census 2011 and Data Modelling

9.25 The estimated figures shown above represents the number of households with a need currently. For the purposes of analysis, it is assumed that the local authorities would seek to meet this need over a period of time. Given that this report typically looks at needs in the period from 2020 to 2041, the need is annualised by dividing by 21 (to give an annual need for 528 dwellings across all areas). This does not mean that some households would be expected to wait 21-years for housing as the need is likely to be dynamic, with households leaving the current need as they are housed but with other households developing a need over time.

Newly Forming Households

- 9.26 The number of newly forming households has been estimated through demographic modelling with an affordability test also being applied. This has been undertaken by considering the changes in households in specific 5-year age bands relative to numbers in the age band below, 5 years previously, to provide an estimate of gross household formation.
- 9.27 The number of newly-forming households is limited to households forming who are aged under 45 this is consistent with MHCLG guidance (from 2007) which notes after age 45 that headship (household formation) rates 'plateau'. There may be a small number of household formations beyond age 45 (e.g. due to relationship breakdown) although the number is expected to be fairly small when compared with formation of younger households.
- 9.28 The number of newly forming households has been estimated through demographic modelling (linked to 2018-based SNHP and 2014-based HRRs). This is considered to provide the best view about trend-based household formation in Leicester & Leicestershire.

- 9.29 In assessing the ability of newly forming households to afford market housing, data has been drawn from previous surveys undertaken nationally by JGC. This establishes that the average income of newly forming households is around 84% of the figure for all households. This figure is remarkably consistent across areas (and is also consistent with analysis of English Housing Survey data at a national level).
- 9.30 The analysis has therefore adjusted the overall household income data to reflect the lower average income for newly forming households. The adjustments have been made by changing the distribution of income by bands such that average income level is 84% of the all household average. In doing this it is possible to calculate the proportion of households unable to afford market housing. For the purposes of the need for social/affordable rented housing this will relate to households unable to afford to buy OR rent in the market.
- 9.31 The assessment suggests overall that around two-fifths of newly forming households will be unable to afford market housing (to rent privately) and this equates a total of 3,600 newly forming households will have a need per annum on average across the study area the table below provides a breakdown by local authority.

Table 9.6 Estimated Need for Social/Affordable Rented Housing from Newly Forming Households (per annum) – Leicester & Leicestershire

| | Number of new households | % unable to afford | Annual newly forming households unable to afford to rent |
|---------------------|-----------------------------|--------------------|--|
| Leicester | 3,033 | 46.0% | 1,394 |
| Blaby | 873 | 40.2% | 351 |
| Charnwood | 1,644 | 37.0% | 607 |
| Harborough | 695 | 38.5% | 268 |
| Hinckley & Bosworth | 969 | 38.8% | 376 |
| Melton | 285 | 38.4% | 109 |
| NWL | 872 | 38.0% | 331 |
| Oadby & Wigston | 338 | 38.8% | 131 |
| Leicestershire | 5,677 | 38.3% | 2,173 |
| L&L | 8,710 | 40.9% | 3,566 |

Source: Projection Modelling/Affordability Analysis

Existing Households Falling into Affordable Housing Need

9.32 The second element of newly arising need is existing households falling into need. To assess this, information about past lettings in social/affordable rented has been used. The assessment looked at households who have been housed in general needs housing over the past three years – this group will represent the flow of households onto the Housing Register over this period. From this, newly forming households (e.g. those currently living with family) have been discounted as well as

households who have transferred from another social/affordable rented property. An affordability test has also been applied.

- 9.33 This method for assessing existing households falling into need is consistent with the 2007 SHMA guide which says on page 46 that 'Partnerships should estimate the number of existing households falling into need each year by looking at recent trends. This should include households who have entered the housing register and been housed within the year as well as households housed outside of the register (such as priority homeless household applicants)'.
- 9.34 Following the analysis through suggests a need arising from 1,221 existing households each year across the study area, with just over half of these households being in Leicester. The table below breaks this down by local authority.

Table 9.7 Estimated Need for Social/Affordable Rented Housing from Existing Households
Falling into Need (per annum) – Leicester & Leicestershire

| | Total Additional Need | % of Total |
|---------------------|-----------------------|------------|
| Leicester | 646 | 52.9% |
| Blaby | 48 | 3.9% |
| Charnwood | 193 | 15.8% |
| Harborough | 41 | 3.3% |
| Hinckley & Bosworth | 116 | 9.5% |
| Melton | 43 | 3.5% |
| NWL | 117 | 9.6% |
| Oadby & Wigston | 18 | 1.5% |
| Leicestershire | 575 | 47.1% |
| L&L | 1,221 | 100.0% |

Source: Derived from a range of sources¹⁹

Supply of Social/Affordable Rented Housing Through Relets

- 9.35 The future supply of affordable housing through relets is the flow of affordable housing arising from the existing stock that is available to meet future need. This focusses on the annual supply of social/affordable rent relets.
- 9.36 The Practice Guidance suggests that the estimate of likely future relets from the social rented stock should be based on past trend data which can be taken as a prediction for the future. Information from CoRe has been used to establish past patterns of social housing turnover. The figures are for general needs lettings but exclude lettings of new properties and exclude an estimate of the number

Courses motivaes. Solite data and anothers my arranges (prices, relied and incomine

¹⁹ Sources include: CoRe data and affordability analysis (prices, rents and incomes)

of transfers from other social rented homes. These exclusions are made to ensure that the figures presented reflect relets from the existing stock.

9.37 On the basis of past trend data it has been estimated that 2,240 units of social/affordable rented housing are likely to become available each year moving forward for occupation by newly forming households and existing households falling into need from other tenures – around half of the supply is expected to arise in Leicester.

Table 9.8 Analysis of Past Social/Affordable Rented Housing Supply, 2017/18 – 2019/20 (average per annum) – Leicester & Leicestershire

| | Total Lettings | % as Non- New Build | Lettings in Existing Stock | % Non- Transfers | Lettings to New Tenants |
|---------------------|-------------------|------------------------|----------------------------------|---------------------|-------------------------------|
| Leicester | 1,954 | 93.5% | 1,827 | 61.7% | 1,128 |
| Blaby | 188 | 63.2% | 119 | 71.9% | 85 |
| Charnwood | 731 | 83.3% | 609 | 65.0% | 396 |
| Harborough | 167 | 63.1% | 105 | 72.3% | 76 |
| Hinckley & Bosworth | 352 | 77.7% | 273 | 72.7% | 199 |
| Melton | 151 | 82.4% | 124 | 68.0% | 84 |
| NWL | 503 | 78.2% | 394 | 60.1% | 236 |
| Oadby & Wigston | 77 | 84.7% | 65 | 54.1% | 35 |
| Leicestershire | 2,168 | 77.9% | 1,688 | 65.8% | 1,112 |
| L&L | 4,122 | 85.3% | 3,516 | 63.7% | 2,240 |

Source: CoRe/LAHS

9.38 The PPG model also includes the bringing back of vacant homes into use and the pipeline of affordable housing as part of the supply calculation. These have however not been included within the modelling in this report. Firstly, there is no evidence of any substantial stock of vacant homes (over and above a level that might be expected to allow movement in the stock). Secondly, with the pipeline supply, it is not considered appropriate to include this as to net off new housing would be to fail to show the full extent of the need, although in monitoring it will be important to net off these dwellings as they are completed.

Net Need for Social/Affordable Rented Housing

9.39 The table below shows the overall calculation of affordable housing need. The analysis shows that there is a need for 3,076 dwellings per annum across the area – an affordable need is seen in all local authorities. The net need is calculated as follows:

Net Need = Current Need (allowance for) + Need from Newly-Forming Households + Existing Households falling into Need – Supply of Affordable Housing

Table 9.9 Estimated Need for Social/Affordable Rented Housing by local authority (per annum)

| | Current need | Newly forming house- holds | Existing house- holds falling into need | Total Gross Need | Relet Supply | Net Need |
|---------------------|-----------------|-------------------------------------|---|------------------------|-----------------|----------|
| Leicester | 337 | 1,394 | 646 | 2,376 | 1,128 | 1,249 |
| Blaby | 28 | 351 | 48 | 426 | 85 | 341 |
| Charnwood | 50 | 607 | 193 | 850 | 396 | 455 |
| Harborough | 21 | 268 | 41 | 330 | 76 | 254 |
| Hinckley & Bosworth | 28 | 376 | 116 | 519 | 199 | 321 |
| Melton | 14 | 109 | 43 | 166 | 84 | 82 |
| NWL | 25 | 331 | 117 | 473 | 236 | 236 |
| Oadby & Wigston | 25 | 131 | 18 | 174 | 35 | 139 |
| Leicestershire | 191 | 2,173 | 575 | 2,939 | 1,112 | 1,827 |
| L&L | 528 | 3,566 | 1,221 | 5,315 | 2,240 | 3,076 |

Source: See data in Tables 9.5 to 9.8

The Relationship Between Affordable Need and Overall Housing Need

9.40 The PPG encourages local authorities to consider increasing planned housing numbers where this can help to meet the identified affordable need. Specifically, the wording of the PPG [2a-024] states:

'The total affordable housing need can then be considered in the context of its likely delivery as a proportion of mixed market and affordable housing developments, given the probable percentage of affordable housing to be delivered by market housing led developments. An increase in the total housing figures included in the strategic plan may need to be considered where it could help deliver the required number of affordable homes'

- 9.41 However, the relationship between affordable housing need and overall housing need is complex. This was recognised in the Planning Advisory Service (PAS) Technical Advice Note of July 2015. PAS conclude that there is no arithmetical way of combining the OAN (calculated through demographic projections) and the affordable need. There are a number of reasons why the two cannot be 'arithmetically' linked.
- 9.42 Firstly, the modelling contains a category in the projection of 'existing households falling into need'; these households already have accommodation and hence if they were to move to alternative accommodation, they would release a dwelling for use by another household there is no net need to provide additional homes. The modelling also contains 'newly forming households'; these households are a direct output from the demographic modelling and are therefore already included in the overall housing need figures.

- 9.43 This just leaves the 'current need'; much of this group will be similar to the existing households already described (in that they are already living in accommodation) although it is possible that a number will be households without housing (mainly concealed households) these households are not included in the demographic modelling and so are arguably an additional need, although uplifts for market signals/affordability (as included in the Government's Standard Method) would be expected to deal with such households.
- 9.44 The analysis estimates an annual need for 3,076 rented affordable homes, which is notionally 54% of the minimum Local Housing Need of 5,713 dwellings per annum. However, as noted, caution should be exercised in trying to make a direct link between affordable need and planned delivery, with the key point being that many of those households picked up as having a need will already be living in housing and so providing an affordable option does not lead to an overall net increase in the need for housing (as they would vacate a home to be used by someone else).
- 9.45 It is possible to investigate this is some more detail by re-running the model and excluding those already living in accommodation. This is shown in the table below which identifies that meeting these needs would lead to an affordable need for 1,580 homes per annum across the study area notionally 28% of the Standard Method. This figure is theoretical and should not be seen to be minimising the need (which is clearly acute). It does however serve to show that there is a substantial difference in the figures when looking at overall housing shortages.
- 9.46 The analysis is arguably even more complex than this it can be observed that the main group of households in need are newly forming households. These households are already included within demographic projections and so the demonstrating of a need for this group again should not be seen as over and above any need derived through the normal process of looking at need. Indeed, only the 253 per annum (current need) is in addition to demographic projections and this scale of uplift will already have been included in figures when moving from a demographic start point to an estimate of housing need using the Standard Method.

Page 260 of 1014

Table 9.10 Estimated Need for Social/Affordable Rented Housing by local authority (per annum) – excluding existing households

| | Current need | Newly forming house- holds | Existing house- holds falling into need | Total Gross Need | Relet Supply | Net Need |
|---------------------|-----------------|-------------------------------------|---|------------------------|-----------------|----------|
| Leicester | 154 | 1,394 | 0 | 1,548 | 1,128 | 420 |
| Blaby | 16 | 351 | 0 | 366 | 85 | 281 |
| Charnwood | 25 | 607 | 0 | 632 | 396 | 237 |
| Harborough | 10 | 268 | 0 | 278 | 76 | 202 |
| Hinckley & Bosworth | 13 | 376 | 0 | 389 | 199 | 190 |
| Melton | 6 | 109 | 0 | 115 | 84 | 31 |
| NWL | 12 | 331 | 0 | 343 | 236 | 107 |
| Oadby & Wigston | 17 | 131 | 0 | 148 | 35 | 113 |
| Leicestershire | 99 | 2,173 | 0 | 2,272 | 1,112 | 1,160 |
| L&L | 253 | 3,566 | 0 | 3,819 | 2,240 | 1,580 |

Source: Range of sources as discussed

- 9.47 The discussion above has already noted that the need for affordable housing does not generally lead to a need to increase overall provision (with the exception of potentially providing housing for concealed households although this should be picked up as part of an affordability uplift). It is however worth briefly thinking about how affordable need works in practice and the housing available to those unable to access market housing without Housing Benefit. In particular, the increasing role played by the Private Rented Sector (PRS) in providing housing for households who require financial support in meeting their housing needs should be recognised.
- 9.48 Whilst the Private Rented Sector (PRS) does not fall within the types of affordable housing set out in the NPPF (other than affordable private rent which is a specific tenure separate from the main 'full market' PRS), it has evidently in reality been playing a role in meeting the needs of households who require financial support in meeting their housing need. Government recognises this, and indeed legislated through the 2011 Localism Act to allow Councils to discharge their "homelessness duty" through providing an offer of a suitable property in the PRS. This reflects historical under-delivery of affordable housing relative to need, losses of stock (such as through right-to-buy sales) and constraints to future delivery (which is focused on delivery through S106 Agreements subject to viability).
- 9.49 Data from the Department of Work and Pensions (DWP) has been used to look at the number of Housing Benefit supported private rented homes. As of February 2021, it is estimated that there were over 28,600 benefit claimants in the private rented sector in Leicester and Leicestershire. From this, it is clear that the PRS contributes to the wider delivery of 'affordable homes' (and addressing the shortfall of affordable housing) with the support of benefit claims.

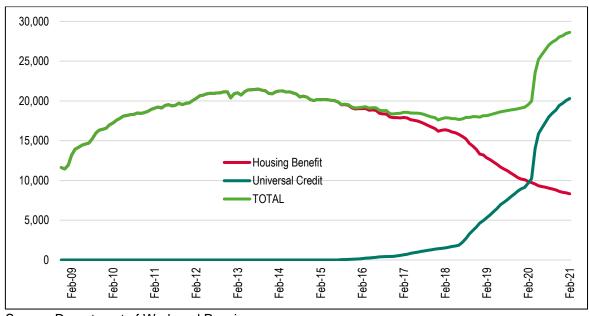
9.50 The table below shows the number of households in each authority claiming Housing Benefit or Universal Credit where there is a housing entitlement (in the PRS). The figure below the table shows the trend in the number of claimants for the whole study area. This shows there has been a notable increase since March 2020, which is likely to be related to the Covid-19 pandemic. However, even the more historical data shows a substantial number of households claiming benefit support for their housing in the private sector (typically around 20,000 households).

Table 9.11 Number of Housing Benefit claimants in the Private Rented Sector, Feb 2021

| | Housing Benefit | Universal Credit (with housing allowance | TOTAL |
|---------------------|-----------------|--|--------|
| Leicester | 4,496 | 10,574 | 15,070 |
| Blaby | 522 | 1,321 | 1,843 |
| Charnwood | 1,026 | 2,511 | 3,537 |
| Harborough | 378 | 1,047 | 1,425 |
| Hinckley & Bosworth | 604 | 1,779 | 2,383 |
| Melton | 286 | 838 | 1,124 |
| NWL | 521 | 1,330 | 1,851 |
| Oadby & Wigston | 484 | 910 | 1,394 |
| Leicestershire | 3,821 | 9,736 | 13,557 |
| L&L | 8,317 | 20,310 | 28,627 |

Source: Department of Work and Pensions

Figure 9.1: Number of Housing Benefit claimants in the Private Rented Sector – Leicester & Leicestershire



Source: Department of Work and Pensions

Split Between Social and Affordable Rented Housing

- 9.51 The analysis above has studied the overall need for social and affordable rented housing with a focus on households who cannot afford to rent in the market. These households will therefore have a need for some form of rented housing at a cost below typical market rates. Typically, there are two main types of rented affordable accommodation (social and affordable rented) with the analysis below initially considering what a reasonable split might be between these two tenures.
- 9.52 An analysis has been undertaken to compare the income distribution of households with the cost of different products. Data about average social and affordable rents has been taken from the Regulator of Social Housing (RSH) and this is compared with lower quartile and median market rents (from ONS data). This analysis shows that social rents are lower than affordable rents; the analysis also shows that affordable rents are less than both lower quartile and median market rents the data is fairly consistent across areas. This is presented in **Appendix A8**.
- 9.53 For the affordability test, a standardised average rent for each product has been used. The table below suggests that around 15%-26% of households who cannot afford to rent privately could afford an affordable rent, with a further 14%-21% being able to afford a social rent (but not an affordable one). A total of 53%-70% of households would need some degree of benefit support to be able to afford their housing (regardless of the tenure).

Table 9.12 Estimated need for affordable rented housing (% of households unable to afford)

| | Afford affordable rent | Afford social rent | Need benefit support | All unable to afford market |
|----------------|------------------------|--------------------|----------------------|-----------------------------|
| Leicester | 15% | 17% | 69% | 100% |
| Blaby | 24% | 20% | 56% | 100% |
| Charnwood | 18% | 15% | 68% | 100% |
| Harborough | 26% | 21% | 53% | 100% |
| H & B | 20% | 14% | 66% | 100% |
| Melton | 13% | 16% | 70% | 100% |
| NWL | 17% | 19% | 65% | 100% |
| O & W | 25% | 15% | 60% | 100% |
| Leicestershire | 20% | 17% | 63% | 100% |
| L&L | 18% | 17% | 65% | 100% |

Source: Affordability analysis

9.54 The finding that only 15%-26% of households can afford an affordable rent does not automatically lead to a policy conclusion on the split between the two types of housing. For example, many households who will need to access rented accommodation will be benefit dependent and as such could technically afford an affordable rent. Hence a higher proportion of affordable rented housing might be appropriate – indeed the analysis does identify a substantial proportion of households as

being likely to need benefit support. On the flip side, providing more social rents would reduce households recourse to benefits.

- 9.55 There will be a series of other considerations both at a strategic level and for specific schemes. For example, there may be funding streams that are only available for a particular type of housing, and this may exist independently to any local assessment of need. Additionally, there will be the consideration of the balance between the cost of housing and the amount that can be viably provided, for example, it is likely that affordable rented housing is more viable, and therefore a greater number of units could be provided. Finally, in considering a split between social and affordable rented housing it needs to be considered that having different tenures on the same site (at least at initial occupation) may be difficult e.g. if tenants are paying a different rent for essentially the same size/type of property and services.
- 9.56 On this basis, it is not recommended that the Councils have a rigid policy for the split between social and affordable rented housing, although the analysis is clear that both tenures of homes are likely to be required in all areas.

Establishing a Need for Affordable Home Ownership

- 9.57 The Planning Practice Guidance confirms a widening definition of those to be considered as in affordable need; now including 'households which can afford to rent in the private rental market but cannot afford to buy despite a preference for owning their own home'. However, at the time of writing, there is no guidance about how the number of such households should be measured.
- 9.58 The methodology used in this report therefore draws on the current methodology, and includes an assessment of current needs, and projected need (newly forming and existing households). The key difference is that in looking at affordability an estimate of the number of households in the 'gap' between buying and renting is used. There is also the issue of establishing an estimate of the supply of affordable home ownership homes this is considered separately below.
- 9.59 The analysis has been developed in the context of First Homes with the Government requiring that 25% of all affordable housing secured through developer contributions should be within this tenure. First Homes are defined in PPG (70-001) as a specific kind of discounted market sale housing, sold at a minimum discount of 30% of market value to eligible persons, with a sale price of no greater than £250,000.

Gross Need for Affordable Home Ownership

9.60 The first part of the analysis seeks to understand what the gap between renting and buying actually means in the study area – in particular establishing the typical incomes that might be required. The

information about incomes required to both buy and rent in different locations has already been provided earlier in this section and so the discussion below is a broad example.

9.61 Using the income distributions developed (as set out earlier in this section) along with data about price and rents, it has been estimated that of all households living in the private rented sector, around 44% already have sufficient income to buy a lower quartile home, with 17% falling in the rent/buy 'gap'. The final 39% are estimated to have an income below what they need to afford to rent privately (i.e. they would need to spend more than the calculated threshold of their income on housing costs) although in reality it should be noted that many households will spend a higher proportion of their income on housing. These figures have been based on an assumption that incomes in the private rented sector are around 88% of the equivalent figure for all households (a proportion derived from the English Housing Survey) and are used as it is clear that affordable home ownership products are likely to be targeted at households living in or who might be expected to access this sector (e.g. newly forming households).

9.62 The table below shows an estimate of the proportion of households living in the private rented sector who are able to afford different housing products by local authority. This shows a higher proportion of households in the rent/buy gap in Harborough and Blaby. Lower figures can be seen in North West Leicestershire and Leicester.

Table 9.13 Estimated proportion of households living in Private Rented Sector able to buy and/or rent market housing – Leicester & Leicestershire

| | Can afford to buy OR rent | Can afford to rent but not buy | Cannot afford to buy OR rent |
|------------|---------------------------|--------------------------------|------------------------------|
| Leicester | 41% | 15% | 44% |
| Blaby | 42% | 20% | 38% |
| Charnwood | 46% | 19% | 35% |
| Harborough | 40% | 24% | 36% |
| H & B | 47% | 16% | 37% |
| Melton | 46% | 18% | 36% |
| NWL | 50% | 14% | 36% |
| O & W | 47% | 17% | 37% |
| L&L | 44% | 17% | 39% |

Source: Derived from Housing Market Cost Analysis and Affordability Testing

9.63 The finding that a significant proportion of households in the private rented sector are likely to have an income that would allow them to buy a home is also noteworthy and suggests that for many households, barriers to accessing owner-occupation are less about income/the cost of housing and more about other factors (which could for example include the lack of a deposit or difficulties obtaining a mortgage (for example due to a poor credit rating or insecure employment)). However, some households will choose to privately rent, for example as it is a more flexible option that may be more suitable for a particular household's life stage (e.g. if moving locations with employment).

- 9.64 To study current need, an estimate of the number of households living in the Private Rented Sector (PRS) has been established, with the same (rent/buy gap) affordability test (as described above) then applied. The start point is the number of households living in private rented accommodation; as of the 2011 Census there were some 59,900 households living in the sector across the study area. Data from the English Housing Survey (EHS) suggests that since 2011, the number of households in the PRS has risen by about 19% if the same proportion is relevant to Leicester & Leicestershire then the number of households in the sector would now be around 71,300.
- 9.65 Additional data from the EHS suggests that 60% of all PRS households expect to become an owner at some point (42,800 households if applied to L & L) and of these some 40% (17,100 households) would expect this to happen in the next 2-years. These figures are taken as the number of households potentially with a current need for affordable home ownership before any affordability testing.
- 9.66 As noted above, on the basis of income it is estimated that around 14%-24% of the private rented sector sit in the gap between renting and buying (depending on location). Applying this proportion to the above figures would suggest a current need for around 2,860 affordable home ownership units (136 per annum respectively if annualised over a 21-year period).
- 9.67 In projecting forward, the analysis can consider newly forming households and also the remaining existing households who expect to become owners further into the future. Applying the same affordability test (albeit on a very slightly different income assumption for newly forming households) suggests an annual need from these two groups of around 1,702 dwellings (1,498 from newly forming households and 204 from existing households in the private rented sector).
- 9.68 Bringing together the above analysis suggests that there is a need for around 1,839 affordable home ownership homes (priced for households able to afford to rent but not buy) per annum across the study area. This is before any assessment of the potential supply of housing is considered.

Page 266 of 1014

Table 9.14 Estimated Gross Need for Affordable Home Ownership by local authority (per annum) – Leicester & Leicestershire

| | Current need | Newly forming | Existing | Total Gross |
|----------------|--------------|---------------|-------------------|-------------|
| | | households | households | Need |
| | | | falling into need | |
| Leicester | 57 | 449 | 85 | 591 |
| Blaby | 10 | 172 | 15 | 198 |
| Charnwood | 24 | 317 | 37 | 378 |
| Harborough | 13 | 163 | 19 | 195 |
| H & B | 11 | 159 | 17 | 187 |
| Melton | 7 | 51 | 11 | 70 |
| NWL | 9 | 129 | 13 | 151 |
| O & W | 5 | 58 | 7 | 70 |
| Leicestershire | 79 | 1,049 | 119 | 1,248 |
| L&L | 136 | 1,498 | 204 | 1,839 |

Source: Range of sources as discussed

Potential Supply of Housing to Meet the Affordable Home Ownership Need

- 9.69 As with the need for social/affordable rented housing, it is also necessary to consider if there is any supply of affordable home ownership products from the existing stock of housing. As with assessing the need for affordable home ownership, it is the case that at present the PPG does not include any suggestions about how the supply of housing to meet these needs should be calculated.
- 9.70 The main source is likely to be resales of products such as shared ownership and an analysis of CoRe data about resales of affordable housing shows an average of around 44 resales per annum across the study area (based on data for the 2016-19 period). These properties would be available for these households and can be included as the potential supply.
- 9.71 The table below therefore shows an estimate of the net need for affordable home ownership. This suggests a need for around 1,795 dwellings per annum, with a need being shown in all areas.

^{*}Numbers may not add up due to rounding

Table 9.15 Estimated Need for Affordable Home Ownership by local authority (per annum) – Leicester & Leicestershire

| | Total Gross Need | LCHO supply | Net need |
|----------------|------------------|-------------|----------|
| Leicester | 591 | 6 | 585 |
| Blaby | 198 | 3 | 195 |
| Charnwood | 378 | 7 | 372 |
| Harborough | 195 | 10 | 185 |
| H & B | 187 | 10 | 177 |
| Melton | 70 | 2 | 67 |
| NWL | 151 | 5 | 146 |
| O & W | 70 | 1 | 69 |
| Leicestershire | 1,248 | 38 | 1,210 |
| L&L | 1,839 | 44 | 1,795 |

Source: Range of sources as discussed

An Alternative view of the Supply of Affordable Home Ownership Properties

9.72 The analysis above has looked at the supply of resales of affordable housing. However, it should be noted that the analysis to consider need looks at households unable to afford a lower quartile property price. By definition, a quarter of all homes sold will be priced at or below a lower quartile level. According to the Land Registry, in Leicester & Leicestershire there were a total of 9,917 resales (i.e. excluding newly-built homes) in the last year (year to September 2020) and therefore around 2,479 would be priced below the lower quartile. This is 2,479 homes that would potentially be affordable to the target group for affordable home ownership products and is a potential supply that is well in excess of the level of need calculated. The table below shows the estimated number of sales and the number at or below a lower quartile price for each local authority.

Table 9.16 Number of sales of existing dwellings (year to September 2020) and number at or below lower quartile – Leicester & Leicestershire

| | Number of sales | Sales at or below LQ |
|----------------|-----------------|----------------------|
| Leicester | 1,967 | 492 |
| Blaby | 1,226 | 307 |
| Charnwood | 1,868 | 467 |
| Harborough | 1,056 | 264 |
| H & B | 1,478 | 370 |
| Melton | 567 | 142 |
| NWL | 1,214 | 304 |
| O & W | 541 | 135 |
| Leicestershire | 7,950 | 1,988 |
| L&L | 9,917 | 2,479 |

Source: Land Registry

^{*}Numbers may not add up due to rounding

9.73 If a further supply of dwellings below lower quartile were taken from the estimated need then it would be suggested that there is actually a surplus of affordable home ownership properties (of around 700 per annum). This figure should be treated as theoretical, not least because it is the case that market housing is not allocated in the same way as social/affordable rented homes (i.e. anyone is able to buy a home as long as they can afford it and it is possible that a number of lower quartile homes would be sold to households able to afford more, or potentially to investment buyers). However, it is clear that looking at a wider definition of supply does make it difficult to conclude what the need for affordable home ownership is (and indeed if there is one).

Implications of the Analysis

- 9.74 Given the analysis above, it would be reasonable to conclude that there is a need to provide housing under the definition of 'affordable home ownership' although this conclusion is based on only considering supply from resales of affordable housing (notably shared ownership). If supply estimates are expanded to include market housing for sale below a lower quartile price, then the need for AHO is less clear-cut.
- 9.75 Regardless, it does seem that there are many households in Leicester & Leicestershire who are being excluded from the owner-occupied sector. This can be seen by analysis of tenure change, which saw the number of households living in private rented accommodation increasing by 103% from 2001 to 2011 (with the likelihood that there have been further increases since). Over the same period, the number of owners with a mortgage dropped by 10%. That said, some households will choose to privately rent, for example as it is a more flexible option that may be more suitable for a particular household's life stage (e.g. if moving locations with employment).

Table 9.17 Change in number of owner-occupiers with a mortgage and number of households in the private rented sector (2001-11)

| (| Owners with | a mortgage | Э | | Private | rented | |
|---------|---|--|---|--|--|---|---|
| 2001 | 2011 | Change | % | 2001 | 2011 | Change | % |
| | | | change | | | | change |
| 37,455 | 33,152 | -4,303 | -11.5% | 14,025 | 27,999 | 13,974 | 99.6% |
| 18,810 | 16,564 | -2,246 | -11.9% | 1,444 | 3,876 | 2,432 | 168.4% |
| 27,227 | 24,232 | -2,995 | -11.0% | 5,026 | 9,396 | 4,370 | 86.9% |
| 15,000 | 13,849 | -1,151 | -7.7% | 1,800 | 3,922 | 2,122 | 117.9% |
| 19,709 | 17,967 | -1,742 | -8.8% | 2,261 | 5,156 | 2,895 | 128.0% |
| 8,549 | 7,770 | -779 | -9.1% | 1,836 | 3,054 | 1,218 | 66.3% |
| 15,331 | 14,779 | -552 | -3.6% | 1,933 | 4,411 | 2,478 | 128.2% |
| 10,316 | 8,170 | -2,146 | -20.8% | 1,183 | 2,117 | 934 | 79.0% |
| 114,942 | 103,331 | -11,611 | -10.1% | 15,483 | 31,932 | 16,449 | 106.2% |
| 152,397 | 136,483 | -15,914 | -10.4% | 29,508 | 59,931 | 30,423 | 103.1% |
| | 2001 37,455 18,810 27,227 15,000 19,709 8,549 15,331 10,316 114,942 152,397 | 2001 2011 37,455 33,152 18,810 16,564 27,227 24,232 15,000 13,849 19,709 17,967 8,549 7,770 15,331 14,779 10,316 8,170 114,942 103,331 152,397 136,483 | 2001 2011 Change 37,455 33,152 -4,303 18,810 16,564 -2,246 27,227 24,232 -2,995 15,000 13,849 -1,151 19,709 17,967 -1,742 8,549 7,770 -779 15,331 14,779 -552 10,316 8,170 -2,146 114,942 103,331 -11,611 | 37,455 33,152 -4,303 -11.5% 18,810 16,564 -2,246 -11.9% 27,227 24,232 -2,995 -11.0% 15,000 13,849 -1,151 -7.7% 19,709 17,967 -1,742 -8.8% 8,549 7,770 -779 -9.1% 15,331 14,779 -552 -3.6% 10,316 8,170 -2,146 -20.8% 114,942 103,331 -11,611 -10.1% 152,397 136,483 -15,914 -10.4% | 2001 2011 Change change % change 37,455 33,152 -4,303 -11.5% 14,025 18,810 16,564 -2,246 -11.9% 1,444 27,227 24,232 -2,995 -11.0% 5,026 15,000 13,849 -1,151 -7.7% 1,800 19,709 17,967 -1,742 -8.8% 2,261 8,549 7,770 -779 -9.1% 1,836 15,331 14,779 -552 -3.6% 1,933 10,316 8,170 -2,146 -20.8% 1,183 114,942 103,331 -11,611 -10.1% 15,483 152,397 136,483 -15,914 -10.4% 29,508 | 2001 2011 Change change % change 2001 2011 37,455 33,152 -4,303 -11.5% 14,025 27,999 18,810 16,564 -2,246 -11.9% 1,444 3,876 27,227 24,232 -2,995 -11.0% 5,026 9,396 15,000 13,849 -1,151 -7.7% 1,800 3,922 19,709 17,967 -1,742 -8.8% 2,261 5,156 8,549 7,770 -779 -9.1% 1,836 3,054 15,331 14,779 -552 -3.6% 1,933 4,411 10,316 8,170 -2,146 -20.8% 1,183 2,117 114,942 103,331 -11,611 -10.1% 15,483 31,932 152,397 136,483 -15,914 -10.4% 29,508 59,931 | 2001 2011 Change change % change 2001 2011 Change 37,455 33,152 -4,303 -11.5% 14,025 27,999 13,974 18,810 16,564 -2,246 -11.9% 1,444 3,876 2,432 27,227 24,232 -2,995 -11.0% 5,026 9,396 4,370 15,000 13,849 -1,151 -7.7% 1,800 3,922 2,122 19,709 17,967 -1,742 -8.8% 2,261 5,156 2,895 8,549 7,770 -779 -9.1% 1,836 3,054 1,218 15,331 14,779 -552 -3.6% 1,933 4,411 2,478 10,316 8,170 -2,146 -20.8% 1,183 2,117 934 114,942 103,331 -11,611 -10.1% 15,483 31,932 16,449 152,397 136,483 -15,914 -10.4% 29,508 59,931 30,423 |

Source: Census (2001 and 2011)

- 9.76 On this basis, and as previously noted, it seems likely in Leicester & Leicestershire that access to owner-occupation is being restricted by access to capital (e.g. for deposits, stamp duty, legal costs) as well as potentially some mortgage restrictions (e.g. where employment is temporary) rather than just being due to the cost of housing to buy.
- 9.77 The February 2019 NPPF (updated in July 2021) gave a clear direction that 10% of all new housing (on larger sites) should be for affordable home ownership (in other words, if 20% of homes were to be affordable then half would be affordable home ownership) and it is now the case that policy compliant planning applications would be expected to deliver a minimum of 25% affordable housing as First Homes (as a proportion of the total affordable housing), with Councils being able to specify the requirement for any remaining affordable housing (subject to at least 10% of all housing being for AHO).
- 9.78 It is not clear at this stage whether there is any scope to challenge the 'minimum of 25%', nor what role other tenures of affordable home ownership (such as shared ownership) might play. It is possible that provision of First Homes could squeeze out other forms of LCHO such as shared ownership, although it is likely that there will still be a role for this type of housing given typically lower deposit requirements.
- 9.79 Whilst there are clearly many households in the gap between renting and buying, they in some cases will be able to afford homes below lower quartile housing costs. That said, it is important to recognise that some households will have insufficient savings to be able to afford to buy a home on the open market (particularly in terms of the ability to afford a deposit) and low-cost home ownership homes and shared ownership homes in particular will therefore continue to play a role in supporting some households in this respect.
- 9.80 The evidence points to a clear and acute need for rented affordable housing for lower income households, and it is important that a supply of rented affordable housing is maintained to meet the needs of this group including those to which the authority has a statutory housing duty. Such housing is notably cheaper than that available in the open market and can be accessed by many more households (some of whom may be supported by benefit payments).
- 9.81 There will also be a role for AHO on any 100% affordable housing schemes that may come forward (as well as through Section 106). Including a mix of both rented and intermediate homes to buy would make such schemes more viable, as well as enabling a range of tenures and therefore potential client groups to access housing.
- 9.82 In addition, it should also be noted that the finding of a 'need' for affordable home ownership does not have any impact on the overall need for housing. It seems clear that this group of households is simply a case of seeking to move households from one tenure to another (in this case from private

renting to owner-occupation); there is therefore no net change in the total number of households, or the number of homes required.

How Much Should Affordable Home Ownership Homes Cost?

- 9.83 The analysis and discussion above suggest that there are a number of households likely to fall under the PPG definition of needing affordable home ownership (including First Homes) i.e. in the gap between renting and buying but that the potential supply of low-cost housing to buy makes it difficult to fully quantify this need. However, given the NPPF, it seems likely that the Councils may need to consider some additional homes on larger sites as some form of home ownership.
- 9.84 The analysis below focusses firstly on the cost of First Homes to make them genuinely affordable before moving on to consider shared ownership (in this case suggestions are made about the equity shares likely to be affordable and whether these shares are likely to be offered). It is considered that First Homes and shared ownership are likely to be the main affordable home ownership tenures moving forward although it is accepted that some delivery may be of other products. This section also provides some comments about Rent to Buy housing.
- 9.85 The reason for the analysis to follow is that it will be important for the Councils to ensure that any affordable home ownership is sold at a price that is genuinely affordable for the intended target group for example there is no point in discounting a new market home by 30% if the price still remains above that for which a reasonable home can already be bought in the open market.

Discounted Market Sales Housing (focussing on First Homes)

- 9.86 In May 2021, MHCLG published a new Planning Practice Guidance (PPG) regarding First Homes this sets out that the minimum discount should be 30% from market price with local authorities having discretion to increase the discount to 40% or 50%. In some ways First Homes are similar to discounted market sale (a product currently within the NPPF), although for discounted market sales a discount of at least 20% (rather than 30%) from Open Market Value (OMV) is required.
- 9.87 As noted above, the problem with having a percentage discount is that it is possible in some locations or types of property that such a discount still means that the discounted housing is more expensive than that typically available in the open market. This is often the case as new build housing itself attracts a premium. The preferred approach in this report is to set out a series of purchase costs for different sizes of accommodation which ensure these products are affordable for the intended group. These purchase costs are based on current lower quartile rental prices and also consideration of the income required to access the private rented sector and then estimating what property price this level of income might support (assuming a 10% deposit and a 4.5 times mortgage multiple). Below is an example of a calculation based on a 2-bedroom home in Leicester:

- Previous analysis has shown that the lower quartile rent for a 2-bedroom home in Leicester is £560 per month;
- On the basis of a household spending no more than 27% of their income on housing, a household would need an income of around £2,100 per month to afford (£560/0.27) or £24,800 per annum (rounded); and
- With an income of £24,800, it is estimated that a household could afford to buy a home for around £124,000. This is based on assuming a 10% deposit (mortgage for 90% of value) and a four and a half times mortgage multiple calculated as £24,800*4.5/0.9.
- 9.88 Therefore, £124,000 is a suggested purchase price to make First Homes/discounted home ownership affordable for households in the rent/buy gap in Leicester. This figure is essentially the equivalent price that is affordable to a household who can just afford to rent privately. In reality, there will be a range of incomes in the rent/buy gap and so some households could afford a higher price; however, setting all homes at a higher price would mean that some households will still be unable to afford to buy.
- 9.89 On this basis, it is considered reasonable to look at the cost of First Homes as a range, from the equivalent private rent figure up to a midpoint of the cost of open market purchase (for a 2-bedroom home this is £138,000) and the relevant private rented figure. The use of a midpoint would mean that only around half of households in the rent/buy gap could afford, and therefore any housing provided at such a cost would need to also be supplemented by an equivalent number at a lower cost (which might include other tenures such as shared ownership).
- 9.90 The tables below therefore set out a suggested purchase price for discounted market housing/First Homes in each area. The tables also show an estimated OMV and the level of discount likely to be required to achieve affordability. The OMV is based on taking the estimated lower quartile price by size and adding 15% (which is the typically newbuild premium seen nationally). It should be noted that the discounts are based on the OMV as estimated, in reality the OMV might be quite different for specific schemes and therefore the percentage discount would not be applicable. For example, if the OMV for a 2-bedroom home in Leicester were to actually be £200,000 (rather than the modelled £159,000) then the discount would be in the range of 35% and 38%. It is therefore the affordable price rather than the discount that should be focused on when determining affordability. On the basis of the specific assumptions used, the analysis points to a discount of around 30% for 2-bedroom homes in most locations and a figure of 40% for larger (3+-bedroom) properties being appropriate to make units affordable.
- 9.91 The analysis only looks at homes with 2+-bedrooms as for most areas it was not possible to estimate a typical lower quartile price due to a small current stock. In the two areas where a cost could be estimated (Leicester and Charnwood) it looked as if existing market homes are relatively affordable

in this size category (although again with a relatively small sample). This analysis does not suggest that no First Homes should be provided as 1-bedroom units and it is considered that the relevant discount for 2-bedroom homes could apply to any 1-bedroom units.

Table 9.18 Affordable home ownership prices – data for year to September 2020 – Leicester

| | Affordable Price | Estimated newbuild OMV | Estimated Discount required |
|-------------|-------------------|------------------------|-----------------------------|
| 2-bedrooms | £124,000-£131,000 | £158,700 | 17%-22% |
| 3-bedrooms | £138,400-£174,200 | £241,500 | 28%-43% |
| 4+-bedrooms | £193,700-£231,900 | £310,500 | 25%-38% |

Source: Derived from a range of sources as described

Table 9.19 Affordable home ownership prices – data for year to September 2020 – Blaby

| | Affordable Price | Estimated newbuild OMV | Estimated Discount required |
|-------------|-------------------|------------------------|-----------------------------|
| 2-bedrooms | £117,500-£137,700 | £181,700 | 24%-35% |
| 3-bedrooms | £151,900-£179,500 | £238,050 | 25%-36% |
| 4+-bedrooms | £169,100-£227,600 | £328,900 | 31%-49% |

Source: Derived from a range of sources as described

Table 9.20 Affordable home ownership prices – data for year to September 2020 – Charnwood

| | Affordable Price | Estimated newbuild | Estimated Discount |
|-------------|-------------------|--------------------|--------------------|
| | | OMV | required |
| 2-bedrooms | £119,900-£124,500 | £148,350 | 16%-19% |
| 3-bedrooms | £141,700-£171,400 | £231,150 | 26%-39% |
| 4+-bedrooms | £196,300-£241,600 | £330,050 | 27%-41% |

Source: Derived from a range of sources as described

Table 9.21 Affordable home ownership prices – data for year to September 2020 – Harborough

| | Affordable Price | Estimated newbuild OMV | Estimated Discount required |
|-------------|-------------------|------------------------|-----------------------------|
| 2-bedrooms | £123,700-£145,400 | £192,050 | 24%-36% |
| 3-bedrooms | £149,700-£189,800 | £264,500 | 28%-43% |
| 4+-bedrooms | £219,500-£278,800 | £388,700 | 28%-44% |

Source: Derived from a range of sources as described

Table 9.22 Affordable home ownership prices – data for year to September 2020 – Hinckley & Bosworth

| | Affordable Price | Estimated newbuild | Estimated Discount |
|-------------|-------------------|--------------------|--------------------|
| | | OMV | required |
| 2-bedrooms | £117,000-£126,000 | £155,250 | 19%-25% |
| 3-bedrooms | £147,800-£172,400 | £226,550 | 24%-35% |
| 4+-bedrooms | £199,900-£241,900 | £326,600 | 26%-39% |

Source: Derived from a range of sources as described

Table 9.23 Affordable home ownership prices – data for year to September 2020 – Melton

| | Affordable Price | Estimated newbuild | Estimated Discount |
|-------------|-------------------|--------------------|--------------------|
| | | OMV | required |
| 2-bedrooms | £114,200-£124,100 | £154,100 | 19%-26% |
| 3-bedrooms | £122,700-£159,900 | £226,550 | 29%-46% |
| 4+-bedrooms | £183,500-£248,300 | £359,950 | 31%-49% |

Source: Derived from a range of sources as described

Table 9.24 Affordable home ownership prices – data for year to September 2020 – North West Leicestershire

| | Affordable Price | Estimated newbuild | Estimated Discount |
|-------------|-------------------|--------------------|--------------------|
| | | OMV | required |
| 2-bedrooms | £111,300-£113,100 | £132,250 | 14%-16% |
| 3-bedrooms | £132,500-£158,200 | £211,600 | 25%-37% |
| 4+-bedrooms | £180,100-£218,600 | £295,550 | 26%-39% |

Source: Derived from a range of sources as described

Table 9.25 Affordable home ownership prices – data for year to September 2020 – Oadby & Wigston

| | Affordable Price | Estimated newbuild OMV | Estimated Discount required |
|-------------|-------------------|------------------------|-----------------------------|
| 2-bedrooms | £118,300-£134,600 | £173,650 | 22%-32% |
| 3-bedrooms | £144,000-£174,500 | £235,750 | 26%-39% |
| 4+-bedrooms | £205,700-£236,400 | £307,050 | 23%-33% |

Source: Derived from a range of sources as described

9.92 In policy terms, ideally Councils could consider setting out expectations of costs for First Homes in terms of the discounted purchase price – such costs could be updated every six months (by reference to ONS private rental market data and a market survey of sale prices (such as consideration of Land Registry data and an internet search of homes for sale/recently sold)). The Council could then expect housing to be available for either the costs set out or with a 30% discount (whichever the lower). However, it seems for First Homes guidance that flexibility to set prices rather than a discount figure is not possible and that a percentage discount needs to be set out in policy at 30%, 40% etc on the Open Market Value (OMV).

- 9.93 It is quite likely there will be occasions where a greater discount than 30% will be required to make homes genuinely affordable. In these circumstances, the Councils will need to consider if they want an additional discount, or whether this might prejudice the viability of providing other forms of affordable housing (such as rented homes) Decisions about what to do in such circumstances would ideally be made on a case-by-case basis although it appears from guidance on First Homes that decisions about discounts would need to be made in advance of any specific site circumstances. In determining whether a discount of above 30% is justified, the Councils need to consider both the needs evidence and viability, in particular given that higher discounts applied to First Homes could impact on the delivery of rented affordable homes.
- 9.94 It should also be noted that the analysis above is for the whole of each local authority area; the pricing of housing does vary across the local authorities and therefore some small adjustments to the figures might be appropriate in some instances. That said, affordable needs can be met anywhere in the authorities (where opportunities arise) and so using an expectation of an authority-wide affordability calculation should ensure affordable products on sites regardless of location.
- 9.95 Taking account of the figures shown in the tables above, the table below summarises a suggested level of discount by local authority and size of home. Whilst this report considers the cost of the housing to be most important, it seems likely that Government will expect discounts to be set out in policy (so as to give certainty to the development industry). The table below works on the basis that discounts will be either 30%, 40% or 50% and it should be stressed that these are solely based on the analysis in this report and there may be justification to use different figures in the future.
- 9.96 Generally, the suggested figures are at the upper end of the range this is to ensure a reasonable proportion of households would be able to afford products and it can be seen that discounts in excess of 30% are suggested in many instances. On the basis of the analysis there is certainly a case to seek a discount in excess of 30% a higher discount will certainly make homes cheaper and therefore potentially open up additional households as being able to afford. However, providing a higher discount may well have an impact on viability, meaning the Councils will not be able to provide as many homes in other tenures (such as rented affordable housing which is likely to be needed by those with more acute needs and fewer choices in the housing market).
- 9.97 Councils could therefore investigate higher discounts (with 40% generally being suggested by the analysis), but it is not recommended to seek a higher figure unless this can be proven to not impact on overall affordable delivery. Additionally, although not specifically set out in the PPG, it does seem likely that the Councils would need to have a single discount for all dwelling sizes and on that basis consideration would need to be given to the likely profile of First Homes (by size) in choosing an appropriate discount (subject to any issue related to viability noted above).

Table 9.26 Suggested discount required to make First Homes affordable, by local authority and dwelling size

| | 1- and 2-bedroom | 3-bedroom | 4+-bedroom |
|------------|------------------|-----------|------------|
| Leicester | 30% | 40% | 30% |
| Blaby | 30% | 40% | 40% |
| Charnwood | 30% | 40% | 40% |
| Harborough | 30% | 40% | 40% |
| H & B | 30% | 30% | 40% |
| Melton | 30% | 40% | 40% |
| NWL | 30% | 40% | 40% |
| O & W | 30% | 40% | 30% |

Source: Based on a range of analysis as above

Shared Ownership

- 9.98 Whilst the Government has a clear focus on First Homes, they also see a continued role for Shared Ownership, launching a 'New Model for Shared Ownership' in early 2021 (following a 2020 consultation) this includes a number of proposals, with the main one for the purposes of this assessment being the reduction of the minimum initial share from 25% to 10%. A key advantage of shared ownership over other tenures is that a lower deposit is likely to be required than for full or discounted purchase. Additionally, the rental part of the cost will be subsidised by a Registered Provider and therefore keeps monthly outgoings down.
- 9.99 For the purposes of the analysis in this report it is considered that for shared ownership to be affordable, total outgoings should not exceed that needed to rent privately.
- 9.100 Because shared ownership is based on buying part of a property, it is the case that the sale will need to be at open market value. Where there is a large gap between the typical incomes required to buy or rent, it may be the case that lower equity shares are needed for homes to be affordable (at the level of renting privately). The analysis below therefore seeks to estimate the typical equity share that might be affordable for different sizes of property with any share lower than 10% likely to be unavailable. The key assumptions used in the analysis are:
 - OMV at LQ price plus 15% (reflecting likelihood that newbuild homes will have a premium attached and that they may well be priced above a LQ level) – it should be noted that this is an assumption for modelling purposes and consideration will need to be given to the OMV of any specific product;
 - 10% deposit on the equity share;
 - Rent at 2.75% pa on unsold equity;

- Repayment mortgage over 25-years at 4%;
- Service charge of £100 per month for flatted development (assumed to be 2-bedroom homes);
- It is also assumed that shared ownership would be priced for households sitting towards the bottom end of the rent/buy gap and so the calculations assume that total outgoings should be no higher than the equivalent private rent (lower quartile) cost for that size of property; and
- As with the analysis of First Homes, no figures are provided for 1-bedroom homes due to a lack
 of information about pricing generally across the study area.
- 9.101 The tables below show that to make shared ownership affordable, equity shares of no higher than 40% could work for some sizes of home in some locations, however, much lower shares are likely to be needed to make homes affordable for most dwelling sizes/locations. Overall, it is suggested that equity shares in the range of 10%-35% should be considered but that it will be important to make sure the actual cost to the household is genuinely affordable in a local context.
- 9.102 It should also be noted that the analysis below is predicated on a particular set of assumptions (notably about likely OMV). In reality costs do vary across the area and will vary from site to site. Therefore, this analysis should be seen as indicative with specific schemes being tested individually to determine if the product being offered is genuinely (or reasonably) affordable.

Table 9.27 Estimated Affordable Equity Share by Size – Leicester

| | 2-Bedrooms | 3-Bedrooms | 4-Bedrooms |
|---------------------------------|------------|------------|------------|
| OMV | £158,700 | £241,500 | £310,500 |
| Share | 25% | 12% | 21% |
| Equity Bought | £39,199 | £28,980 | £66,447 |
| Mortgage Needed | £35,279 | £26,082 | £59,802 |
| Monthly Cost of Mortgage | £186 | £138 | £316 |
| Retained Equity | £119,501 | £212,520 | £244,053 |
| Monthly Rent on Retained Equity | £274 | £487 | £559 |
| Service Charge per month | £100 | £0 | £0 |
| Total Cost per month | £560 | £625 | £875 |

Table 9.28 Estimated Affordable Equity Share by Size - Blaby

| | 2-Bedrooms | 3-Bedrooms | 4-Bedrooms |
|---------------------------------|------------|------------|------------|
| OMV | 181,700 | £238,050 | £328,900 |
| Share | 14% | 35% | 10% |
| Equity Bought | £25,801 | £83,079 | £32,890 |
| Mortgage Needed | £23,221 | £74,772 | £29,601 |
| Monthly Cost of Mortgage | £123 | £395 | £156 |
| Retained Equity | £155,899 | £154,971 | £296,010 |
| Monthly Rent on Retained Equity | £357 | £355 | £678 |
| Service Charge per month | £100 | £0 | £0 |
| Total Cost per month | £580 | £750 | £835 |

Table 9.29 Estimated Affordable Equity Share by Size - Charnwood

| | 2-Bedrooms | 3-Bedrooms | 4-Bedrooms |
|---------------------------------|------------|------------|------------|
| OMV | £148,350 | £231,150 | £330,050 |
| Share | 30% | 21% | 18% |
| Equity Bought | £44,802 | £48,773 | £58,419 |
| Mortgage Needed | £40,322 | £43,895 | £52,577 |
| Monthly Cost of Mortgage | £213 | £232 | £278 |
| Retained Equity | £103,548 | £182,377 | £271,631 |
| Monthly Rent on Retained Equity | £237 | £418 | £622 |
| Service Charge per month | £100 | £0 | £0 |
| Total Cost per month | £550 | £650 | £900 |

Source: Data based on Housing Market Cost Analysis

Table 9.30 Estimated Affordable Equity Share by Size – Harborough

| | 2-Bedrooms | 3-Bedrooms | 4-Bedrooms |
|---------------------------------|------------|------------|------------|
| OMV | £192,050 | £264,500 | £388,700 |
| Share | 17% | 22% | 22% |
| Equity Bought | £32,649 | £58,455 | £85,125 |
| Mortgage Needed | £29,384 | £52,609 | £76,613 |
| Monthly Cost of Mortgage | £155 | £278 | £405 |
| Retained Equity | £159,402 | £206,046 | £303,575 |
| Monthly Rent on Retained Equity | £365 | £472 | £696 |
| Service Charge per month | £100 | £0 | £0 |
| Total Cost per month | £620 | £750 | £1,100 |

Source: Data based on Housing Market Cost Analysis

Table 9.31 Estimated Affordable Equity Share by Size – Hinckley & Bosworth

| | 2-Bedrooms | 3-Bedrooms | 4-Bedrooms |
|---------------------------------|------------|------------|------------|
| OMV | £155,250 | £226,550 | £326,600 |
| Share | 25% | 32% | 25% |
| Equity Bought | £38,347 | £71,590 | £81,977 |
| Mortgage Needed | £34,512 | £64,431 | £73,779 |
| Monthly Cost of Mortgage | £182 | £340 | £390 |
| Retained Equity | £116,903 | £154,960 | £244,623 |
| Monthly Rent on Retained Equity | £268 | £355 | £561 |
| Service Charge per month | £100 | £0 | £0 |
| Total Cost per month | £550 | £695 | £950 |

Table 9.32 Estimated Affordable Equity Share by Size – Melton

| | 2-Bedrooms | 3-Bedrooms | 4-Bedrooms |
|---------------------------------|------------|------------|------------|
| OMV | £154,100 | £226,550 | £359,950 |
| Share | 22% | 10% | 4% |
| Equity Bought | £33,286 | £22,655 | £14,398 |
| Mortgage Needed | £29,957 | £20,390 | £12,958 |
| Monthly Cost of Mortgage | £158 | £108 | £68 |
| Retained Equity | £120,814 | £203,895 | £345,552 |
| Monthly Rent on Retained Equity | £277 | £467 | £792 |
| Service Charge per month | £100 | £0 | £0 |
| Total Cost per month | £535 | £575 | £860 |

Source: Data based on Housing Market Cost Analysis

Table 9.33 Estimated Affordable Equity Share by Size - North West Leicestershire

| | 2-Bedrooms | 3-Bedrooms | 4-Bedrooms |
|---------------------------------|------------|------------|------------|
| OMV | £132,250 | £211,600 | £295,550 |
| Share | 37% | 27% | 24% |
| Equity Bought | £49,462 | £57,132 | £70,045 |
| Mortgage Needed | £44,515 | £51,419 | £63,041 |
| Monthly Cost of Mortgage | £235 | £271 | £333 |
| Retained Equity | £82,789 | £154,468 | £225,505 |
| Monthly Rent on Retained Equity | £190 | £354 | £517 |
| Service Charge per month | £100 | £0 | £0 |
| Total Cost per month | £525 | £625 | £850 |

Source: Data based on Housing Market Cost Analysis

Table 9.34 Estimated Affordable Equity Share by Size – Oadby & Wigston

| | 2-Bedrooms | 3-Bedrooms | 4-Bedrooms |
|---------------------------------|------------|------------|------------|
| OMV | £173,650 | £235,750 | £307,050 |
| Share | 18% | 28% | 39% |
| Equity Bought | £31,257 | £65,067 | £120,364 |
| Mortgage Needed | £28,131 | £58,560 | £108,327 |
| Monthly Cost of Mortgage | £149 | £309 | £572 |
| Retained Equity | £142,393 | £170,683 | £186,686 |
| Monthly Rent on Retained Equity | £326 | £391 | £428 |
| Service Charge per month | £100 | £0 | £0 |
| Total Cost per month | £575 | £700 | £1,000 |

9.103 In policy terms, whilst the analysis has provided an indication of the equity shares possibly required by size, the key figure is actually the total cost per month (and how this compares with the costs to access private rented housing). For example, whilst the tables suggest a 25% equity share for 2-bedroom home in Leicester, this is based on a specific set of assumptions. Were a scheme to come forward with a 25% share, but a total cost in excess of £560 per month, then it would be clear that a lower share is likely to be required to make the home genuinely affordable. Hence the actual share can only be calculated on a scheme-by-scheme basis. Any policy position should seek to ensure that outgoings are no more than can reasonably be achieved in the private rented sector, rather than seeking a specific equity share.

Rent to Buy

- 9.104 A further affordable option is Rent to Buy; this is a government scheme designed to ease the transition from renting to buying the same home. Initially (typically five years) the newly built home will be provided at the equivalent of an affordable rent (approximately 20% below the market rate). The expectation is that the discount provided in that first five years is saved in order to put towards a deposit on the purchase of the same property. Rent to Buy can be advantageous for some households as it allows for a smaller 'step' to be taken on to the home ownership ladder.
- 9.105 At the end of the five-year period, depending on the scheme, the property is either sold as a shared ownership product or to be purchased outright as a full market property. If the occupant is not able to do either of these then the property is vacated.
- 9.106 In order to access this tenure it effectively requires the same income threshold for the initial phase as a market rental property although the cost of accommodation will be that of affordable rent. The lower than market rent will allow the household to save for a deposit for the eventual shared ownership or market property. In considering the affordability of rent-to-buy schemes there is a direct read across to the income required to access affordable home ownership (including shared

ownership), it should therefore be treated as part of the affordable home ownership products suggested by the NPPF.

Essential Local Workers

- 9.107 Annex 2 of the NPPF also includes the needs of essential local workers 'Affordable housing: housing for sale or rent, for those whose needs are not met by the market (including housing that provided a subsidised route to home ownership and/or is for essential local workers' [emphasis added]. Essential local workers are defined as 'Public sector employees who provide frontline services in areas including health, education and community safety such as NHS staff, teachers, police, firefighters and military personnel, social care and childcare workers'.
- 9.108 To give an indication of the number of essential workers in Leicester & Leicestershire analysis has been undertaken looking at Standard Industrial Classification 2007 (SIC) categories this shows employment sectors based on industry, and for the purposes of this analysis the public administration, education and health industries have been used to represent 'essential workers'. The analysis shows that around 28% of resident workers are considered 'essential workers' in Leicester, with a similar figure of 27% in Leicestershire these figures are similar to those seen regionally and nationally.

Table 9.35 Number and proportion of essential workers in a range of areas

| | Leicester | | Leicestershire | | East Mid- lands | England |
|---|-----------|---------|----------------|---------|-----------------------|---------|
| | Resident | % of | Resident | % of | % of | % of |
| | workers | workers | workers | workers | workers | workers |
| Agriculture, energy and water | 2,968 | 2.2% | 10,454 | 3.2% | 3.1% | 2.3% |
| Manufacturing | 20,674 | 15.0% | 42,545 | 13.0% | 12.9% | 8.9% |
| Construction | 7,109 | 5.2% | 26,892 | 8.2% | 7.7% | 7.7% |
| Distribution, hotels and restaurants | 34,420 | 24.9% | 73,180 | 22.4% | 22.9% | 21.5% |
| Transport and communication | 10,601 | 7.7% | 24,466 | 7.5% | 7.9% | 9.1% |
| Financial, Real Estate, Professional and Administration | 17,950 | 13.0% | 45,107 | 13.8% | 13.1% | 17.5% |
| Public administration, education and health | 38,826 | 28.1% | 89,172 | 27.3% | 28.0% | 28.2% |
| Other | 5,439 | 3.9% | 14,622 | 4.5% | 4.4% | 5.0% |
| All industries | 137,987 | 100.0% | 326,438 | 100.0% | 100.0% | 100.0% |

Source: 2011 Census

9.109 The table below shows how the number of essential workers varies across local authorities. Generally, the authorities have similar proportions of essential workers, with the main notable differences being a lower proportion in NWL (24% of workers) and a higher proportion in Oadby & Wigston (32%).

Table 9.36 Number and proportion of essential workers – local authorities

| | Resident essential workers | % of workers in area | % of resident workers |
|----------------|----------------------------|----------------------|-----------------------|
| Leicester | 38,826 | 28.1% | 30.3% |
| Blaby | 13,658 | 28.2% | 10.7% |
| Charnwood | 23,377 | 29.2% | 18.3% |
| Harborough | 12,178 | 27.4% | 9.5% |
| H&B | 13,640 | 25.2% | 10.7% |
| Melton | 6,780 | 25.7% | 5.3% |
| NWL | 11,069 | 23.8% | 8.6% |
| O & W | 8,470 | 31.9% | 6.6% |
| Leicestershire | 89,172 | 27.3% | 69.7% |
| L&L | 127,998 | 27.6% | 100.0% |

Source 2011 Census

9.110 The 2011 Census also enables analysis to be conducted as to the tenure of workers by industry. It can be seen that essential workers see a fairly average profile, with similar levels of owner-occupation, social renting and private renting as is seen across each individual authority (Leicester and Leicestershire).

Table 9.37 Housing tenure by industry of employment (2011) - Leicester

| | Owner- occupied | Social rented | Private rented |
|---|--------------------|---------------|----------------|
| Agriculture, energy and water | 58% | 16% | 26% |
| Manufacturing | 62% | 15% | 23% |
| Construction | 66% | 14% | 20% |
| Distribution, hotels and restaurants | 50% | 19% | 31% |
| Transport and communication | 58% | 17% | 25% |
| Financial, Real Estate, Professional and Administration | 55% | 17% | 28% |
| Public administration, education and health | 59% | 16% | 24% |
| Other | 48% | 18% | 34% |
| All industries | 57% | 17% | 26% |

Source: 2011 Census

Table 9.38 Housing tenure by industry of employment (2011) - Leicestershire

| | Owner- occupied | Social rented | Private rented |
|---|--------------------|---------------|----------------|
| Agriculture, energy and water | 76% | 7% | 17% |
| Manufacturing | 82% | 6% | 12% |
| Construction | 83% | 5% | 12% |
| Distribution, hotels and restaurants | 74% | 8% | 18% |
| Transport and communication | 79% | 7% | 14% |
| Financial, Real Estate, Professional and Administration | 82% | 5% | 14% |
| Public administration, education and health | 80% | 6% | 14% |
| Other | 71% | 7% | 22% |
| All industries | 79% | 6% | 15% |

Source: 2011 Census

- 9.111 It is also possible to consider the affordability of housing for essential workers by considering local salaries. An online assessment of local jobs (across Leicester & Leicestershire) for nurses, firefighters, teachers, police officers and childcare was undertaken in June 2021. This showed a range of salaries, but typically in the range of about £20,000 to £30,000 per annum. The average salary was around £25,000 although it does need to be noted that there are a variety of roles with a range of salaries in these professions depending on level of expertise and experience.
- 9.112 With a salary of £25,000, an individual might be able to buy a home for around £125,000 (based on a 10% deposit and 4.5 times mortgage multiple) and with two salaries at this level would be able to afford around £250,000. This latter figure would allow the household to afford to buy a home across much of the study area, but the single income would make home ownership difficult (particularly in higher value locations), and this population could be a potential target for affordable home ownership products.
- 9.113 Overall, the analysis does not point towards there being a particular and specific need for affordable housing for essential workers. Such workers make up a similar part of the workforce as is the case in many areas and households are as likely to be owner-occupiers than many other industry groups. However, on the basis of local incomes (notably for single income essential workers), access to the owner-occupied sector may be restricted by income and it may be appropriate to consider whether or not some affordable properties should be set aside for essential local workers.

Implications of Covid-19

9.114 The long-term impact of Covid-19 on affordable housing need is somewhat unclear; but some conclusions on shorter-term impacts can be drawn. As the HENA has examined, there was an increase in unemployment through 2020, but since Spring 2021 unemployment levels have been falling. Higher unemployment/claimants could make it difficult for some households to afford their

housing and would lead them to need to seek a housing solution through the local authority or Registered Providers.

- 9.115 As noted, data from the Department of Work and Pensions shows the number of Housing Benefit (or Universal Credit with a housing element) claimants in the private rented sector increasing significantly (this has been previously set out in this section). The table below shows the number of Housing Benefit claimants (including Universal Credit) in each of February 2020 and February 2021.
- 9.116 The analysis shows all areas have seen a notable increase in Housing Benefit claimants, increase by between 37% in Oadby & Wigston and 56% in Charnwood. Across the whole study area, the number of claimants increased by 46%. All of this points to an impact of Covid-19 being to see increased pressure on affordable housing.

Table 9.39 Change in Number of Housing Benefit claimants in the private rented sector – Leicester & Leicestershire

| | Claimants (February 2020) | Claimants (February 2021) | Change in claimants | % change |
|----------------|------------------------------|------------------------------|---------------------|----------|
| Leicester | 10,395 | 15,070 | 4,675 | 45.0% |
| Blaby | 1,284 | 1,843 | 559 | 43.5% |
| Charnwood | 2,263 | 3,537 | 1,274 | 56.3% |
| Harborough | 969 | 1,425 | 456 | 47.1% |
| H & B | 1,609 | 2,383 | 774 | 48.1% |
| Melton | 812 | 1,124 | 312 | 38.4% |
| NWL | 1,200 | 1,851 | 651 | 54.3% |
| O & W | 1,016 | 1,394 | 378 | 37.2% |
| Leicestershire | 9,153 | 13,557 | 4,404 | 48.1% |
| L&L | 19,548 | 28,627 | 9,079 | 46.4% |

Source: Department of Work and Pensions

Summary of Affordable Housing Need

- 9.117 The table below brings together the estimates of annual need for rented affordable housing and affordable home ownership to consider the balance between tenures in different areas. This table should be considered for reference purposes and will not directly inform decisions about an appropriate mix for any individual area that will in part be informed by viability and also any local priorities such as to maximise provision of rented accommodation as that is likely to be required by households with the most acute needs.
- 9.118 In interpreting the figures, it should also be noted, that affordable home ownership figures do not include any reduction due to the availability of homes in the market at a price below lower quartile or market-based initiatives to make homes affordable such as the Help-to-Buy Equity Loan scheme which the HENA evidence shows has comprised a significant proportion of new-build delivery (c.

50% across Leicester and Leicestershire). This would significantly reduce estimated need for AHO products and again point to Councils needing to focus on meeting rented needs where possible. Additionally, it needs to be recognised that the analysis is based on local household incomes, for many households there will be additional barriers to AHO (e.g. existing debt, poor credit, lack of deposit etc.) which would make it difficult to access such products.

Table 9.40 Estimated annual need for affordable housing split between rented and affordable home ownership – Leicester & Leicestershire

| | Rented affordable need | Affordable home ownership | | |
|----------------|------------------------|---------------------------|--|--|
| | | need | | |
| Leicester | 1,249 | 585 | | |
| Blaby | 341 | 195 | | |
| Charnwood | 455 | 372 | | |
| Harborough | 254 | 185 | | |
| H & B | 321 | 177 | | |
| Melton | 82 | 67 | | |
| NWL | 236 | 146 | | |
| O & W | 139 | 69 | | |
| Leicestershire | 1,827 | 1,210 | | |
| L&L | 3,076 | 1,795 | | |

Source: Draws from earlier analysis

9.119 The HENA analysis points to an acute need for rented affordable housing in all parts of the County. There is an overlap between the affordable home ownership need shown and the role which market housing plays in supporting home ownership through schemes such as the Help-to-Buy Equity Loan scheme and mortgage guarantee schemes. The evidence would support policy approaches which seek to prioritise rented affordable housing delivery to meet those with acute needs with few alternative housing options; but there are viability considerations and policy priorities which individual authorities will need to balance. The figures shown represent the highest possible requirement for Affordable Home Ownership. Individual Local Authorities may consider that a proportion of those captured may either choose to purchase lower quartile market homes, be unable able to obtain mortgages or may want the flexibility afforded by renting. Individual local authorities may look to discount a proportion of the identified Affordable Home Ownership numbers to reflect these scenarios.

10. NEED FOR DIFFERENT SIZES OF HOMES

10.1 This section considers the appropriate mix of housing across the study area, with a particular focus on the sizes of homes required in different tenure groups for new development. This section looks at a range of statistics in relation to families (generally described as households with dependent children) before moving on to look at how the number of households in different age groups are projected to change moving forward.

Background Data

- 10.2 The number of families in Leicester & Leicestershire (defined for the purpose of this assessment as any household which contains at least one dependent child) totalled 118,500 as of the 2011 Census, accounting for 30% of households; this proportion is similar to the regional and national average (both 29%).
- 10.3 This analysis has drawn on 2011 Census data which is now somewhat out-of-date. However, it would be expected that general patterns between areas will remain broadly the same (i.e. areas with greater proportions of family households in 2011, will still be expected to have greater proportions now). New (2021) Census data should start to filter through from Spring/Summer 2022, which will allow for this analysis to be updated.

Table 10.1 Households with dependent children (2011)

| | | Married | Cohabiting | Lone | Other | All other | Total | Total with |
|----------------|-----|---------|------------|--------|-----------|------------|---------|------------|
| | | couple | couple | parent | household | households | | dependent |
| | | | | | (with | (no | | children |
| | | | | | dependent | dependent | | |
| | | | | | s) | children) | | |
| Leicester & | No. | 65,077 | 16,010 | 25,411 | 12,016 | 272,045 | 390,559 | 118,514 |
| Leicestershire | % | 16.7% | 4.1% | 6.5% | 3.1% | 69.7% | 100.0% | 30.3% |
| East Midlands | % | 15.3% | 4.5% | 6.7% | 2.3% | 71.3% | 100.0% | 28.7% |
| England | % | 15.3% | 4.0% | 7.1% | 2.6% | 70.9% | 100.0% | 29.1% |

Source: Census (2011)

10.4 The table below shows the same information for each local authority. The analysis shows relatively few family households in Hinckley & Bosworth (27%) and just over a third of households in Leicester; Leicester also sees a higher proportion of lone parent households than other locations.

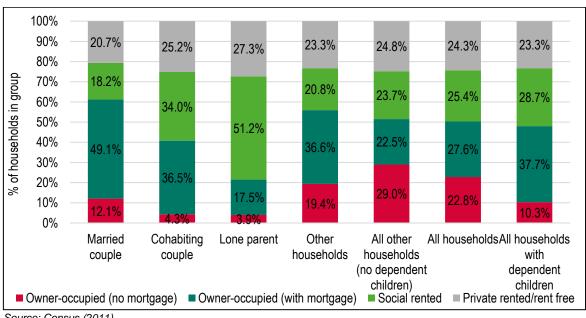
Table 10.2 Households with dependent children (2011) – local authorities

| | Married | Cohabiting | Lone parent | Other | All other | Total | Total with |
|----------------|---------|------------|-------------|------------|------------|--------|-----------------------|
| | couple | couple | | households | households | | dependent children |
| Leicester | 15.8% | 3.7% | 8.5% | 5.4% | 66.6% | 100.0% | 33.4% |
| Blaby | 17.6% | 4.5% | 6.0% | 2.1% | 69.7% | 100.0% | 30.3% |
| Charnwood | 16.3% | 4.1% | 5.7% | 2.0% | 71.9% | 100.0% | 28.1% |
| Harborough | 19.8% | 3.9% | 4.7% | 1.6% | 69.9% | 100.0% | 30.1% |
| H & B | 15.7% | 4.4% | 5.8% | 1.6% | 72.6% | 100.0% | 27.4% |
| Melton | 16.5% | 4.3% | 5.7% | 1.6% | 71.9% | 100.0% | 28.1% |
| NWL | 17.0% | 4.6% | 5.8% | 1.8% | 70.7% | 100.0% | 29.3% |
| O & W | 17.4% | 4.2% | 5.2% | 3.9% | 69.4% | 100.0% | 30.6% |
| Leicestershire | 17.1% | 4.3% | 5.6% | 2.0% | 71.1% | 100.0% | 28.9% |
| L&L | 16.7% | 4.1% | 6.5% | 3.1% | 69.7% | 100.0% | 30.3% |

Source: Census (2011)

10.5 The figures below show the current tenure of households with dependent children. There are some considerable differences by household type with lone parents having a very high proportion living in the social rented sector and also in private rented accommodation. In Leicester, only 21% of lone parent households are owner-occupiers compared with 61% of married couples with children. In Leicestershire these figures are 46% and 88% respectively.

Figure 10.1: Tenure of households with dependent children (2011) - Leicester



Source: Census (2011)

100% 7.6% 12.6% 13.0% 14.9% 14.2% 90% 20.9% 28.7% 10.4% 10.5% 80% 10.8% 11.0% % of households in group 70% 16.4% 29.3% 60% 25.7% 39.4% 50% 75.7% 54.0% 64.2% 40% 57.1% 30% 38.2% 47.7% 20% 37.1% 10% 20.1% 12.2% 0% Other All other All households All households Married Cohabiting Lone parent households couple households couple with (no dependent dependent children) children Owner-occupied (no mortgage)Owner-occupied (with mortgage) Social rented Private rented/rent free

Figure 10.2 Tenure of households with dependent children (2011) - Leicestershire

Source: Census (2011)

10.6 The figures below show the number of bedrooms for family households at the point of the 2011 Census. The analysis shows the differences between married, cohabiting and lone parent families. Across the study area, the tendency is for family households to occupy 3-bedroom housing with varying degrees of 2-and 4+-bedroom properties depending on the household composition. The data also, unsurprisingly, highlights the small level of 1-bed stock occupied by families across the board. As a result, we could expect continued demand for 3+-bedroom homes from family households.

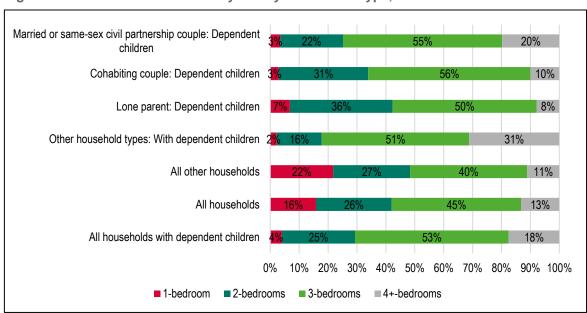


Figure 10.3 Number of Bedrooms by Family Household Type, 2011 - Leicester

Source: Census (2011)

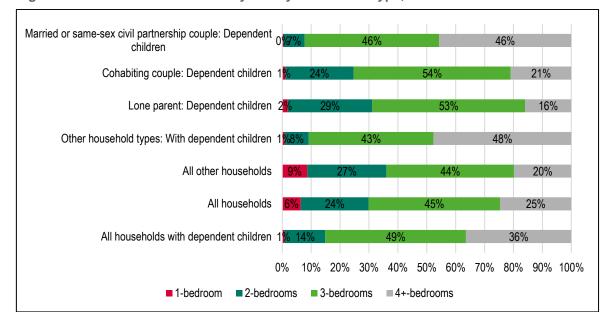


Figure 10.4 Number of Bedrooms by Family Household Type, 2011 - Leicestershire

Source: Census (2011)

The Mix of Housing

- 10.7 A model has been developed that starts with the current profile of housing in terms of size (bedrooms) and tenure. Within the data, information is available about the age of households and the typical sizes of homes they occupy. By using demographic projections linked to the local housing need calculated though the standard method, it is possible to see which age groups are expected to change in number, and by how much. The model is consistent to that used in the 2017 HEDNA.
- 10.8 On the assumption that occupancy patterns for each age group (within each tenure) remain the same, it is therefore possible to assess the profile of housing needed is over the assessment period to 2041 (from 2020).
- 10.9 An important starting point is to understand the current balance of housing in the area the table below profiles the sizes of homes in different tenure groups across areas. The data shows a generally smaller market sector in Leicester than other areas, with the opposite being the case for Leicestershire. The profile of the social rented sector is broadly similar across areas. Observations about the current mix feed into conclusions about future mix later in this section.

Table 10.3 Number of Bedrooms by Tenure, 2011

| | | Leicester | Leicestershire | East Midlands | England |
|----------|-------------|-----------|----------------|---------------|---------|
| Owner- | 1-bedroom | 3% | 2% | 2% | 4% |
| occupied | 2-bedrooms | 21% | 20% | 22% | 23% |
| | 3-bedrooms | 58% | 49% | 51% | 48% |
| | 4+-bedrooms | 19% | 30% | 26% | 25% |
| | Total | 100% | 100% | 100% | 100% |
| Social | 1-bedroom | 33% | 31% | 29% | 31% |
| rented | 2-bedrooms | 29% | 32% | 34% | 34% |
| | 3-bedrooms | 33% | 34% | 34% | 31% |
| | 4+-bedrooms | 5% | 3% | 3% | 4% |
| | Total | 100% | 100% | 100% | 100% |
| Private | 1-bedroom | 25% | 13% | 15% | 23% |
| rented | 2-bedrooms | 34% | 39% | 39% | 39% |
| | 3-bedrooms | 30% | 35% | 35% | 28% |
| | 4+-bedrooms | 11% | 13% | 11% | 10% |
| 0 | Total | 100% | 100% | 100% | 100% |

Source: Census (2011)

10.10 The table below shows the same information for each of the local authorities in Leicestershire – this shows broadly similar patterns across areas although there are a few notable differences; this includes a high proportion of 4+-bedroom market homes in Harborough, lower proportions of 1-bedroom social rented homes in Hinckley & Bosworth and North West Leicestershire and a larger private rented sector in Charnwood (which will be associated with the student population).

Table 10.4 Number of Bedrooms by Tenure, 2011 - local authorities in Leicestershire

| | | Blaby | Charn- | Har- | H&B | Melton | NWL | O&W |
|---------|-------------|-------|--------|-------|------|--------|------|------|
| | | | wood | boro. | | | | |
| Owner- | 1-bedroom | 1% | 2% | 2% | 2% | 1% | 2% | 2% |
| occup- | 2-bedrooms | 17% | 21% | 18% | 23% | 17% | 19% | 21% |
| ied | 3-bedrooms | 55% | 49% | 39% | 49% | 50% | 50% | 51% |
| | 4+-bedrooms | 27% | 27% | 41% | 27% | 32% | 29% | 26% |
| | Total | 100% | 100% | 100% | 100% | 100% | 100% | 100% |
| Social | 1-bedroom | 38% | 39% | 32% | 23% | 29% | 22% | 29% |
| rented | 2-bedrooms | 38% | 24% | 37% | 38% | 35% | 31% | 33% |
| | 3-bedrooms | 22% | 33% | 29% | 37% | 32% | 42% | 36% |
| | 4+-bedrooms | 2% | 4% | 2% | 2% | 4% | 4% | 2% |
| | Total | 100% | 100% | 100% | 100% | 100% | 100% | 100% |
| Private | 1-bedroom | 10% | 15% | 14% | 16% | 12% | 13% | 10% |
| rented | 2-bedrooms | 37% | 36% | 41% | 42% | 35% | 39% | 43% |
| | 3-bedrooms | 44% | 31% | 32% | 33% | 40% | 38% | 40% |
| | 4+-bedrooms | 9% | 18% | 13% | 9% | 13% | 10% | 7% |
| | Total | 100% | 100% | 100% | 100% | 100% | 100% | 100% |

Source: Census (2011)

Overview of Methodology

10.11 The method to consider future housing mix looks at the ages of the Household Reference Persons and how these are projected to change over time. The sub-sections to follow describe some of the key analysis.

Understanding How Households Occupy Homes

- 10.12 Whilst the demographic projections provide a good indication of how the population and household structure will develop, it is not a simple task to convert the net increase in the number of households into a suggested profile for additional housing to be provided. The main reason for this is that in the market sector, households are able to buy or rent any size of property (subject to what they can afford) and therefore knowledge of the profile of households in an area does not directly transfer into the sizes of property to be provided.
- 10.13 The size of housing which households occupy relates more to their wealth and age than the number of people they contain. For example, there is no reason why a single person cannot buy (or choose to live in) a 4-bedroom home as long as they can afford it, and hence projecting an increase in single person households does not automatically translate into a need for smaller units.
- 10.14 That said, issues of supply can also impact occupancy patterns, for example it may be that a supply of additional smaller bungalows (say 2-bedrooms) would encourage older people to downsize but in the absence of such accommodation these households remain living in their larger accommodation.
- 10.15 The issue of choice is less relevant in the affordable sector (particularly since the introduction of the social sector size criteria) where households are allocated properties which reflect the size of the household, although there will still be some level of under-occupation moving forward with regard to older person and working households who may be able to under-occupy housing (e.g. those who can afford to pay the spare room subsidy ('bedroom tax')).
- 10.16 The approach used is to interrogate information derived in the projections about the number of household reference persons (HRPs) in each age group and apply this to the profile of housing within these groups. The data for this analysis has been formed from a commissioned table by ONS (Table CT0621 which provides relevant data for all local authorities in England and Wales from the 2011 Census).
- 10.17 The figures below show an estimate of how the average number of bedrooms varies by different ages of HRP and broad tenure group for Leicester, Leicestershire and the East Midlands. In the owner-occupied sector the average size of accommodation rises over time to typically reach a peak around the age of 45-50; a similar pattern (but with smaller dwelling sizes and an earlier peak) is seen in both the social and private rented sector. After peaking, the average dwelling size decreases

- as typically some households downsize as they get older. The analysis identifies some small differences between Leicester and Leicestershire and the region, with Leicester typically having smaller dwelling sizes the market sector and the opposite being true across Leicestershire.

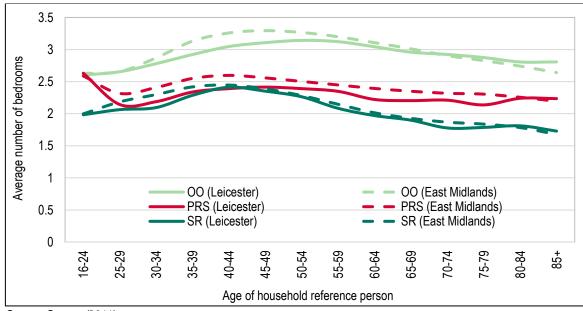


Figure 10.5 Average Bedrooms by Age and Tenure in Leicester and the East Midlands

Source: Census (2011)

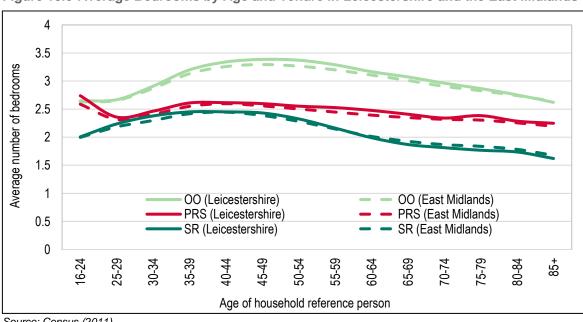


Figure 10.6 Average Bedrooms by Age and Tenure in Leicestershire and the East Midlands

Source: Census (2011)

10.18 Replicating the existing occupancy patterns at a local level would however result in the conclusions being skewed by the existing housing profile. On this basis a further model has been developed that applies regional occupancy assumptions for the East Midlands region. Assumptions are applied to the projected changes in Household Reference Person by age discussed below.

- 10.19 The analysis has been used to derive outputs for three broad categories. These are:
 - Market Housing which is taken to follow the occupancy profiles in the owner-occupied sector;
 - Affordable Home Ownership which is taken to follow the occupancy profile in the private
 rented sector (this is seen as reasonable as the Government's desired growth in home ownership
 looks to be largely driven by a wish to see households move out of private renting); and
 - Rented Affordable Housing which is taken to follow the occupancy profile in the social rented sector. The affordable sector in the analysis to follow would include social and affordable rented housing.

Changes to Households by Age

10.20 The tables below present the projected change in households by age of household reference person, this clearly shows particularly strong growth as being expected in older age groups (and to some extent some younger age groups e.g. those aged up to 49). The number of households headed by someone aged 50-59 is projected to see more modest growth over the period studied. The tables show estimated change using the Standard Method with the next two tables looking at the proposed redistribution of housing (as set out in Housing Distribution Paper). One clear impact of the proposed redistribution is a higher increase in the number of households headed by someone who might be considered as 'working-age' relative to the Standard Method in Leicestershire (with the opposite being seen in Leicester).

Table 10.5 Projected Change in Household by Age of HRP in Leicester – linking to the Standard Method

| | 2020 | 2041 | Change in Households | % Change |
|-----------|---------|---------|-------------------------|----------|
| 16-24 | 10,513 | 13,432 | 2,919 | 27.8% |
| 25-29 | 11,648 | 16,062 | 4,414 | 37.9% |
| 30-34 | 12,671 | 19,953 | 7,282 | 57.5% |
| 35-39 | 13,544 | 19,553 | 6,009 | 44.4% |
| 40-44 | 12,318 | 17,267 | 4,949 | 40.2% |
| 45-49 | 11,246 | 14,628 | 3,382 | 30.1% |
| 50-54 | 11,238 | 14,207 | 2,969 | 26.4% |
| 55-59 | 11,305 | 12,929 | 1,624 | 14.4% |
| 60-64 | 10,156 | 12,063 | 1,907 | 18.8% |
| 65-69 | 8,891 | 10,716 | 1,824 | 20.5% |
| 70-74 | 7,667 | 10,783 | 3,116 | 40.6% |
| 75-79 | 5,021 | 8,861 | 3,840 | 76.5% |
| 80-84 | 4,201 | 7,201 | 3,000 | 71.4% |
| 85 & over | 4,115 | 7,117 | 3,002 | 73.0% |
| Total | 134,534 | 184,771 | 50,237 | 37.3% |

Source: Demographic Projections

Table 10.6 Projected Change in Household by Age of HRP in Leicestershire – linking to the Standard Method

| | 2020 | 2041 | Change in Households | % Change |
|-----------|---------|---------|-------------------------|----------|
| | | | | |
| 16-24 | 7,182 | 8,261 | 1,079 | 15.0% |
| 25-29 | 15,396 | 16,744 | 1,347 | 8.7% |
| 30-34 | 19,067 | 22,497 | 3,430 | 18.0% |
| 35-39 | 22,092 | 25,441 | 3,349 | 15.2% |
| 40-44 | 22,689 | 28,610 | 5,921 | 26.1% |
| 45-49 | 26,591 | 30,457 | 3,867 | 14.5% |
| 50-54 | 29,729 | 30,252 | 523 | 1.8% |
| 55-59 | 29,536 | 29,054 | -481 | -1.6% |
| 60-64 | 25,514 | 27,563 | 2,049 | 8.0% |
| 65-69 | 23,991 | 28,665 | 4,674 | 19.5% |
| 70-74 | 26,037 | 32,497 | 6,460 | 24.8% |
| 75-79 | 19,302 | 30,245 | 10,943 | 56.7% |
| 80-84 | 14,735 | 24,836 | 10,101 | 68.6% |
| 85 & over | 13,845 | 26,826 | 12,981 | 93.8% |
| Total | 295,707 | 361,949 | 66,241 | 22.4% |

Source: Demographic Projections

Table 10.7 Projected Change in Household by Age of HRP in Leicester – linking to Proposed Redistribution

| | 2020 | 2041 | Change in Households | % Change |
|-----------|---------|---------|-------------------------|----------|
| | | | | |
| 16-24 | 10,513 | 12,013 | 1,500 | 14.3% |
| 25-29 | 11,648 | 13,398 | 1,750 | 15.0% |
| 30-34 | 12,671 | 15,872 | 3,201 | 25.3% |
| 35-39 | 13,544 | 14,879 | 1,335 | 9.9% |
| 40-44 | 12,318 | 13,660 | 1,343 | 10.9% |
| 45-49 | 11,246 | 12,419 | 1,173 | 10.4% |
| 50-54 | 11,238 | 12,660 | 1,423 | 12.7% |
| 55-59 | 11,305 | 11,869 | 564 | 5.0% |
| 60-64 | 10,156 | 11,304 | 1,148 | 11.3% |
| 65-69 | 8,891 | 10,166 | 1,274 | 14.3% |
| 70-74 | 7,667 | 10,321 | 2,653 | 34.6% |
| 75-79 | 5,021 | 8,539 | 3,519 | 70.1% |
| 80-84 | 4,201 | 6,973 | 2,772 | 66.0% |
| 85 & over | 4,115 | 6,864 | 2,749 | 66.8% |
| Total | 134,534 | 160,937 | 26,403 | 19.6% |

Source: Demographic Projections

Table 10.8 Projected Change in Household by Age of HRP in Leicestershire – linking to Proposed Redistribution

| | 2020 | 2041 | Change in Households | % Change |
|-----------|---------|---------|-------------------------|----------|
| 16-24 | 7,182 | 8,932 | 1,750 | 24.4% |
| 25-29 | 15,396 | 18,574 | 3,178 | 20.6% |
| 30-34 | 19,067 | 25,158 | 6,091 | 31.9% |
| 35-39 | 22,092 | 28,602 | 6,510 | 29.5% |
| 40-44 | 22,689 | 31,619 | 8,930 | 39.4% |
| 45-49 | 26,591 | 33,022 | 6,431 | 24.2% |
| 50-54 | 29,729 | 32,327 | 2,598 | 8.7% |
| 55-59 | 29,536 | 30,683 | 1,148 | 3.9% |
| 60-64 | 25,514 | 28,880 | 3,366 | 13.2% |
| 65-69 | 23,991 | 29,863 | 5,872 | 24.5% |
| 70-74 | 26,037 | 33,677 | 7,640 | 29.3% |
| 75-79 | 19,302 | 31,208 | 11,905 | 61.7% |
| 80-84 | 14,735 | 25,549 | 10,813 | 73.4% |
| 85 & over | 13,845 | 27,689 | 13,844 | 100.0% |
| Total | 295,707 | 385,783 | 90,075 | 30.5% |

Source: Demographic Projections

Initial Modelled Outputs

- 10.21 By following the methodology set out above and drawing on the sources shown, a series of outputs have been derived to consider the likely size requirement of housing within each of the three broad tenures at a local authority level. Two tables are provided, considering both local and regional occupancy patterns. The data linking to local occupancy will to some extent reflect the role and function of the local area, whilst the regional data will help to establish any particular gaps (or relative surpluses) of different sizes/tenures of homes when considered in a wider context.
- 10.22 The analysis for rented affordable housing can also draw on data from the local authority Housing Register with regards to the profile of need. The data has been taken from the Local Authority Housing Statistics ("LAHS") and shows a pattern of need which is focussed on 1- and 2-bedroom homes but also showing approaching a quarter of households as requiring 3+- bedroom homes (nearly a third in Leicester).

Table 10.9 Breakdown of Housing Register by Current Bedroom Need, 2020

| | 1-bedroom | 2-bedrooms | 3-bedrooms | 4+-bedrooms |
|----------------|-----------|------------|------------|-------------|
| Leicester | 33% | 34% | 22% | 10% |
| Blaby | 42% | 37% | 17% | 4% |
| Charnwood | 49% | 34% | 11% | 6% |
| Harborough | 49% | 33% | 13% | 6% |
| H & B | 39% | 39% | 17% | 5% |
| Melton | 50% | 33% | 13% | 4% |
| NWL | 49% | 39% | 10% | 3% |
| O & W | 38% | 40% | 17% | 5% |
| Leicestershire | 47% | 35% | 13% | 5% |
| L&L | 41% | 35% | 17% | 7% |

Source: Local Authority Housing Statistics, 2020

10.23 The tables below show the modelled outputs of need by dwelling size in the three broad tenures. Tables are providing by linking to local and regional occupancy patterns with the data taking an average of the two positions. Four tables are provided, two each of Leicester and Leicestershire and also with the two different demographic models (linking to the Standard Method and also the Proposed Distribution).

Table 10.10 Modelled Mix of Housing by Size and Tenure in Leicester – linked to Standard Method

| | 1-bedroom | 2-bedrooms | 3-bedrooms | 4+-bedrooms |
|-----------------------------|-----------|------------|------------|-------------|
| Market | 2% | 23% | 55% | 20% |
| Affordable home ownership | 20% | 37% | 32% | 11% |
| Affordable housing (rented) | 31% | 32% | 32% | 4% |

Source: Housing Market Model

Table 10.11 Modelled Mix of Housing by Size and Tenure in Leicestershire – linked to Standard Method

| | 1-bedroom | 2-bedrooms | 3-bedrooms | 4+-bedrooms |
|-----------------------------|-----------|------------|------------|-------------|
| Market | 3% | 28% | 50% | 19% |
| Affordable home ownership | 15% | 39% | 35% | 11% |
| Affordable housing (rented) | 35% | 33% | 29% | 3% |

Source: Housing Market Model

Table 10.12 Modelled Mix of Housing by Size and Tenure in Leicester – linked to Proposed Distribution

| | 1-bedroom | 2-bedrooms | 3-bedrooms | 4+-bedrooms |
|-----------------------------|-----------|------------|------------|-------------|
| Market | 3% | 25% | 55% | 18% |
| Affordable home ownership | 21% | 37% | 32% | 11% |
| Affordable housing (rented) | 33% | 32% | 31% | 4% |

Source: Housing Market Model

Table 10.13 Modelled Mix of Housing by Size and Tenure in Leicestershire – linked to Proposed Distribution

| | 1-bedroom | 2-bedrooms | 3-bedrooms | 4+-bedrooms |
|-----------------------------|-----------|------------|------------|-------------|
| Market | 2% | 26% | 50% | 21% |
| Affordable home ownership | 15% | 39% | 35% | 11% |
| Affordable housing (rented) | 34% | 33% | 30% | 3% |

Source: Housing Market Model

Adjustments for Under-Occupation and Overcrowding

- 10.24 The analysis above sets out the potential need for housing if occupancy patterns remained the same as they were in 2011 (with differences from the current stock profile being driven by demographic change). It is however worth also considering that the 2011 profile will have included households who are overcrowded (and therefore need a larger home than they actually live in) and also those who under-occupy (have more bedrooms than they need).
- 10.25 Whilst it would not be reasonable to expect to remove all under-occupancy (particularly in the market sector) it is the case that in seeking to make the most efficient use of land it would be prudent to look to reduce this over time. Indeed, in the future there may be a move away from current (2011) occupancy patterns due to affordability issues (or eligibility in social rented housing) as well as the type of stock likely to be provided (potentially a higher proportion of flats). Further adjustments to the modelled figures above have therefore been made to take account of overcrowding and under-occupancy (by tenure).
- 10.26 The table below shows a cross-tabulation of a household's occupancy rating and the number of bedrooms in their home (for owner-occupiers) in Leicester, in particular, this shows a higher number of households with at least 2 spare bedrooms who are living in homes with 3 or more bedrooms (which have a positive occupancy rating). There are also a small number of overcrowded households (which are shown as having a negative occupancy rating). Overall, in the owner-occupied sector in 2011, there were 45,500 households with some degree of under-occupation and just 3,900 overcrowded households. For clarity the figure used in the tables below are:
 - +2 household has two or more spare bedrooms
 - +1 household has one spare bedroom
 - 0 household has the same number of bedrooms as required for family members
 - -1 household is overcrowded with one bedroom too few
 - -2 household is overcrowded with at least two bedroom too few

Table 10.14 Cross-tabulation of occupancy rating and number of bedrooms (owner-occupied sector) – Leicester

| Occupancy | Number of bedrooms | | | | |
|-----------|--------------------|--------|--------|--------|--------|
| rating | 1-bed | 2-bed | 3-bed | 4+-bed | TOTAL |
| +2 | 0 | 0 | 15,463 | 8,094 | 23,557 |
| +1 | 0 | 8,757 | 10,925 | 2,218 | 21,900 |
| 0 | 1,463 | 3,166 | 7,216 | 771 | 12,616 |
| -1 | 143 | 847 | 1,769 | 269 | 3,028 |
| -2 | 73 | 216 | 440 | 114 | 843 |
| TOTAL | 1,679 | 12,986 | 35,813 | 11,466 | 61,944 |

Source: Census (2011)

10.27 For completeness the tables below show the same information for the social and private rented sectors. In both cases there are more under-occupying households than overcrowded, but differences are less marked than seen for owner-occupied housing.

Table 10.15 Cross-tabulation of occupancy rating and number of bedrooms (social rented sector) – Leicester

| Occupancy | Number of bedrooms | | | | |
|-----------|--------------------|-------|--------|--------|--------|
| rating | 1-bed | 2-bed | 3-bed | 4+-bed | TOTAL |
| +2 | 0 | 0 | 2,813 | 387 | 3,200 |
| +1 | 0 | 3,617 | 2,941 | 626 | 7,184 |
| 0 | 9,197 | 3,990 | 3,315 | 413 | 16,915 |
| -1 | 1,015 | 1,291 | 966 | 79 | 3,351 |
| -2 | 208 | 205 | 186 | 21 | 620 |
| TOTAL | 10,420 | 9,103 | 10,220 | 1,527 | 31,270 |

Source: Census (2011)

Table 10.16 Cross-tabulation of occupancy rating and number of bedrooms (private rented sector) – Leicester

| Occupancy | Number of bedrooms | | | | |
|-----------|--------------------|--------|-------|--------|--------|
| rating | 1-bed | 2-bed | 3-bed | 4+-bed | TOTAL |
| +2 | 0 | 0 | 2,687 | 952 | 3,639 |
| +1 | 0 | 4,639 | 2,550 | 1,509 | 8,698 |
| 0 | 6,038 | 4,030 | 2,675 | 621 | 13,364 |
| -1 | 1,119 | 1,190 | 870 | 200 | 3,379 |
| -2 | 237 | 278 | 243 | 73 | 831 |
| TOTAL | 7,394 | 10,137 | 9,026 | 3,354 | 29,911 |

Source: Census (2011)

10.28 The equivalent tables for Leicestershire are provided below. This shows higher levels of underoccupancy and lower levels of overcrowding in all tenures within the County when compared with the City data.

Table 10.17 Cross-tabulation of occupancy rating and number of bedrooms (owner-occupied sector) – Leicestershire

| Occupancy | Number of bedrooms | | | | |
|-----------|--------------------|--------|--------|--------|---------|
| rating | 1-bed | 2-bed | 3-bed | 4+-bed | TOTAL |
| +2 | 0 | 0 | 57,402 | 47,976 | 105,378 |
| +1 | 0 | 32,482 | 29,523 | 10,234 | 72,239 |
| 0 | 3,487 | 7,065 | 11,519 | 2,062 | 24,133 |
| -1 | 210 | 844 | 1,092 | 274 | 2,420 |
| -2 | 76 | 90 | 157 | 66 | 389 |
| TOTAL | 3,773 | 40,481 | 99,693 | 60,612 | 204,559 |

Source: Census (2011)

Table 10.18 Cross-tabulation of occupancy rating and number of bedrooms (social rented sector) – Leicestershire

| Occupancy | Number of bedrooms | | | | |
|-----------|--------------------|-------|-------|--------|--------|
| rating | 1-bed | 2-bed | 3-bed | 4+-bed | TOTAL |
| +2 | 0 | 0 | 3,160 | 267 | 3,427 |
| +1 | 0 | 5,261 | 3,047 | 370 | 8,678 |
| 0 | 8,273 | 3,237 | 2,770 | 224 | 14,504 |
| -1 | 300 | 425 | 506 | 27 | 1,258 |
| -2 | 56 | 42 | 48 | 4 | 150 |
| TOTAL | 8,629 | 8,965 | 9,531 | 892 | 28,017 |

Source: Census (2011)

Table 10.19 Cross-tabulation of occupancy rating and number of bedrooms (private rented sector) – Leicestershire

| Occupancy | Number of bedrooms | | | | |
|-----------|--------------------|--------|--------|--------|--------|
| rating | 1-bed | 2-bed | 3-bed | 4+-bed | TOTAL |
| +2 | 0 | 0 | 5,985 | 1,894 | 7,879 |
| +1 | 0 | 8,697 | 3,732 | 1,917 | 14,346 |
| 0 | 4,250 | 4,320 | 2,355 | 508 | 11,433 |
| -1 | 365 | 404 | 253 | 54 | 1,076 |
| -2 | 49 | 37 | 30 | 8 | 124 |
| TOTAL | 4,664 | 13,458 | 12,355 | 4,381 | 34,858 |

Source: Census (2011)

10.29 In using this data in the modelling an adjustment is made to move some of those who would have been picked up in the modelling as under-occupying into smaller accommodation. Where there is under-occupation by 2 or more bedrooms, the adjustment takes 25% of this group and assigns to a '+1' occupancy rating and a further 12.5% (i.e. an eighth) to a '0' rating. For households with one spare bedroom, 12.5% are assigned to a '0' rating (with the others remaining as '+1'). These do need to be recognised as assumptions but can be seen to be reasonable as they do retain some degree of under-occupation (which is likely) but does also seek to model a better match between household needs and the size of their home. For overcrowded households a move in the other direction is made, in this case households are moved up as many bedrooms as is needed to resolve the problems.

- 10.30 The adjustments for under-occupation and overcrowding lead to the suggested mix as set out in the following tables. It can be seen that this tends to suggest a smaller profile of homes as being needed (compared to the initial modelling) with the biggest change being in the market sector which was the sector where under-occupation is currently most notable.
- 10.31 The figures in the tables below take an average from all of the scenarios developed to look at mix (i.e. linking to both local and regional occupancy patterns as well as the different housing numbers (Standard Method and Proposed Redistribution).

Table 10.20 Adjusted Modelled Mix of Housing by Size and Tenure - Leicester

| | 1-bedroom | 2-bedrooms | 3-bedrooms | 4+-bedrooms |
|-----------------------------|-----------|------------|------------|-------------|
| Market | 5% | 29% | 49% | 18% |
| Affordable home ownership | 20% | 38% | 31% | 12% |
| Affordable housing (rented) | 32% | 33% | 30% | 5% |

Source: Housing Market Model (with adjustments)

Table 10.21 Adjusted Modelled Mix of Housing by Size and Tenure – Leicestershire

| | 1-bedroom | 2-bedrooms | 3-bedrooms | 4+-bedrooms |
|-----------------------------|-----------|------------|------------|-------------|
| Market | 6% | 33% | 45% | 17% |
| Affordable home ownership | 17% | 41% | 32% | 10% |
| Affordable housing (rented) | 36% | 34% | 27% | 3% |

Source: Housing Market Model (with adjustments)

10.32 The tables below show the same outputs for each of the local authorities in Leicestershire. Generally the figures show similar patterns, although there are variations due to the current stock profile, projected future demographic change and levels of over- and under-occupation.

Table 10.22 Adjusted Modelled Mix of Housing by Size and Tenure – Blaby

| | 1-bedroom | 2-bedrooms | 3-bedrooms | 4+-bedrooms |
|-----------------------------|-----------|------------|------------|-------------|
| Market | 6% | 32% | 46% | 16% |
| Affordable home ownership | 16% | 41% | 35% | 9% |
| Affordable housing (rented) | 39% | 36% | 23% | 3% |

Source: Housing Market Model (with adjustments)

Table 10.23 Adjusted Modelled Mix of Housing by Size and Tenure - Charnwood

| | 1-bedroom | 2-bedrooms | 3-bedrooms | 4+-bedrooms |
|-----------------------------|-----------|------------|------------|-------------|
| Market | 5% | 31% | 45% | 18% |
| Affordable home ownership | 17% | 40% | 31% | 12% |
| Affordable housing (rented) | 37% | 31% | 28% | 4% |

Source: Housing Market Model (with adjustments)

Table 10.24 Adjusted Modelled Mix of Housing by Size and Tenure - Harborough

| | 1-bedroom | 2-bedrooms | 3-bedrooms | 4+-bedrooms |
|-----------------------------|-----------|------------|------------|-------------|
| Market | 6% | 33% | 42% | 19% |
| Affordable home ownership | 18% | 42% | 31% | 9% |
| Affordable housing (rented) | 38% | 35% | 24% | 3% |

Source: Housing Market Model (with adjustments)

Table 10.25 Adjusted Modelled Mix of Housing by Size and Tenure - Hinckley & Bosworth

| | 1-bedroom | 2-bedrooms | 3-bedrooms | 4+-bedrooms |
|-----------------------------|-----------|------------|------------|-------------|
| Market | 6% | 35% | 44% | 15% |
| Affordable home ownership | 18% | 43% | 31% | 8% |
| Affordable housing (rented) | 33% | 36% | 27% | 3% |

Source: Housing Market Model (with adjustments)

Table 10.26 Adjusted Modelled Mix of Housing by Size and Tenure – Melton

| | 1-bedroom | 2-bedrooms | 3-bedrooms | 4+-bedrooms |
|-----------------------------|-----------|------------|------------|-------------|
| Market | 7% | 35% | 45% | 13% |
| Affordable home ownership | 17% | 41% | 33% | 9% |
| Affordable housing (rented) | 39% | 36% | 23% | 3% |

Source: Housing Market Model (with adjustments)

Table 10.27 Adjusted Modelled Mix of Housing by Size and Tenure – North West Leicestershire

| | 1-bedroom | 2-bedrooms | 3-bedrooms | 4+-bedrooms |
|-----------------------------|-----------|------------|------------|-------------|
| Market | 6% | 34% | 45% | 15% |
| Affordable home ownership | 17% | 41% | 33% | 9% |
| Affordable housing (rented) | 33% | 35% | 29% | 3% |

Source: Housing Market Model (with adjustments)

Table 10.28 Adjusted Modelled Mix of Housing by Size and Tenure - Oadby & Wigston

| | 1-bedroom | 2-bedrooms | 3-bedrooms | 4+-bedrooms |
|-----------------------------|-----------|------------|------------|-------------|
| Market | 6% | 36% | 45% | 13% |
| Affordable home ownership | 16% | 43% | 33% | 8% |
| Affordable housing (rented) | 34% | 34% | 28% | 4% |

Source: Housing Market Model (with adjustments)

Indicative Targets for Different Sizes of Properties by Tenure

10.33 The analysis below provides some indicative targets for different sizes of home (by tenure). The conclusions take account of a range of factors, including the modelled outputs and an understanding of the stock profile in different locations. The analysis (for rented affordable housing) also draws on the Housing Register data as well as taking a broader view of issues such as the flexibility of homes to accommodate changes to households (e.g. the lack of flexibility offered by a 1-bedroom home for a couple looking to start a family).

10.34 Where information has been drawn from the modelling, this is based on looking at averages across all of the scenarios developed (i.e. linking to both the Standard Method and the Proposed Redistribution (as set out in the separate Distribution Paper) and local/regional models). In general the modelled mix does not vary significantly across scenarios or areas and so can be considered relevant for individual authorities regardless of ultimate decisions about the quantum and distribution of housing across the area.

Social/Affordable Rented Housing

- 10.35 Bringing together the above, a number of factors are recognised. This includes recognising that it is unlikely that all affordable housing needs will be met and that it is possible that households with a need for larger homes will have greater priority (as they are more likely to contain children). That said, there is also a possible need for 1-bedroom social housing arising due to homelessness (typically homeless households are more likely to be younger single people); that said this group might also be expected to need other forms of accommodation (e.g. foyer or supported housing). In taking any recommendations forward, the Councils will therefore need to consider any specific issues in their local area.
- 10.36 As noted, the conclusions also consider the Housing Register, but recognises that this will be based on a strict determination of need using the bedroom standard; there will be some households able to afford a slightly larger home or who can claim benefits for a larger home than they strictly need (i.e. are not caught by the spare room subsidy ('bedroom tax') this will include older person households). The conclusions also take account of the current profile of housing in this sector (which for example shows a varying proportion of 1-bedroom homes in the current stock across areas).
- 10.37 In taking account of the modelled outputs, the Housing Register and the discussion above, it is suggested that the following mix of social/affordable rented housing (which is close to the modelled outputs) would be appropriate.

Table 10.29 Suggested Mix of Social/Affordable Rented Housing by area

| | 1-bedroom | 2-bedrooms | 3-bedrooms | 4+-bedrooms |
|----------------|-----------|------------|------------|-------------|
| Leicester | 30% | 35% | 25% | 10% |
| Blaby | 35% | 35% | 25% | 5% |
| Charnwood | 35% | 35% | 25% | 5% |
| Harborough | 35% | 40% | 20% | 5% |
| H & B | 30% | 40% | 25% | 5% |
| Melton | 35% | 40% | 20% | 5% |
| NWL | 35% | 40% | 20% | 5% |
| O & W | 30% | 40% | 25% | 5% |
| Leicestershire | 35% | 35% | 25% | 5% |
| L&L | 30% | 40% | 25% | 5% |

Source: Conclusions drawn on a variety of sources as discussed

- 10.38 Regarding 1-bedroom homes, Councils will need to also be mindful of what social housing providers will deliver as it is possible for management purposes (and due to issues about turnover) that a smaller proportion might be sought in some circumstances.
- 10.39 Across the study area, the analysis points to around a third of the social/affordable housing need being for 1-bedroom homes and it is of interest to see how much of this is due to older person households. In the future household sizes are projected to drop whilst the population of older people will increase. Older person households (as shown earlier) are more likely to occupy smaller dwellings. The impacts of older people have on demand for smaller stock is outlined in the table below. This illustrates that approximately three-fifths of the demand for one bedroom affordable housing will be down to the ageing population, with a higher proportion typically being seen outside of Leicester (and to a lesser extent Charnwood).

Table 10.30 Estimated proportion of affordable one bedroom housing needs due to the ageing of the population

| | Linking to Standard Method | Linking to Proposed Redistribution |
|----------------|----------------------------|---------------------------------------|
| Leicester | 42% | 47% |
| Blaby | 71% | 68% |
| Charnwood | 60% | 60% |
| Harborough | 76% | 75% |
| H & B | 72% | 71% |
| Melton | 84% | 82% |
| NWL | 76% | 72% |
| O & W | 69% | 67% |
| Leicestershire | 70% | 68% |
| L&L | 59% | 60% |

Source: Housing Market Model

Affordable Home Ownership

- 10.40 In the affordable home ownership and market sectors a profile of housing that closely matches the outputs of the modelling is suggested (with some adjustments to take account of student households in Leicester and Charnwood). It is considered that the provision of affordable home ownership should be more explicitly focused on delivering smaller family housing for younger households. Based on this analysis, it is suggested that the following mix of affordable home ownership would be appropriate, and it can be noted that there really is very little difference in the recommendations across areas.
- 10.41 It can be seen that the profile of housing in this sector is generally for slightly larger homes than for the social/affordable rented sector – this will in part reflect the fact that some degree of underoccupation would be allowed in such homes. For 1-bedroom units, it needs to be recognised that the figures are driven by the modelling linked to demographic change; again Councils may need to consider if the figures are appropriate on a local context. For example, in some areas Registered

Providers find difficulties selling 1-bedroom affordable home ownership homes and therefore the 1-bedroom elements of AHO might be better provided as 2-bedroom accommodation. Equally demand for shared ownership properties is likely to be more limited for larger property sizes.

Table 10.31 Suggested Mix of Affordable Home Ownership Housing by area

| | 1-bedroom | 2-bedrooms | 3-bedrooms | 4+-bedrooms |
|----------------|-----------|------------|------------|-------------|
| Leicester | 20% | 40% | 30% | 10% |
| Blaby | 15% | 40% | 35% | 10% |
| Charnwood | 20% | 40% | 30% | 10% |
| Harborough | 20% | 40% | 30% | 10% |
| H & B | 20% | 40% | 30% | 10% |
| Melton | 15% | 40% | 35% | 10% |
| NWL | 15% | 40% | 35% | 10% |
| O & W | 15% | 45% | 30% | 10% |
| Leicestershire | 15% | 40% | 35% | 10% |
| L&L | 20% | 40% | 30% | 10% |

Source: Conclusions drawn on a variety of sources as discussed

Market Housing

10.42 Finally, in the market sector, a balance of dwellings is suggested that takes account of both the demand for homes and the changing demographic profile (as well as observations about the current mix when compared with other locations and also the potential to slightly reduce levels of under-occupancy). This sees a slightly larger recommended profile compared with other tenure groups – again there is little variation across areas.

Table 10.32 Suggested Mix of Market Housing by area

| | 1-bedroom | 2-bedrooms | 3-bedrooms | 4+-bedrooms |
|----------------|-----------|------------|------------|-------------|
| Leicester | 5% | 30% | 45% | 20% |
| Blaby | 5% | 35% | 45% | 15% |
| Charnwood | 5% | 30% | 45% | 20% |
| Harborough | 5% | 35% | 40% | 20% |
| H & B | 5% | 35% | 45% | 15% |
| Melton | 5% | 35% | 45% | 15% |
| NWL | 5% | 35% | 45% | 15% |
| O & W | 5% | 35% | 45% | 15% |
| Leicestershire | 5% | 35% | 45% | 15% |
| L&L | 5% | 30% | 45% | 20% |

Source: Conclusions drawn on a variety of sources as discussed

10.43 Although the analysis has quantified this on the basis of the market modelling and an understanding of the current housing market, it does not necessarily follow that such prescriptive figures should be included in the plan making process (although it will be useful to include an indication of the broad mix to be sought across the study area) – demand can change over time linked to macro-economic factors and local supply. Policy aspirations could also influence the mix sought.

10.44 The suggested figures can be used as a monitoring tool to ensure that future delivery is not unbalanced when compared with the likely requirements as driven by demographic change in the area. The recommendations can also be used as a set of guidelines to consider the appropriate mix on larger development sites, and the Councils could expect justification for a housing mix on such sites which significantly differs from that modelled herein. Site location and area character are also however relevant considerations the appropriate mix of market housing on individual development sites.

Smaller-area Housing Mix

- 10.45 The analysis above has focussed on overall study area-wide and local authority needs with conclusions very much at the strategic level. It should however be recognised that there will be variations in the need within areas due the different role and function of a location and the specific characteristics of local households (which can also vary over time). This report does not seek to look at smaller-area needs, and this would be best suited to individual projects for local authorities; however, below are some points for consideration when looking at needs in any specific location.
 - a) Whilst there will be differences in the stock profile in different locations this should not necessarily be seen as indicating particular surpluses or shortfalls of particular types and sizes of homes:
 - b) As well as looking at the stock, an understanding of the role and function of areas is important. For example, higher priced rural areas are typically sought by wealthier families and therefore such areas would be expected to provide a greater proportion of larger homes;
 - c) That said, some of these areas will have very few small/cheaper stock and so consideration needs to be given to diversifying the stock;
 - d) The location/quality of sites will also have an impact on the mix of housing. For example, brownfield sites in the centre of towns may be more suited to flatted development (as well as recognising the point above about role and function) whereas a rural site on the edge of an existing village may be more appropriate for family housing. Other considerations (such as proximity to public transport) may impact on a reasonable mix at a local level;
- 10.46 Overall, it is suggested that Councils should broadly seek the same mix of housing in all locations, rather than setting more locally specific policies for different parts of individual districts, but would be flexible to a different mix where specific local characteristics suggest. The Councils should also monitor what is being built to ensure that a reasonable mix is provided in a settlement overall.

10.47 Additionally, in the affordable sector it may be the case that Housing Register data for a smaller area identifies a shortage of housing of a particular size/type which could lead to the mix of housing being altered from the overall suggested requirement

Built Form

10.48 A final issue is a discussion of the need/demand for different built-forms of homes. In particular this discussion focusses on bungalows and the need for flats vs. houses.

Bungalows

- 10.49 The sources used for analysis in this report make it difficult to quantify a need/demand for bungalows in the HMA and constituent authorities as Census data (which is used to look at occupancy profiles) does not separately identify this type of accommodation. Data from the Valuation Office Agency (VOA) does however provide estimates of the number of bungalows (by bedrooms) although no tenure split is available.
- 10.50 The tables below show a notable proportion of homes in Leicestershire are bungalows (12% of all flats and houses) with over half of these having 2-bedrooms (and most of the rest having 3-bedrooms); a slightly lower proportion (9%) of homes across England are bungalows. In Leicester, the number of bungalows is notably lower (at just 4% of the stock).

Table 10.33 Number of dwellings by property type and number of bedrooms (March 2020) – Leicester

| | | Number of bedrooms | | | | |
|---------------------|--------|--------------------|--------|--------|-------|---------|
| | 1 | 2 | 3 | 4+ | Not | |
| | | | | | Known | |
| Bungalow | 2,980 | 2,040 | 780 | 110 | 30 | 5,930 |
| Flat/Maisonette | 23,340 | 10,670 | 1,480 | 1,980 | 540 | 38,000 |
| Terraced house | 480 | 17,420 | 28,160 | 3,060 | 80 | 49,200 |
| Semi-detached house | 50 | 4,140 | 29,330 | 2,460 | 70 | 36,050 |
| Detached house | 10 | 310 | 4,070 | 4,910 | 40 | 9,340 |
| All flats/houses | 26,860 | 34,580 | 63,820 | 12,520 | 760 | 138,520 |
| Annexe | - | - | - | - | - | 50 |
| Other | - | - | - | - | - | 20 |
| Unknown | - | - | - | - | - | 2,310 |
| All properties | - | - | - | - | - | 140,900 |

Source: Valuation Office Agency

Table 10.34 Number of dwellings by property type and number of bedrooms (March 2020) – Leicestershire

| | | Number of bedrooms | | | | |
|---------------------|--------|--------------------|---------|--------|-------|---------|
| | 1 | 2 | 3 | 4+ | Not | |
| | | | | | Known | |
| Bungalow | 3,090 | 21,010 | 11,070 | 1,700 | 170 | 37,050 |
| Flat/Maisonette | 13,160 | 10,980 | 950 | 410 | 220 | 25,690 |
| Terraced house | 1,460 | 23,370 | 26,160 | 2,840 | 170 | 54,010 |
| Semi-detached house | 260 | 13,200 | 73,780 | 6,760 | 200 | 94,170 |
| Detached house | 120 | 2,770 | 33,410 | 50,060 | 690 | 87,020 |
| All flats/houses | 18,090 | 71,330 | 145,370 | 61,770 | 1,450 | 297,940 |
| Annexe | - | - | - | - | - | 350 |
| Other | - | - | - | - | - | 1,240 |
| Unknown | - | - | - | - | - | 3,720 |
| All properties | - | - | - | - | - | 303,220 |

Source: Valuation Office Agency

- 10.51 For individual local authorities the proportion of the stock that is bungalows is shown below. Generally across the County, the proportion does not vary much, going from 11.2% in Charnwood, up to 14.0% in Hinckley & Bosworth:
 - Leicester 4.3%;
 - Blaby 12.5%;
 - Charnwood 11.2%;
 - Harborough 12.9%;
 - Hinckley & Bosworth 14.0%;
 - Melton 12.3%;
 - North West Leicestershire 12.0%;
 - Oadby & Wigston 13.0%;
 - Leicestershire 12.4%; and
 - Leicester & Leicestershire 9.8%
- 10.52 In general, discussions with local estate agents find that there is a demand for bungalows and in addition, analysis of survey data (in other locations) points to a high demand for bungalows (from people aged 65 and over in particular). Bungalows are often a first choice for older people seeking suitable accommodation in later life and there is generally a high demand for such accommodation when it becomes available (this is different from specialist accommodation for older people which would have some degree of care or support).
- 10.53 As a new build option, bungalows are often not supported by either house builders or planners (due to potential plot sizes and their generally low densities). There may, however, be instances where bungalows are the most suitable house type for a particular site; for example, to overcome objections about dwellings overlooking existing dwellings or preserving sight lines.

- 10.54 There is also the possibility of a wider need/demand for retirement accommodation. Retirement apartments can prove very popular if they are well located in terms of access to facilities and services, and environmentally attractive (e.g. have a good view). However, some potential purchasers may find high service charges unacceptable or unaffordable and new build units may not retain their value on re-sale.
- 10.55 Overall, the Councils should consider the potential role of bungalows as part of the future mix of housing. Such housing may be particularly attractive to older owner-occupiers (many of whom are equity-rich) which may assist in encouraging households to downsize. However, the downside to providing bungalows is that they can often be relatively land intensive.
- 10.56 Bungalows are likely to see a particular need and demand in the market sector and also for rented affordable housing (for older people as discussed in the next section of the report). Bungalows are likely to particularly focus on 2-bedroom homes, including in the affordable sector where such housing may encourage households to move from larger 'family-sized' accommodation (with 3+bedrooms).

Flats vs. Houses

- 10.57 Although there are some 1-bedroom houses and 3-bedroom flats, it is considered that the key discussion on built-form will be for 2-bedroom accommodation, where it might be expected that there would be a combination of both flats and houses. At a national level, 81% of all flats 1-bedroom homes, 35% of 2-bedroom homes and just 4% of homes with 3-bedrooms.
- 10.58 The table below shows (for 2-bedroom accommodation) the proportion of homes by tenure that are classified as a flat, maisonette or apartment in Leicester, Leicestershire and England. This shows a relatively low proportion of flats in both areas (particularly the County with just 14% of all 2-bedroom homes) and this would point to the majority of 2-bedroom homes in the future also being houses. The analysis does however show a higher proportion of flats in the social and private rented sectors. Iceni consider that greater emphasis should be given to mix by dwelling size than type recognising the potential for built-form to vary in different locations.
- 10.59 This analysis is based on considering the current built-form in different tenures. Any decisions about the types of dwelling to be provided will need to take account of factors such as households type of those likely to occupy dwellings (where for example households with children will be more suited to a house than a flat). However, site characteristics may also play a role in deciding the most suitable built-form (e.g. city/town centre developments may be more suited to flats).

Table 10.35 Proportion of 2-bedroom homes that are a flat, maisonette or apartment (by tenure)

| | Owner-occupied | Social rented | Private rented | All (2-bedroom) |
|----------------|----------------|---------------|----------------|-----------------|
| Leicester | 12% | 44% | 38% | 29% |
| Blaby | 6% | 33% | 24% | 14% |
| Charnwood | 7% | 55% | 30% | 18% |
| Harborough | 6% | 25% | 24% | 14% |
| H & B | 5% | 32% | 30% | 14% |
| Melton | 4% | 25% | 18% | 12% |
| NWL | 3% | 25% | 22% | 11% |
| O & W | 6% | 45% | 20% | 13% |
| Leicestershire | 6% | 35% | 25% | 14% |
| L&L | 7% | 39% | 31% | 20% |
| England | 21% | 48% | 50% | 35% |

Source: 2011 Census

10.60 As noted, this analysis would suggest that most 2-bedroom homes should be built as houses (or bungalows) rather than flats. However, any decisions will still have to take account of site characteristics, which in some cases might point towards flatted development as being most appropriate.

Housing Mix: Key Messages

- The proportion of households with dependent children is similar to the regional and national average with around 30% of all households containing dependent children in 2011. The County does however have a greater proportion of married couple households, whilst the City see more lone parents.
- There are a range of factors which will influence demand for different sizes of homes, including demographic changes; future growth in real earnings and households' ability to save; economic performance and housing affordability. The analysis linked to long-term demographic change (2020-41) concludes that the following represents an appropriate mix of affordable and market homes for new development, this takes account of both household changes and the ageing of the population the analysis also models for there to be a modest decrease in levels of under-occupancy (which are particularly high in the market sector and in areas outside of the City):

| Suggested Mix of Housing by Size and Tenure – Leicester | | | | | | |
|---|-----|-----|-----|-----|--|--|
| 1-bedroom 2-bedrooms 3-bedrooms 4+-bedrooms | | | | | | |
| Market | 5% | 30% | 45% | 20% | | |
| Affordable home ownership | 20% | 40% | 30% | 10% | | |
| Affordable housing (rented) 30% 35% 25% 10% | | | | | | |

| Suggested Mix of Housing by Size and Tenure – Leicestershire | | | | | | |
|--|-----|-----|-----|-----|--|--|
| 1-bedroom 2-bedrooms 3-bedrooms 4+-bedrooms | | | | | | |
| Market | 5% | 35% | 45% | 15% | | |
| Affordable home ownership | 15% | 40% | 35% | 10% | | |
| Affordable housing (rented) 35% 35% 25% 5% | | | | | | |

- The strategic conclusions in the affordable sector recognise the role which delivery of larger family homes can play in releasing a supply of smaller properties for other households. Also recognised is the limited flexibility which 1-bed properties offer to changing household circumstances, which feed through into higher turnover and management issues. The conclusions also take account of the current mix of housing by tenure and also the size requirements shown on the Housing Register.
- The mix identified above could inform strategic policies although a flexible approach should be adopted. For example, in some areas Registered Providers find difficulties selling 1-bedroom affordable home ownership homes and therefore the 1-bedroom elements of AHO might be better provided as 2-bedroom accommodation. Additionally, in applying the mix to individual development sites, regard should be had 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. The Councils should also monitor the mix of housing delivered.
- Analysis also suggests that the majority of units should be houses rather than flats, although
 consideration will need to be given to site specific circumstances (which may in some cases lend
 themselves to flatted development). Additionally, the Councils should consider the role of bungalows
 within the mix such housing can be particularly attractive to older person households downsizing
 and may help to release larger (family-sized) accommodation back into the market.
- Based on the evidence, it is expected that the focus of new market housing provision will be on 2and 3-bed properties. Continued demand for family housing can be expected from newly forming
 households. There may also be some demand for medium-sized properties (2- and 3-beds) from
 older households downsizing and looking to release equity in existing homes, but still retaining
 flexibility for friends and family to come and stay.

Page 310 of 1014

11. NEEDS OF PARTICULAR GROUPS

- 11.1 This section studies the characteristics and housing needs of the older person population and the population with some form of disability. The two groups are taken together as there is a clear link between age and disability. It responds to Planning Practice Guidance on *Housing for Older and Disabled People* published by Government in June 2019. It includes an assessment of the need for specialist accommodation for older people and the potential requirements for housing to be built to M4(2) and M4(3) housing technical standards (accessibility and wheelchair standards).
- 11.2 The first part of this chapter .provides a policy review and discussion around the housing needs of older people We then calculate the need for specialist housing for older people first; and then younger people.

Policy Review

Leicester All Age Commissioning Strategy 2020

- 11.3 The Leicester All Age Commissioning Strategy 2020²⁰ sets out the commissioning intentions for the Council's Social Care and Education Department. In commissioning services the strategy sets out a set of principles including a commitment to "intervene early, quickly and as effectively as possible…personalise our approach to fit the needs of the individual…(and) ensure we give those we work with the best life opportunities." The Strategy notes that due to budget cuts there is a huge challenge for the social care sector "which means we have to focus provision where it is most needed and most likely to make a difference and where there are statutory duties to provide support."
- 11.4 The Council also highlight a significant increase in the number of people unable to manage self-care tasks. Between 2020 and 2025 the Council (drawing on POPPI and PANSI data) expect a rise of around 40% of people aged 65+ unable to manage at least one self-care activity on their own. They also estimate the that the number of people with a learning disability will increase by around 400 people over the same period.
- 11.5 The strategy also sets out *that "an estimated 39,770 adults aged 16-64 living in Leicester have mental health problems*" equivalent to 17.9% of adults. It also noted that this was expected to increase by 18% in the period to 2030.

-

²⁰ https://www.leicester.gov.uk/media/186505/all-age-commissioning-strategy-2020-2025.pdf

- 11.6 In relation to providing early help, intervention and prevention the Council's vision is to "prevent or delay a loss of independence for vulnerable adults" adding that "As a result, we will reduce the need for more intrusive, high cost services in the future."
- 11.7 The Strategy recognises the growing older population and particularly those with multiple long-term conditions. This gives rise to "an increasing need to identify effective ways of supporting people to stay well and healthy and reduce the pressure on health and social care services." It also notes that "There is increasing evidence that making the strategic shift in resources towards prevention and early intervention results in better outcomes for individuals, organisations and communities and is a more efficient use of existing resources."
- 11.8 The strategy sets out Core Outcomes delivered by services are to include reducing dependency on statutory services and delaying and reducing the need for care and support. They will achieve this by (among others) commissioning an increase in Assistive Technology options in order to ensure appropriate technologies are made available to the right customers at the right time.
- 11.9 The strategy notes that "for adults, Leicester has a strong domiciliary support and reablement offer which supports people to remain living independently and to recover independence following episodes of ill health and challenge. The supported and independent living offer in the city ensures people with longer term support needs can gain and sustain a tenancy, reducing the need for residential care placements."
- 11.10 The Council's vision is to ensure people will have control over their own lives wherever possible this includes "delaying and reducing the need for care and support and, where this is required, focusing provision on those most in need."
- 11.11 As well as assistive technology the Council will produce a 10-year plan for Supported Living and Extra Care which will give information about the type of physical developments required for this type of housing in Leicester going forward. The Council will also commission "support services for people affected by dementia with health and social care partners across Leicester and Leicestershire to ensure that services are delivered as seamlessly as possible."

Page 312 of 1014

Leicestershire Adult and Community Services Market Position Statement (2016)

- 11.12 The Leicestershire Adult and Community Services Market Position Statement (2016)²¹ sets out Leicestershire County Council's vision for the care and support requirements of residents as well as their commissioning intentions.
- 11.13 The MPS notes that the "population growth patterns have implications for the provision of services for older people. There will be more older people with complex care needs that will require additional input from all parts of the health and social care system." It notes a greater and growing prevalence of dementia among older people and that there remains a high prevalence of mental ill health across the population.
- 11.14 The strategy sets out the number of people supported in Nursing, Residential and Community Care in the year to April 2016 by different age groups. For those aged 18-64 a total of 2,661 people required support of those twenty-one people were placed in nursing care and a further 474 in residential care. However the vast majority (2,166) were provided with community care. The reasons for requiring support were also set out with 1,225 people (46%) requiring learning disability support. Other major reasons including mental health support (507 people), personal care support (494 people) and those requiring mobility support (345 people).
- 11.15 For those aged 65+ the numbers are far larger a total of 6,913 people required support of those 484 people were placed in nursing care and a further 1,971 in residential care. However, the vast majority (4,458) were provided with community care. The reasons for requiring support for the over 65s were also set out with 4,269 people (61%) requiring personal care support and those requiring mobility support (1,178 people). A further 862 people required support due to requiring mental health support. The MPS noted that in the older age group, the incidence of dementia is increasing and there is an opportunity for providers that can provide integrated dementia care.
- 11.16 The MPS sets out a four tier model which seeks to <u>prevent need</u> through universal services and promoting well-being; <u>reduce need</u> through targeted interventions for those at risk; <u>delay need</u> through reablement, rehabilitation and recovery; and finally <u>meet need</u> through progressive planning using a broad set of social resources to ensure affordability.
- 11.17 In reducing need the County Council's work will target people most likely to develop a need, and try to prevent problems from getting worse so that they do not become dependent on support. Provision

Page 313 of 1014

https://www.leicestershire.gov.uk/sites/default/files/field/pdf/2018/3/2/adult-and-community-services-market-position-statement.pdf

might include information and advice as well as minor adaptions to housing which can prevent a fall. They will also support and assist at a distance via telephone or computer.

- 11.18 In delaying need the Council will provide support for those who have experienced an illness or disability. The Council will try to minimise the effect of the illness or disability by collaborating with individuals and their support network to ensure people experience the best outcomes through the most cost effective support.
- 11.19 In meeting need local authority social care requirements will be determined once the County Council has identified and explored what is available within their family and community. People who need the County Council's help and are assessed as eligible for funding, will be supported through a personal budget which can be a direct payment.
- 11.20 Wherever possible the County Council will work with people to provide a choice of help which is suitable to meet their outcomes. However, in all cases the Council will ensure that the cost of services provides the best value for money. The MPS notes that whilst choice is important in delivering the outcomes that people want, maintaining people's independence and achieving value for money is paramount.
- 11.21 The MPS is clear that "the main opportunities in the year ahead will related to the provision of services that offer a cost effective alternative to Residential Care, (such as Supported Living and Extra Care) and services that focus on maximising independence (such as Community Life Choices)."
- 11.22 The Community Life Choices programme recognises "that good lives happen for people when they are supported in their communities." The County Council aims to support people to work towards being as independent as they can, promoting progression wherever possible throughout a person's life. Their vision for the social care market is underpinned by the principle that wherever possible people should be supported to achieve greater independence, focusing on what people can do.
- 11.23 The County Council will be exploring further opportunities to expand on their reablement offer, to delay the need for more extensive and longer term support. The County Council are also keen to explore the further use of Assistive Technology and integrated services that promote independence and reduce need.
- 11.24 The MPS is clear that "the focus on prevention and supporting people to remain independent in their own home as long as possible is expected to reduce the proportion spent on residential and nursing care, whilst increasing the amount used for domiciliary care and alternatives to residential care."

Page 314 of 1014

- 11.25 The report also set out a surveys of occupancy of Residential and Nursing Homes during the summer of 2015 which indicated that occupancy was running at 95% in the residential care sector. This was seen as a good balance of being able to place people and provide viability to the development.
 - Building accommodation to meet the needs of people in Leicestershire Investment Prospectus 2019 – 2037
- 11.26 The Leicestershire Investment Prospectus 2019 2037²² outlines the County Council's proposals for diverse types of accommodation to meet their vision of "offering different care and community options, in a range of locations for both older adults and working age adults with disabilities." It is an investment prospects which to deliver accommodation for those with adult social care needs, including housing with care and support schemes.
- 11.27 The objective of the prospectus is to
 - To improve options for service users;
 - To influence the market;
 - To manage demand and contain growth;
 - To alleviate cost pressures;
 - To create a prosperous venture;
 - Identify opportunities to invest and develop In Leicestershire; and
 - Explain Social Care accommodation.
- 11.28 The prospectus recognises that there is a need to enable older people to right-size as underoccupancy is an issue. They want to mitigate this problem by encouraging developers to build mainstream homes that are suitable for and attractive to older people.
- 11.29 This means developing and designing homes with older people in mind. Such housing would be "accessible accommodation that takes into consideration ramps, lifts, grab rails and wet rooms or ground floor apartments."
- 11.30 The prospectus estimates that by 2037, a further 750 units of Supported Living and 1,200 units of Extra Care accommodation are required. The prospectus also notes that "Leicestershire requires more specialist units being built that will be able to accommodate individuals with more complex needs such as those leaving long stay hospital. Typically, these schemes would each provide

https://resources.leicestershire.gov.uk/sites/resource/files/field/pdf/2019/10/25/Building-accommodation-to-meet-the-needs-of-people-in-Leicestershire.pdf

Page 315 of 1014

accommodation for four individuals." It also states that "The majority of older people living in Leicestershire are owner-occupiers and represent a large proportion of potential customers who would have significant resources and experience in housing market changes."

- 11.31 The Leicestershire Investment Prospectus notes that during 2018- 19, 18% of referrals received by the County for Supported Living were for young people (aged 17-18). Twelve of the sixteen individuals had a learning disability, three required mental health support needs and one had a physical disability. This demonstrates that there was a growing need for transitional accommodation that can support young people with emotional and behaviour difficulties. It notes that the current offer for young people is limited and recognised that they would like to see the development of additional accommodation. The County Council anticipated developing one transitional accommodation unit per year over the next five years for around six young people at a time.
- 11.32 The prospectus notes that investing in residential care for working age adults is an opportunity for the council to control the building design, associated costs, profit levels and quality of care service commissioned and ensure a progression model for individuals living within the homes. The prospectus sets out that "There is also a recognised gap for specialist assessment and reablement units for older people and dementia provision that can also meet nursing needs" and adds that the County Council are keen to collaborate with partners to explore models where these types of units can be included within wider extra care schemes or residential care.
- 11.33 The County Council is encouraging organisations to consider the needs of those requiring dementia care. In Leicestershire, there are around 9,600 people living with dementia and only six Extra Care schemes described as dementia-friendly. In response purpose-built accommodation that responds to specific needs of those with dementia is integral to the County Council's investment plans.
- 11.34 The Prospectus goes on to breakdown need and future housing priorities in each of the local authorities in the county. In summary these are:
 - In Blaby, LCC are looking to primarily increase the amount of Supported Living for working age adults in need of additional support from existing supply up to eighty units by 2037.
 - In Charnwood, LCC are looking to primarily build specialist extra care support and mainstream accommodation that has been adapted and built with older people in mind. They are also looking to primarily increase the amount of Supported Living for working age adults in need of additional support to 120 units by 2037.
 - In Harborough, there is a requirement for an increase in either mainstream accommodation that is suitable for older people or an increase in Extra Care.

- In Hinckley and Bosworth, there are opportunities to provide Extra Care as well as specialist
 accommodation for older people. There is also demand for accommodation suitable for
 working age adults in need of additional support and they are seeking to increase this to 192
 units by 2037.
- In Melton, LCC are looking to build sustainable accommodation and mainstream or specialist accommodation for older people.
- In North West Leicestershire, there is a slight increase required in accommodation suitable for working age adults
- In Oadby and Wigston, LCC are keen to look at developing Extra Care schemes particularly
 in this area as there are currently none and demand will be significant over the next 20 years.
- 11.35 The report also highlights a large need for extra-care accommodation (which we consider further and assess later in this section). It also acknowledged that "investment in older persons' residential units would also allow the Council to influence the supply of residential care homes able to meet the needs of both council funded residents and self-funders who continue to require support beyond their level of assets."

Discussion

- 11.36 The documents above make it clear that both the City Council and the County Council both seek to minimise the need for care and nursing accommodation in particular to reduce pressures on social care budgets; with a strategy to do so by providing earlier interventions, which take a range of forms including through information and support, adaptations to existing homes and/or providing additional supported and extra -care accommodation.
- 11.37 While additional supported and extra-care accommodation is clearly welcome, it is important that this is delivered in sustainable locations. Typically such housing should be close to facilities and public transport links, therefore towns are typically more appropriate locations. This will allow residents to access a range of facilities, support local businesses and be in more sustainable locations which visitors can access by a range of means. The Leicestershire Investment Prospectus states that "older people who routinely visit their town centre play a vital role in enabling local businesses to thrive. Building housing solutions close by town centres will be beneficial to locals and attractive to those currently living on the outskirts." It also adds that "Accommodation built for Extra Care Schemes should be located appropriately close by town or village centres to ensure they remain part of the community and have access to the facilities, activities and amenities promoted in their local area." It added that appropriate practical features which should feature in the design of such schemes include:
 - Handwriting and wi-fi enabled telecare and telehealth equipment;
 - · Catering facilities;

- Low Windowsills;
- · Energy Efficient Design;
- Communal facilities;
- Open landscaped outdoor space; and
- Signage, equipment (e.g. hoists), décor and facilities that enable people with physical, sensory or cognitive impairments to be independent where possible.
- 11.38 Specialist housing schemes which involve provision of care and communal facilities typically need to be of a critical mass (50+ unit schemes) to be viable. Ensuring a supply of such accommodation for local people in locations which people are familiar with and with nearby amenities will allow for a smoother transition. The provision of such schemes in locations close to local facilities and amenities will help to support sustainable development.

Understanding the Implications of Demographic Changes

11.39 The population of older persons is increasing, driven by demographic changes including increasing life expectancy. This is a key driver of the need for housing which is capable of meeting the needs of older persons.

Current Population of Older People

11.40 The table below provides baseline population data about older persons in Leicester & Leicestershire and compares this with other areas. The population data has been taken from the published 2019 ONS mid-year population estimates (MYE). The table shows that Leicester has a much younger age structure than other areas with only 12% of the population being aged 65 and over. Leicestershire has an older age structure, although fairly similar to the regional and national average. As of 2019, it is estimated that 12% of the population of Leicester and 21% in Leicestershire is aged 65+, this compares with 20% regionally and 18% nationally.

Table 11.1 Older Persons Population, 2019

| | Leicester | Leicestershire | East Midlands | England |
|-----------|-----------|----------------|---------------|---------|
| Under 65 | 87.8% | 79.5% | 80.5% | 81.6% |
| 65-74 | 6.8% | 11.2% | 10.7% | 9.9% |
| 75-84 | 3.7% | 6.6% | 6.3% | 6.0% |
| 85+ | 1.7% | 2.6% | 2.5% | 2.5% |
| Total | 100.0% | 100.0% | 100.0% | 100.0% |
| Total 65+ | 12.2% | 20.5% | 19.5% | 18.4% |
| Total 75+ | 5.4% | 9.3% | 8.8% | 8.5% |

Source: ONS Mid-Year Population Estimates

11.41 The table below shows the same information for local authorities, this shows some variation in the proportion of people aged 65 and over, ranging from 12% in Leicester, up to 23% of the population in Melton.

Table 11.2 Older Persons Population, 2019 – local authorities

| | Under 65 | 65-74 | 75-84 | 85+ | Total | Total 65+ | Total 75+ |
|---------------------|----------|-------|-------|------|--------|-----------|-----------|
| Leicester | 87.8% | 6.8% | 3.7% | 1.7% | 100.0% | 12.2% | 5.4% |
| Blaby | 79.7% | 11.0% | 6.7% | 2.7% | 100.0% | 20.3% | 9.4% |
| Charnwood | 81.9% | 9.9% | 5.8% | 2.4% | 100.0% | 18.1% | 8.2% |
| Harborough | 78.1% | 12.0% | 7.1% | 2.8% | 100.0% | 21.9% | 9.9% |
| Hinckley & Bosworth | 77.9% | 12.4% | 7.1% | 2.6% | 100.0% | 22.1% | 9.7% |
| Melton | 76.9% | 13.0% | 7.2% | 2.8% | 100.0% | 23.1% | 10.1% |
| NW Leicestershire | 79.9% | 11.5% | 6.3% | 2.3% | 100.0% | 20.1% | 8.5% |
| Oadby & Wigston | 78.3% | 10.5% | 7.4% | 3.8% | 100.0% | 21.7% | 11.2% |
| Leicestershire | 79.5% | 11.2% | 6.6% | 2.6% | 100.0% | 20.5% | 9.3% |
| L&L | 82.3% | 9.8% | 5.6% | 2.3% | 100.0% | 17.7% | 8.0% |

Source: ONS Mid-Year Population Estimates

Projected Future Change in the Population of Older People

- 11.42 Population projections can next be used to provide an indication of how the number of older persons might change in the future with the tables below showing that both Leicester and Leicestershire are projected to see a notable increase in the older person population (projections using the 2018-based SNPP (alternative internal migration variant)).
- 11.43 In Leicester, the total number of people aged 65 and over projected to increase by 43% over the 22-years to 2041. This compares with overall population growth of 12% and a more modest increase in the Under 65 population of 8%. In total population terms, the projections show an increase in the population aged 65 and over of 18,500 people. This is against a backdrop of an overall increase of 42,900 population growth of people aged 65 and over therefore accounts for 43% of the total projected population change.
- 11.44 In Leicestershire, the total number of people aged 65 and over is projected to increase by 45% over the 22-years to 2041. This compares with overall population growth of 16% and an increase in the Under 65 population of 9%. The projections show an increase in the population aged 65 and over of 64,900 people population growth of people aged 65 and over accounts for 56% of the total projected population change.

Table 11.3 Projected Change in Population of Older Persons, 2020 to 2041 – Leicester (based on 2018-SNPP)

| | 2020 | 2041 | Change in population | % change |
|-----------|---------|---------|----------------------|----------|
| Under 65 | 317,462 | 339,787 | 22,325 | 7.0% |
| 65-74 | 24,869 | 29,868 | 4,999 | 20.1% |
| 75-84 | 13,203 | 22,002 | 8,799 | 66.6% |
| 85+ | 5,965 | 9,879 | 3,913 | 65.6% |
| Total | 361,500 | 401,536 | 40,036 | 11.1% |
| Total 65+ | 44,038 | 61,749 | 17,711 | 40.2% |
| Total 75+ | 19,169 | 31,880 | 12,712 | 66.3% |

Source: Demographic Projections

Table 11.4 Projected Change in Population of Older Persons, 2020 to 2041 – Leicestershire (based on 2018-SNPP)

| | 2020 | 2041 | Change in population | % change |
|-----------|---------|---------|----------------------|----------|
| Under 65 | 564,037 | 610,221 | 46,184 | 8.2% |
| 65-74 | 79,735 | 96,019 | 16,284 | 20.4% |
| 75-84 | 48,755 | 78,326 | 29,571 | 60.7% |
| 85+ | 18,999 | 35,671 | 16,672 | 87.7% |
| Total | 711,526 | 820,237 | 108,711 | 15.3% |
| Total 65+ | 147,489 | 210,016 | 62,526 | 42.4% |
| Total 75+ | 67,754 | 113,997 | 46,242 | 68.2% |

Source: Demographic Projections

Characteristics of Older Person Households

- 11.45 The tenures in which older persons currently live provides a useful indication of the potential tenure profile of demand for new-build development.
- 11.46 The figures below show the tenure of older person households. The data has been split between single older person households and those with two or more older people (which will largely be couples). The data shows that the majority of older persons households are owner occupiers (62% in Leicester and 81% in Leicestershire), and indeed most are owner occupiers with no mortgage and thus may have significant equity which can be put towards the purchase of a new home. Some 29% of older persons households across Leicester live in the social rented sector along with 14% in Leicestershire. The proportion of older person households living in the private rented sector is relatively low (about 6%-8%).
- 11.47 There are also notable differences for different types of older person households with single older people having a much lower level of owner-occupation than larger older person households this group also has a much higher proportion living in the social rented sector.

100% 5.6% 8.3% 9.6% 90% 24.3% 27.0% 16.3% 80% 29.2% 35.4% % of households in group 70% 25.4% 60% 24.7% 4.7% 50% 40% 73.4% 27.6% 31.4% 30% 57.7% 50.2% 20% 22.8% 10% 16.8% 0% Single older people 2 or more older All older person only All other households All households persons Owner-occupied (no mortgage)
Owner-occupied (with mortgage)
Social rented
Private rented/rent free

Figure 11.1: Tenure of Older Persons Households in Leicester, 2011

Source: 2011 Census

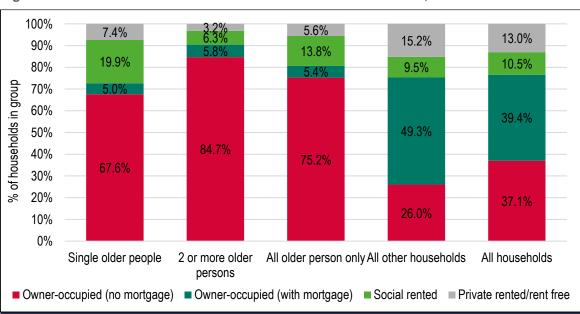


Figure 11.2: Tenure of Older Persons Households in Leicestershire, 2011

Source: 2011 Census

11.48 The figure below shows the same information for local authorities – the data is provided for all older person households. The data shows that the tenure profile of older person households varies notably across the study area; a key observation is the lower level of owner-occupation amongst older people in Leicester – this area does however have a relatively low proportion of older people in the population. In Oadby & Wigston, some 87% of older person households are owner-occupiers.

100% 5.4% 5.9% 5.6% 6.2% 8.3% 5.7% 9.0% 90% 13.3% 13.7% 12.4% 13.2% 13.8% 17.4% 19.6% 14.8% 80% 29.2% 5.4% 5.4% 5.2% <u>5.7%</u> 5.0% 70% of households in group 60% 4.7% 50% 31.4% 40% 6.2% 75.5% 5.2% 0.4% 1.29 9.59 30% 57.79 20% 10% 0% Blaby Melton L'shire Charnwood 0 & W Harborough M⊸ eicester-∞ ⊥ ■ Owner-occupied (no mortgage)
■ Owner-occupied (with mortgage)
■ Social rented
■ Private rented/rent free

Figure 11.3: Tenure of Older Persons Households in Leicester & Leicestershire, 2011 – local authorities

Source: 2011 Census

Prevalence of Disabilities

11.49 The table below shows the proportion of people with a long-term health problem or disability (LTHPD)²³ drawn from 2011 Census data, and the proportion of households where at least one person has a LTHPD. The data suggests that some 35% of households in Leicester and 31% in Leicestershire contain someone with a LTHPD. These figures are broadly similar to that seen across the region and nationally average. The figures for the population with a LTHPD again show a similar pattern in comparison with other areas (an estimated 17% of the population of Leicester and 16% in Leicestershire having a LTHPD).

Table 11.5 Households and People with a Long-Term Health Problem or Disability, 2011

| | | taining Someone th Problem | Population with a Health Problem | | |
|----------------|-----------|-------------------------------|----------------------------------|-------|--|
| | No. | % | No. | % | |
| Leicester | 42,750 | 34.7% | 57,137 | 17.3% | |
| Leicestershire | 81,585 | 30.5% | 105,423 | 16.2% | |
| East Midlands | 644,852 | 34.0% | 844,297 | 18.6% | |
| England | 7,217,905 | 32.7% | 9,352,586 | 17.6% | |

Source: 2011 Census

11.50 The analysis also shows some differences between different parts of the study area, with NW Leicestershire seeing a higher proportion of the population with a LTHPD, the lowest proportion being

²³ A long-term health problem or disability that limits a person's day-to-day activities and has lasted or is expected to last at least 12 months.

in Harborough. Leicester has the highest proportion of households with someone who has a LTHPD, closely followed by Oadby & Wigston.

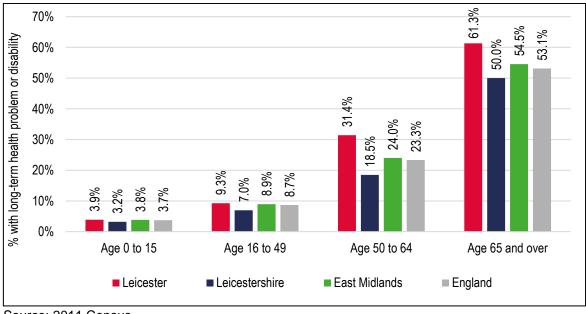
Table 11.6 Households and People with a Long-Term Health Problem or Disability, 2011 – local authorities – Leicester & Leicestershire

| | | Containing Health Problem | Population with a Health Problem | | |
|---------------------|---------|---------------------------|----------------------------------|-------|--|
| | No. | % | No. | % | |
| Leicester | 42,750 | 34.7% | 57,137 | 17.3% | |
| Blaby | 11,490 | 29.7% | 14,798 | 15.8% | |
| Charnwood | 19,921 | 29.9% | 25,869 | 15.6% | |
| Harborough | 9,678 | 27.7% | 12,424 | 14.6% | |
| Hinckley & Bosworth | 13,949 | 30.7% | 17,832 | 17.0% | |
| Melton | 6,220 | 28.9% | 7,849 | 15.6% | |
| NWL | 12,995 | 33.2% | 16,930 | 18.1% | |
| Oadby & Wigston | 7,332 | 34.4% | 9,721 | 17.3% | |
| Leicestershire | 81,585 | 30.5% | 105,423 | 16.2% | |
| L&L | 124,335 | 31.8% | 162,560 | 16.6% | |

Source: 2011 Census

11.51 It is likely that the age profile will impact upon the numbers of people with a LTHPD, as older people tend to be more likely to have a LTHPD. The figure below shows the age bands of people with a LTHPD. It is clear from this analysis that those people in the oldest age bands are more likely to have a LTHPD. The analysis also typically shows lower levels of LTHPD in each age band within Leicestershire when compared with the national position but the opposite trend when looking at Leicester.

Figure 11.3: Population with Long-Term Health Problem or Disability by Age



Source: 2011 Census

11.52 The figures below show the proportion of the population aged 65 and over with a LTHPD by local authority. This shows some notable differences, from 45% of the population in Harborough, up to 61% in Leicester.

70% 61.3% 60% 55.1% 52.8% 52.0% 50.4% 50.0% 50.0% 49.1% 47.8% of households in group 50% 44.9% 40% 30% 20% 10% 0% Blaby Charnwood \mathbb{N} -'shire eicester. Harborough L&L

Figure 11.4: Proportion of population aged 65 and over with a Long-Term Health Problem or Disability – local authorities

Source: 2011 Census

Health Related Population Projections

- 11.53 The incidence of a range of health conditions is an important component in understanding the potential need for care or support for a growing older population.
- 11.54 The analysis undertaken covers both younger and older age groups and draws on prevalence rates from the PANSI (Projecting Adult Needs and Service Information) and POPPI (Projecting Older People Population Information) websites. Adjustments have been made to take account of the age specific health/disabilities previously shown. In all cases the analysis links to estimates of population growth based on the 2018-SNPP (alternative internal migration variant).
- 11.55 Of particular note are the large increases in the number of older people with dementia (increasing by 56% from 2020 to 2041 in Leicester and 66% in Leicestershire) and mobility problems (50% increase in Leicester and 56% in Leicestershire over the same period).
- 11.56 When related back to the total projected change to the population, the increase of 4,600 people aged 65+ with a mobility problem represents 11% of total projected population growth in Leicester and a higher (13%) seen in Leicestershire.

Table 11.7 Projected Changes to Population with a Range of Disabilities – Leicester (population aged 65+)

| Disability | 2020 | 2041 | Change | % Change |
|-----------------------------|-------|--------|--------|----------|
| Dementia | 3,478 | 5,438 | 1,959 | 56.3% |
| Mobility problems | 9,195 | 13,767 | 4,572 | 49.7% |
| Autistic Spectrum Disorders | 473 | 676 | 203 | 42.9% |
| Learning Disabilities | 1,056 | 1,475 | 419 | 39.6% |

Source: POPPI and Demographic Projections

Table 11.8 Projected Changes to Population with a Range of Disabilities – Leicestershire (population aged 65+)

| Disability | 2020 | 2041 | Change | % Change |
|-----------------------------|--------|--------|--------|----------|
| Dementia | 9,474 | 15,680 | 6,207 | 65.5% |
| Mobility problems | 25,129 | 39,093 | 13,964 | 55.6% |
| Autistic Spectrum Disorders | 1,309 | 1,870 | 561 | 42.9% |
| Learning Disabilities | 2,896 | 4,087 | 1,191 | 41.1% |

Source: POPPI and Demographic Projections

- 11.57 It should be noted that there will be an overlap between categories (i.e. some people will have both dementia and mobility problems). Hence the numbers for each of the illnesses/disabilities should not be added together to arrive at a total.
- 11.58 We have also examined the projections for these conditions at a local authority level. These are set out in the table below. As shown the highest increase in those dementia and mobility problems is expected be in Harborough. This can be linked to the growth and age structure in the borough.
- 11.59 Invariably, there will be a combination of those with disabilities and long-term health problems that continue to live at home with family, those who choose to live independently with the possibility of incorporating adaptations into their homes and those who choose to move into supported housing.

Table 11.9 Projected Changes to Population with dementia or mobility problems – local authorities (population aged 65+)

| Local authority | Disability | 2020 | 2041 | Change | % Change |
|-----------------|-------------------|-------|--------|--------|----------|
| Leicester | Dementia | 3,478 | 5,438 | 1,959 | 56.3% |
| | Mobility problems | 9,195 | 13,767 | 4,572 | 49.7% |
| Blaby | Dementia | 1,343 | 2,137 | 794 | 59.1% |
| | Mobility problems | 3,561 | 5,354 | 1,793 | 50.4% |
| Charnwood | Dementia | 2,213 | 3,570 | 1,357 | 61.3% |
| | Mobility problems | 5,873 | 8,975 | 3,102 | 52.8% |
| Harborough | Dementia | 1,235 | 2,222 | 987 | 80.0% |
| | Mobility problems | 3,254 | 5,466 | 2,212 | 68.0% |
| Hinckley & | Dementia | 1,584 | 2,665 | 1,080 | 68.2% |
| Bosworth | Mobility problems | 4,264 | 6,660 | 2,396 | 56.2% |
| Melton | Dementia | 714 | 1,185 | 471 | 66.0% |
| | Mobility problems | 1,913 | 2,957 | 1,045 | 54.6% |
| North West | Dementia | 1,415 | 2,477 | 1,062 | 75.1% |
| Leicestershire | Mobility problems | 3,828 | 6,311 | 2,483 | 64.8% |
| Oadby & | Dementia | 971 | 1,425 | 454 | 46.8% |
| Wigston | Mobility problems | 2,437 | 3,370 | 933 | 38.3% |

Source: POPPI and Demographic Projections

- 11.60 The projected change shown in the number of people with disabilities provides clear evidence justifying delivering 'accessible and adaptable' homes as defined in Part M4(2) of Building Regulations, subject to viability and site suitability. The Councils should ensure that the viability of doing so is also tested as part of drawing together its evidence base although the cost of meeting this standard is unlikely to have any significant impact on viability and would potentially provide a greater number of homes that will allow households to remain in the same property for longer.
- 11.61 The PPG for Housing for Older and Disabled People [63-006] refers only to specialist housing for older people; however, clearly the local authority should support specialist housing schemes for younger adults which come forward across the plan area.
- 11.62 The analysis suggests that there is likely to be some increase in the number of younger people (generally those aged 16/18 to 64) with a disability across the study area. There are a range of disabilities that are likely to require some degree of support, or potentially some form of specialised housing solution.
- 11.63 This report does not seek to be specific about the exact number of units that need to be provided for different groups, nor where such accommodation should be located. Indeed some types of specialist accommodation might have a wide catchment, and would be suitable for clients from outside of the study area; whilst it is also possible that some people in the area would be placed in accommodation elsewhere.

Need for Specialist Accommodation for Older Persons

11.64 Given the ageing population and higher levels of disability and health problems amongst older people, there is likely to be an increased requirement for specialist housing options moving forward.

The box below shows the different types of older persons housing which are considered.

Definitions of Different Types of Older Persons' Accommodation

Age-restricted general market housing: This type of housing is generally for people aged 55 and over and the active elderly. It may include some shared amenities such as communal gardens, but does not include support or care services.

Retirement living or sheltered housing (housing with support): This usually consists of purpose-built flats or bungalows with limited communal facilities such as a lounge, laundry room and guest room. It does not generally provide care services, but provides some support to enable residents to live independently. This can include 24-hour on-site assistance (alarm) and a warden or house manager.

Extra care housing or housing-with-care (housing with care): This usually consists of purpose-built or adapted flats or bungalows with a medium to high level of care available if required, through an onsite care agency registered through the Care Quality Commission (CQC). Residents are able to live independently with 24-hour access to support services and staff, and meals are also available. There are often extensive communal areas, such as space to socialise or a wellbeing centre. In some cases, these developments are known as retirement communities or villages - the intention is for residents to benefit from varying levels of care as time progresses.

Residential care homes and nursing homes (care bedspaces): These have individual rooms within a residential building and provide a high level of care meeting all activities of daily living. They do not usually include support services for independent living. This type of housing can also include dementia care homes.

Source: Planning Practice Guidance [63-010]

- 11.65 The need for specialist housing for older persons is typically modelled by applying prevalence rates to current and projected population changes and considering the level of existing supply. There is no standard methodology for assessing the housing and care needs of older people. The current and future demand for elderly care is influenced by a host of factors including the balance between demand and supply in any given area and social, political, regulatory and financial issues. Additionally, the extent to which new homes are built to accessible and adaptable standards may over time have an impact on specialist demand (given that older people often want to remain at home rather than move to care) this will need to be monitored.
- 11.66 There are a number of 'models' for considering older persons' needs, but they all essentially work in the same way. The model results are however particularly sensitive to the prevalence rates applied, which are typically calculated as a proportion of people aged over 75 who could be expected to live in different forms of specialist housing. Whilst the population aged 75 and over is used in the modelling, the estimates of need would include people of all ages.

- 11.67 Whilst there are no definitive rates, the PPG [63-004] notes that 'the future need for specialist accommodation for older people broken down by tenure and type (e.g. sheltered housing, extra care) may need to be assessed and can be obtained from a number of online tool kits provided by the sector, for example SHOP@ for Older People Analysis Tool)'. The PPG does not specifically mention any other tools and therefore seems to be indicating that SHOP@ would be a good starting point for analysis. Since the PPG was published the Housing Learning and Information Network (Housing LIN) has removed the Shop@ online toolkit although the base rates used for analysis are known.
- 11.68 The SHOP@ tool was originally based on data in a 2008 report (*More Choice Greater Voice*) and in 2011 a further suggested set of rates was published (rates which were repeated in a 2012 publications). In 2016, Housing LIN published a review document which noted that the 2008 rates are 'outdated' but also noting that the rates from 2011/12 were 'not substantiated'. The 2016 review document therefore set out a series of proposals for new rates to be taken forward onto the Housing LIN website. Whilst the 2016 review rates do not appear to have ever led to an update of the website, it does appear from reviewing work by Housing LIN over the past couple of years as if it is these rates which typically inform their own analysis (subject to evidence based localised adjustments).
- 11.69 For clarity, the table below shows the base prevalence rates set out in the various documents described above. For the analysis in this report the age-restricted and retirement/sheltered have been merged into a single category (housing with support) with the middle of the range shown for housing with care forming the base position for analysis.

Page 328 of 1014

Table 11.10 Range of suggested baseline prevalence rates from a number of tools and publications

| Type/Rate per 1000 population 75+ | SHOP@ (2008) ²⁴ | Housing in Later Life (2012) ²⁵ | 2016 Housing LIN Review |
|---|-------------------------------|---|---------------------------------|
| Age-restricted general market housing | - | - | 25 |
| Retirement living or sheltered housing (housing with support) | 125 | 180 | 100 |
| Extra care housing or housing-with-care (housing with care) | 45 | 65 | 30-40 ('proactive range') |
| Residential care homes | 65 | (no figure apart from 6 for dementia) | 40 |
| Nursing homes (care bedspaces), including dementia | 45 | · | 45 |

Source: Range of sources as identified

11.70 In interpreting the different potential prevalence rates it is clear that:

- The prevalence rates used should be considered and assessed taking account of an authority's strategy for delivering specialist housing for older people (see start of this chapter). The degree for instance which the Council want to require extra care housing as an alternative to residential care provision would influence the relative balance of need between these two housing types;
- The Housing LIN model has been influenced by existing levels of provision and their view on what future level of provision might be reasonable taking account of how the market is developing, funding availability etc. It is more focused towards publicly commissioned provision. There is a degree to which the model and assumptions within it may not fully capture the growing recent private sector interest and involvement in the sector, particularly in extra care; and
- The assumptions in these studies look at the situation nationally. At a more local level, the relative health of an area's population is likely to influence the need for specialist housing with better levels of health likely to mean residents are able to stay in their own homes for longer.

(https://www.housinglin.org.uk/_assets/Resources/Housing/Support_materials/Reports/MCGVdocument.pdf). It should be noted that although these rates are from 2008, they are the same rates as were being used in the online toolkit when it was taken offline in 2019.

²⁴ Based on the More Choice Greater Voice publication of 2008

²⁵ https://www.housinglin.org.uk/_assets/Resources/Housing/Support_materials/Toolkit/Housing_in_Later_Life_Toolkit.pdf

- 11.71 Iceni and JGC have therefore sought to consider these issues and the appropriate modelling assumptions for assessing future needs. Nationally, there has been a clear focus on strengthening a community-led approach and reducing reliance on residential and nursing care in particular focussing where possible on providing households with care in their own home. This could however be provision of care within general needs housing; but also care which is provided in a housing with care development such as in extra care housing.
- 11.72 We consider that the lower prevalence rates shown in the 2016 Housing LIN Review is an appropriate starting point for considering care home needs; but that the corollary of lower care home provision should be a greater focus on delivery of housing with care. Having regard to market growth in this sector in recent years, and since the above studies were prepared, we consider that the starting point for housing with care should be the higher rate shown in the SHOP@ report (this is the figure that would align with the PPG). This takes account of the County Council's and City Council's strategic approach to future provision.
- 11.73 Rather than simply taking the base prevalence rates, an initial adjustment has been made to reflect the relative health of the local older person population. This has been based on Census data about the proportion of the population aged 65 and over who have a long-term health problem or disability (LTHPD) compared with the England average. Most authorities in the study area show slightly better health in the older person population (the exceptions being Leicester and NW Leicestershire) and so the prevalence rates used have been decreased slightly (by up to 15.5% in the case of Harborough. For Leicester and NW Leicestershire prevalence rates are calculated to be above the base figure. The calculations are based on comparing the proportion of people aged 65 and over with a LTHPD (61.3% in the case of Leicester) with the equivalent figure for England (53.1%). The table below also shows data from the Index of Multiple Deprivation (IMD) which is used to determine the local tenure split (discussed below).

Table 11.11 Data on health adjustments and Index of Multiple Deprivation

| | % 65+ with LTHPD | Health adjustment | 2019 IMD (rank of 317) |
|---------------------|------------------|-------------------|------------------------|
| Leicester | 61.3% | 115.4% | 22 |
| Blaby | 49.1% | 92.5% | 281 |
| Charnwood | 50.4% | 94.8% | 244 |
| Harborough | 44.9% | 84.5% | 308 |
| Hinckley & Bosworth | 50.0% | 94.2% | 232 |
| Melton | 47.8% | 90.1% | 248 |
| NWL | 55.1% | 103.8% | 216 |
| Oadby & Wigston | 52.0% | 97.9% | 249 |

Source: 2011 Census and Index of Multiple Deprivation

- 11.74 A second local adjustment has been to estimate a tenure split for the housing with support and housing with care categories. This again draws on suggestions in the 2016 Review which suggests that less deprived local authorities could expect a higher proportion of their specialist housing to be in the market sector. Using 2019 Index of Multiple Deprivation (IMD) data, the analysis suggests Leicester is the 22nd most deprived local authority in England (out of 317). This suggests a greater proportion of affordable housing than for an authority in the middle of the range. All other authorities have relatively low deprivation and might therefore be expected to see a higher proportion of market housing. To be clear this is market housing within the categories described above (e.g. housing with support and housing with care).
- 11.75 The table below shows the prevalence rates used in analysis with adjustments for health and deprivation. This shows higher needs for affordable housing in Leicester, with all other areas having higher prevalence in the market sector. As noted, this reflects the health of the local population and deprivation although it is interesting to also note that Leicester was shown above to have a much lower proportion of older people as owner-occupiers than in other locations.

Table 11.12 Prevalence rates used in analysis of older person needs – Leicester & Leicestershire (rates per 1,000 population aged 75+)

| | Housing w | rith support | Housing | with care | Residential | Nursing |
|------------|-----------|--------------|---------|------------|-------------|---------|
| | Market | Affordable | Market | Affordable | care | care |
| Leicester | 33 | 112 | 16 | 36 | 46 | 52 |
| Blaby | 71 | 45 | 30 | 12 | 37 | 42 |
| Charnwood | 66 | 53 | 30 | 13 | 38 | 43 |
| Harborough | 69 | 36 | 28 | 10 | 34 | 38 |
| H & B | 63 | 55 | 29 | 13 | 38 | 42 |
| Melton | 63 | 50 | 28 | 12 | 36 | 41 |
| NWL | 66 | 64 | 31 | 15 | 41 | 47 |
| O & W | 69 | 54 | 31 | 13 | 39 | 44 |

Source: Range of sources

- 11.76 The tables below show estimated needs for different types of housing linked to the population projections. The analysis is separated into the various different types and tenures although it should be recognised that there could be some overlap between categories (i.e. some households might be suited to more than one type of accommodation).
- 11.77 Overall, the analysis suggests that there will be a notable need for both housing with support and housing with care (in both market and affordable sectors), as well as some additional nursing and residential care bedspaces. In Leicester the need is particularly for affordable housing, with the opposite being the case in Leicestershire.

Table 11.13 Specialist Housing Need using adjusted SHOP@Review Assumptions, 2020-41 -Leicester

| | | Housing demand per 1,000 | Current supply | Current demand | Current shortfall/ surplus (- ve) | Addition- al demand to 2041 | Shortfall /surplus by 2041 |
|----------------------------|---------------------------|--------------------------|-------------------|-------------------|--|--------------------------------------|----------------------------------|
| Housing with | Market | 33 | 206 | 625 | 419 | 414 | 833 |
| support | Affordable | 112 | 1,296 | 2,140 | 844 | 1,419 | 2,263 |
| Total (housing with | support) | 144 | 1,502 | 2,765 | 1,263 | 1,833 | 3,096 |
| Housing with care | Market | 16 | 12 | 299 | 287 | 198 | 485 |
| | Affordable | 36 | 173 | 697 | 524 | 462 | 986 |
| Total (housing with | Total (housing with care) | | 185 | 995 | 810 | 660 | 1,470 |
| Residential care bedspaces | | 46 | 1,233 | 885 | -348 | 587 | 238 |
| Nursing care bedspaces | | 52 | 1,004 | 995 | -9 | 660 | 651 |
| Total bedspaces | | 98 | 2,237 | 1,880 | -357 | 1,247 | 890 |

Table 11.14 Specialist Housing Need using adjusted SHOP@Review Assumptions, 2020-41 -Leicestershire

| | | Housing demand per 1,000 | Current supply | Current demand | Current shortfall/ surplus (- ve) | Addition- al demand to 2041 | Shortfall /surplus by 2041 |
|----------------------------|------------|--------------------------|-------------------|-------------------|--|--------------------------------------|----------------------------------|
| Housing with | Market | 66 | 1,565 | 4,506 | 2,941 | 3,071 | 6,012 |
| support | Affordable | 51 | 5,103 | 3,454 | -1,649 | 2,351 | 703 |
| Total (housing with | support) | 117 | 6,668 | 7,960 | 1,292 | 5,422 | 6,714 |
| Housing with care | Market | 30 | 202 | 2,009 | 1,807 | 1,369 | 3,176 |
| | Affordable | 13 | 229 | 857 | 628 | 583 | 1,211 |
| Total (housing with | care) | 42 | 431 | 2,866 | 2,435 | 1,952 | 4,387 |
| Residential care bedspaces | | 38 | 2,828 | 2,547 | -281 | 1,735 | 1,454 |
| Nursing care bedspaces | | 42 | 1,284 | 2,866 | 1,582 | 1,952 | 3,534 |
| Total bedspaces | | 80 | 4,112 | 5,413 | 1,301 | 3,687 | 4,988 |

Source: Derived from Demographic Projections and Housing LIN/EAC

11.78 The series of tables below provide the same information for each local authority (excluding Leicester).

Page 332 of 1014

^{*}Numbers may not add up due to rounding

^{*}Numbers may not add up due to rounding

Table 11.15 Specialist Housing Need using adjusted SHOP@Review Assumptions, 2020-41 – Blaby

| | | Housing | Current | Current | Current | Addition- | Shortfall |
|----------------------------|------------|-----------|---------|---------|------------|-----------|-----------|
| | | demand | supply | demand | shortfall/ | al | /surplus |
| | | per 1,000 | | | surplus (- | demand | by 2041 |
| | | 75+ | | | ve) | to 2041 | |
| Housing with | Market | 71 | 107 | 697 | 590 | 423 | 1,013 |
| support | Affordable | 45 | 1,057 | 441 | -616 | 268 | -347 |
| Total (housing with | support) | 116 | 1,164 | 1,139 | -25 | 691 | 666 |
| Housing with care | Market | 30 | 59 | 296 | 237 | 180 | 417 |
| | Affordable | 12 | 86 | 114 | 28 | 69 | 97 |
| Total (housing with | care) | 42 | 145 | 410 | 265 | 249 | 514 |
| Residential care bedspaces | | 37 | 564 | 364 | -200 | 221 | 22 |
| Nursing care bedspaces | | 42 | 60 | 410 | 350 | 249 | 599 |
| Total bedspaces | | 79 | 624 | 774 | 150 | 470 | 620 |

Table 11.16 Specialist Housing Need using adjusted SHOP@Review Assumptions, 2020-41 – Charnwood

| | | Housing | Current | Current | Current | Addition- | Shortfall |
|----------------------------|------------|-----------|---------|---------|------------|-----------|-----------|
| | | demand | supply | demand | shortfall/ | al | /surplus |
| | | per 1,000 | | | surplus (- | demand | by 2041 |
| | | 75+ | | | ve) | to 2041 | |
| Housing with | Market | 66 | 446 | 998 | 552 | 697 | 1,249 |
| support | Affordable | 53 | 884 | 807 | -77 | 564 | 487 |
| Total (housing with | support) | 118 | 1,330 | 1,806 | 476 | 1,261 | 1,736 |
| Housing with care | Market | 30 | 0 | 452 | 452 | 315 | 767 |
| | Affordable | 13 | 38 | 198 | 160 | 138 | 299 |
| Total (housing with | care) | 43 | 38 | 650 | 612 | 454 | 1,066 |
| Residential care bedspaces | | 38 | 625 | 578 | -47 | 403 | 356 |
| Nursing care bedspaces | | 43 | 289 | 650 | 361 | 454 | 815 |
| Total bedspaces | 1, | 81 | 914 | 1,228 | 314 | 857 | 1,171 |

Source: Derived from Demographic Projections and Housing LIN/EAC

Page 333 of 1014

^{*}Numbers may not add up due to rounding

^{*}Numbers may not add up due to rounding

Table 11.17 Specialist Housing Need using adjusted SHOP@Review Assumptions, 2020-41 – Harborough

| | | Housing | Current | Current | Current | Addition- | Shortfall |
|----------------------------|------------|-----------|---------|---------|------------|-----------|-----------|
| | | demand | supply | demand | shortfall/ | al | /surplus |
| | | per 1,000 | | | surplus (- | demand | by 2041 |
| | | 75+ | | | ve) | to 2041 | |
| Housing with | Market | 69 | 339 | 678 | 339 | 554 | 893 |
| support | Affordable | 36 | 520 | 356 | -164 | 291 | 127 |
| Total (housing with | support) | 106 | 859 | 1,035 | 176 | 845 | 1,021 |
| Housing with care | Market | 28 | 75 | 277 | 202 | 226 | 428 |
| | Affordable | 10 | 55 | 96 | 41 | 78 | 119 |
| Total (housing with | care) | 38 | 130 | 373 | 243 | 304 | 547 |
| Residential care bedspaces | | 34 | 329 | 331 | 2 | 270 | 273 |
| Nursing care bedspaces | | 38 | 286 | 373 | 87 | 304 | 391 |
| Total bedspaces | | 72 | 615 | 704 | 89 | 575 | 663 |

Table 11.18 Specialist Housing Need using adjusted SHOP@Review Assumptions, 2020-41 – Hinckley & Bosworth

| | | Housing | Current | Current | Current | Addition- | Shortfall |
|----------------------------|------------|-----------|---------|---------|------------|-----------|-----------|
| | | demand | supply | demand | shortfall/ | al | /surplus |
| | | per 1,000 | | | surplus (- | demand | by 2041 |
| | | 75+ | | | ve) | to 2041 | |
| Housing with | Market | 63 | 351 | 719 | 368 | 498 | 866 |
| support | Affordable | 55 | 484 | 628 | 144 | 435 | 579 |
| Total (housing with | support) | 118 | 835 | 1,347 | 512 | 933 | 1,445 |
| Housing with care | Market | 29 | 50 | 333 | 283 | 230 | 513 |
| | Affordable | 13 | 0 | 152 | 152 | 106 | 258 |
| Total (housing with | care) | 42 | 50 | 485 | 435 | 336 | 771 |
| Residential care bedspaces | | 38 | 407 | 431 | 24 | 299 | 323 |
| Nursing care bedspaces | | 42 | 126 | 485 | 359 | 336 | 695 |
| Total bedspaces | | 80 | 533 | 916 | 383 | 635 | 1,018 |

Source: Derived from Demographic Projections and Housing LIN/EAC

Page 334 of 1014

^{*}Numbers may not add up due to rounding

^{*}Numbers may not add up due to rounding

Table 11.19 Specialist Housing Need using adjusted SHOP@Review Assumptions, 2020-41 – Melton

| | | Housing | Current | Current | Current | Addition- | Shortfall |
|----------------------------|------------|-----------|---------|---------|------------|-----------|-----------|
| | | demand | supply | demand | shortfall/ | al | /surplus |
| | | per 1,000 | | | surplus (- | demand | by 2041 |
| | | 75+ | | | ve) | to 2041 | |
| Housing with | Market | 63 | 41 | 333 | 292 | 241 | 533 |
| support | Affordable | 50 | 604 | 262 | -342 | 190 | -152 |
| Total (housing with | support) | 113 | 645 | 595 | -50 | 431 | 381 |
| Housing with care | Market | 28 | 0 | 150 | 150 | 108 | 258 |
| | Affordable | 12 | 40 | 65 | 25 | 47 | 72 |
| Total (housing with | care) | 41 | 40 | 214 | 174 | 155 | 329 |
| Residential care bedspaces | | 36 | 268 | 190 | -78 | 138 | 60 |
| Nursing care bedspaces | | 41 | 149 | 214 | 65 | 155 | 220 |
| Total bedspaces | | 77 | 417 | 405 | -12 | 293 | 280 |

Table 11.20 Specialist Housing Need using adjusted SHOP@Review Assumptions, 2020-41 – North West Leicestershire

| | | Housing demand per 1,000 75+ | Current supply | Current demand | Current shortfall/ surplus (- ve) | Addition- al demand to 2041 | Shortfall /surplus by 2041 |
|----------------------------|------------|---------------------------------------|-------------------|-------------------|--|--------------------------------------|----------------------------------|
| Housing with | Market | 66 | 96 | 608 | 512 | 481 | 993 |
| support | Affordable | 64 | 1,243 | 588 | -655 | 466 | -188 |
| Total (housing with | support) | 130 | 1,339 | 1,196 | -143 | 948 | 805 |
| Housing with care | Market | 31 | 0 | 290 | 290 | 230 | 520 |
| | Affordable | 15 | 0 | 140 | 140 | 111 | 252 |
| Total (housing with | care) | 47 | 0 | 431 | 431 | 341 | 772 |
| Residential care bedspaces | | 41 | 299 | 383 | 84 | 303 | 387 |
| Nursing care bedspaces | | 47 | 194 | 431 | 237 | 341 | 578 |
| Total bedspaces | | 88 | 493 | 813 | 320 | 644 | 965 |

Source: Derived from Demographic Projections and Housing LIN/EAC

Page 335 of 1014

^{*}Numbers may not add up due to rounding

^{*}Numbers may not add up due to rounding

Table 11.21 Specialist Housing Need using adjusted SHOP@Review Assumptions, 2020-41 –
Oadby & Wigston

| | | Housing | Current | Current | Current | Addition- | Shortfall |
|----------------------------|------------|-----------|---------|---------|------------|-----------|-----------|
| | | demand | supply | demand | shortfall/ | al | /surplus |
| | | per 1,000 | | | surplus (- | demand | by 2041 |
| | | 75+ | | | ve) | to 2041 | |
| Housing with | Market | 69 | 185 | 443 | 258 | 206 | 464 |
| support | Affordable | 54 | 311 | 347 | 36 | 161 | 197 |
| Total (housing with | support) | 122 | 496 | 790 | 294 | 367 | 661 |
| Housing with care | Market | 31 | 18 | 199 | 181 | 92 | 273 |
| | Affordable | 13 | 10 | 86 | 76 | 40 | 116 |
| Total (housing with | care) | 44 | 28 | 284 | 256 | 132 | 389 |
| Residential care bedspaces | | 39 | 336 | 253 | -83 | 117 | 34 |
| Nursing care bedspaces | | 44 | 180 | 284 | 104 | 132 | 237 |
| Total bedspaces | | 83 | 516 | 537 | 21 | 249 | 271 |

- 11.79 It can be seen by 2041 there is an estimated need for 15,670 additional dwellings with support or care across the whole study area. In addition, there is a need for 5,879 additional nursing and residential care bedspaces. Typically for bedspaces it is conventional to convert to dwellings using a standard multiplier (1.80 bedspaces per dwelling for older persons accommodation) and this would therefore equate to around 3,266 dwellings. In total, the older persons analysis therefore points towards a need for around 18,933 units over the 2020-41 period. Using the 2018-SNPP and HRRs from the 2014-SNHP (plus an adjustment to the 75+ age group) the total need in the area is estimated to be 87,848 and therefore the older person need equates to some 22% of all homes needing to be some form of specialist accommodation for older people.
- 11.80 The supply position shown is Tables 12.18 12.26 a point-in-time assessment based on information from the Elderly Accommodation Council. It should be reviewed and updated as appropriate, such as part of the determination of planning applications.
- 11.81 The table below summarises this information for local authorities. This shows a much higher older person need in those areas where the population/household projections are more modest (notably Melton and Oadby & Wigston). All areas clearly see a need for provision of additional older persons housing. Melton BC is planning for higher levels of housing growth (with a residual requirement for 300 dpa) which would reduce the relative share of need appropriate for older persons housing. The scale of housing growth planned for in Oadby and Wigston will equally influence the proportional need for older persons specialist housing.

Page 336 of 1014

^{*}Numbers may not add up due to rounding

Table 11.22 Estimated proportion of need as older persons housing – linking to baseline projections

| | Housing with | Bedspace | Total need | Indicative % all |
|----------------|--------------|-----------|------------|------------------|
| | care/support | allowance | | homes |
| Leicester | 4,566 | 494 | 5,060 | 18.8% |
| Blaby | 1,180 | 345 | 1,524 | 17.9% |
| Charnwood | 2,802 | 651 | 3,453 | 18.5% |
| Harborough | 1,567 | 368 | 1,936 | 22.2% |
| H & B | 2,216 | 565 | 2,781 | 26.9% |
| Melton | 710 | 156 | 866 | 56.2% |
| NWL | 1,576 | 536 | 2,112 | 18.3% |
| O & W | 1,050 | 150 | 1,200 | 75.0% |
| Leicestershire | 11,101 | 2,771 | 13,872 | 22.8% |
| L&L | 15,667 | 3,265 | 18,933 | 21.6% |

Source: Derived from a range of sources

- 11.82 The provision of a choice of attractive housing options to older households is a component of achieving good housing mix. The availability of such housing options for the growing older population may enable some older households to downsize from homes which no longer meet their housing needs or are expensive to run. The availability of housing options which are accessible to older people will also provide the opportunity for older households to 'rightsize' which can help improve their quality of life.
- 11.83 It should also be noted that within any category of need there may be a range of products. For example, many recent market extra-care schemes have tended to be focused towards the 'top-end' of the market and may have significant service charges (due to the level and quality of facilities and services). Such homes may therefore only be affordable to a small proportion of the potential market, and it will be important for the Councils to seek a range of products that will be accessible to a wider number of households if needs are to be met.

Older Persons' Housing, Planning Use Classes and Affordable Housing Policies

11.84 The issue of use classes and affordable housing generally arises in respect of extra care/ assisted living development schemes. The Planning Practice Guidance defines extra care housing or housing with care as follows:

"This usually consists of purpose-built or adapted flats or bungalows with a medium to high level of care available if required, through an onsite care agency registered through the Care Quality Commission (CQC). Residents are able to live independently with 24 hour access to support services and staff, and meals are also available. There are often extensive communal areas, such as space to socialise or a wellbeing centre. In some cases, these

developments are known as retirement communities or villages - the intention is for residents to benefit from varying levels of care as time progresses".

- 11.85 There is a degree to which different terms can be used for this type of development inter-changeably, with reference sometimes made to extra care, assisted living, continuing care retirement communities, or retirement villages. Accommodation units typically include sleeping and living accommodation, bathrooms and kitchens; and have their own front door. Properties having their own front doors is not however determinative of use.
- 11.86 The distinguishing features of housing with care is the provision of personal care through an agency registered with the Care Quality Commission, and the inclusion of extensive facilities and communal space within these forms of development, which distinguish them from blocks of retirement flats.

Use Classes

- 11.87 Use classes are defined in the Town and Country Planning (Use Classes) Order 1987 (as amended). Use Class C2: Residential Institutions is defined as "use for the provision of residential accommodation and care to people in need of care (other than a use within class C3 (dwelling houses)." C3 (dwelling houses) are defined as "use as a dwelling house (whether or not as a sole or main residence) a) by a single person or by people living together as a family; or b) by no more than 6 residents living together as a single household (including a household where care is provided for residents)."
- 11.88 Care is defined in the Use Class Order as meaning "personal care for people in need of such care by reason of old age, disablement, past or present dependence on alcohol or drugs or past or present mental disorder, and in class C2 also includes the personal care or children and medical care and treatment."
- 11.89 Personal care has been defined in Regulations²⁶ as "the provision of personal care for persons who, by reasons of old age, illness or disability are unable to provide it for themselves, and which is provided in a place where those persons are living at the time the care is provided."
- 11.90 Government has released new Planning Practice Guidance of Housing for Older and Disabled People in June 2019. In respect of Use Classes, Para 63-014 therein states that:

"It is for a local planning authority to consider into which use class a particular development may fall. When determining whether a development for specialist housing for older people falls within C2 (Residential Institutions) or C3 (Dwelling house) of the Use Classes Order,

²⁶ Schedule 1 of the Health and Social Care Act 2008 (Regulated Activities) Regulations 2010.

consideration could, for example, be given to the level of care and scale of communal facilities provided."

- 11.91 The relevant factors identified herein are the level of care which is provided, and the scale of communal facilities. It is notable that no reference is made to whether units of accommodation have separate front doors. This is consistent with the Use Class Order, where it is the ongoing provision of care which is the distinguishing feature within the C2 definition. In a C2 use, the provision of care is an essential and ongoing characteristic of the development and would normally be secured as such through the S106 Agreement.
- 11.92 A range of appeal decisions have addressed issues relating to how to define the use class of a development. These are fact specific, and there is a need to consider the particular nature of the scheme. What arises from this, is that schemes which have been accepted as a C2 use commonly demonstrate the following characteristics:
 - Occupation restricted to people (at least one within a household) in need of personal care, with an obligation for such residents to subscribe to a minimum care package. Whilst there has been debate about the minimum level of care to which residents must sign-up to, it is considered that this should not be determinative given that a) residents' care needs would typically change over time, and in most cases increase; and b) for those without a care need the relative costs associated with the care package would be off-putting.
 - Provision of access to a range of communal areas and facilities, typically beyond that of simply a communal lounge, with the access to these facilities typically reflected in the service charge.

NPPF Policies on Affordable Housing

- 11.93 For the purposes of developing planning policies in a new Local Plan, use class on its own need not be determinative on whether affordable housing provision could be applied. In all cases we are dealing with residential accommodation. But nor is there a clear policy basis for seeking affordable housing provision or contributions from a C2 use in the absence of a development plan policy which seeks to do so.
- 11.94 The 2021 NPPF sets out in Para 34 that Plans should set out the contributions expected from development, including levels of affordable housing. Such policies should not undermine the deliverability of the Plan. Para 65 states that where a need for affordable housing is identified, planning policies should specify the type of affordable housing required, and expect it to be met on-site unless off-site provision or a financial contribution can be robustly justified; and the agreed approach contributes to the objective of creating mixed and balanced communities.

- 11.95 Para 64 states that affordable housing should not be sought from residential developments that are not major developments other than in designated rural areas. Para 65 sets out that specialist accommodation for a group of people with specific needs (such as purpose-built accommodation for the elderly or students) are exempt from the requirement for 10% of homes (as part of the affordable housing contribution) to be for affordable home ownership. But neither of these paragraphs set out that certain types of specialist accommodation for older persons are exempt from affordable housing contributions.
- 11.96 The implication for Leicester and Leicestershire is that:
 - The ability to seek affordable housing contributions from a C2 use <u>at the current time</u> is influenced by how its current development plan policies were constructed and evidenced; and
 - If policies in a new development plan are appropriately crafted and supported by the necessary evidence on need and viability, affordable housing contributions could be sought from a C2 use through policies in a new Local Plan.
- 11.97 Within a local plan, it would be possible to craft a policy in such a way that affordable housing could be sought on extra care housing from both C2 and C3 use classes and it should be noted that in July 2020 the High Court rejected claims that 'extra care' housing should not contribute affordable homes because it falls outside C3 use (CO/4682/2019). It is however important to recognise that the viability of extra care housing will differ from general mixed tenure development schemes, and there are practical issues associated with how mixed tenure schemes may operate.

Viability

- 11.98 There are a number of features of a typical extra care housing scheme which can result in substantively different viability characteristics relative to general housing. In particular:
 - Schemes typically include a significant level of communal space and on-site facilities, such
 that the floorspace of individual units might equate to 65% of the total floorspace, compared
 to 100% for a scheme of houses and perhaps 85% for typical flatted development. There is
 a significant proportion of space from which value is not generated through sales (although
 individual units may be smaller);
 - Higher construction and fit out-costs as schemes need to achieve higher accessibility
 requirements and often include lifts, specially adapted bathrooms, treatment rooms etc. In
 many instances, developers need to employ third party building contractors and are not able
 to secure the same economies of scale as the larger volume housebuilders;

- Sales rates are also typically slower for extra care schemes, not least as older residents are
 less likely to buy 'off plan.' The combination of this and the limited ability to phase flatted
 schemes to sales rates can result in higher finance costs for a development.
- 11.99 There are a number of implications arising from this. Firstly, there is a need for viability evidence to specifically test and consider what level of affordable housing could be applied to different forms of older persons accommodation, potentially making a distinction between general market housing; retirement living/sheltered housing; and extra care/housing with care. It may well be that a differential and lower affordable housing policy is justified for housing with care.
- 11.100 Secondly, developers of extra care schemes can struggle to secure land when competing against mainstream housebuilders or strategic land promoters. One way of dealing with this is to allocate sites specifically for specialist older persons housing, and this may be something that the Councils wish to consider through the preparation of new Local Plans. There could be benefits of doing this through achieving relatively high-density development of land at accessible locations, and in doing so, releasing larger family housing elsewhere as residents move out.

Practical Issues

- 11.101 In considering policies for affordable housing provision on housing with care schemes, there is one further factor which warrants consideration relating to the practicalities of mixed-tenure schemes. The market for extra care development schemes is currently focused particularly towards providers at the affordable and higher ends of the market, with limited providers currently delivering within the 'mid-market.' At the higher ends of the market, the level of facilities and services/support available can be significant, and the management model is often to recharge this through service charges.
- 11.102 Whilst recognising the benefits associated with mixed income/tenure development, in considering whether mixed tenure schemes can work it is important to consider the degree to which service charges will be affordable to those on lower incomes and whether Registered Providers will want or be able to support access to the range of services/facilities on site. In a range of instances, this has meant that authorities have accepted off-site contributions to affordable housing provision.

Wheelchair User Housing

11.103 Information about the need for housing for wheelchair users is difficult to obtain, particularly at a local level and estimates of need produced in this report draw on data from the English Housing Survey (EHS) which provides a range of relevant data, but often for different time periods. The EHS data used includes the age structure profile of wheelchair users, information about work needed to homes to make them 'visitable' for wheelchair users and data about wheelchair users by tenure.

11.104 The analysis below sets out estimates of the number of wheelchair users in each local authority; this has been based on estimating prevalence rates from the 2011-12 EHS (Annex Table 6.11) combined with Census data. At the time, the EHS showed there were 184,000 households with a wheelchair user and the oldest person in the household was aged under 60; the 2011 Census showed around 41.2 million people aged under 60 and therefore a base prevalence rate of 0.004 has been calculated for this group – essentially for every 1,000 people aged under 60 there are around 4 wheelchair user households. The table below shows data for a full range of age groups; it should be noted that whilst the prevalence rates mix households and population they will provide a reasonable estimate of the number of wheelchair user households.

Table 11.23 Baseline prevalence rates by age used to estimate wheelchair user households –

England

| | Number of wheelchair user households | Household population | Prevalence (per 1,000 population) |
|------------------|--------------------------------------|----------------------|-----------------------------------|
| under 60 years | 184,000 | 40,562,000 | 5 |
| 60 - 74 years | 205,000 | 7,668,000 | 27 |
| 75 - 84 years | 191,000 | 2,832,000 | 68 |
| 85 years or over | 146,000 | 997,000 | 146 |

Source: Derived from EHS (2011-12) and 2011 Census

11.105 The analysis also considers the relative health of the population of Leicester and Leicestershire. For this, data has been taken from the 2011 Census for the household population with 'day to day activities limited a lot' by their disability. The tables below show this information by age in Leicester/Leicestershire and England, and also shows the adjustment made to reflect differences in heath between the areas. Due to the age bands used in the Census, there has been some degree of adjustment for the under 60 and 60-74 age groups. The data shows higher levels of disability for all age groups in Leicester, pointing to a slightly higher than average proportion of wheelchair user households – the opposite is largely true for Leicestershire (although the 85+ age group does show a slightly higher than average level of disability).

Table 11.24 Proportion of people with day to day activities limited a lot (by age) – 2011 – Leicester

| | | with day to day mited a lot | Leicester as % of England | Prevalence rate (per 1,000 | |
|------------------|-----------|--------------------------------|---------------------------|-------------------------------|--|
| | Leicester | England | OI LIIGIAIIU | population) | |
| under 60 years | 4.6% | 4.2% | 110.5% | 5 | |
| 60-74 years | 19.2% | 13.9% | 137.6% | 37 | |
| 75-84 years | 35.9% | 29.1% | 123.3% | 83 | |
| 85 years or over | 55.3% | 52.3% | 105.6% | 154 | |

Source: 2011 Census

Table 11.25 Proportion of people with day to day activities limited a lot (by age) – 2011 – Leicestershire

| | % of age group | with day to day | Leicestershire | Prevalence rate |
|------------------|----------------|-----------------|----------------|-----------------|
| | activities li | mited a lot | as % of | (per 1,000 |
| | Leicestershire | England | England | population) |
| under 60 years | 3.1% | 4.2% | 73.7% | 3 |
| 60-74 years | 10.3% | 13.9% | 73.8% | 20 |
| 75-84 years | 27.2% | 29.1% | 93.4% | 63 |
| 85 years or over | 53.8% | 52.3% | 102.8% | 150 |

Source: 2011 Census

11.106 The local prevalence rate data can be brought together with information about the population age structure and how this is likely to change moving forward. For Leicester, the data estimates a total of 4,800 wheelchair user households in 2020, and that this will rise to 6,400 by 2041 (an increase of 1,600). For Leicestershire, the current number of wheelchair users is put at 9,600 in 2020, increasing to 14,200 by 2041.

Table 11.26 Estimated number of wheelchair user households (2020-41) - Leicester

| | Prevalence rate (per 1,000 population) | Household population 2020 | Household population 2041 | Wheelchair user households (2020) | Wheelchair user households (2041) |
|------------------|---|---------------------------------|---------------------------------|--|--|
| under 60 years | 5 | 294,588 | 316,024 | 1,476 | 1,584 |
| 60 - 74 years | 37 | 40,858 | 46,750 | 1,502 | 1,718 |
| 75 - 84 years | 83 | 12,676 | 21,023 | 1,056 | 1,751 |
| 85 years or over | 154 | 5,063 | 8,477 | 782 | 1,309 |
| Total | | 353,186 | 392,275 | 4,816 | 6,362 |

Source: Derived from a range of sources

Table 11.27 Estimated number of wheelchair user households (2020-41) - Leicestershire

| | Prevalence rate (per 1,000 population) | Household population 2020 | Household population 2041 | Wheelchair user households (2020) | Wheelchair user households (2041) |
|------------------|---|---------------------------|---------------------------|--|--|
| under 60 years | 3 | 510,583 | 553,443 | 1,705 | 1,848 |
| 60 - 74 years | 20 | 122,188 | 141,796 | 2,409 | 2,795 |
| 75 - 84 years | 63 | 47,552 | 76,198 | 2,998 | 4,804 |
| 85 years or over | 150 | 16,478 | 31,417 | 2,478 | 4,725 |
| TOTAL | | 696,801 | 802,854 | 9,590 | 14,173 |

Source: Derived from a range of sources

11.107 The finding of an estimated current number of wheelchair user households does not *per se* indicate how many homes might be needed for this group – some households will be living in a home that is suitable for wheelchair use, whilst others may need improvements to accommodation, or a move to

an alternative home. Data from the EHS (2014-15) shows that of the 814,000 wheelchair user households, some 200,000 live in a home that would either be problematic or not feasible to make fully 'visitable' – this is around 25% of wheelchair user households. Applying this (a rate of 25%) to the current number of wheelchair user households and adding the additional number projected forward suggests a need for 2,700 additional wheelchair user homes in the 2020-41 period in Leicester and 7,000 in Leicestershire – this equates to 8%-11% of all housing need (as set out in the table below).

Table 11.28 Estimated need for wheelchair user homes, 2020-41

| | Current need | Projected need (2020- | Total current and | Housing need (2020- | % of Housing |
|----------------|-----------------|-----------------------|-------------------|------------------------|-----------------|
| | | 41) | future need | 41) | Need |
| Leicester | 1,183 | 1,546 | 2,730 | 51,744 | 5.3% |
| Blaby | 338 | 612 | 949 | 7,161 | 13.3% |
| Charnwood | 555 | 1,022 | 1,577 | 23,331 | 6.8% |
| Harborough | 279 | 692 | 971 | 11,214 | 8.7% |
| H & B | 411 | 815 | 1,226 | 9,912 | 12.4% |
| Melton | 163 | 315 | 479 | 4,851 | 9.9% |
| NWL | 401 | 872 | 1,274 | 7,812 | 16.3% |
| O & W | 208 | 270 | 478 | 3,948 | 12.1% |
| Leicestershire | 2,356 | 4,599 | 6,954 | 68,229 | 10.2% |
| L&L | 3,539 | 6,145 | 9,684 | 119,973 | 8.1% |

Source: Derived from a range of sources

11.108 Furthermore, information in the EHS (for 2017/18) also provides national data about wheelchair users by tenure. This showed that, at that time, around 7.1% of social tenants were wheelchair uses, compared with 2.7% of market households (owner-occupiers and private renters). Applying these national figures to the demographic change and need (as shown above) it is possible to estimate the potential need by tenure, as shown in the table below. This shows a need for around 9% of market homes to be M4(3) along with 23% of affordable. The high need shown in Melton and Oadby and Wigston reflects where the baseline population/household projections are more modest. The relative percentage of need will be influenced by overall housing targets in these areas.

Page 344 of 1014

Table 11.29 estimated need for wheelchair user homes by tenure, 2020-41

| | Market | Affordable |
|----------------|--------|------------|
| Leicester | 8% | 21% |
| Blaby | 9% | 23% |
| Charnwood | 7% | 17% |
| Harborough | 9% | 23% |
| H&B | 9% | 24% |
| Melton | 24% | 64% |
| NWL | 9% | 23% |
| O & W | 23% | 61% |
| Leicestershire | 9% | 23% |
| L&L | 9% | 23% |

Source: Derived from demographic projections and EHS prevalence rates

- 11.109 To meet the identified need, the Councils could seek a proportion (maybe up to 10%) of all new market homes to be M4(3) compliant and potentially around a quarter in the affordable sector. These figures reflect that not all sites would be able to deliver homes of this type. In the market sector these homes would be M4(3)A (adaptable) and M4(3)B (accessible) for affordable housing. This recognises that not all sites/ schemes will be able to deliver to policy standards.
- 11.110 As with M4(2) homes it may not be possible for some schemes to be built to these higher standards due to built-form, topography, flooding etc. Furthermore, provision of this type of property may in some cases challenge the viability of delivery given the reasonably high build out costs (see table below).
- 11.111 It is worth noting that the Government is currently consulting on changes to the way the needs of people with disabilities and wheelchair users are planned for as a result of concerns that in the drive to achieve housing numbers, the delivery of housing that suits the needs of the households (in particular those with disabilities) is being compromised on viability grounds²⁷.
- 11.112 One of the policy options tabled in the Government consultation is to remove M4(1) altogether, so that all new homes will have to at least have the accessible and adaptable features of an M4(2) home. M4(3) would apply where there is a local planning policy in place in which a need has been identified and evidenced. This is consistent with the evidence presented in this report, although the trade-off identified in the consultation paper between viability and the need to deliver sufficient numbers of market homes to meet general housing needs is unavoidable.

-

²⁷ Raising accessibility standards for new homes, a consultation paper, page 10

11.113 The viability challenge is particularly relevant for M4(3)(B) standards. These make properties accessible from the moment they are built and involve high additional costs that could in some cases challenge the feasibility of delivering all or any of a policy target.

Table 11.30 Access Cost Summary

| | 1-Bed | 2-Bed | 2-Bed | 3-Bed | 4-Bed |
|-----------------------|-----------|-----------|---------|----------|----------|
| | Apartment | Apartment | Terrace | Semi | Semi- |
| | | | | Detached | Detached |
| M4(2) | £940 | £907 | £523 | £521 | £520 |
| M4(3)(A) – Adaptable | £7,607 | £7,891 | £9,754 | £10,307 | £10,568 |
| M4(3)(B) – Accessible | £7,764 | £8,048 | £22,238 | £22,791 | £23,052 |

Source: EC Harris, 2014

- 11.114 However, local authorities only have the right to request M4(3)(B) accessible compliance from homes for which they have nomination rights. They can, however, request M4(3)(A) adaptable compliance from the wider (market) housing stock.
- 11.115 A further option for the Councils would be to consider seeking a higher proportion of M(4) homes, where it is viable to do so, from those homes to which they have nomination rights. This would address any under delivery from other schemes (including schemes due to their size e.g. less than 10 units or 1,000 square metres) but also recognise the fact that there is a higher prevalence for wheelchair use within social rent tenures. This should be considered when setting policy.

Adults (16-64) With Disabilities or Support Needs

- 11.116 As well as examining older people it is also possible to draw on the PANSI data to examine the growth in adults with a disability of condition. Again these are based on the official 2018-based SNPP alternative internal migration variant rather than linked to the Standard Method.
- 11.117 We have set out below the projections for a range of mental health disorders as well as physical disabilities. The projections show a significant growth impaired mobility in both Leicester and Leicestershire. This would support the earlier analysis on M4(2) and M4(3) homes.
- 11.118 The most significant mental health changes are expected in Common Mental Disorder which would not result in a specialist residential solution. However, there will be occasions when very specialist accommodation will be required and the shire authorities will need to work with the County to understand whether the commissioning of a new supported housing scheme should address this. As with other very specialist accommodation this may require a solution which addresses the need for multiple authorities.

11.119 It is suggested that this would be most relevant to those with Psychotic disorders which PANSI describe as producing "disturbances in thinking and perception severe enough to distort perception of reality. Psychoses can be serious and debilitating conditions, associated with high rates of suicide and early mortality". As such they may require a residential solution to ensure surveillance.

Table 11.31 Projected Changes to Population with a Range of Disabilities - Leicester

| Disability | Age | 2020 | 2041 | Change | % |
|-----------------------------------|-------|--------|--------|--------|--------|
| | Range | | | | Change |
| Common mental disorder | 18-64 | 43,664 | 47,055 | 3,392 | 7.8% |
| Borderline personality disorder | 18-64 | 5,546 | 5,980 | 433 | 7.8% |
| Antisocial personality disorder | 18-64 | 7,841 | 8,635 | 794 | 10.1% |
| Psychotic disorder | 18-64 | 1,624 | 1,763 | 139 | 8.5% |
| Two or more psychiatric disorders | 18-64 | 16,691 | 18,092 | 1,401 | 8.4% |
| | | | | | |
| Autistic Spectrum Disorders | 18-64 | 2,763 | 3,074 | 311 | 11.3% |
| Learning Disabilities | 15-64 | 7,133 | 7,752 | 619 | 8.7% |
| Challenging behaviour | 15-64 | 129 | 140 | 11 | 8.6% |
| Impaired mobility | 16-64 | 12,101 | 12,816 | 715 | 5.9% |

Source: PANSI and Demographic Projections

Table 11.32 Projected Changes to Population with a Range of Disabilities – Leicestershire

| Disability | Age | 2020 | 2041 | Change | % |
|-----------------------------------|-------|--------|--------|--------|--------|
| | Range | | | | Change |
| Common mental disorder | 18-64 | 79,631 | 86,242 | 6,612 | 8.3% |
| Borderline personality disorder | 18-64 | 10,111 | 10,951 | 839 | 8.3% |
| Antisocial personality disorder | 18-64 | 14,063 | 15,227 | 1,164 | 8.3% |
| Psychotic disorder | 18-64 | 2,946 | 3,190 | 244 | 8.3% |
| Two or more psychiatric disorders | 18-64 | 30,306 | 32,821 | 2,514 | 8.3% |
| | | | | | |
| Autistic Spectrum Disorders | 18-64 | 3,346 | 3,631 | 285 | 8.5% |
| Learning Disabilities | 15-64 | 8,678 | 9,453 | 775 | 8.9% |
| Challenging behaviour | 15-64 | 160 | 174 | 14 | 8.8% |
| Impaired mobility | 16-64 | 19,076 | 20,320 | 1,244 | 6.5% |

Source: PANSI and Demographic Projections

- 11.120 In addition to the PANSI data the scale of demand from those with a mental health condition can be drawn from homelessness representation for which MHCLG collate quarterly data from each local authority. This dataset is known as the Homelessness Case Level Information Collection (H-CLIC).
- 11.121 As shown in the table below, in every local authority the most common support need for those owed a prevention or relief duty is Mental Health. This ranges from 10% in Melton to 28% in Harborough. On average the 19% of those owed a prevention or relief duty require mental health support.

Table 11.33 Support needs of households owed a prevention or relief duty (June 18-Mar 21)

| | Leicester | Blaby | Charn- wood | Harbo- rough | H&B | Melton | NW Leics | O&W | Average |
|----------------------------|-----------|-------|----------------|-----------------|-----|--------|-------------|-----|---------|
| Mental health problems | 21% | 23% | 18% | 28% | 13% | 10% | 14% | 23% | 19% |
| ill health and disability | 16% | 13% | 8% | 9% | 6% | 7% | 10% | 16% | 11% |
| Experienced Abuse | 8% | 21% | 11% | 12% | 4% | 7% | 9% | 13% | 11% |
| Offending history | 9% | 3% | 5% | 7% | 2% | 3% | 5% | 3% | 4% |
| History of homelessness | 6% | 4% | 3% | 4% | 1% | 4% | 3% | 1% | 3% |
| Drug or Alcohol dependency | 10% | 6% | 8% | 12% | 5% | 6% | 6% | 4% | 7% |
| Other | 6% | 12% | 9% | 7% | 5% | 12% | 7% | 8% | 8% |

Source: MHCLG, 2021

- 11.122 The appropriate strategy for providing support needs should be carefully considered through joint working by the County Council and local authorities in Leicestershire. Support needs can arise from both people both under and over 65.
- 11.123 For some forms of specialist supported housing, schemes may draw on needs from across local authority boundaries, in particular where needs across different authorities need to be aggregated to make schemes viable. This might include but not limited to the need for:
 - Bariatric Care Homes;
 - · Mother and Baby Units;
 - Drug and Alcohol Dependency Units;
 - Anorexia Units; and
 - Autistic Friendly Housing.
- 11.124 Current provision for these groups is often t *ad-hoc* in rental accommodation which is not in any way adapted to their needs. There is a potential role for Leicestershire County Council to coordinate a strategic approach to meeting such needs, such as proposals for provision in different parts of the County. This could then inform the identification and then feed into the preparation of local plans.
- 11.125 In some cases developments may work within or on the outskirts of towns and large villages subject to viability where appropriate facilities are provided and there are good quality public transport links.

The Needs of Older Persons & Those with Disabilities: Key Messages

- A range of data sources and statistics have been accessed to consider the characteristics and housing needs of the older person population and the population with some form of disability. The two groups are taken together as there is a clear link between age and disability. The analysis responds to Planning Practice Guidance on Housing for Older and Disabled People published by Government in June 2019 and includes an assessment of the need for specialist accommodation for older people and the potential requirements for housing to be built to M4(2) and M4(3) housing technical standards (accessibility and wheelchair standards).
- The data shows in general that Leicestershire has a similar age structure and similar levels of disability compared with the national average whilst Leicester has a younger age structure (and higher age-specific rates of disability in a regional/national context). The older person population is projected to increase notably in the future and an ageing population means that the number of people with disabilities is likely to increase substantially. Key findings for the 2020-41 period include:
 - ➤ A 40% (Leicester) and 42% (Leicestershire) increase in the population aged 65+ (potentially accounting for 58% of total population growth in Leicestershire (44% of growth in Leicester);
 - ➤ A 56%-66% increase in the number of people aged 65+ with dementia and a 50%-56% increase in those aged 65+ with mobility problems;
 - ➤ A need for around 3,100 housing units with support (sheltered/retirement housing) in Leicester (2020-41) and 6,700 units in Leicestershire (mainly in the market sector in Leicestershire);
 - ➤ A need for around 1,500 additional housing units with care (e.g. extra-care) in Leicester and 4,400 in Leicestershire focussed on market housing in Leicestershire and the affordable sector in Leicester;
 - > A need for additional residential and nursing care bedspaces; and
 - ➤ a need for around 2,800 (Leicester) and 7,100 (Leicestershire) dwellings to be for wheelchair users (meeting technical standard M4(3)).
- This would suggest that there is a clear need to increase the supply of accessible and adaptable dwellings and wheelchair user dwellings as well as providing specific provision of older persons housing. Given the evidence, the Councils could consider (as a start point) requiring all dwellings (in all tenures) to meet the M4(2) standards (which are similar to the Lifetime Homes Standards) and 10%-25% of homes meeting M4(3) wheelchair user dwellings (a higher proportion in the affordable sector).
- Where the authority has nomination rights M4(3) would be wheelchair accessible dwellings
 (constructed for immediate occupation) and in the market sector they should be wheelchair
 user adaptable dwellings (constructed to be adjustable for occupation by a wheelchair user).
 It should however be noted that there will be cases where this may not be possible (e.g. due
 to viability or site-specific circumstances) and so any policy should be applied flexibly.
- The Councils should also consider if a different approach is prudent for market housing and
 affordable homes, recognising that Registered Providers may already build to higher
 standards, and that households in the affordable sector are more likely to have some form of
 disability.
- In framing policies for the provision of specialist older persons accommodation, the Councils will need to consider a range of issues. This will include the different use classes of accommodation (i.e. C2 vs. C3) and requirements for affordable housing contributions (linked to this the viability of provision). There may also be some practical issues to consider, such

Page 349 of 1014

as the ability of any individual development being mixed tenure given the way care and support services are paid for.

- For those younger than 65 the PANSI projections show a significant growth impaired mobility in both Leicester and Leicestershire. This would support the earlier analysis on M4(2) and M4(3) homes. There is also expected to be a significant growth in those with a mental health issue. While not all of this will result in an increased demand for residential solutions the most severe conditions will.
- The Councils should work collaboratively to ensure very specialist supported accommodation is addressed across boundaries. This will ensure those that the needs of those that require this level of care will be addressed in an appropriate environment.

Gypsies and Travellers

- 11.126 The latest evidence in relation to the housing needs of Gypsies and Travellers in Leicester and Leicestershire was published in May 2017. The Leicester City and Leicestershire Gypsy, Traveller and Travelling Showpeople Accommodation Assessment²⁸ primary purpose was to identify the current and future need for pitches. The study covered each local authority with the exception of Hinckley and Bosworth where a separate study²⁹ was commissioned and published in November 2016 to align with their local plan timetable. We understand that a number of authorities have commissioned updated evidence to inform their Local Plan Reviews. This short section thus presents the published information at the current time.
- 11.127 Both GTAA was based on desktop research and Stakeholder interviews including engagement with members of the community. Overall the studies identified a need for 22 additional pitches over the 2016-36 period. The need assessed in Hinckley and Bosworth was for no additional pitches based on the new definition of gypsies and travellers; but a need for up to 15 pitches from households that may meet the new definition albeit the need could be as few as 1 pitch.

²⁸ http://www.harborough.gov.uk/download/downloads/id/3220/2017_06_01_leicestershire_gtaa_final_reportpdf.pdf

²⁹ https://www.hinckley-

 $bosworth.gov.uk/downloads/file/5477/hinckley_and_bosworth_gypsy_and_traveller_accommodation_assessment$

Table 11.34 Additional need for GTAA Pitches (2016-36)

| | Additional Pitches |
|---------------------------|--------------------|
| Leicester | 6 |
| Blaby | 3 |
| Charnwood | 0 |
| Harborough | 6 |
| Hinckley and Bosworth | 1 |
| Melton | 0 |
| North West Leicestershire | 6 |
| Oadby and Wigston | 0 |
| Study Area | 22 |

Source: L& L GTAA and H&B GTAA

11.128 As well as settled pitches the report also examined the need for transit pitches. The report identifies a need for a minimum of twelve caravan spaces in Leicester City and thirty-six caravan spaces spread over 2-3 sites in the rest of the county. No need for travelling showpeople or transit pitches was identified in the Hinckley and Bosworth evidence.

The Needs of Gypsies and Travellers: Key Messages

The latest evidence in relation to the housing needs of Gypsies and Travellers identified a
need for 22 additional pitches over the 2016-36 period. The report also identifies a need for a
minimum of 12 transit caravan spaces in Leicester City and 38 transit in Leicestershire.

Page 351 of 1014

12. DIFFERENT HOUSING MARKET SEGMENTS

12.1 This section of the report moves on to consider the dynamics in different housing market segments, including the private rented sector and student housing.

Private Rental Sector

- 12.2 The Private Rented Sector has been the key growth sector in the housing market for the last 15 years and now makes up just over 20% of all UK households. Since 2011, the Private Rented Sector has been the second largest housing tenure in England behind owner-occupation, overtaking social housing.
- 12.3 In the context of the sector's growth over the last 20 years and a national housing shortage, successive Governments have looked to the private rented sector to play a greater role in providing more new build housing and have sought to encourage "Build to Rent" development. The NPPF requires authorities to assess and reflect the needs of those people who rent their homes. It defines Build to Rent as "purpose-built housing that is typically 100% rented out. It can form part of a wider multi-tenure development comprising flats or houses, but should be on the same site or contiguous as the main development. Schemes will usually offer tenancy agreements of three years or more, and will typically be professionally managed stock in single ownership and management control."
- 12.4 The Build-to-Rent Sector has developed over the last few years to a position where there are now a range of schemes in London, and schemes coming forwards in other Core Cities, but in many other areas there has been limited provision to date. The level of demand and hence potential for the tenure going forward is assessed later in this section.
- 12.5 We have examined a range of issues in relation to the private rental sector including the size of the sector, costs, benefit claimants, HMOs and the demand for build to rent accommodation. This is separate from purpose built student accommodation which is assessed separately.

Size of Private Rental Sector

12.6 The table below shows the tenure split of housing in 2011 in Leicester & Leicestershire and a range of other areas. This shows a total of 59,900 households living in private rented housing in the study area – 15.3% of all households. This proportion is slightly above the regional average and below the national equivalent figure. The PRS makes up nearly a quarter of all households in Leicester (22.7%) but a much lower proportion in Leicestershire (11.9%). The vast majority of households in the PRS are living in housing rented from a landlord or through a letting agency, although 4,809 (1.2% of all households) are recorded as living in 'other' PRS accommodation, this is mainly households living in

housing owned by a relative or friend – these are households recorded as within the PRS, those living rent free (as seen in the table below) are a separate category.

Table 12.1 Tenure (2011)

| | Leicester | Leicestershire | Leicester & Leicestershire | East Midlands | England |
|-------------------------|-----------|----------------|-------------------------------|---------------|------------|
| Owns outright | 28,018 | 99,100 | 127,118 | 621,224 | 6,745,584 |
| Owns with mortgage/loan | 33,926 | 105,459 | 139,385 | 666,185 | 7,403,200 |
| Social rented | 31,270 | 28,017 | 59,287 | 300,423 | 3,903,550 |
| Private rented | 27,999 | 31,932 | 59,931 | 282,443 | 3,715,924 |
| Living rent free | 1,912 | 2,926 | 4,838 | 25,329 | 295,110 |
| Total Households | 123,125 | 267,434 | 390,559 | 1,895,604 | 22,063,368 |
| % private rented | 22.7% | 11.9% | 15.3% | 14.9% | 16.8% |

Source: Census (2011)

12.7 The table below shows the proportion of household living in private rented accommodation in each local authority – the table also provides a breakdown within the private rented category. The analysis shows a wide range of proportions living in the PRS, varying from 9.9% of households in Oadby & Wigston, up to 22.7% in Leicester. The table also indicates that in general there are relatively few households living in PRS accommodation other than that rented directly from a landlord or through a letting agency.

Table 12.2 Breakdown of types of private rented accommodation (2011)

| | Private landlord or letting agency | Employer of a household member | Relative or friend of household member | Other | Total in private rented sector |
|----------------|--|--------------------------------------|---|-------|--------------------------------|
| Leicester | 21.3% | 0.2% | 1.0% | 0.3% | 22.7% |
| Blaby | 9.0% | 0.1% | 0.8% | 0.1% | 10.0% |
| Charnwood | 12.9% | 0.2% | 0.9% | 0.2% | 14.1% |
| Harborough | 10.1% | 0.2% | 0.8% | 0.1% | 11.2% |
| H&B | 10.3% | 0.1% | 0.8% | 0.2% | 11.4% |
| Melton | 12.7% | 0.4% | 0.9% | 0.3% | 14.2% |
| NWL | 10.2% | 0.1% | 0.9% | 0.1% | 11.3% |
| O&W | 9.0% | 0.1% | 0.7% | 0.1% | 9.9% |
| Leicestershire | 10.8% | 0.1% | 0.8% | 0.2% | 11.9% |
| L&L | 14.1% | 0.2% | 0.9% | 0.2% | 15.3% |

Source: Census (2011)

12.8 It is of interest to consider how the tenure profile has changed over time. The tables below show data from the 2001 and 2011 Census. From this it is clear that there has been significant growth in the number of households living in privately rented accommodation as well as an increase in outright owners (this will be due to mortgages being paid off, which may have been assisted by a period of low interest rates). There has been a decline in the number of owners with a mortgage and a small

increase in the number of households in social rented accommodation. In both areas, the number of households living in the PRS roughly doubled in just a decade.

Table 12.3 Change in Tenure (2001-11) - Leicester

| | 2001 households | 2011 households | Change | % change |
|-------------------------|--------------------|--------------------|--------|----------|
| Owns outright | 26,241 | 28,018 | 1,777 | 6.8% |
| Owns with mortgage/loan | 38,146 | 33,926 | -4,220 | -11.1% |
| Social rented | 31,098 | 31,270 | 172 | 0.6% |
| Private rented | 14,025 | 27,999 | 13,974 | 99.6% |
| Living rent free | 1,638 | 1,912 | 274 | 16.7% |
| Total | 111,148 | 123,125 | 11,977 | 10.8% |

Source: 2001 and 2011 Census

Table 12.4 Change in Tenure (2001-11) - Leicestershire

| | 2001 | 2011 | Change | % change |
|-------------------------|------------|------------|---------|----------|
| | households | households | | |
| Owns outright | 82,848 | 99,100 | 16,252 | 19.6% |
| Owns with mortgage/loan | 116,172 | 105,459 | -10,713 | -9.2% |
| Social rented | 26,982 | 28,017 | 1,035 | 3.8% |
| Private rented | 15,483 | 31,932 | 16,449 | 106.2% |
| Living rent free | 3,760 | 2,926 | -834 | -22.2% |
| Total | 245,245 | 267,434 | 22,189 | 9.0% |

Source: 2001 and 2011 Census

12.9 The general pattern of tenure changes in the study area is broadly similar to that seen in other areas – i.e. an increase in the PRS and outright owners and a reduction in owners with a mortgage. However, the proportionate increase in the number of households in the PRS is slightly more notable in the study area than other locations; nationally, over the 10-year period the PRS grew by 82%, but by over 100% in the study area.

Table 12.5 Change in Tenure (2001-11)

| | Leicester | Leicestershire | L & L | East Midlands | England |
|-------------------------|-----------|----------------|--------|---------------|---------|
| Owns outright | 6.8% | 19.6% | 16.5% | 16.4% | 13.0% |
| Owns with mortgage/loan | -11.1% | -9.2% | -9.7% | -7.1% | -8.4% |
| Social rented | 0.6% | 3.8% | 2.1% | -1.0% | -0.9% |
| Private rented | 99.6% | 106.2% | 103.1% | 95.9% | 82.4% |
| Living Rent Free | 16.7% | -22.2% | -10.4% | -26.3% | -29.6% |
| TOTAL | 10.8% | 9.0% | 9.6% | 9.4% | 7.9% |

Source: 2001 and 2011 Census

12.10 The table below shows the same data for each local authority in Leicestershire, this again shows significant increases in the PRS for all locations, although there are notable differences in the increase – ranging from 66% in Melton, up to 168% in Blaby.

Table 12.6 Change in Tenure (2001-11) - local authorities in Leicestershire

| | Blaby | Charn- wood | Har- boro. | H&B | Melton | NWL | O&W |
|-------------------------|--------|----------------|---------------|--------|--------|--------|--------|
| Owns outright | 20.2% | 21.7% | 24.9% | 19.6% | 21.3% | 17.0% | 9.4% |
| Owns with mortgage/loan | -11.5% | -10.0% | -6.3% | -8.0% | -7.7% | -2.8% | -20.2% |
| Social rented | 0.2% | 7.8% | 12.7% | 7.4% | 2.5% | -2.0% | -7.6% |
| Private rented | 168.4% | 86.9% | 117.9% | 128.0% | 66.3% | 128.2% | 79.0% |
| Living Rent Free | 13.3% | -31.6% | -21.7% | -16.9% | -20.5% | -27.6% | -20.0% |
| TOTAL | 7.7% | 10.0% | 13.1% | 10.4% | 9.6% | 10.5% | -2.7% |

Source: 2001 and 2011 Census

- 12.11 The PRS has clearly been growing rapidly over time, in Leicester, Leicestershire and other locations; it is also worth considering what further changes may have occurred since 2011. Unfortunately, robust local data on this topic is not available, however a national perspective can be drawn from the English Housing Survey (EHS) which has data up to 2019-20. The figure below shows changes in three main tenures back to 1980. This clearly shows the increase in the number of households living in private rented accommodation from about 2001 and also a slight decrease in the number of owners.
- 12.12 Since 2011, the EHS data shows that that PRS has risen by a further 19% and if the study area has seen a similar level of increase then this would imply about 11,400 additional households in the sector. Experimental statistics from ONS suggest that the size of the PRS may have increased more strongly, with an estimate that there were 78,500 households in the sector in 2019. The ONS data should however be treated with some caution (due to large error margins) with ONS themselves noting that the figures are not official statistics. By 2012, ONS estimates put the PRS at 69,000, which is already substantially above the Census figure of just one year previously.

18,000 (spursoup) 16,000 14,000 12,000 8,000 4,000 4,000 2,000 0 2011-12 2013-14 2015-16 2009-10 2019-20 Social rented Owner-occupied Private rented

Figure 12.1: Trends in Tenure, 1980 to 2019-20 - England

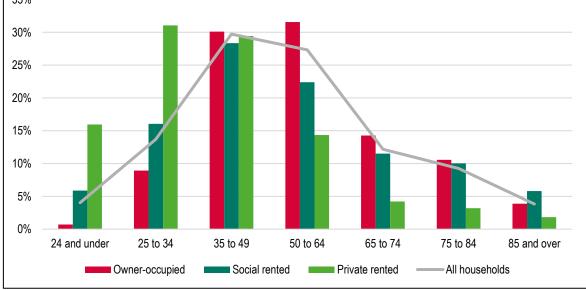
Source: English Housing Survey

Age Profile of Private Renters

12.13 Private renters are younger than social renters and owner occupiers. In 2011, the average age of household reference persons (HRPs) in the private rented sector was 40 years (compared with 56 for owner occupiers and 52 in the social rented sector). Around three-quarters (76%) of private rented sector HRPs were aged under 50 compared with 40% of social renters and 40% of owner occupiers.



Figure 12.2: Age of Household Reference Person by Tenure (2011) - Leicester &



Source: Census (2011)

- 12.14 At a national level, the EHS notes that the proportion of younger people in the PRS has increased over time. It notes that the proportion of those aged 25 to 34 who lived in the Private Rented Sector increased from 24% in 2005-6 to 46% in 2015-16. Over the same period, there was a corresponding decrease in the proportion of people in this age group in both the owner occupied (from 56% in 2005-6 to 38% in 2015-16) and social rented (from 20% in 2005-6 to 16% in 2015-16) sectors.
- 12.15 It is also interesting to consider how the age profile of the sector has changed, with a particular focus on younger people. As with all households, for the Under 35 age group the analysis again shows a substantial increase in the number of households living in private rented accommodation (up 83% in Leicester and 95% for Leicestershire). It should also be noted that overall there was a decline in the number of households aged under 35 in Leicestershire (decreasing by 12%). The analysis also highlights a significant decrease in the number of owner occupiers (decreasing by over a third in just 10-years) and a modest reduction in the number of young people in social rented accommodation (in Leicester). In 2001 (in Leicester), some 29% of younger households lived in the PRS; by 2011, this had increased to 50%. For Leicestershire these proportions are 17% and 39% respectively. These trends are likely to have been influenced by affordability issues, including the recession and restrictions on mortgage finance availability.

Table 12.7 Change in Tenure 2001-11 (all households aged Under 35) - Leicester

| | 2001 | 2011 | Change | % change |
|----------------|--------|--------|--------|----------|
| Owned | 12,548 | 8,206 | -4,342 | -34.6% |
| Social rented | 8,639 | 7,856 | -783 | -9.1% |
| Private rented | 8,844 | 16,205 | 7,361 | 83.2% |
| TOTAL | 30,031 | 32,267 | 2,236 | 7.4% |

Source: 2001 and 2011 Census

Table 12.8 Change in Tenure 2001-11 (all households aged Under 35) – Leicestershire

| | 2001 | 2011 | Change | % change |
|----------------|--------|--------|---------|----------|
| Owned | 29,572 | 17,466 | -12,106 | -40.9% |
| Social rented | 5,128 | 5,145 | 17 | 0.3% |
| Private rented | 7,305 | 14,241 | 6,936 | 94.9% |
| TOTAL | 42,005 | 36,852 | -5,153 | -12.3% |

Source: 2001 and 2011 Census

Housing Costs

12.16 The analysis of affordable housing need describes the current cost of housing in the PRS in Leicester and Leicestershire. Below, analysis is carried out to look at how costs have changed over time – this shows an increase in private rents in all areas with overall increases in the 2011-20 period of 22% in Leicester and 25% across Leicestershire – these increases are slightly above those seen across the East Midlands (21%) and slightly below the national average (26%). It should be noted that the figures below are far all sizes of home and the median rent in any period will be influenced by the profile of homes being let.

Table 12.9 Average (median) private sector rent (per month) 2011 and 2020 - range of areas

| | 2011 | 2020 | Change | % change |
|----------------|------|------|--------|----------|
| Leicester | £490 | £600 | £110 | 22% |
| Blaby | £575 | £725 | £150 | 26% |
| Charnwood | £480 | £550 | £70 | 15% |
| Harborough | £550 | £725 | £175 | 32% |
| H & B | £495 | £650 | £155 | 31% |
| Melton | £495 | £600 | £105 | 21% |
| NWL | £525 | £615 | £90 | 17% |
| O & W | £550 | £695 | £145 | 26% |
| Leicestershire | £500 | £625 | £125 | 25% |
| East Midlands | £495 | £600 | £105 | 21% |
| England | £575 | £725 | £150 | 26% |

Source: ONS and Valuation Office Agency

12.17 The tables below show median private rents by dwelling size for Leicester and Leicestershire. This shows for 1- and 2-bedroom homes that rents are slightly higher in the City. The analysis also shows that the highest rent increases have been for larger (4+-bedroom) homes and to a lesser extent 3-bedroom properties. The increase in rents for 4+-bedroom homes may in part to reflect the relatively small number of lettings of this size of property (which means that average figures can be quite variable). That said, figures could be monitored to see if this an ongoing trend (which may indicate a supply shortage).

Table 12.10 Average (median) private sector rent (per month) 2011 and 2020 - Leicester

| | 2011 | 2020 | Change | % change |
|---------------|------|--------|--------|----------|
| 1-bedroom | £420 | £525 | £105 | 25% |
| 2-bedrooms | £500 | £630 | £130 | 26% |
| 3-bedrooms | £550 | £710 | £160 | 29% |
| 4+-bedrooms | £750 | £1,050 | £300 | 40% |
| All dwellings | £490 | £600 | £110 | 22% |

Source: ONS and Valuation Office Agency

Table 12.11 Average (median) private sector rent (per month) 2011 and 2020 - Leicestershire

| | 2011 | 2020 | Change | % change |
|---------------|------|--------|--------|----------|
| 1-bedroom | £395 | £475 | £80 | 20% |
| 2-bedrooms | £495 | £595 | £100 | 20% |
| 3-bedrooms | £575 | £750 | £175 | 30% |
| 4+-bedrooms | £800 | £1,100 | £300 | 38% |
| All dwellings | £500 | £625 | £125 | 25% |

Source: ONS and Valuation Office Agency

12.18 As noted, the overall median private rent has increased by 22% in Leicester and 25% in Leicestershire, these figures can be compared with changes to the average house price in the same period. In both locations median house prices have increased by 50% around double the change in

rents and this analysis does not really suggest any particular pressures in PRS when taken in the context of the whole market, and therefore does not indicate any particular shortage of supply of private rented homes when compared with the owner-occupied sector.

12.19 When these rates are compared to Local Housing Allowance (LHA) for the Broad Rental Market Areas (BRMA) within Leicester and Leicestershire it is clear that for much of the study area rents are in excess of LHA. The notable exceptions being those parts of the Study area which fall within the Huntingdon and Rugby and East BRMA, In these areas the LHA is typically above median rents in Leicestershire. LHA rates in the Leicester BRMA are consistently below median rents for the City.



Figure 12.3: Local Housing Allowance Vs Median Rents (2020)

Source: ONS and Valuation Office Agency

12.20 There is a particular affordability gap in larger homes when all of the LHA rates are at or below the median rent for Leicestershire meaning that it is more difficult for lower earning households to access such properties, even with benefit support. In contrast, in three BRMA the LHA exceeds the county median rent for 1 bedroom homes. In some cases the difference between median rents and LHA is only around £6 per month which can potentially be met by some households. However, for larger homes the gap is as much as £307 per month which would be more difficult to bridge. There will still be a supply of homes which are affordable to those on LHA allowance but these are likely to be in the lower quartile.

Housing Benefit Claimants

12.21 A further analysis has been carried out to look at the number of housing benefit claimants in the sector. This provides an indication of the number of people who are using the sector as a form of affordable housing, and in many cases will be living in private rented accommodation due to a lack to affordable housing (e.g. in the social rented sector). However, it should be noted that some of

these households may be in the sector through choice whilst others may be forced to use the sector if they are excluded from the Housing Register (e.g. due to rent arrears). The figures below include both Housing Benefit and also Universal Credit claims where there is a housing entitlement (in the PRS).

12.22 The analysis shows that from 2008, the number of claimants in the PRS rose steadily to peak at just under 12,000 in 2013 in Leicester and around 10,000 in Leicestershire. Since then the number of claimants has generally fallen (until about 2018/19). There has been a notable increase since March 2020, related to the Covid-19 pandemic; with the number of households claiming Housing Benefit or Universal Credit (with housing entitlement) standing at around 15,000 in Leicester and 13,000 in Leicestershire.

16,000 14,000 12,000 10,000 8,000 Housing Benefit 6,000 Universal Credit 4,000 TOTAL 2,000 0 Jan-2010 Jan-2012 Jan-2013 Jan-2018 Jan-2014 Jan-2015 Jan-2019 Jan-2020 Jan-2017 Jan-2021

Figure 12.4: Number of Housing Benefit claimants in the Private Rented Sector - Leicester

Source: Department of Work and Pensions

16,000 14,000 12,000 10,000 8,000 Housing Benefit 6,000 Universal Credit 4,000 TOTAL 2,000 0 Jan-2012 Jan-2018 Jan-2014 Jan-2009 Jan-2010 Jan-2013 Jan-2015 Jan-2016 Jan-2019 Jan-2017 Jan-2011 Jan-2020 Jan-2021

Figure 12.5: Number of Housing Benefit claimants in the Private Rented Sector – Leicestershire

Source: Department of Work and Pensions

HMOs

- 12.23 Census data on household composition can be used to identify the growth in shared accommodation. Specifically the change in "Other:Other" households can be used to consider changes in shared accommodation. Such households are comprised of more than one unrelated adults sharing and is commonly used as a proxy for HMOs.³⁰
- 12.24 As shown in the table below, the number of such households increased by 4,672 households in the period 2001 to 2011. This equated to a 45% growth. Around 60% of this growth (+2,856) occurred in the City of Leicester.

_

³⁰ Other:other households comprise of unrelated adults sharing accommodation (excluding all student households, households with dependent children or where all household members are aged 65 and over)

Table 12.12 Change in Other:Other Households (2001-2011)

| | 2001 | 2011 | Change | % Change |
|---------------------------|--------|--------|--------|----------|
| Blaby | 754 | 1,001 | 247 | 33% |
| Charnwood | 1,559 | 2,187 | 628 | 40% |
| Harborough | 632 | 831 | 199 | 31% |
| Hinckley and Bosworth | 904 | 1,124 | 220 | 24% |
| Leicester | 4,764 | 7,620 | 2,856 | 60% |
| Melton | 483 | 592 | 109 | 23% |
| North West Leicestershire | 750 | 982 | 232 | 31% |
| Oadby and Wigston | 504 | 686 | 182 | 36% |
| Study Area | 10,350 | 15,023 | 4,673 | 45% |

Source: ONS, Census 2001 and 2011

12.25 An alternative view on the number of HMO can be gained from licences issued to HMO landlords. However, only large HMOs³¹ require a license. As shown in the table below there are 1,719 HMO licenses within the study area. The largest numbers of licenses have been issued in Leicester and Charnwood which suggests that there is an element of student housing impacting on HMO numbers.

Table 12.13 Registered HMO Licenses

| | HMO Register |
|---------------------------|--------------|
| Leicester | 927 |
| Blaby | 19 |
| Charnwood | 668 |
| Harborough | 7 |
| Hinckley and Bosworth | 14 |
| Melton | 10 |
| North West Leicestershire | 57 |
| Oadby and Wigston | 17 |
| Study Area | 1,719 |

Source: Local Authority Registers

12.26 The number of all student households increased by 1,647 dwellings between 2001 and 2011.

Reflecting the HMO Licenses (and the location of the Universities) the largest growth was in Leicester (+1,100 households) and Charnwood (+464 households).

Page 352 of 1014

³¹ Large HMOs are rented properties with 5 or more people who form more than 1 household, some or all tenants share toilet, bathroom or kitchen facilities and at least 1 tenant pays rent.

Table 12.14 All Student Households (2001-2011)

| Students | 2001 | 2011 | Change | % Change |
|---------------------------|-------|-------|--------|----------|
| Blaby | 0 | 8 | 8 | n/a |
| Charnwood | 788 | 1,252 | 464 | 59% |
| Harborough | 3 | 18 | 15 | 500% |
| Hinckley and Bosworth | 8 | 11 | 3 | 38% |
| Leicester | 1,814 | 2,914 | 1,100 | 61% |
| Melton | 9 | 5 | -4 | -44% |
| North West Leicestershire | 23 | 81 | 58 | 252% |
| Oadby and Wigston | 5 | 8 | 3 | 60% |
| Study Area | 2,650 | 4,297 | 1,647 | 62% |

Source: ONS, Census 2001 and 2011

Build to Rent

12.27 In August 2012, The Montague Review³² was published; having been commissioned by Government to consider the potential for attracting large-scale institutional investment in building new homes for private rent – a model of investment, which is more prevalent in other countries, and in some niche markets in the UK, like student housing. The Review author Sir Adrian Montague was clear that:

"there is real potential for investment in large scale developments of purpose-built rented housing to grow and to be viable. This type of development can bring in new money, give a boost to housing supply, and provide more choice for tenants, particularly those who may be renting long term. And there is research which suggests that the lack of high quality private rented accommodation can put a brake on the wider growth of economic activity" (our emphasis)

- 12.28 Following the publication of the Montague Review, the Government launched several initiatives aimed at 'kick starting' growth of the sector. It set up a Private Rented Sector Taskforce ("PRS Taskforce") and a £1bn Build to Rent fund in line with the recommendations of the Montague Review (this fund is no longer active). In March 2015, *A Build to Rent Guide for Local Authorities*³³ was also prepared and published by Government. The benefits set out in the Guide centred on three key areas which are summarised below:
 - (1) Supporting the local community –development of new Build to Rent housing can help
 local authorities to meet demand for private rented housing whilst increasing tenants choice.
 Successful schemes will retain their tenants for longer and maximise occupancy levels as

³² Review of the barriers to institutional investment in private rented homes (DCLG, August 2012)

³³ Accelerating housing supply and increasing tenant choice in the private rented sector: A Build to Rent Guide for Local Authorities (DCLG, March 2015)

Build to Rent investment is an income focused business model. In order to achieve this, investors will strive to provide for their tenants, and this is key reason why they want to create truly sustainable communities.

- (2) Supporting local growth –Build to Rent development can help increase housing supply,
 particularly on large, multiple phased sites as it can be built alongside build for sale and
 affordable housing. Build to Rent has the potential to increase the speed of housing delivery
 and placemaking; and
- (3) **Financial** some local authorities can become directly involved in provision in some instances, given the potential to generate income or capital receipts.
- 12.29 The Build to Rent Guide also deals directly with design and construction, noting that superior design and high quality construction are key components of the Build to Rent model. It is also highlighted that Build to Rent can also offer opportunities for innovative forms of construction, such as build off-site/ modern methods of construction.
- 12.30 The Government has since continued to seek to support and promote growth of the sector most prominently through Government's 2017 Housing White Paper, which recognised the role which the sector could play in diversifying who builds and how we build homes, in particular from attracting institutional investment. This will help to increase housing supply, drive standards in the sector and provide stable accommodation for families.
- 12.31 In line with the clear strength of commitment from the Government on building more homes for rent, a consultation was launched alongside the Housing White Paper focussed on supporting more Build to Rent developments through measures including:
 - incorporating a change to the Framework so authorities know they should plan proactively for Build to Rent where there is a need; and
 - ensuring that family-friendly tenancies of three or more years are available for those tenants that want them on schemes that benefit from the changes.
- 12.32 These elements have now been incorporated into the NPPF and associated Planning Practice Guidance which encourages assessments such as this to consider whether a need for Build to Rent exists, and where it does encourages Councils to put in place planning policies to support its growth.
- 12.33 It is therefore clear from the successive announcements, reviews, initiatives and package of measures proposed that Government policy is to support and encourage growth of the private rented sector and particularly Build to Rent development as a product; in order to deliver quality rental accommodation and boost housing supply; meet demand of the private rented market and deliver quality placemaking.

Technical Research, Market Insight & Manifestos

12.34 The Urban Land Institute ("ULI") published the first edition of its Build to Rent Guide in April 2014 at a time where there was still, in the words of the ULI, "a significant amount of market scepticism as to whether the nascent private rented sector in the UK was really going to succeed". Following the publication of the first edition of the Guide, Build to Rent institutional investment began to increase significantly; whilst the British Property Federation ("BPF") launched its Build to Rent Manifesto in October 2015; acknowledging it as a new emerging asset class at the time. The BPF made it clear that:

"The primary motivation of investors is to keep their buildings fully-occupied with satisfied tenants. That means offering longer tenancies, other flexibilities (to personalise the home for example), good onsite amenities, and good transport links for easy commuting" (our emphasis)

- 12.35 Build-to-Rent development in Leicester and Leicestershire can provide high quality housing for households who are not able to access social housing stock in many instances, and who may contribute to study area's economic success.
- 12.36 Once the Build to Rent concept began to gain traction, the ULI published the second edition of its Build to Rent Guide: "A Best Practice Guide" which the intention of moving from proving the Build to Rent concept could work in the UK, to demonstrating true best practice in a UK context. The second edition of the Guide defined Build to Rent schemes as one hundred or more units which are:

"purposefully designed and built with the customer in mind. It is anticipated that they will typically incorporate dedicated staff (potentially on-site) with a strong management ethos based on maximising the customer experience, together with a level of on-site amenity befitting the size of the development. Irrespective of the overall package of amenities, the creation of a community feel, and positive customer experience is the underlying philosophy of any successful Build to Rent scheme"

12.37 The Build to Rent concept is thus not simply about increasing housing delivery and diversifying the market, it is about delivering mixed and balanced communities, high quality private rented sector accommodation and opportunities for all parts of society in housing need. Notably, at the time of the second edition of the Guide, there were 30,000 Build to Rent homes in the development pipeline with 8,000 completions.

Page 365 of 1014

- 12.38 The sector has continued to grow, and the Savills UK Build to Rent Market Update³⁴ for Q2 2021 states that the market now had 62,300 completed units, 39,500 under construction and 94,700 in the development pipeline, a total of 195,600 which is an increase from 172,500 units in Q3 2020.
- 12.39 Importantly the Rental Market Update also notes that despite the increase in BtR schemes there has been a "consistent decline in the number of new rental listings across the country as a whole since 2018". This relates to falling supply resulting from the exodus of mortgaged Buy-to-Let landlords from the rental market (over 180,000 mortgage redemptions since Q1 2017) in particular following changes to the introduction of a 3% Stamp Duty surcharge in 2016 and changes to mortgage relief for earnings that have been phased in since 2017 (such that since April 2020 landlords are unable to deduct any of their mortgage expenses from taxable income and can only claim tax credits at the basic rate). This has made residential lettings less attractive for many private investors.
- 12.40 The higher rental costs also mean that savings will be reduced and movement from PRS to owner occupation can be slowed. It notes that "This trend is already underway with mortgage approvals for FTBs down -6% in the year to March 2021 across the country (UK Finance)."
- 12.41 Previous Savills research has reported that around 88% of the operational BTR stock was located in City Centre flats; but there had been a slight shift towards "housing led, family targeted" Build to Rent schemes in suburban locations. This more suburban offer seems to have potential for growth. The Savills research noted that annual starts outside of London have now recovered to 85% of their historic peak while starts in the capital remain subdued, at 50% of their peak in 2018. Adding that with starts now once again outpacing completions in the regions we are seeing the construction pipeline return to growth.

Profile of Build to Rent Tenants

- 12.42 The British Property Federation, London First and UK Apartment Association (UKAA) recently published (February 2021) a report³⁵ profiling those who live in built to rent accommodation in London, which makes up the bulk of the market.
- 12.43 Around 62% of residents were aged between 25 and 34 compared with 47% in the wider PRS market. The remaining residents included 17% aged between 16 and 24 and 13% aged 35-44 both of which were below the corresponding values for the wider PRS market.

-

³⁴ https://www.savills.co.uk/research_articles/229130/316529-0

³⁵ https://buildtorent.files.wordpress.com/2021/01/who-lives-in-build-to-rent-1.pdf?mc_cid=624df5d223&mc_eid=e05cc2220b

- 12.44 The survey-based data identified that incomes are similar to those in PRS accommodation with 43% earning less than £32,000 and 29% earning between £32,000 and £47,000. Typically BTR residents spend between 29% and 35% of their income of accommodation. This compares to 29% to 32% in the wider PRS demonstrating a willingness to pay slightly more.
- 12.45 The lower value would put this group in the lowest 40% of earners in London which would have an equivalent value of £27,704 in Leicestershire and £22,183 in Leicester. The higher values would be around the 60 percentile which would equate to around £35,892 in Leicestershire and £28,049 in Leicester.

Table 12.15 Gross Annual Residents Based Earning by Local Authority (2020)

| Area | 40th percentile | Median | 60th percentile |
|---------------------------|-----------------|---------|-----------------|
| Blaby | £31,355 | £35,222 | £40,749 |
| Charnwood | £26,494 | £30,221 | £32,771 |
| Harborough | £30,975 | £36,718 | £43,826 |
| Hinckley and Bosworth | £26,495 | £29,514 | £33,398 |
| Melton | £22,657 | £27,398 | - |
| North West Leicestershire | £25,990 | £29,928 | £34,622 |
| Oadby and Wigston | £30,227 | £33,659 | £38,938 |
| Leicestershire | £27,704 | £31,283 | £35,892 |
| Leicester | £22,183 | £24,644 | £28,049 |

Source: Annual Survey of Hours and Earnings

- 12.46 It noted that BTR had comparable levels of affordability but was notably more affordable for couples and sharers. This is reflected in the higher incidence of these household types within the BTR sector.
- 12.47 The report also identified a similar levels of people working in the public and private sectors as the wider PRS market (around 85% in the private sector) across a similar good cross section of industries to those in PRS. The most common industries included Finance and Insurance (25%), Other Services (20%) and IT and Communications (including marketing) (15%) although this is likely to be influenced by London's economic structure.

Scale of Future Demand for BTR Accommodation

- 12.48 As established by the British Property Federation report, the current focus of Build to Rent development is in the major cities. This reflects the concentration of younger persons resident in these areas. This points to greater potential for BTR development in Leicester given its demographic structure and larger young population.
- 12.49 This is confirmed by the BPF map of Built to Rent Schemes and shows developer interest in Leicester to this point. This interest is comprised of the following completed schemes:
 - Merlin Wharf 413 Dwellings;

- Queen Street Apartments 181 Dwellings;
- The Wullcomb 150 dwellings;
- 12.50 The BPF report identified that around 62% of build to rent residents were aged between 25 and 34, 17% were aged between 16 and 24 and 13% aged 35-44. In examining the population of the Built Up Areas in the Study Area the greatest percentage of people in the 25-35 age groups are in Loughborough and Leicester³⁶ built-up areas.

Table 12.16 Mid-Year Population Estimate for Built Up Areas (2020)

| | Under 16 | Aged 16- 24 | Aged 25- 34 | Aged 35- 44 | Aged 45+ |
|-----------------------|----------|----------------|----------------|----------------|----------|
| Ashby-de-la-Zouch BUA | 19.5% | 8.7% | 10.1% | 13.0% | 48.7% |
| Coalville BUA | 18.2% | 9.2% | 13.3% | 12.3% | 47.0% |
| Hinckley BUA | 18.0% | 8.6% | 12.6% | 12.7% | 48.1% |
| Leicester BUA | 20.4% | 14.4% | 14.8% | 12.5% | 37.9% |
| Loughborough BUA | 14.4% | 26.0% | 15.9% | 10.9% | 32.9% |
| Lutterworth BUA | 18.2% | 8.8% | 10.4% | 11.1% | 51.6% |
| Market Harborough BUA | 18.7% | 8.4% | 11.4% | 12.3% | 49.2% |
| Melton Mowbray BUA | 18.6% | 8.7% | 11.8% | 12.0% | 48.9% |

Source: ONS Mid Year Population Estimates

12.51 Looking at the absolute proportion of persons aged 16-44 this is notably higher in Leicester than other areas (227,000 persons) with Loughborough second (36,200) but notably lower. The modest absolute size of the market is likely to inhibit the limit the potential for schemes to come forwards outside Leicester (and potentially Loughborough) in the short-to-medium-term.

-

³⁶ This includes Oadby and Wigston as well as Bruanstone in Blaby

250,000

150,000

50,000

Codelle Bur Indeed Bur Indeed

Figure 12.6: Population 16-44 by Built-Up Area, 2021

Source: ONS Mid Year Population Estimates

- 12.52 We have also examined the population projections for this age group (25-34) these show a growth of 14% in Leicester (8,300 more people) and 13% in Charnwood (3,100 additional population) in the 2020-41 period. Again this would point to future demand in Leicester (and potentially Loughborough).
- 12.53 However, not all of these persons will seek rental accommodation with those able to afford to buy likely to do so. Those which are already renting privately are the target group and they are prepared to pay a premium to benefit from the additional services and professional management that the BTR sector provides.
- 12.54 As the analysis set out below shows small gap in Leicester (£2,900) in Leicester between the income required for a median rent and to buy at lower quartile values. These values are chosen, as the market for BTR is more akin to a premium rental product. There is a higher differential in Charnwood and Harborough relative to other areas, but consideration also needs to be had to the demographic analysis in considering the potential size of the market.

Table 12.17 Income Required to Rent and Buy in Leicester and Leicestershire

| | To buy – Lower Quartile Resale | To rent Privately - Median | Income gap | % of households in income gap |
|---------------------|-----------------------------------|----------------------------------|------------|-------------------------------|
| Leicester | £29,600 | £26,700 | £2,900 | 5.3% |
| Blaby | £38,000 | £29,000 | £9,000 | 12.9% |
| Charnwood | £33,600 | £23,600 | £10,000 | 16.0% |
| Harborough | £42,400 | £29,000 | £13,400 | 18.1% |
| Hinckley & Bosworth | £32,800 | £27,900 | £4,900 | 7.5% |
| Melton | £33,800 | £25,700 | £8,100 | 12.5% |
| NWL | £32,000 | £26,400 | £5,600 | 8.6% |
| Oadby & Wigston | £35,000 | £28,800 | £6,200 | 9.0% |

Source: Based on Housing Market Cost Analysis

- 12.55 Based on the identified costs only around 5% to 18% of the population would fall in the income gap between median rents and lower quartile resale.
- 12.56 As a purely mathematical exercise, as other factors will be at play, if 10% of the 8,300 growth in the population aged 25-34 in Leicester and 3,100 in Charnwood did choose to move to a BTR accommodation then this would equate to around 830 homes and 310 homes respectively. That said there will be people who are currently renting in general PRS homes that might prefer the better quality product, more professional management and security of tenure that is typical of BTR developments.
- 12.57 This emphasises the need for actual demand evidence from schemes. At Merlin Wharf most apartments are already let despite only opening this Summer. At the Wullcomb, the agent said they had no trouble letting the properties. This points to a level of demand for BTR schemes in the City. No one from the Queen Street Quarter was available for comment.
- 12.58 There is a pipeline supply of 451 BTR units in Leicester while Charnwood has no pipeline supply. The pipeline supply in Leicester includes:
 - The Arches, Bath Lane Under Construction 184 Dwellings
 - Sandacre Street Under Construction 267 Units
- 12.59 It should be reiterated that it is difficult to be precise about the demand for BTR as the market is embryonic (and there is therefore a lack of hard market evidence). In the short-term the market appears focused in Leicester City, in locations in/ close to the City Centre.
- 12.60 The demographics suggest that the focus of demand will remain in Leicester in the short-term. There is a lack of market evidence related to the potential for suburban build-to-rent development of houses

at the current time, but this is a sector which could develop over time. The greatest potential here beyond the City would appear to be in Loughborough and possibly Hinckley.

Students

- 12.61 There are three major higher education providers in the study area, these are: The University of Leicester; De Montfort University and Loughborough University. We have examined the profile of students at each of these alongside their aspirations for growth.
- 12.62 There are also other providers of higher education such as Loughborough College, Brooksby Melton College, Leicester College, Stephenson College and North Warwickshire and South Leicester College. These institutions typically focus on further education, as such, there is limited impact on the housing market as most students still live at home. They also do not feature in the information published by the Higher Education Statistics Authority (HESA) which is relied on below.
- 12.63 In total there were 63,475 students studying at the study area's three universities. As illustrated in the figure below, this was approximately 10,000 *more* students than in 2014-15. The vast majority of this growth took place at De Montfort University (+9,350 students).

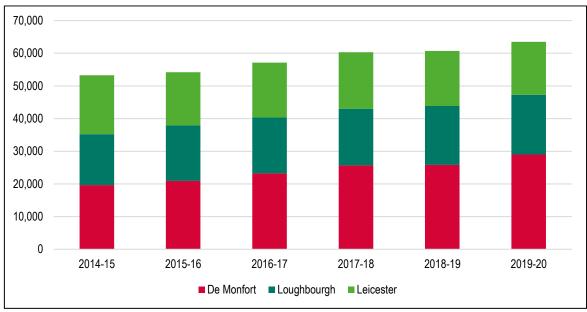


Figure 12.8: Total Students at Universities in Leicestershire

Source: Higher Education Statistics Authority, 2020

12.64 There has also been a significant shift in the origin of the study areas students with a move away from domestic student focus towards non-EU students. As illustrated below, this was particularly the case for De Montfort and Loughborough Universities. That said, the absolute number of domestic students increased in De Montfort by around 4,790 students and in Loughborough by 1,260 students. In contrast, the University of Leicester contracted its domestic roll by 185 students but increased their contribution, as overseas students fell by an even greater number (-1,630 students).

10%

5%

-5%

-10%

Total UK Other European Union Non-European Union Not known

De Monfort Loughbourgh Leicester

Figure 12.9: Change in Domicile 2014/15-2019/20

Source: Higher Education Statistics Authority, 2020

De Montfort University

- 12.65 As of the 2019-20 Academic Year De Montfort University had 29,000 students making it comfortably the largest higher education establishment in the study area. The University has undergone a strong period of growth equating to an annual growth of 8.1% between 2014-15 and 2019-20 when there were 19,650 students on the roll.
- 12.66 As illustrated in the figure below the University has increased both undergraduates and postgraduates. Of the 2019/2020 student intake 79.5% are Undergraduates and 20.5% are Postgraduates.

Page 372 of 1014

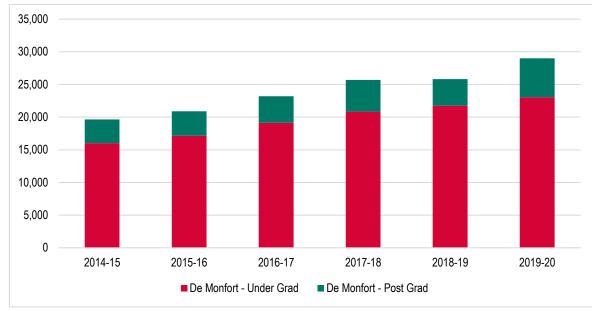


Figure 12.10: Level of Study - De Montfort University

Source: Higher Education Statistics Authority, 2020

- 12.67 Prior to 2019 there was a sustained period of significant growth at the University but that has now stabilised and indeed the number of students has contracted over the last two years. This is in part due to Brexit but also due to grade inflation meaning that students are gaining access to Russell Group Universities more readily. The student body for 20/21 was around 22,000 but not all were on campus with many, particularly international students, distance learning. This is not expected to be a permanent change, but remains in place for the start of 2021/22 and has impacted the take up of accommodation in the City.
- 12.68 The growth was driven by an ambition to expand and improve the consolidated campus within the City Centre. The University adopted a masterplan early in the noughties which included some key campus developments, which have been delivered gradually as part of the consolidation.
- 12.69 The University's accommodation offer is aimed primarily at first year students through a mixture of university owned and manged accommodation (of which there are c530 rooms) and PBSA for which they have nomination rights. At present there is a level of vacancy within this stock.
- 12.70 The scale of these nomination rights changes every year depending on demand i.e. the forecast first year intake and expected uptake levels from the first year population. It is acknowledged that not all first years will take up this offer and some will go to private accommodation. In addition, students with a Leicestershire postcode comprise around 28% of the student body and for many this will mean commuting to the campus. While no firm data is available, it is assumed by the University that the majority of these will live with their parents.

- 12.71 The second and third year population are largely accommodated within PBSA and HMO. There appears to have been a notable shift over the last 10 years of students using more PBSA and less HMOs. The PBSA offer now seems to dominate most of the activity in the City. That said, the University believe there is a market for both as it provides for a range of specifications and living styles which is suitable to all budgets.
- 12.72 Most PBSA offers a range of services within their accommodation, the majority of which is situated in the City Centre. HMOs on the other hand have historically been concentrated around Jarrom Street and the West End of the City.
- 12.73 The University expect there to be a small dip in student numbers this year and next year but for these to then return to the 2020/21 level over the next 3-5 years, if not sooner; although this of course depends on the success of their recruitment activity. They have no immediate plans to directly deliver or increase the level of accommodation they own/manage.
- 12.74 Brexit has a had a major impact on the number of students they have attracted from the EU this academic year, although the overall number of international students has not fallen. China and India are the main markets where the University draw international students from. As mentioned earlier, many international students are distance learning due to travel restrictions. The University hope the return of distance learning students to on campus learning will absorb a large proportion of the vacancy in the existing stock.
- 12.75 Covid has also impacted on-campus learning although it is hoped that this will be a temporary impact as restrictions continue to be eased. At the height of the pandemic the lockdowns and other government-imposed restrictions had a marked impact on those staying in halls, particularly for those unable to travel to campus or to leave campus during lockdown. Rent rebates were offered to those students unable to travel to campus staying in DMU owned halls during this period and many private halls operators also offered refunds or discounts. It would appear however that students are content with the way this academic year is unfolding and the pandemic has not materially impacted recruitment.

The University of Leicester

- 12.76 As of the 2019-20 Academic Year, the University of Leicester had 16,180 students making it the smallest higher education establishment in the study area. Over the last five years the University's roll has contracted by around 2.1% per annum falling from 17,995 students in 2014/15.
- 12.77 As illustrated, in the figure below the University has particularly contracted the number of postgraduate students (-2185 students) while the number of undergraduates has increased marginally (+370 students).

12.78 Of the 2019/2020 student intake 70.5% are Undergraduates and 29.5% are Postgraduates. However, in 2014-15 the post-graduate students accounted for 39% of all students.

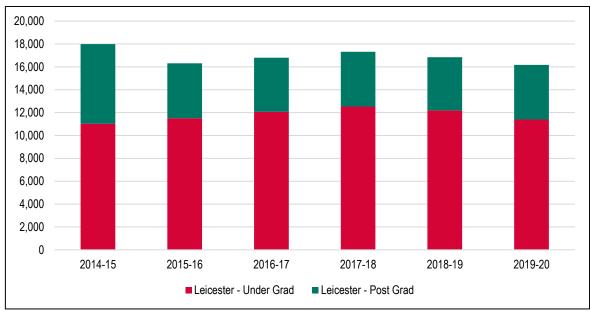


Figure 12.11: Level of Study –University Of Leicester

Source: Higher Education Statistics Authority, 2020

- 12.79 It should be recognised that not all students live in Leicester, with the University having a campus in Oadby.
- 12.80 In the current academic year (2021/22) the University has a student intake of around 7,250 -7,500 students across all student types. This is one of their smaller intakes and is linked to the national demographic decline in student age groups.
- 12.81 Due to grade inflation, Russell Group Universities have continued to have large student intakes despite declining demographics. However, the Government has given a clear steer that the rise in the numbers getting top marks will cease. Other research intensive universities such as Leicester have held their intakes at similar levels but have made more use of clearing in recent years.
- 12.82 The international market has also remained strong as they did not have a substantial number of EU students. There has been a switch of focus from Chinese to Indian students, brought about by the pandemic but also the offer of post study working visas to Indian students. The University also hope there will be a return to more normal levels of Chinese students.
- 12.83 The declining student age group domestically is expected to reverse in the coming years including in the areas where the student roll has historically been drawn from i.e. the Midlands and London (particularly North London). In response the University is planning to grow by around 6.1% per annum over the next four years and expects to have around and intake of c9,500 students by 2025. This will

be a new peak for the University and is expected to be sustained. All of the growth in student accommodation is expected to occur in Leicester rather than Oadby & Wigston.

- 12.84 This growth is expected to be met through a combination of new accommodation and a reduction in vacancies within the existing stock. At present there is a 10-15% vacancy rate on university owned and managed accommodation and anecdotally some PBSA blocks are up to 30% vacant.
- 12.85 The University has a large accommodation project at Freemen's Student Village. This development will deliver 1,164 new bedrooms, replacing around five hundred older bedspaces across the campus. This will be a net increase of around 664 bedspaces.
- 12.86 The University currently has 2,152 rooms close to their City Centre campus and a further 1,833 rooms at their Oadby Student Village which is in Oadby and Wigston Borough. They also have nomination rights for 655 beds at Opal Court which is also close to campus.
- 12.87 The current accommodation is offered to first year students with the remainder of the students living in PBSA or student HMOs with some also living at home although this is typically lower than some other local Universities. With the additional accommodation and extended nomination rights the University hope to have accommodation for more than just their first year intake.
- 12.88 The growth in the supply of PBSA in the City alongside the temporary decline in student numbers at DMU has effected the equilibrium. Despite the growth in PBSA the HMO market remains strong with particular concentrations in Clarendon Park and Evington.
- 12.89 The University believe that some of the new accommodation at Freemen's will release some pressure on the wider housing stock. Specifically the development will include several six bedroom townhouses with shared facilities which are akin to HMOs.
- 12.90 As well as accommodation the University Accommodation Development Strategy delivered a multistorey car park with over five hundred spaces. This, it is hoped, will assist staff with parking nearer to the University and relieve some tension from neighbouring streets in Clarendon Park which has now been re-zoned for permit holders only.
- 12.91 Finally, while the Government has also announced a greater focus on further education and apprenticeships, because they have a large Law, Medical, Business and Engineering schools, which tend not to go down the apprenticeship routes, the University does not think that they will be negatively impacted.

Loughborough University

- 12.92 As of the 2019-20 Academic Year Loughborough University had 18,295 students although this includes students at their campus in London. Over the last five years the University's roll has increased by around 3.3% per annum increasing from 15,590 students in 2014/15.
- 12.93 As illustrated, in the figure below the University has grown both the number of postgraduate students (960 students) and undergraduates has increased marginally (1,745 students) over the 2014/15 to 2019/20 period. Of the 2019/2020 student intake 75.9% are Undergraduates and 24.1% are Postgraduates.

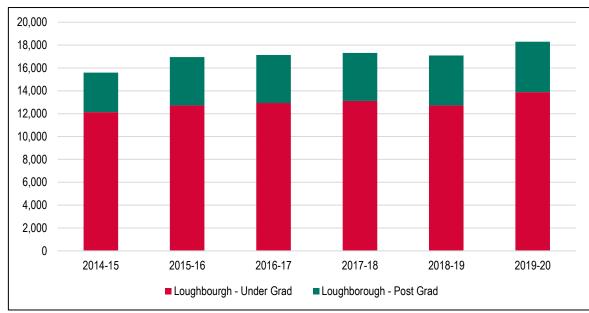


Figure 12.12: Level of Study -Loughborough University

Source: Higher Education Statistics Authority, 2020

- 12.94 Although the HESA statistics had the number of students at around 18,000 the University have the Full Time Equivalent number of students in Loughborough as around 15,500. This excludes London based students and Post Graduate Researchers which they describe as being closer to staff than students.
- 12.95 Around half of all students live in University Accommodation this includes around 90% of first years and a third of other undergraduates. Around 7% of students still live at home which is lower than the equivalent of Leicester and De Montfort which have a higher local catchment.
- 12.96 The remainder (43%) live in a combination of private halls and general housing. Some private Halls are manged by UPP (all on campus) or Unite (mixture (just off campus) and the University have nominations rights for these. There are also other private halls providers (including Unite) where the University do not have nominations rights for.

- 12.97 Rents in University-owned accommodation range from around £5,000 up to £7,500 per year. Private Halls are little bit more expensive but they are also a little bit more flexible. As an example the Luxurio Apartments are around £8000 per annum.
- 12.98 Pre-pandemic the University had been planning only very modest growth of around five hundred additional students over the next five years. However, due to the issues with A-levels during the pandemic they unexpectantly took on an additional five hundred students.
- 12.99 The expectation is that the additional five hundred students will still occur and it is likely that these will be overseas students. Based on past trends it is likely that these will be non-EU students. Nationally this group has reduced in size by around 50% and where previously around 4% of the student roll.
- 12.100 Typically non-EU students have come from India and China. The Indian market has bounced back strongly as the Government has re-introduced post study work visas. In contrast, the Chinese market remains subdued due to Covid-related trepidation.
- 12.101 The University believe there is enough slack in the system to meet the needs of the additional students. Therefore the impact of their growth is unlikely to increase the need for housing. There is also significant investment activity (mainly from pension funds) that risk over-saturating the market if delivered, particularly as the University do not have the infrastructure to match the intended level of growth in accommodation.
- 12.102 They University recognise that there will be demographic growth in student age groups in the coming years; but envisage this will be offset by a government intended switch of focus to FE and other forms of training such as apprenticeships.
- 12.103 The danger of over-saturation is that there are not enough students to go round. This could result in providers struggling financially if they cannot fill their halls or a significant release of general housing stock in one go.
- 12.104 The University believe that the Council need to actively manage the delivery of additional student accommodation to ensure there is not an over-supply and also that additional delivery is located in the correct parts of town. This will ensure that tensions with other local residents are minimised.
- 12.105 The University are also conscious that some of their stock is aged and needs refurbishment and replacing. This might result in net additional units but at present the University does not have a construction plan. However, if they do build additional halls the University is likely to manage its own accommodation.

- 12.106 There is also still a demand for small houses for post-graduate researchers. There are normally for single people, couples or young families requiring one and two bedroom homes within walking distance to university. The University may seek to build such housing on their land.
- 12.107 The growth in student accommodation outside of the Campus has led to tensions with the local community. This includes issues with noise, parking and anti-social behaviour. This is more acutely felt in Loughborough as it is a small town while most other universities are found in cities. On occasions, campus security also respond to incidents (such as large house parties) in the town centre despite having no authority, nor being paid to do so. There are also minor issues with the accommodation, with some general housing stock being unfit for habitation.
- 12.108 The University was encouraging of a managed system for accommodation providers which would ensure a better quality of stock, give tenants greater rights and reduce anti-social behaviours. It would also ensure the burden for such behaviours is spread more evenly across the stakeholders including the police and council.
- 12.109 Since 2018/19 there have been four separate developments of student accommodation in Charnwood. In total these schemes delivered 708 rooms and 117 flats and one house and were comprised of:
 - Forest Court, Forest Road 49 bedrooms
 - Loughborough University, Ashby Road 612 bedspaces, five warden flats and one warden house
 - 55 57 Forest Road 47 self-contained units.
 - Pennine House 104 self-contained studio flats and eight shared flats.

Student Housing Need and Delivery

12.110 As per the Housing Delivery Test Measurement Rulebook³⁷ student housing development can contribute towards meeting the housing need in a given area. Paragraph 10 of the Rulebook states:

"The national average number of students in student only households is 2.5. This has been calculated by dividing the total number of students living in student only households by the total number of student only households in England."

=

³⁷ https://www.gov.uk/government/publications/housing-delivery-test-measurement-rule-book

- 12.111 Therefore for every 2.5 bedspaces built in Purpose Built Student Accommodation then the housing supply figure can be increased by one unit. This ratio may change with the introduction of new data from the 2021 census.
- 12.112 Within Charnwood there is a pipeline supply (under construction or with detailed permission) of student accommodation which could meet future growth. This includes 433 rooms and 33 Flats I Loughborough (equivalent of 206 dwellings) and is comprised of the following developments:
 - Land to the West of Aumberry Gap 33 Flats and 407 Rooms; and
 - 11 Pinfold Gate 26 Rooms
- 12.113 There are 20 sites in the Leicester City housing pipeline that are delivering student housing. In total these sites have a capacity of around 2,347 bedspaces. However, some of these sites have already started and only 2,259 dwellings are outstanding, to be delivered. Using the above formula this equates to around 904 dwellings. The majority of the outstanding delivery is in the Castle Ward (1,500 spaces) with the remainder in the Abbey (462 bedspaces), Stoneygate (286 bedspaces) and Saffron Wards (11 bedspaces).
- 12.114 There are three significant developments in the pipeline the largest of which is the Freeman's Student accommodation mentioned above. The other developments are a 462 bedspaces development in All Saints Road/ Bath Lane and 435 bedspaces at the International Hotel in Rutland.

Self-build and Custom-build Housing

- 12.115 The Self-Build and Custom Housebuilding Act 2015 (as amended by the Housing and Planning Act 2016) provides a legal definition of 'self-build and custom housebuilding' where individuals or associations of individuals (or persons working with or for individuals or associations of individuals) build houses to be occupied as homes for those individuals.
- 12.116 The Housing and Planning Act 2016 formally introduced the 'Right to Build'. This 2016 Act under the 'duty to grant planning permissions etc' section placed a legal duty on the relevant authority to grant enough planning permissions to meet the demand for self-build housing as identified through its register in each base period³⁸.

³⁸ With the exception of the first base period which ran from 1st of April 2016 to the 30th of October 2016 each subsequent base period has lasted 1 year. There have therefore been 4.5 base periods since the 1st of April 2016.

12.117 Paragraph 62 of the NPPF sets out that within the context of the standard method, 'the size, type, and tenure of housing needed for different groups in the community' should be assessed and reflected in planning policies 'including, but not limited to... people wishing to commission or build their homes²⁶'.

12.118 Footnote 28 states that

'Under section 1 of the Self-Build and Custom Housebuilding Act 2015, local authorities are required to keep a register of those seeking to acquire serviced plots in the area for their own self-build and custom house building. They are also subject to duties under sections 2 and 2A of the Act to have regard to this and to give enough suitable development permissions to meet the identified demand. Self and custombuild properties could provide market or affordable housing.'

12.119 Paragraph 3 of the PPG concerning the housing need of different groups describes how the needs of those wanting to self-build and custom housebuilders can be assessed:

'Most local planning authorities (including all district councils and National Park Authorities) are now required to keep a register of individuals and associations of individuals who are seeking to acquire serviced plots of land in their area to build their own home. The Self-build and Custom Housebuilding (Register) Regulations 2016 set out these requirements. For further details, see guidance on self-build and custom housebuilding registers.

To obtain a robust assessment of demand for this type of housing in their area, local planning authorities should assess and review the data held on registers. This assessment can be supplemented with the use of existing secondary data sources such as building plot search websites, 'Need-a-Plot' information available from the Self-Build Portal and enquiries for building plots from local estate agents.'

- 12.120 At paragraph 23 to 33 and paragraph 14 in relation to self and custom build PPG sets out the two self-build and custom housebuilding land duties i.e. the 'duty to grant planning permission etc' and the 'duty as regards registers' (Reference ID: 57-023-201760728).
- 12.121 Paragraph 23 relates to the duty to grant planning permission etc. and states that all local planning authorities:

"must give suitable development permission to enough suitable serviced plots of land to meet the demand for self-build and custom housebuilding in their area. The level of demand is established by reference to the number of entries added to an authority's register during a base period.

The first base period begins on the day on which the register (which meets the requirement of the 2015 Act) is established and ends on 30 October 2016. Each subsequent base period is the period of 12 months beginning immediately after the end of the previous base period. Subsequent base periods will therefore run from 31 October to 30 October each year.

Page 381 of 1014

At the end of each base period, relevant authorities have 3 years in which to permission an equivalent number of plots of land, which are suitable for self-build and custom housebuilding, as there are entries for that base period."

Local Authority Custom and Self-Build Registers

12.122 In line with the PPG, the starting point for understanding demand for custom and self-build plots is the registers managed by the Councils. Entries have been divided across each of the base periods recorded since 2016 in order to project forward an estimation of future need.

Table 12.18 Self and Custom Build Register

| Nos joining register | April - Oct 2016 | Oct 16 - Oct 17 | Oct 17 - Oct 18 | Oct 18 - Oct 19 | Oct 19 - Oct 20 | Total | Average (4.5 periods) |
|------------------------------|---------------------|--------------------|--------------------|--------------------|--------------------|-------|-----------------------------|
| Leicester | 29 | 31 | 51 | 33 | 56 | 200 | 44 |
| Blaby | 5 | 15 | 25 | 10 | 14 | 69 | 15 |
| Charnwood | 4 | 35 | 38 | 46 | 38 | 161 | 36 |
| Harborough | 7 | 14 | 10 | 17 | 40 | 88 | 20 |
| Hinckley and Bosworth | 11 | 26 | 12 | 12 | 11 | 72 | 16 |
| Melton | 8 | 12 | 8 | 8 | 7 | 43 | 10 |
| North West Leicestershire | 6 | 10 | 8 | 14 | 20 | 58 | 13 |
| Oadby and Wigston | 2 | 6 | 8 | 2 | 4 | 22 | 5 |
| Study Area | 72 | 149 | 160 | 142 | 190 | 713 | 158 |

Source: Local Authority Registers

- 12.123 The table shows that on average 158 individuals enter the register per base period across the study area. This ranges from 5 per annum in Oadby and Wigston to 44 pa in Leicester.
- 12.124 It should also be noted that Hinckley and Bosworth reviewed their self-build register over the summer by holding a consultation asking if people wanted to remain on the register in order to renew their interest. This resulted in only three people renewing their interest. Melton BC has also reviewed its Register. In July 2019 the Council contacted people who were included in the register in order to confirm their interest. In March 2020 those that did not replied were contacted again. As consequence of this update, the register was reduced from 87 entries to 43.

- 12.125 The register gives an indication of the scale of future need. Moving forward, the Councils will need to ensure that the actual number of entries on the register at the end of each base period is equivalent to number of plots of land that are permitted within 3 years.
- 12.126 It should be noted that the overall level of need might be inflated by double counting as people can register in more than one local authority. Blaby for example ask entrants if they are on other registers and the current figure is that 41.9% are on at least one other register. However set against this, there is evidence to suggest that not all prospective self-builders will know about local authority registers (see below).

Data from Secondary Sources

- 12.127 It is important to highlight that when considering demand in the context of the local authority's self-build register; an Ipsos Mori poll³⁹ undertaken for the National Custom and Self-Build Association ("NaCSBA") in 2016 found that only one in eight people interested in self-build were aware of the introduction of Right to Build Registers in England. As a result, the number of expressions of interest on a local authority's self-build register may potentially substantially underestimate demand. However, there are limited publicly available sources of demand beyond the Councils' register.
- 12.128 In order to better understand the data from the Councils' own register, we have looked to secondary source as recommended by the PPG, which is data from NaCSBA the National Custom and Self-Build Association so that we can understand how demand in Leicester and Leicestershire sits in context.
- 12.129 In November 2018, NaCSBA used a Freedom of Information request to 336 English councils that found that 40,000 people had signed up to Right to Build registers, but that 'there was a postcode lottery of activity'. The data was drawn from registers on 30th October 2018 and 310 Councils responded.
- 12.130 NaCSBA has recently published a series of maps with commentary titled "Mapping the Right to Build" in 2019 which allows us to better understand the demand for serviced plots as a proportion of total population relative to all other local authorities across England. One of the key maps within the report highlights the areas of strongest demand and this is shown in the Figure below.

_

^{39 &#}x27;Survey of Self Build Intentions 2016' – this survey questioned nearly 2,000 people about their self-build ambition and activity

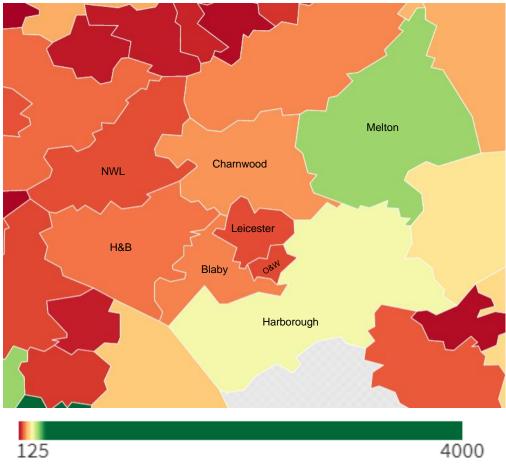


Figure 12.13: Overall Demand for Self-Build Plots per 100,000 of population

Source: NaCSBA "Mapping the Right to Build" (2019)

- 12.131 The map demonstrates a wide range within the study area with Melton having a relatively high overall demand of 178 per 100,000 of the population. At the other end of the scale the lowest demand is in Oadby and Wigston with 35 persons per 100,000 in the Borough. This information was however drawn prior to Melton MBC reviewing their Register, which saw numbers drop dramatically.
- 12.132 The table below compares the scale of demand against the 2020 population estimates to arrive at an indicative scale of demand for self and custom build homes in the study area. As shown the scale of demand is highest in Leicester, Charnwood and Harborough all of which have a similar scale of demand (c.125 plots) although on a per head basis the demand is notably different.
- 12.133 Despite having the highest demand per head Melton (based on the historic data) only has a scale of demand for 90 plots due to is smaller population size. This compares to around 20 people being on the self- and custom-build register.

Page 384 of 1014

Table 12.19 Potential Demand for Self and Custom Build Housing in Leicester & Leicestershire (2020)

| | Scale of Demand per 100,000 population | 2020 Population | Scale of Demand |
|------------------------|--|--------------------|--------------------|
| Leicester | 36 | 354,036 | 127 |
| Blaby | 58 | 101,950 | 59 |
| Charnwood | 66 | 188,416 | 124 |
| Harborough | 131 | 95,537 | 125 |
| Hinckley & Bosworth | 53 | 113,666 | 60 |
| Melton | 178 | 51,394 | 91 |
| NWL | 37 | 104,809 | 39 |
| Oadby & Wigston | 35 | 57,313 | 20 |

Source: Based NACSBA data and MYE

12.134 The combined indicative demand modelled is for 519 plots across Leicestershire (i.e. excluding Leicester) and 645 plots if the City is included. If this is to be addressed over a three year period (as the guidance allows for a three year period for need to be met) it would equate to a need for around 173 plots per annum. This is slightly higher than the numbers on the custom and self-build registers show (average of 158 per annum). However meeting the need shown over this timeframe is not necessarily realistic.

Local Authority Responses

- 12.135 Paragraph 25 of the PPG (Reference ID: 57-025-20210508) provides guidance on how Councils can help support self and custom build by increasing the number of suitable planning permissions. It encourages Councils to undertake several tasks including:
 - developing policies in their Local Plan for self-build and custom housebuilding;
 - using their own land if available and suitable for self-build and custom housebuilding and marketing it to those on the register;
 - engaging with landowners who own sites that are suitable for housing and encouraging them
 to consider self-build and custom housebuilding and facilitating access to those on the
 register where the landowner is interested, and
 - working with custom build developers to maximise opportunities for self-build and custom housebuilding.
- 12.136 Several local authorities have implemented a Local Plan policy, for example:
 - South Cambridgeshire Council On all sites of 20 or more dwellings, and in each phase of strategic sites, developers will supply dwelling plots for sale to self and custom builders.
 Where plots have been made available and appropriately marketed for at least 12 months

and have not been sold, the plot(s) may either remain on the market or be built out by the developer.

- Teignbridge District Council 5% of plots on development sites of more than twenty dwellings with plots marketed for a minimum of 12 months.
- Mid Devon District Council 5% of plots on development sites of more than twenty dwellings.
- Torbay Council 5% of plots on development sites of more than thirty dwellings.
- Melton Borough Council 5% of plots on development sites of more than one hundred dwellings.
- Stroud District Council 2% of plots on strategic housing sites.
- 12.137 Other local authorities have developed a policy of encouragement without defining exact percentages of provision on different sites. For example, North Tyneside Council and Daventry District Council will 'encourage,' rather than require, a proportion of plots to be set aside on sites of over 200 and 500 units respectively.
- 12.138 As a first step, the local authorities should seek to adopt a general "encourage" policy for all sites but might also consider implementing a further policy on strategic sites. This should be determined in reference to the overall local need as identified on the register, the supply coming forward through small sites/ windfalls, and the number and capacity of strategic sites. This should also take into account the committed supply, need for other types of housing (including affordable housing need) and viability.

Role of Larger Sites

- 12.139 There is the potential for larger development schemes to provide serviced plots for custom-build development, and for these sites, with support, to help to drive forward delivery rates. The Independent Review of Build-Out⁴⁰ by Sir Oliver Letwin (2018) was undertaken to identify the cause of the significant gap between housing completions and the amount of land allocated or permitted on large sites in areas of high housing demand.
- 12.140 Section 3 of the Letwin Review looks at increasing diversity and a new planning framework for large sites (over 1,500 houses). Letwin recommends that the Government should adopt a new set of planning rules that apply to large sites in areas of high housing demand that would require their outline planning permission to include for 'housing diversification' to be a 'reserved matter' in line with new secondary legislation.

⁴⁰ https://www.gov.uk/government/publications/independent-review-of-build-out-final-report

12.141 It is also possible for Custom and Self-Build schemes to be large sites in their own right. An example of this can be seen at the Graven Hill development in Bicester, Oxfordshire. This is the largest custom build scheme nationally with proposals for over 2,000 custom-built homes. The site has been acquired by Cherwell District Council from the MOD and a development company has been set up. There is a dedicated web site⁴¹ that provides all the information required for people that would like to build their own home in the area. Various formats of delivery are envisaged, from the construction of the shell through to the ability of occupants to tailor the finish.

41 https://gravenhill.co.uk/

13. CONCLUSIONS

13.1 This final section of the HENA sets out conclusions arising from the analysis drawing together the findings from previous sections of the report

Functional Geographies

- 13.2 The HENA has reviewed the housing and economic geographies. It finds that the main towns across Leicestershire all fall within the boundaries of a Leicester-focused Travel to Work Area. Whilst house prices vary spatially within the Study Area, with higher prices in Harborough District and lower values in Leicester, the price geography or dynamics have not substantively changed since 2017. It concludes that the Leicester and Leicestershire authorities are an appropriate 'best fit' for the functional HMA using local authority boundaries.
- 13.3 The FEMA geography has been reviewed through analysis of economic and commuting interrelationships. It reinforces the 2017 HEDNA findings of a Leicester and Leicestershire FEMA with a central City and wider hinterland; with market towns Coalville, Loughborough, Melton Mowbray, Hinckley and Market Harborough sitting within this. Leicester and Leicestershire remains a good approximation for the Greater Leicester FEMA. Leicester's influence appears to also extend across the A5 to Nuneaton. However Lutterworth is shown as relating more strong towards Rugby; and Castle Donington/Kegworth towards Derby and Nottingham. The north-eastern part of Leicestershire, beyond Melton Mowbray and including settlements such as Bottesford, are less well integrated into the Leicester economy, with relationships towards Grantham and Nottingham.
- 13.4 The evidence however points to a wider sub-regional market for logistics/distribution development which extends to include 21 local authorities extending along the M1 from Milton Keynes to Nottingham and across to Birmingham. The prime location within this area the core Golden Triangle stretches from Leicester to Rugby and Coventry. This geography reflects the area's central location within England and strategic road and rail connectivity (with most major population centres within a 4.5 hour drivetime).

Leicester & Leicestershire's Economy

- 13.5 Leicester and Leicestershire is a £27 billion economy which accounts for 24% of East Midlands GVA. Between 2001-19 it slightly out-performed regional and national trends reflecting in particular stronger performance over the period since 2013.
- 13.6 Key sectors identified with growth potential in the sub-regional economy are:

- Advanced manufacturing and engineering, with manufacturing accounting for 16.5% of GVA
- Life sciences and biotechnology, particularly in Loughborough
- Logistics and distribution, influenced by its location within the Golden Triangle
- Sports science, with a world-class specialism at Loughborough University
- Space science a niche sector with growth potential, focused on Leicester.
- 13.7 In addition to the above, the HENA identifies growth potential in IT and Digital together with Professional and Financial Services, particularly in Leicester, but recognises challenges to the viable delivery of office floorspace. It recognises the need to shift towards a low carbon economy, the implications of which permeate across economic sectors. There is also a strength in education reflecting the three universities present in the sub-region; albeit that there are challenges associated with graduate retention.
- 13.8 Manufacturing is spread across a range of sub-sectors, with food and drink, textiles and metals the largest.
- 13.9 Leicester City is the largest economy in the sub-region accounting for a third of its GVA. The City, together with NW Leicestershire and Blaby have seen the strongest economic growth in recent years (in respect of both employment and GVA). GVA per job, as a measure of productivity, is 7% above the East Midlands average. However whilst the south of the county has a better skills profile, it has seen weaker comparative employment growth. This is partly influenced by out-commuting.
- 13.10 All parts of the sub-region have been influenced by recent economic challenges, related to both Brexit and Covid-19. Claimant unemployment rose across all areas, but is highest in Leicester. It has been falling since Spring 2021. There are jobs postings across a range of areas; with business surveys pointing to a range of businesses seeking to recruit and pointing to a relatively speedy recovery across a number of sectors.
- 13.11 The HENA however points to evidence of some changes to working practices, with over 40% of businesses expecting to offer greater flexibility to staff to work from home. Around a third of businesses have seen Brexit-related disruption to demand and supply chain. Nonetheless business confidence at the time of the assessment was relatively positive.

Market Dynamics

Office Market

13.12 Net absorption of office floorspace across the Study Area has outweighed net delivery by around 76,000 sqm over the last 11-year period leading to a decline in vacancy rates from 8% in 2009 to

2.5% in 2020. There is a relatively limited supply of Grade A space. Leicester has by far the most office floorspace in the Study Area (37% of total compared to 16% in Blaby which has the second most and contains major business parks such as Meridian Business Park and Grove Park). Accordingly, office floorspace absorption has been highest in Leicester over the last nine years.

- 13.13 The Leicester urban area is however the main office market in the sub-region; and pre-Covid there had been a growing shift in occupier demand towards City Centre space. Leicester has the most available office floorspace with stronger availability in the City Centre than the out-of-town market. Prime rents of around £18 psf however make the delivery of new development challenging; and there is a need for public sector support to bring forward modern commercial office space.
- 13.14 Prior to Covid, market demand was shifting more towards the City Centre office market (rather than out-of-town business parks) but the office market has been hit hard by the pandemic. There is significant uncertainty about future demand, influenced by growth in homeworking, and initial evidence points to a number of occupiers downsizing and seeking to reduce their office footprint by c. 30%. Across the sub-regional market, there is 2.2 years of available space, with 1.8 years' of Grade A. But availability is expected in the short-term, impacting the new-build market.

Industrial Market

- 13.15 Leicestershire benefits from a strong market for industrial space reflecting the strength of its manufacturing sector together with its locational advantages, which support its attractiveness for both manufacturing and warehousing/logistics. Net absorption of industrial floorspace across the Study Area has outweighed net delivery by around 288,000 sqm over the last 11-year period leading to a decline in vacancy rates from 9% in 2011 to just 2.3% in 2020. Very substantial levels of new development had been achieved, with the last 4 years seeing delivery of over 200,000 sq.m per annum absorbed within the sub-regional market.
- 13.16 Leicester supports a large proportion of the Study Area's industrial market (25% of floorspace). North West Leicestershire also supports a significant proportion (20% of floorspace) influenced in particular by strategic warehousing. However, absorption has been highest in North West Leicestershire over the last nine years making up 29% of absorption across the Study Area. The main locations for industrial and distribution premises are those close to the M1, M42, M69 and A5 Corridors with industrial demand focused particularly towards the City. Levels of availability at the current time are relatively low, with the evidence pointing to just 1.3 years of available supply. New space/ sites which have been brought to the market, including at Magna Park, have performed strong with significant levels of market interest. There is therefore a need to bring forward additional space short-term to cater for strong demand.

Residential Market

- 13.17 The median house price across the L&L Housing Market Area was £222,300 considering sales over the year to Sept 2020. This was 11% below the national average. Values however vary within the HMA, with the highest prices in Harborough at £290,000; and the lowest in Hinckley and Bosworth at £205,000.
- 13.18 Within Leicestershire, long-term house price growth, looking over the last 20 years, has been strongest in Leicester, Charnwood and Oadby and Wigston (at 6.5%+ pa) and weakest in Melton (5.5% pa). Leicester and Oadby and Wigston saw particularly strong growth in values over the 2015-20 period (6.5%+ pa).
- 13.19 The profile of sales by type across the HMA is generally focused towards larger detached and semidetached homes, which made up over 70% of sales over the year to Sept 2020. The sales profile in the City is however notably different to the County, focused much more towards terraced homes and semi-detached properties, with twice the proportion of flatted sales of other authorities within the HMA.
- 13.20 The Government's Help-to-Buy Equity Loan scheme has played an important role in supporting the housing market. Across the HMA it has supported 50% of new-build sales over the last 5 years (to Sept 2020). Iceni's analysis indicates that 70% of those supported by the Help-to-Buy Scheme in the HMA have been First-time Buyers.
- 13.21 Covid-19 has resulted in a range of households re-evaluating their living circumstances. Relatively high current sales volumes is being driven by mortgaged home owners (particularly those looking to trade up who are looking for homes with more internal space, such as to work, and outside space) although there are signs that the market is beginning to slow as of Autumn 2021.

Overall Housing Need

- 13.22 The HENA has appraised demographic dynamics. Population growth is driven by both natural change and net migration; with declining households size meaning additional homes are also required to house the existing population (as average household size falls).
- 13.23 The HENA analysis shows higher migration in the 2018-based SNPP but find that there is unlikely to be a case to suggest therefore that the 2014-based figures (which drive the Standard Method) are too high. The higher levels of migration are however in part offset by lower levels of natural change so that population growth across the whole study area is broadly similar regardless of the projection chosen. Iceni therefore find no basis for moving below the standard method set out in Planning Practice Guidance.

13.24 Across the sub-region, the latest data points to a minimum local housing need for 5,713 dwellings per annum. This equates to a need for 91,400 homes to 2036 and 120,000 homes over the 2020-41 period.

Table 13.1 Standard Method Calculations – Minimum Local Housing Need

| | Leic- | Blaby | Charn- | Har- | H & B | Melton | NWL | O & W | L&L |
|-----------------|-------|-------|--------|---------|-------|--------|-----|-------|-------|
| | ester | | wood | borough | | | | | |
| Total need (per | 2,464 | 341 | 1,111 | 534 | 472 | 231 | 372 | 188 | 5,713 |
| annum) | | | | | | | | | |

- 13.25 Whilst there may be circumstances where it may be appropriate to plan for higher housing growth than the standard method, as set out in the PPG in Para 2a-010, it does not appear that these affect dynamics within this HMA when considered as a whole.
- 13.26 However there are potentially some distributional issues. The Economic Growth Scenario modelled provides an upside to the standard method baseline in Blaby, NW Leicestershire and Melton in particular. This can be met through considering the distribution of housing across the sub-region. In particular there are supply side constraints in Leicester, and provision to meet unmet need in other areas will support workforce growth in the recipient authorities.
- 13.27 Iceni has had regard to the set of wider considerations identified in the Planning Practice Guidance, and would comment:
 - The area is not identified as a growth area and is it is not expected that there are strategic
 infrastructure improvements which will come forwards over the period to 2036 which will have an
 upward impact on overall housing need. Indeed infrastructure provision is needed to
 accommodate growth.
 - There is no unmet need from areas outside of the L&L HMA which it is envisaged will need to be accommodated within the HMA. This will however need to be kept under review.
 - The standard method LHN (5,713 dpa) is above the equivalent assessment of need from the L&L 2017 HEDNA (4,716 dpa, 2011-36). Indeed it is around 21% higher. It is also above past housing delivery which has averaged 4,133 dpa over the 2006-20 period or 5,255 dpa over the last 5 years (2015-20), noting that the latter does not cover a full economic cycle. There is therefore no upside associated with these issues.
 - In respect of affordable housing need, there is not a basis for this specifically driving the
 assessment of overall housing need; but it is a consideration in setting a housing target. The
 affordability adjustment within the standard method represents in the aggregate across the HMA
 a 43% upward adjustment to the household projections. This will more than deal with the needs

of concealed/ overcrowded households and contribute to boosting both the delivery of market and affordable housing. The LHN represents a 38% boost on long-term delivery rates in the HMA which will also contribute to boosting affordable housing delivery.

13.28 However whilst the HENA does not find a case for upward adjustments to housing need across the HMA, there may be a case for considering some flexibility in planning assumptions not least as there is the prospect that the affordability ratio could worsen in the next year or so.

Employment Land Needs

- 13.29 The HENA provides analysis on the future employment land needs by type from 2020 to 2036, 2041 and 2050. It considers the labour demand (baseline and growth) scenarios provided by Cambridge Econometrics, as well as completions trends using LPA monitoring data. Consideration is also given to margins for flexibility, vacancy and replacement demand.
- 13.30 Recommendations are made regarding future needs for office, industrial and local warehousing / distribution units under 9,000 sqm. Large scale warehousing/ distribution unit needs are reported in the Strategic Warehousing Study prepared by GL Hearn and finalised in April 2021.
- 13.31 In order to determine future employment land needs, consideration has been given to labour demand models drawing on the Cambridge Econometric baseline and growth job forecasts, as well as authority monitoring on completions and VOA records, combined with market signals.
- 13.32 **Office:** Given that office requirements tend to be closely linked to employment levels, it is recommended that the labour demand models best represent future needs. Given uncertainty about future levels of occupancy and utilisation of offices post pandemic, standard model outputs are discounted by 30% to represent home working patterns. Historic delivery of space suggests that this is justified as a minimum.
- 13.33 **Industrial and local distribution**: needs are represented by gross completions, recognising that this builds in an allowance for ongoing losses (which are likely to continue to be significant for older industrial stock) and intensification of existing sites.
- 13.34 A margin for flexibility is built at 2 years gross completions for offices and 5 years for industrial. Furthermore, at the present time the current property markets are reporting levels of vacancy significantly below the preferred 7.5%. Given the limited vacancy, it is recommended that a further margin be included to increase provision in stock.
- 13.35 The overall needs are set out as follows to 2041, with figures to 2036 and 2050 included in the main body of this report. This excludes strategic warehousing / distribution needs relating to units of over

9000 sq.m the need for which is addressed in the Leicester and Leicestershire Strategic Distribution Study.⁴²

Table 13.2 Total employment needs 2021-2041, sqm

| | Offices inc R&D | Industrial & Distribution Total (excl strategic B8) | Total |
|------------|-----------------|---|-----------|
| Blaby | 40,000 | 138,800 | 178,800 |
| Charnwood | 33,500 | 172,600 | 206,100 |
| Harborough | 29,200 | 194,100 | 223,300 |
| H&B | 18,500 | 261,300 | 279,800 |
| Leicester | 45,500 | 339,600 | 385,100 |
| Melton | 8,600 | 189,200 | 197,800 |
| NWL | 39,700 | 152,900 | 192,600 |
| O&W | 4,500 | 12,200 | 16,700 |
| Total | 219,300 | 1,460,900 | 1,680,200 |

Table 13.3 Employment land needs 2021-2041, ha

| | Offices inc R&D | Industrial & Distribution Total (excl strategic B8) | Total |
|------------|-----------------|---|-------|
| Blaby | 11.4 | 34.7 | 46.1 |
| Charnwood | 9.6 | 43.2 | 52.7 |
| Harborough | 8.3 | 48.5 | 56.9 |
| H&B | 5.3 | 65.3 | 70.6 |
| Leicester | 2.3 | 84.9 | 87.2 |
| Melton | 2.5 | 47.3 | 49.8 |
| NWL | 11.3 | 38.2 | 49.6 |
| O&W | 1.3 | 3.1 | 4.3 |
| Total | 52.0 | 365.2 | 417.2 |

Locational Approach to Meeting Needs

13.36 **Office Space**: The expectation is that in the short-term, office availability will rise and limit volumes of new-build development. In the medium term demand will give rise to new office requirements manifesting in historical growth locations including Leicester City Centre - although viability is not likely to improve and may require continued public funding assistance. Accessible out-of-town areas such as Grove Park and Meridian Business Park are also likely to be desirable. Beyond the Leicester urban area, smaller schemes should be encouraged in both town centre and business centre

Page 394 of 1014

⁴² https://www.llstrategicgrowthplan.org.uk/latest-evidence/

locations, giving way to office requirements later in the plan period(s) assuming employment growth achieves levels forecast.

- 13.37 The pandemic has generated some interest in provision of managed workspace schemes, focused at small businesses. There are schemes coming forward in Leicester and at Meridian Business Park. It is anticipated that there would be some demand for co-working spaces in the market towns in schemes of up to 10,000 sq.ft.. The potential to repurpose redundant retail space to deliver office floorspace in town centres should be supported.
- 13.38 **Research & Development**: R&D type space is expected to come forward in line with historic patterns of growth at MIRA and Loughborough University Science and Enterprise Park, although based on past trends and forecast job growth this is unlikely to exceed 10,000 sqm without substantial inward investment. The nature of future employment growth also suggests that higher end traditional business parks or distribution parks might see combined R&D with other types of commercial development, including manufacturing, given increasingly automated and technologically advanced processes across food manufacture, ICT and distribution of perishable goods.
- 13.39 Industrial and Local Distribution: The key locations of demand for industrial and local distribution from a market perspective are at accessible locations in proximity to the labour force ideally at Motorway or A-road junctions. There are numerous examples of recent and ongoing developments of mid-sized industrial stock around Leicester such as Optimus Point and Leicester Distribution Park which represent market preferences.
- 13.40 Mid sized and smaller stock opportunities should be considered as intensification or extensions of existing estates around the FEMA often in proximity to local settlements. Many of the authorities have a pipeline of proposals for mid sized units.
- 13.41 Urban extensions or other future growth locations such as Leicester south-eastern growth corridor present an opportunity to support the delivery of new employment spaces of smaller and midsized units where well connected to the road network. Smaller units tend to rely on closer proximity to the population centres due to the nature of occupiers.

Need for Affordable Housing

13.42 Analysis has been undertaken to estimate the need for affordable housing in the 2020-41 period. The analysis is split between a need for social/affordable rented accommodation and is based on households unable to buy or rent in the market and the need for affordable home ownership (AHO) – this includes housing for those who can afford to rent privately but cannot afford to buy a home and will include the potential market for First Homes.

- 13.43 The analysis has taken account of local housing costs (to both buy and rent) along with estimates of household income. Additionally, when looking at rented needs, consideration is given to estimates of the supply of social/affordable rented housing. For AHO, consideration is given to the potential supply of resales of low-cost home ownership properties (such as shared ownership).
- 13.44 When looking at rented needs, the analysis suggests a need for 3,076 affordable homes per annum across the sub-region, with a need shown for all individual local authorities; the Councils are therefore justified in seeking to secure additional affordable housing.
- 13.45 The analysis suggests that there will be a need for both social and affordable rented housing the latter will be suitable particularly for households who are close to being able to afford to rent privately and also for some households who claim full Housing Benefit. On this basis, it is not recommended that the Councils has a rigid policy for the split between social and affordable rented housing, although the analysis is clear that both tenures of homes are likely to be required.
- 13.46 When looking at the need for affordable home ownership products, the analysis also suggests a need across the study area, albeit (at 1,795 per annum) the need is lower than for rented housing. In interpreting this figure, it should however be noted that there could be additional supply from resales of market homes (below a lower quartile price) which arguably would mean there is a much more limited need for AHO.
- 13.47 The analysis does suggest that there are households in Leicester & Leicestershire who are being excluded from the owner-occupied sector (as evidenced by reductions in owners with a mortgage and increases in the size of the private rented sector). This suggests that a key issue in the study area is about access to capital (e.g. for deposits, stamp duty, legal costs) as well as potentially mortgage restrictions (e.g. where employment is temporary) rather than simply the cost of housing to buy.
- 13.48 The study also considers different types of affordable home ownership homes (notably First Homes and shared ownership) as each will have a role to play shared ownership is likely to be suitable for households with more marginal affordability (those only just able to afford to privately rent) as it has the advantage of a lower deposit and subsidised rent.
- 13.49 Generally across the study area a discount of either 30% or 40% would make homes affordable (varying by both property size and location) although ideally to make AHO genuinely affordable it would be preferable to set a sale price rather than a discount (as a standard discount on a home with a high open market value may still give a price that exceeds the cost of homes currently available in the market). That said, specifically with First Homes it does not appear from guidance that such an approach is allowed.

Page 396 of 1014

13.50 In deciding what types of affordable housing to provide, including a split between rented and home ownership products, the Councils will need to consider the relative levels of need and also viability issues (recognising for example that providing AHO may be more viable and may therefore allow more units to be delivered, but at the same time noting that households with a need for rented housing are likely to have more acute needs and fewer housing options). On the basis of the affordable needs analysis it is recommended that the Councils prioritise the delivery of rented products where possible. The figures shown represent the highest possible requirement for Affordable Home Ownership. Individual Local Authorities may consider that a proportion of those captured may either choose to purchase lower quartile market homes, be unable able to obtain mortgages or may want the flexibility afforded by renting. Individual local authorities may look to discount a proportion of the identified Affordable Home Ownership numbers to reflect these scenarios.

Need for Different Types of Homes

13.51 There are a range of factors which will influence demand for different sizes of homes, including demographic changes; future growth in real earnings and households' ability to save; economic performance and housing affordability. The analysis linked to long-term demographic change (2020-41) concludes that the following represents an appropriate mix of affordable and market homes, this takes account of both household changes and the ageing of the population – the analysis also models for there to be a modest decrease in levels of under-occupancy (which are particularly high in the market sector and in areas outside of the City).

Table 13.4 Suggested Mix of Housing by Size and Tenure - Leicester

| | 1-bedroom | 2-bedrooms | 3-bedrooms | 4+-bedrooms |
|-----------------------------|-----------|------------|------------|-------------|
| Market | 5% | 30% | 45% | 20% |
| Affordable home ownership | 20% | 40% | 30% | 10% |
| Affordable housing (rented) | 30% | 35% | 25% | 10% |

Table 13.5 Suggested Mix of Housing by Size and Tenure – Leicestershire

| | 1-bedroom | 2-bedrooms | 3-bedrooms | 4+-bedrooms |
|-----------------------------|-----------|------------|------------|-------------|
| Market | 5% | 35% | 45% | 15% |
| Affordable home ownership | 15% | 40% | 35% | 10% |
| Affordable housing (rented) | 35% | 35% | 25% | 5% |

13.52 The strategic conclusions in the affordable sector recognise the role which delivery of larger family homes can play in releasing a supply of smaller properties for other households. Also recognised is the limited flexibility which 1-bed properties offer to changing household circumstances, which feed

through into higher turnover and management issues. The conclusions also take account of the current mix of housing by tenure and also the size requirements shown on the Housing Register.

- 13.53 The mix identified above could inform strategic policies although a flexible approach should be adopted. For example, in some areas Registered Providers find difficulties selling 1-bedroom affordable home ownership homes and therefore the 1-bedroom elements of AHO might be better provided as 2-bedroom accommodation. Additionally, in applying the mix to individual development sites, regard should be had 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. The Councils should also monitor the mix of housing delivered.
- 13.54 The analysis also suggests that the majority of units should be houses rather than flats, although consideration will need to be given to site specific circumstances (which may in some cases lend themselves to flatted development). Additionally, the Councils should consider the role of bungalows within the mix. Such housing can be particularly attractive to older person households downsizing and may help to release larger (family-sized) accommodation back into the market.
- 13.55 Based on the evidence, it is expected that the focus of new market housing provision will be on 2-and 3-bed properties. Continued demand for family housing can be expected from newly forming households. There may also be some demand for medium-sized properties (2- and 3-beds) from older households downsizing and looking to release equity in existing homes, but still retaining flexibility for friends and family to come and stay.

Older Persons Housing Needs

- 13.56 The older person population is projected to increase notably in the future and an ageing population means that the number of people with disabilities is likely to increase substantially. Over the 2020-41 period, the HENA analysis shows a 40% increase in the population aged 65+ in Leicester and 42% increase in Leicestershire.
- 13.57 The analysis points to:
 - A 56%-66% increase in the number of people aged 65+ with dementia and a 50%-56% increase in those aged 65+ with mobility problems;
 - A need for around 3,100 housing units with support (sheltered/retirement housing) in Leicester (2020-41) and 6,700 units in Leicestershire (mainly in the market sector in Leicestershire);
 - A need for around 1,500 additional housing units with care (e.g. extra-care) in Leicester and 4,400 in Leicestershire – focussed on market housing in Leicestershire and the affordable sector in Leicester, as well as a need for additional residential and nursing care bedspaces; and

- a need for around 2,700 (Leicester) and 7,000 (Leicestershire) dwellings to be for wheelchair users (meeting technical standard M4(3)).
- 13.58 This would suggest that there is a clear need to increase the supply of accessible and adaptable dwellings and wheelchair user dwellings as well as providing specific provision of older persons housing. Given the evidence, the Councils could consider (as a start point) requiring all dwellings (in all tenures) to meet the M4(2) standards (which are similar to the Lifetime Homes Standards) and 10%-15% of homes meeting M4(3) wheelchair user dwellings (a higher proportion in the affordable sector).
- 13.59 Where the authority has nomination rights M4(3) would be wheelchair accessible dwellings (constructed for immediate occupation) and in the market sector they should be wheelchair user adaptable dwellings (constructed to be adjustable for occupation by a wheelchair user). It should however be noted that there will be cases where this may not be possible (e.g. due to viability or site-specific circumstances) and so any policy should be applied flexibly.
- 13.60 The Councils should also consider if a different approach is prudent for market housing and affordable homes, recognising that Registered Providers may already build to higher standards, and that households in the affordable sector are more likely to have some form of disability.
- 13.61 In seeking M4(2) compliant homes, the Council should also be mindful that such homes could be considered as 'homes for life' and would be suitable for any occupant, regardless of whether or not they have a disability at the time of initial occupation.
- 13.62 In framing policies for the provision of specialist older persons accommodation, the Councils will need to consider a range of issues. This will include the different use classes of accommodation (i.e. C2 vs. C3) and requirements for affordable housing contributions (linked to this the viability of provision). There may also be some practical issues to consider, such as the ability of any individual development being mixed tenure given the way care and support services are paid for.

Dynamics in Different Market Segments

Private Rented Sector

- 13.63 The private rented sector accounted for 15% of households across Leicester and Leicestershire, with a particular concentration in Leicester (22.7%). Three quarters of tenants are aged under 50. The evidence points to a significant growth in benefit claimants in the sector since the onset of Covid-19 in Spring 2020.
- 13.64 Iceni consider that potential exists for build-to-rent development but this is focused in particular on Leicester which has a much greater density of younger persons and an larger overall rental market. Initial build-to-rent schemes are coming forwards and those schemes which have been delivered

appear to have been let well. Demand is for schemes in/close to the City Centre. However the scale of growth in this sector in Leicester can be expected to be modest, given the limited number of households with incomes which fall between those able to afford median rents and lower quartile house prices. Beyond the City, we see limited potential for Build-to-Rent development in the short-term given the lower density of younger potential tenants, and the scope for this could be potentially more strongly focused on suburban build-to-rent. Outside of Leicester, the greatest potential here is in Loughborough, and potentially Hinckley.

Student Housing

13.65 Pre-pandemic, student numbers had been growing at Loughborough and particularly De Montfort University, but falling at the University of Leicester. The impacts of Brexit and Covid-19 have created some uncertainties in terms of future student growth. Domestically some demographic growth is expected to be offset by issues around high tuition fees and a shift in the Government's emphasis towards FE/ apprenticeships. The impacts of these trends need to be monitored, with potential a greater emphasis on the management of student housing supply the demand for which may not grow as strongly as has been seen historically.

Self- and Custom-Build Development

13.66 Local authority housing registers point to quite modest levels of interest in self- and custom-build development in Leicestershire, with the greatest need in absolute terms in Charnwood and Leicester. Low numbers may in part reflect knowledge that such registers exist. The Government is however keen to encourage growth of the sector in particular as it can contribute to increasing overall housing delivery. Many self-builders may seek to acquire and bring forward plots for individual developments, however taking account of the contribution which these are making to meeting the need, there may be a case for seeking self- and custom-build provision on larger strategic sites.

Page 400 of 1014



Leicester & Leicestershire Housing & Economic Needs Assessment

Executive Summary

Iceni Projects Limited on behalf of Leicester & Leicestershire Local Authorities

April 2022, Updated June 2022

Iceni Projects

London: Da Vinci House, 44 Saffron Hill, London, EC1N 8FH Glasgow: 177 West George Street, Glasgow, G2 2LB Manchester: 68 Quay Street, Manchester, M3 3EJ

t: 020 3640 8508 | w: iceniprojects.com | e: mail@iceniprojects.com | linkedin: linkedin.com/company/iceni-projects | twitter: @iceniprojects



CONTENTS

| 1. | INTRODUCTION | . 1 |
|----|-------------------------------------|-----|
| 2. | ECONOMIC & PROPERTY MARKET DYNAMICS | . 1 |
| 3. | FUTURE DEVELOPMENT NEEDS | . 3 |
| 4. | NEED FOR DIFFERENT TYPES OF HOMES | ç |

1. INTRODUCTION

1.1 This Housing and Economic Needs Assessment (HENA) has been commissioned by the local authorities across Leicester & Leicestershire and the Leicester and Leicestershire Enterprise Partnership (LLEP) to inform the review of the L&L Strategic Growth Plan and preparation of local plans across the sub-region. It has been prepared by Iceni Projects together with Cambridge Econometrics (CE) and Justin Gardner Consulting (JGC). It provides a joint evidence base relating to housing need, economic growth and employment land needs recognising that housing market and functional economic geographies broadly align to the county boundary.

2. ECONOMIC & PROPERTY MARKET DYNAMICS

- 2.1 Leicester & Leicestershire is a £27 billion economy which supported 550,000 jobs in 2019. In recent years it has performed well, out-performing a range of other areas.
- 2.2 Key employment sectors include manufacturing which accounts for 68,000 jobs and 16.5% of GVA¹, with particular focus on food and drink, textiles and metals; logistics and distribution which accommodates 49,000 jobs and accounts for 10% of GVA; and education, with three universities which can help to drive innovation accounting for 54,000 jobs and 8% of GVA. Finance and insurance is strongly represented in Leicester. Horiba MIRA is a focus for R&D particularly in the automotive sector. Other key or potential growth sectors include space technologies, focused on Leicester; and life sciences, focused on Loughborough. Agricultural-focused activities are important in the rural parts of the county.
- 2.3 Leicester City is the largest economy, on a local authority level, and accounts for a third of the sub-region's GVA but has land supply constraints. Recent economic growth has been strongest in areas along the M1 Corridor, particularly Blaby and NW Leicestershire. The more rural parts of the county have seen weaker economic performance.
- 2.4 As with many areas, the Leicester and Leicestershire economy has been affected by Covid-19.

 Unemployment has grown albeit that the furlough scheme has played a significant role in supporting the labour market. But local business surveys point to a growing number of job opportunities, with

-

¹ Gross Value Added

businesses reporting a relative positive outlook, unemployment falling and recruitment difficulties in some sectors.

- 2.5 Leicester and Leicestershire contains 1.2 million sq.m of office premises. Leicester is the main commercial office market with 52% of stock being in Leicester or Blaby, which contains major business parks such as Meridian Business Park and Grove Park, and take-up is focused in and around the City. Net deliveries of office space have averaged 7,000 sq.m per annum across the subregion, albeit that Leicester's office stock in particular has been decreasing in net terms. Prior to Covid, market demand was shifting more towards the City Centre office market (rather than out-oftown business parks) but the office market has been hit hard by the pandemic. There is significant uncertainty about future demand, influenced by growth in homeworking, and initial evidence points to a number of occupiers downsizing and seeking to reduce their office footprint by c. 30%. Across the sub-regional market, there is 2.2 years of available space, with 1.8 years' of Grade A. But availability is expected in the short-term, impacting the new-build market.
- 2.6 The industrial market in Leicester and Leicestershire is significantly larger in scale, accommodating 9.8 million sq.m of space. It has seen strong growth with the net volume of space growing 6.4% between 2010-20 driven in particular by growth in NW Leicestershire and Blaby. Over 200,000 sq.m of floorspace has been delivered over the last 5 years, with the growth of e-commerce which has been accelerated by the pandemic contributing to strong demand and rental growth. The main locations for industrial and distribution premises are those close to the M1, M42, M69 and A5 Corridors with industrial demand focused particularly towards the City. The evidence points to strong demand across size bands, rental growth and an overall supply position equivalent to 1.3 years' supply, and therefore a need for continuing new development.
- 2.7 The housing market has performed strongly in recent years, with long-term price growth of 6.4% per annum resulting in a median house price of £222,000 in 2020. Melton and Harborough have seen the strongest recent growth in absolute terms. Sales of detached and semi-detached homes predominate, with the evidence pointing to weaker relative demand for flats. The City has seen the strongest rental growth over the last 5 years but average rents of £600 per month are slightly below the Leicestershire average of £625.
- 2.8 The Government's Help-to-Buy Equity Loan scheme has played a key role in supporting the new-build market, supporting 50% of sales in Leicester and Leicestershire over the last 5 years. Whilst housing market conditions are currently strong, and have been buoyed by the effects of lockdowns in encouraging people to 'trade up' and the Stamp Duty Holiday, the end of these initiatives and the Help-to-Buy scheme in Spring 2023 could see some cooling of the market over time.
- 2.9 In line with housing market performance, population growth has been above average since 2011 with Leicester's population growing by 7.5% and Leicestershire's by 8.4%. More recent trends in particular

have seen stronger relative growth in the County than the City with evidence showing a correlation to housing delivery. Weaker population growth (and housing delivery) has been evident in Melton and Oadby and Wigston, with the HENA providing some evidence that population growth could have been under-estimated in these areas. 2021 Census data will in due course provide clearer data. The analysis of demographic dynamics however shows similar overall population growth in ONS² 2018-based population projections to the 2014-based set, albeit with stronger growth in Leicestershire and weaker growth in the City.

3. FUTURE DEVELOPMENT NEEDS

Future Economic Growth Parameters

- 3.1 Iceni and Cambridge Econometrics have worked together to consider future economic performance, with the HENA setting out two scenarios a trend-based 'baseline' scenario and a 'growth' scenario which considers the potential impact of economic initiatives and ambitions including those set out in the LLEP Economic Growth Strategy. The two scenarios are considered to provide a set of parameters for employment growth.
- 3.2 Over the period to 2050, the Baseline Projection sees employment growth of 46,300 jobs, with a rate of growth which is notably below the national average and past performance. The Growth Scenario projects stronger relative growth with employment increasing by 113,200 jobs equivalent to a growth rate of 0.6% pa.

Table 3.1 Projected Employment Growth, 2020-50 ('000s)

| | Baseline | Growth |
|----------------------------|----------|--------|
| Blaby | 8.8 | 15.4 |
| Charnwood | 4.7 | 11.8 |
| Harborough | 6.5 | 12.5 |
| Hinckley and Bosworth | 2.9 | 8.3 |
| Leicester | 11.3 | 36.1 |
| Melton | 2.3 | 7.2 |
| North West Leicestershire | 8.8 | 17.8 |
| Oadby and Wigston | 1.0 | 4.1 |
| Leicester & Leicestershire | 46.3 | 113.2 |

Source: Cambridge Econometrics

² Office for National Statistics

3.3 The Growth Scenario captures the potential for stronger growth, relative to the baseline, in a number of key sectors: advanced manufacturing and engineering; life sciences and biotechnology; logistics and distribution; sports science, focused around Loughborough University; and space/ aerospace. It also recognises the potential in other higher value sectors such as IT and digital and professional and financial services, and potential for jobs growth outside London in these areas. It recognises the sub-region's universities are important innovation assets and sees enhanced growth in GVA, productivity performance and employment as well as growth in low carbon sectors/ activities. It is aligned to the aspirations in the LLEP Economic Growth Strategy and recognises the need to transition towards a low carbon economy – which has implications across a range of economic sectors.

Employment Land Needs

- 3.4 The HENA provides analysis on the future employment land needs by type from 2021 to 2036, 2041 and 2050. It considers the labour demand (baseline and growth) scenarios provided by Cambridge Econometrics, as well as completions trends using Council monitoring data. Consideration is also given to margins for flexibility, vacancy and replacement demand.
- 3.5 Recommendations are made regarding future needs for office, industrial and local warehousing / distribution units under 9,000 sqm. Large scale warehousing/ distribution unit needs are reported in the Strategic Warehousing Study prepared by GL Hearn with MDS Transmodal and Iceni Projects and finalised in April 2021.³
- 3.6 A sensitivity model has been developed which reflects the very significant impact of the Covid-19 pandemic on the use of offices and enforced use of home working. At the time of writing (mid 2021) there remains considerable uncertainty on the long-term trend for office space. Given the uncertainty at the current time (pandemic, ongoing) it is recommended that trends are monitored in the near term.
- 3.7 In Iceni's view, although weakened by technology changes and the growth in home working, office requirements are still best represented by changes in employment levels. Therefore it is recommended that the labour demand models best represent future needs. The growth model should best represent the future economic outlook given that this has been adjusted to reflect local economic ambitions and interventions and it is recommended that this be used for planning policy requirements. There is some uncertainty about future levels of occupancy and utilisation of offices post pandemic, so a 'sensitivity' model which discounts future requirements is relevant and helps to

_

³ https://www.llstrategicgrowthplan.org.uk/latest-evidence/

inform parameters for office floorspace and job needs. However on historic job and floorspace delivery tested above, even this may be aspirational.

- 3.8 The HENA recommends that future planning for industrial and warehouse stock is based on projections of past development trends (gross completions), which assumes that some older stock will continue to be lost and need to be replaced. It should be recognised that some of this need will be met through recycling of sites on existing industrial areas, the potential for which can be identified through local employment land studies. Simply planning for the net change is likely to underestimate the future level of need of patterns of past loss continue, and market signals indicate current delivery rates are insufficient.
- 3.9 After accounting for a margin and increased floorspace to improve vacancy rates, the overall needs (excluding strategic B8) are set out as follows to 2041, with figures to 2036 and 2050 included in the main HENA Report.

Table 3.2 Total employment needs 2021-2041, sqm

| | Offices inc R&D | Industrial & Distribution Total (excl strategic B8) | Total |
|------------|-----------------|---|-----------|
| Blaby | 40,000 | 138,800 | 178,800 |
| Charnwood | 33,500 | 172,600 | 206,100 |
| Harborough | 29,200 | 194,100 | 223,300 |
| H&B | 18,500 | 261,300 | 279,800 |
| Leicester | 45,500 | 339,600 | 385,100 |
| Melton | 8,600 | 189,200 | 197,800 |
| NWL | 39,700 | 152,900 | 192,600 |
| O&W | 4,500 | 12,200 | 16,700 |
| L&L Total | 219,300 | 1,460,900 | 1,660,200 |

Source: CE/ Iceni (figures may not sum due to rounding)

Table 3.3 Employment land needs 2021-2041, ha

| | Offices inc R&D | Industrial & Distribution Total (excl strategic B8) | Total |
|------------|-----------------|---|-------|
| Blaby | 11.4 | 34.7 | 46.1 |
| Charnwood | 9.6 | 43.2 | 52.7 |
| Harborough | 8.3 | 48.5 | 56.9 |
| H&B | 5.3 | 65.3 | 70.6 |
| Leicester | 2.3* | 84.9 | 87.2 |
| Melton | 2.5 | 47.3 | 49.8 |
| NWL | 11.3 | 38.2 | 49.6 |
| O&W | 1.3 | 3.1 | 4.3 |
| L&L Total | 52.0 | 365.2 | 417.2 |

Source: CE/ Iceni, * 2.0 plot ratio equivalent to 13.0 ha at same 0.35 ratio as other areas

Locational Approach to Meeting Needs

- 3.10 Office Space: The expectation is that in the short-term, office availability will rise and limit volumes of new-build development. In the medium term demand will give rise to new office requirements manifesting in historical growth locations including Leicester City Centre although viability is not likely to improve and may require continued public funding assistance. Accessible out-of-town areas such as Grove Park and Meridian Business Park are also likely to be desirable. Beyond the Leicester urban area, smaller schemes should be encouraged in both town centre and business centre locations, giving way to office requirements later in the plan period(s) assuming employment growth achieves levels forecast.
- 3.11 The pandemic has generated some interest in provision of managed workspace schemes, focused at small businesses. There are schemes coming forward in Leicester and at Meridian Business Park. It is anticipated that there would be some demand for co-working spaces in the market towns in schemes of up to 10,000 sq.ft.. The potential to repurpose redundant retail space to deliver office floorspace in town centres should be supported.
- 3.12 **Research & Development**: R&D type space is expected to come forward in line with historic patterns of growth at MIRA and Loughborough University Science and Enterprise Park, although based on past trends and forecast job growth this is unlikely to exceed 10,000 sqm without substantial inward investment. The nature of future employment growth also suggests that higher end traditional business parks or distribution parks might see combined R&D with other types of commercial development, including manufacturing, given increasingly automated and technologically advanced processes across food manufacture, ICT and distribution of perishable goods.
- 3.13 Industrial and Local Distribution: The key locations of demand for industrial and local distribution from a market perspective are at accessible locations in proximity to the labour force ideally at Motorway or A-road junctions. There are numerous examples of recent and ongoing developments of mid-sized industrial stock around Leicester such as Optimus Point and Leicester Distribution Park which represent market preferences.
- 3.14 Mid sized and smaller stock opportunities should be considered as intensification or extensions of existing estates around the FEMA often in proximity to local settlements. Many of the authorities have a pipeline of proposals for mid sized units.
- 3.15 Urban extensions or other future growth locations such as Leicester south-eastern growth corridor present an opportunity to support the delivery of new employment spaces of smaller and midsized units where well connected to the road network. Smaller units tend to rely on closer proximity to the population centres due to the nature of occupiers.

Page 409 of 1014

Overall Housing Needs

- 3.16 The Government has set out a 'standard method' for calculating housing need which takes demographics and then applies a percentage uplift based on the median house price to earnings ratio in an area. It has also introduced a further 'cities and urban areas uplift' which uplifts figures by a further 35% in Leicester with a view to meeting national development needs through focusing growth at locations where there is existing infrastructure and services.
- 3.17 The standard method local housing need is equivalent to 91,400 dwellings over the 2020-36 period or 120,000 dwellings over the 2020-41 period across Leicester and Leicestershire.

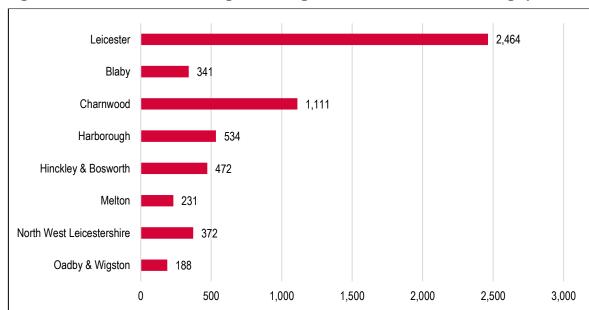


Figure 3.1: Minimum Local Housing Need using the Standard Method - Dwellings per annum

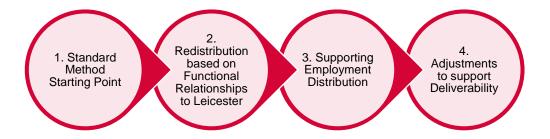
3.18 The demographic analysis undertaken does not point to any exceptional circumstances to depart from the standard method. Consideration has been given to whether there are factors which might result in an upward adjustment to the overall housing need; with the evidence finding no such factors across the Leicester & Leicestershire Housing Market Area (HMA). However there are considerations which influence the appropriate distribution of housing need including land supply constraints and balancing economic growth and housing provision to limit the need to travel.

Potential Interim Distribution of Development

3.19 Leicester City is unable to meet its housing needs in full within its administrative area. The latest evidence points to an unmet need for 15,935 dwellings in the City over the period to 2036 relative to its standard method local housing need.

- 3.20 The long-term distribution of development in the sub-region is to be informed by the review of the Strategic Growth Plan, which was first published in 2018. However as there is a lead-in time to the delivery of major strategic sites/ growth locations, which can be 10 years or more, the HENA proposes an *interim* distribution of housing to address unmet needs from Leicester in particular to 2036. This is based on information at the time of writing and the capacity to sustainably accommodate the levels of growth indicated will be further tested through sustainability appraisal and in drawing together evidence in the preparation of individual local plans. The HENA provides a basis for considering what figures/ distribution to test. The capacity and sustainability of different levels of growth will need to be tested through the preparation of individual local plans taking account of wider evidence including in respect of infrastructure capacity and constraints. Where local plan preparation identifies that levels of housing delivery envisaged cannot be sustainably achieved, it would be necessary for the authorities to collectively revisit the SOCG.
- 3.21 The standard method is treated as a minimum level of provision. An initial redistribution is considered based on the functional relationship of different Leicestershire local authorities with the City. Adjustments are then made to this distribution to align with the spatial distribution of future employment growth over the period to 2036, to promote a balance in the delivery of jobs and homes at a local level and limit the need to travel. The third key consideration relates to the deliverability of the distribution of development. This reviews the findings arising against the previous steps, takes into account where authorities are already planning for higher growth or on the other hand where there are land supply constraints which might restrict the scale of development which can be accommodated. Adjustments are then made to ensure different local authorities are sharing the burden in meeting unmet need and to ensure deliverability of the proposed distribution from a market capacity perspective.

Figure 3.2: Overview of Housing Distribution Methodology



3.22 The HENA proposes on this basis a set of revised distribution of housing need to be tested through the plan-making process and sustainability appraisal.

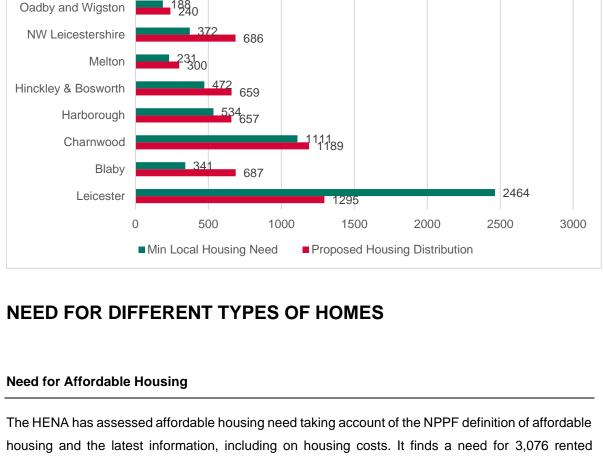


Figure 3.3: Proposed Interim Distribution of Housing Need, 2020-36

4.

4.1 affordable homes per year and 1,795 affordable home ownership homes. The annual affordable housing need is shown below.

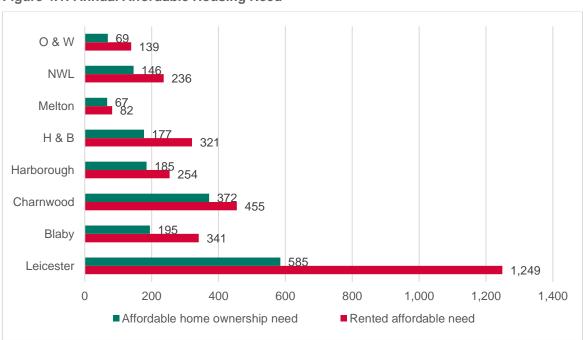


Figure 4.1: Annual Affordable Housing Need

The HENA analysis points to an acute need for rented affordable housing in all parts of the County. There is an overlap between the affordable home ownership need shown and the role which market housing plays in supporting home ownership through schemes such as the Help-to-Buy Equity Loan scheme and mortgage guarantee schemes. The evidence would support policy approaches which seek to prioritise rented affordable housing delivery to meet those with acute needs with few alternative housing options; but there are viability considerations and policy priorities which individual authorities will need to balance. Similarly through policy-making, local authorities will need to balance discounts applied to discounted market sale properties or First Homes against the delivery of other forms of affordable housing.

Need for Different Sizes of Homes

- 4.3 Having regard to demographic changes and how households of different ages occupy homes, together with adjustments to address overcrowding, the HENA identifies the mix of homes needed in different tenures.
- 4.4 The table below shows the mix of rented affordable homes needed by area. This should be considered alongside localised evidence of need, such as from housing registers, and gaps in the existing stock profile locally in considering the mix of homes on individual sites.

Table 4.1 Suggested Mix of Social/Affordable Rented Housing by area

| | 1-bedroom | 2-bedrooms | 3-bedrooms | 4+-bedrooms |
|----------------|-----------|------------|------------|-------------|
| Leicester | 30% | 35% | 25% | 10% |
| Blaby | 35% | 35% | 25% | 5% |
| Charnwood | 35% | 35% | 25% | 5% |
| Harborough | 35% | 40% | 20% | 5% |
| H & B | 30% | 40% | 25% | 5% |
| Melton | 35% | 40% | 20% | 5% |
| NWL | 35% | 40% | 20% | 5% |
| O & W | 30% | 40% | 25% | 5% |
| Leicestershire | 35% | 35% | 25% | 5% |
| L&L | 30% | 40% | 25% | 5% |

4.5 The mix of homes dwelling sizes for affordable home ownership properties is shown below. Councils may need to consider if the figures are appropriate in a local context. For example, in some areas Registered Providers find difficulties selling 1-bedroom affordable home ownership homes and therefore the 1-bedroom elements of AHO might be better provided as 2-bedroom accommodation. Equally demand for shared ownership properties is likely to be more limited for larger property sizes.

Table 4.2 Suggested Mix of Affordable Home Ownership Housing by area

| | 1-bedroom | 2-bedrooms | 3-bedrooms | 4+-bedrooms |
|----------------|-----------|------------|------------|-------------|
| Leicester | 20% | 40% | 30% | 10% |
| Blaby | 15% | 40% | 35% | 10% |
| Charnwood | 20% | 40% | 30% | 10% |
| Harborough | 20% | 40% | 30% | 10% |
| H & B | 20% | 40% | 30% | 10% |
| Melton | 15% | 40% | 35% | 10% |
| NWL | 15% | 40% | 35% | 10% |
| O & W | 15% | 45% | 30% | 10% |
| Leicestershire | 15% | 40% | 35% | 10% |
| L&L | 20% | 40% | 30% | 10% |

4.6 Table 4.3 shows the suggested mix of market housing at an HMA and local authority level. The recommendations can also be used as a set of guidelines to consider the appropriate mix on larger development sites, and the Councils could expect justification for a housing mix on such sites which significantly differs from that modelled herein. Site location and area character are also however relevant considerations the appropriate mix of market housing on individual development sites.

Table 4.3 Suggested Mix of Market Housing by area

| | 1-bedroom | 2-bedrooms | 3-bedrooms | 4+-bedrooms |
|----------------|-----------|------------|------------|-------------|
| Leicester | 5% | 30% | 45% | 20% |
| Blaby | 5% | 35% | 45% | 15% |
| Charnwood | 5% | 30% | 45% | 20% |
| Harborough | 5% | 35% | 40% | 20% |
| H & B | 5% | 35% | 45% | 15% |
| Melton | 5% | 35% | 45% | 15% |
| NWL | 5% | 35% | 45% | 15% |
| O & W | 5% | 35% | 45% | 15% |
| Leicestershire | 5% | 35% | 45% | 15% |
| L&L | 5% | 30% | 45% | 20% |

- 4.7 Based on the evidence, it is expected that the focus of new market housing provision will be on 2-and 3-bed properties. Continued demand for family housing can be expected from newly forming households. There may also be some demand for medium-sized properties (2- and 3-beds) from older households downsizing and looking to release equity in existing homes, but still retaining flexibility for friends and family to come and stay. Some households may seek additional space to support home-working.
- Analysis also suggests that the majority of units should be houses rather than flats, although consideration will need to be given to site specific circumstances (which may in some cases lend themselves to flatted development). Additionally, the Councils should consider the role of bungalows within the mix such housing can be particularly attractive to older person households downsizing and may help to release larger (family-sized) accommodation back into the market. It will be important that new housing is energy efficient and contributes to other goals, such as supporting growth in biodiversity, but these are addressed as part of other parts of local plan evidence.

Older Persons & Other Specialist Housing Needs

- 4.9 The HENA analysis shows that 12% of Leicester City's population and 20.5% of that across Leicestershire is aged 65+, and that the population aged 65+ is projected to grow by 80,200 persons to 2041. Currently 35% of households in Leicester and 31% across Leicestershire have a long-term health problem or disability, and the number of households with support and care needs is expected to rise over time, driven by demographic changes and a growing older population. A 40% increase in the population aged 65+ in Leicester and 42% increase across Leicestershire is projected over the 2019-41 period. This is expected to result in a growth of over 18,500 people aged 65+ with mobility problems to 2041; and an increase in over 8,100 people with dementia.
- 4.10 The HENA models the needs of households with specialist housing needs. It anticipates a need for around 3,100 housing units with support (sheltered/retirement housing) in Leicester and 6,700 units

in Leicestershire to 2041. There is a need for around 1,500 additional housing units with care (e.g. extra-care) in Leicester and 4,400 in Leicestershire – focussed on market housing in Leicestershire and the affordable sector in Leicester.]

Table 4.4 Specialist Housing Needs for Older People, 2020-414

| Shortfall /surp | olus by 2041 | Leicest er | Blaby | C'wood | H'boro | H&B | Melton | NWL | O&W |
|------------------------------|--------------|---------------|-------|--------|--------|-------|--------|------|-----|
| Housing with | Market | 833 | 1,013 | 1,249 | 893 | 866 | 533 | 993 | 464 |
| support | Affordable | 2,263 | -347 | 487 | 127 | 579 | -152 | -188 | 197 |
| Total (housing support) | with | 3,096 | 666 | 1,736 | 1,021 | 1,445 | 381 | 805 | 661 |
| Housing with | Market | 485 | 417 | 767 | 428 | 513 | 258 | 520 | 273 |
| care | Affordable | 986 | 97 | 299 | 119 | 258 | 72 | 252 | 116 |
| Total (housing | with care) | 1,470 | 514 | 1,066 | 547 | 771 | 329 | 772 | 389 |
| Residential car bedspaces | re | 238 | 22 | 356 | 273 | 323 | 60 | 387 | 34 |
| Nursing care b | edspaces | 651 | 599 | 815 | 391 | 695 | 220 | 578 | 237 |
| Total bedspace | es | 890 | 620 | 1,171 | 663 | 1,018 | 280 | 965 | 271 |

- 4.11 The HENA sets out that Councils should consider whether it is appropriate through their local plans to make specific site allocations for specialist housing. It outlines that policies seeking affordable housing provision might be sought through new local plans, where this is supported by viability evidence, and consideration is given to practical issues associated with the management of mixed-tenure schemes.
- 4.12 The report also identifies a housing need from around 2,700 wheelchair-users in Leicester and 7,000 in Leicestershire to 2041. Together with the expected growth in residents with mobility problems, this would suggest that there is a clear need to increase the supply of accessible and adaptable dwellings and wheelchair user dwellings as well as providing specific provision of older persons housing. Given the evidence, the Councils could consider requiring all dwellings to meet the M4(2) standards and 10%-25% of homes meeting M4(3) wheelchair user dwellings where it is feasible to do so; with a higher proportion in the affordable than market sector.
- 4.13 For those aged under 65, the HENA shows a significant growth in those with impaired mobility in both Leicester and Leicestershire. There is also expected to be a significant growth in those with a mental health issue. The HENA recommends that collaborative work is undertaken, led by the County Council, to ensure development of a strategy for provision of specialist supported accommodation and consider appropriate locations for the delivery of schemes at a Leicestershire level.

⁴ Negative figures indicate a surplus. Numbers may not sum due to rounding

4.14 The latest evidence in relation to the housing needs of **Gypsies and Travellers** identified a need for 22 additional gypsy and traveller pitches and 59 travelling showpeople pitches over the 2016-36 period. The report also identifies a need for a minimum of 12 transit caravan spaces in Leicester City and 36 transit in Leicestershire.

Specific Segments of the Leicester & Leicestershire Housing Market

- 4.15 The **Private Rented Sector** has been the key growth sector in the housing market for the last 15 years and in 2011 comprised around 15.3% of all households in Leicester and Leicestershire (22.7% in Leicester City). The evidence points to continued growth of this sector nationally, with a growing number of people aged under 35 living within it. Growth is similarly likely to have occurred in Leicester and Leicestershire and updated data will be available in due course from the 2021 Census.
- 4.16 The HENA explores different components to the sector. It shows around 15,000 benefit claimants in Leicester; and 13,000 across Leicestershire living within it. Local Housing Allowance levels are typically below median rents, particularly for larger 4 bedroom homes. The sector also include student lettings and HMOs⁵, which are focused in Leicester and Loughborough.
- 4.17 The HENA points to some demand for **Build-to-Rent** accommodation, particularly in Leicester but with some potential identified in Loughborough. Demand is focused on those in their 20s and early 30s in locations with good access to amenities; and there are a number of completed schemes in the City with more in the pipeline. Whilst there are currently no schemes in Loughborough, or suburban build-to-rent development, and thus no firm demand evidence; these are areas where demand could arise over the period to 2041.
- 4.18 Leicester and Leicestershire accommodates around 63,000 **students**, with student numbers increasing by 10,000 since 2014/15 driven by growth at De Montfort University. The outlook for student numbers however varies. De Montfort expect the number of students to decline modestly while Leicester University expect growth of around 2,000 students in the short-term to 2025 and Loughborough University expect a growth of around 500 students. Longer-term growth is currently less certain and will be influenced in part by the degree to which international students can be recruited.
- 4.19 This growth is expected to be met through a combination of new accommodation in Leicester and a reduction in vacancies within the existing stock in Loughborough and Leicester. At present there is a 10-15% vacancy rate on university owned accommodation and anecdotally up to 30% in some

-

⁵ Houses in Multiple Occupation

Purpose-Build Student Accommodation blocks, influenced in particular by the impacts of the pandemic.

- 4.20 Local authority housing registers point to quite modest levels of interest in self- and custom-build development in Leicestershire, with the greatest need in absolute terms in Charnwood and Leicester. On average 158 applications were made to join Councils' self and custom build registers per annum over the last 4.5 years. The registers give an indication of the scale of future need. Moving forward, the Councils will need to ensure that the actual number of entries on the register at the end of each base period is equivalent to number of plots of land that are permitted within 3 years.
- 4.21 The HMA local authorities should support and encourage self-build development, and having regard to current delivery performance relate to the need identified, , might seeking an element of self-build provision on strategic development sites.

Page 418 of 1014



Leicester & Leicestershire Housing & Economic Needs Assessment

Housing Distribution Paper

Iceni Projects Limited on behalf of Leicester & Leicestershire Local **Authorities**

April 2022, amended June 2022

Iceni Projects

Birmingham: The Colmore Building, 20 Colmore Circus Queensway, Birmingham B4 6AT

London: Da Vinci House, 44 Saffron Hill, London, EC1N 8FH

Edinburgh: 11 Alva Street, Edinburgh, EH2 4PH Glasgow: 177 West George Street, Glasgow, G2 2LB

Manchester: This is the Space, 68 Quay Street, Manchester, M3 3EJ

t: 020 3640 8508 | w: iceniprojects.com | e: mail@iceniprojects.com linkedin: linkedin.com/company/iceni-projects | twitter: @iceniprojects Leicester & Leicestershire Housing



CONTENTS

| 1. | INTRODUCTION | 4 |
|----|--|------|
| 2. | OVERVIEW OF APPROACH | 5 |
| 3. | STANDARD METHOD AND LEICESTER'S UNMET NEED | 7 |
| 4. | DISTRIBUTION BASED ON FUNCTIONAL RELATIONSHIPS | 9 |
| 5. | ALIGNING JOBS AND HOMES | . 14 |
| 6. | DELIVERABILITY CONSIDERATIONS | . 16 |
| 7. | CONCLUSIONS AND SUMMARY | . 25 |

Page 421 of 1014

1. INTRODUCTION

- 1.1 The authorities within Leicester and Leicestershire have prepared a Strategic Growth Plan (SGP), which was published in 2018, and sets out a long-term strategy for growth in the sub-region. There are a number of other workstreams in progress which will inform a review of the SGP including the HENA together with other work considering potential strategic growth options and strategic transport options.
- 1.2 However there can be a lead-in time of 10 years or more for the delivery of strategic sites, particularly where strategic infrastructure investment is needed to bring them forwards, and therefore it is necessary to consider an **interim** distribution of unmet housing need over the period to 2036 within the housing market area (HMA). The HENA study brief seeks advice from Iceni on this and Iceni have been asked to provide advice on a **manual** or formulaic redistribution which could be applied in distributing Leicester's unmet housing need on an interim short-to-medium term basis. This is intended to inform a Statement of Common Ground (SOCG) to allow the preparation of local plans to progress.
- 1.3 This section addresses what Leicester's unmet need is, based on the latest information at the time of writing in Spring 2022. It then goes on to address different potential considerations in assessing how housing need over the period to 2036 might be distributed between the Leicestershire authorities. It uses an approach which is similar to that which has been used in addressing Coventry's unmet need to authorities in Warwickshire, and which has been tested and found sound at successive local plan examinations.
- 1.4 The assessment generates figures to inform discussion and agreement on the distribution of housing need. This distribution scenario, and potential alternative options for the distribution of growth, will be tested through the SA process in informing decision making; and the capacity and sustainability of different levels of growth will need to be tested through the preparation of individual local plans taking account of wider evidence including in respect of infrastructure capacity and constraints. Where local plan preparation identifies that levels of housing delivery envisaged cannot be sustainably achieved, it would be necessary for the authorities to collectively revisit the SOCG.

Page 422 of 1014

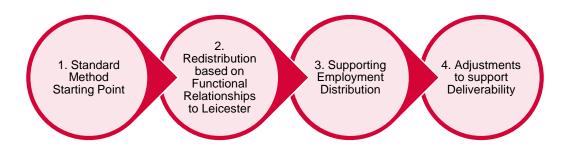
2. OVERVIEW OF APPROACH

- 2.1 Iceni, in consultation with L&L officers, have identified three broad considerations in assessing the distribution of homes/ unmet need:
 - Functional relationship between different authorities and Leicester;
 - · Local alignment of jobs and homes; and
 - Deliverability, which incorporates issues of both land supply and market capacity.
- Our approach treats the standard method as a minimum level of provision, as individual local plans would be expected (in line with the NPPF) to meet their own need using the standard method. There is unlikely to be any justification for going below this level based on more recent demographic projections (see PPG Para 2a-015) or economic evidence and the HENA has found no evidence to justify this. We therefore consider that the standard method provides a baseline or minimum level of provision for each Leicestershire authority.
- 2.3 The first step is then to consider the redistribution of Leicester's unmet need. To do so we have considered the functional relationship of the different Leicestershire authorities with the City, taking account of migration and commuting relationships between the authorities (in both directions). This generates an initial distribution of unmet need.
- 2.4 Adjustments are then made to this distribution to align with the spatial distribution of future employment growth over the period to 2036, to promote a balance in the delivery of jobs and homes at a local level and limit the need to travel. This seeks to **locate houses close to where job opportunities arise** so as to provide additional labour where it is needed.
- 2.5 The third key consideration relates to the deliverability of the distribution of development. This reviews the findings arising against the previous steps, takes into account where authorities are already planning for higher growth or on the other hand where there are land supply constraints which might restrict the scale of development which can be accommodated. It then considers the comparative rate of housing growth implied in different areas and makes adjustments to the distribution to support the deliverability of the distribution proposed, and to ensure that all authorities are contributing proportionally (having regard to their local housing markets) to the unmet need. In doing so it seeks to avoid over-concentrating development in specific areas which could result in localised market capacity issues which inhibit the delivery of overall housing need. This final stage also has regard to the existing balance between jobs and homes in an area and whether higher housing provision might help to improve this balance.

Page 423 of 1014

2.6 These steps are summarised in the diagram below.

Figure 2.1: Overview of Housing Distribution Methodology



Page 424 of 1014

3. STANDARD METHOD AND LEICESTER'S UNMET NEED

Standard Method Local Housing Need

3.1 The standard method calculation is set out in the Planning Practice Guidance (PPG) and provides a starting point for considering overall housing need. The latest data as at March 2022 points to a housing need as follows:

Table 3.1 Standard Method Local Housing Need

| | Dwellings per annum |
|------------|---------------------|
| Leicester | 2,464 |
| Blaby | 341 |
| Charnwood | 1,111* |
| Harborough | 534 |
| H & B | 472 |
| Melton | 231 |
| NWL | 372 |
| O & W | 188 |
| L&L | 5713 |

NB: Totals may not sum due to rounding

- 3.2 Charnwood's figure is set using the data from 2021 (including household growth for the 2011-21 period and 2020 affordability ratio) as it submitted its Local Plan for Examination in December 2021. The PPG sets out that "local housing need calculated using the standard method may be relied upon for a period of 2 years from the time that a plan is submitted to the Planning Inspectorate for examination." Charnwood's need figure is therefore treated as 'fixed' at the point of submission of its Local Plan.
- 3.3 The HENA indicates that the standard method provides a reliable basis for calculating housing need across Leicester and Leicestershire, and there are no exceptional circumstances for planning for lower or higher housing provision. It indicates that employment growth may however influence the spatial distribution of housing provision within the area, and this is considered later in this Paper.

Leicester's Unmet Need

3.4 Leicester City's urban area extends beyond the boundaries of the City Council's administrative area meaning that the City is an under-bounded local authority. As is common for local authorities where this is the case, Leicester City Council has an unmet housing need. The authorities in the Leicester

¹ Reference ID 2a-008-20190220

and Leicestershire Housing Market Area (HMA) therefore need to work together to address the unmet need and agree an alternative distribution of housing provision. Leicester's unmet need is therefore a cross-boundary strategic matter which needs to be considered collectively by the local authorities, and an agreed distribution of housing provision set out in a Statement of Common Ground (SOCG).

- 3.5 The standard method generates a need for 2,464 dwellings per annum (dpa) in Leicester (see Table 3.1). Over the 2021-36 period this equates to a need for 39,420 dwellings. This includes the 'Cities and Urban Areas Uplift' which raises Leicester's need (and that of 19 other cities and urban areas across England) by 35%.
- 3.6 The March 2021 Statement of Common Ground signed by the HMA authorities² sets out the City's capacity to accommodate growth over this period as 20,721 dwellings over the 2020-36 period. This is equivalent to 1,295 dpa.
- 3.7 The difference between Leicester's local housing need and supply generates an unmet need for Leicester of c. 18,700 dwellings to 2036.

Table 3.2 Leicester's Unmet Need

| | Dwellings |
|-----------------------------|-----------|
| Local housing need, 2020-36 | 39,420 |
| Leicester's supply | 20,721 |
| Unmet need (rounded) | 18,700 |

NB: Totals may not sum due to rounding

3.8 We have treated the unmet need figure of 18,700 dwellings (rounded) as a reasonable assumption for the City's unmet need to 2036. This is equivalent to 1,169 dpa over the 16 year period. This Paper considers options for how this unmet need might be addressed. Whilst we understand that some further work on the City's capacity is ongoing, in reality there is a need for some supply-side contingency in Leicester (above the City's housing requirement) to allow for slippage/ non-delivery.

Page 426 of 1014

² Leicester & Leicestershire Authorities - Statement of Common Ground relating to Housing and Employment Land Needs (March 2021)

4. DISTRIBUTION BASED ON FUNCTIONAL RELATIONSHIPS

4.1 There is a planning logic in seeking to meet an unmet need from Leicester City close to where it arises. The PPG outlines in respect of the cities and urban areas uplift:

"This increase in the number of homes to be delivered in urban areas 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. In considering how need is met in the first instance, brownfield and other under-utilised urban sites should be prioritised and on these sites density should be optimised to promote the most efficient use of land. This is to ensure that homes are built in the right places, to make the most of existing infrastructure, and to allow people to live nearby the service they rely on, making travel patterns more sustainable."

4.2 Interpreting this having regard to the NPPF soundness requirement to accommodate unmet need from urban areas where it is practical to do so and consistent with achieving sustainable development; and for plans to be based on effective joint working on cross-boundary strategic matters, would emphasise meeting Leicester's unmet need within or close to the Leicester Urban Area (LUA). The LUA geography is set out below.

North West
Leicestershire DC

Charnwood BC

Leicester City

Hinckley and Bosworth BC

Blaby DC

All Rights Reserved. Leicester City Council Licence No. 100019264.2009.

City and District Boundaries

Housing Market Area

Principal Urban Area

Figure 4.1: Leicester Urban Area Geography

Source: Leicester Core Strategy

- 4.3 The map shows that the Urban Area extends beyond the City's administrative boundaries into Oadby and Wigston, Blaby and Charnwood and to a more modest extent into Harborough (around Bushby, Thurnby and Scraptoft).
- 4.4 In addition there are a number of settlements within the Leicestershire authorities which lie relatively close to the Leicester UA but remain freestanding settlements slightly separated from it. These include settlements such as Anstey, Syston, Groby, Enderby, Blaby and Countesthorpe.
- 4.5 We have therefore sought to consider the migration and commuting relationship between the City and the Leicestershire authorities.

Migration Relationships

- 4.6 We have used migration data to firstly assess the strength of the housing market inter-relationship with Leicester City. Our analysis considers in/out migration on average pa over the 2016/17 2018/19 (3 year) period. This use of more recent data is contrasted with consideration of commuting patterns, based on 2011 Census data, later in this section.
- 4.7 Gross migration data considers flows in both directions (both into and out of the City), and therefore is based on a larger sample. This shows as follows:

Table 4.1 Gross Migration Flows with Leicester, 2016-19

| | Gross Migration pa | % Leicestershire Total |
|---------------------------|--------------------|------------------------|
| Blaby | 3495 | 24% |
| Charnwood | 3652 | 25% |
| Harborough | 1339 | 9% |
| Hinckley and Bosworth | 1144 | 8% |
| Melton | 251 | 2% |
| North West Leicestershire | 635 | 4% |
| Oadby and Wigston | 3815 | 27% |
| Total | 14331 | 100% |

Source: ONS Internal Migration Statistics

- 4.8 The strongest relationships are with Oadby and Wigston, Charnwood and Blaby broadly consistent with the Leicester Urban Area geography. There is a much weaker migration flow with Melton and NW Leicestershire which do not have a direct boundary with the City.
- 4.9 We can also look at out-migration; but this is likely to be more influenced by housing supply/ availability issues. The table below shows out-migration from Leicester over the 3 year period. The

strongest flows are to Charnwood and Blaby followed by Oadby and Wigston (in a context in which housing supply has been more modest in the latter, influenced by its size).

Table 4.2 Out Migration from Leicester, 2016-19

| | Out Migration pa | % Leicestershire Total |
|---------------------------|------------------|------------------------|
| Blaby | 2385 | 26% |
| Charnwood | 2589 | 29% |
| Harborough | 947 | 10% |
| Hinckley and Bosworth | 786 | 9% |
| Melton | 162 | 2% |
| North West Leicestershire | 457 | 5% |
| Oadby and Wigston | 1749 | 19% |
| Total | 9075 | 100% |

Source: ONS Internal Migration Statistics

4.10 Turning to commuting dynamics, the strongest in-commuting to Leicester is from Charnwood and Blaby, followed by Oadby and Wigston. The pattern is similar to that for migration, albeit with a weaker flow from Oadby and Wigston – in part influenced by stronger relationships with other areas.

Table 4.3 Commuting Relationships to Leicester City, 2011

| | In- Commuting | % Leicestershire | Out- Commuting | % to Authority |
|---------------------------|------------------|---------------------|-------------------|-------------------|
| | to Leicester | Total | from City | |
| Blaby | 13,849 | 25% | 11,508 | 37% |
| Charnwood | 15,359 | 27% | 5,496 | 18% |
| Harborough | 6,397 | 11% | 3,737 | 12% |
| Hinckley and Bosworth | 6,251 | 11% | 1,962 | 6% |
| Melton | 1,802 | 3% | 984 | 3% |
| North West Leicestershire | 2,318 | 4% | 1,620 | 5% |
| Oadby and Wigston | 9,930 | 18% | 5,568 | 18% |
| Total | 55,906 | 100% | 30,875 | 100% |

Source: 2011 Census

- 4.11 If the inter-commuting in both directions is considered, there is a notable outflow from the City to Blaby influenced by the major employment locations along the M1 and Fosse Park. A weaker link is shown with Charnwood albeit that the actual flow remains relatively sizeable (c. 5,500 people).
- 4.12 Evidently there is some potential for commuting relationships to have changed since 2011, including as a result of housing development since (in proximity to Leicester), employment development (close to Leicester), changing working patterns or indeed availability of local labour (which may influence

changes in commuting from Leicester to the Leicestershire authorities). The above however represents the most consistent data available. Commuting data from the 2021 Census is not available, and is not likely to be published in the short-term.

- 4.13 There is a rationale for locating homes in areas from which people commute into Leicester, as the commuting flow is indicative of a housing market relationship. But equally where there is outcommuting from the City, locating homes in these areas may help to reduce journey times/ distances.
- 4.14 On balance we consider that the gross commuting flow is of greater utility in highlighting the functional relationship to the City. This is shown below. The strongest flows are with Blaby and Charnwood, followed by Oadby and Wigston and then Harborough. Those authorities which are more divorced from the City have a weak inter-relationship.

Table 4.4 Gross Commuting relationship with Leicester, 2011

| | Gross Commuting Flows | % Gross Flow |
|---------------------------|-----------------------|--------------|
| Blaby | 25,357 | 29% |
| Charnwood | 20,855 | 24% |
| Harborough | 10,134 | 12% |
| Hinckley and Bosworth | 8,213 | 9% |
| Melton | 2,786 | 3% |
| North West Leicestershire | 3,938 | 5% |
| Oadby and Wigston | 15,498 | 18% |
| Total | 86,781 | 100% |

Source: 2011 Census

- 4.15 Iceni consider that a blended approach to the migration and commuting data should be used, recognising the age/ vintage of the commuting data and potential for commuting relationships to change on the one hand; whilst the migration data is more recent but can be influenced by historical planning assumptions or distribution of housing supply. This blended approach considers the relative strength of functional relationship with Leicester using both the gross migration and commuting data.
- 4.16 The blended average of gross migration and commuting flows between individual Leicestershire authorities and the City has therefore been used as a first step in considering the redistribution of Leicester's unmet need. The results are shown in the table below.

Table 4.5 Initial Redistribution based on Functional Relationship to Leicester

| dpa | Standard Method LHN | Scale of Unmet Need | Functional Relationshi p to Leicester | Initial Redistri- bution of Unmet Need | Resultant Housing Need |
|-----|---------------------------|---------------------------|--|--|------------------------------|
|-----|---------------------------|---------------------------|--|--|------------------------------|

| | | | (Blended Average) | | |
|------------|------|------|----------------------|------|------|
| Leicester | 2464 | 1169 | | | 1295 |
| Blaby | 341 | | 27% | 313 | 655 |
| Charnwood | 1111 | | 25% | 289 | 1400 |
| Harborough | 534 | | 11% | 123 | 657 |
| H & B | 472 | | 9% | 102 | 574 |
| Melton | 231 | | 2% | 29 | 260 |
| NWL | 372 | | 4% | 52 | 424 |
| O & W | 188 | | 22% | 260 | 448 |
| L&L | 5713 | | 100% | 1169 | 5713 |

NB: Totals may not sum due to rounding

Page 431 of 1014

5. ALIGNING JOBS AND HOMES

- 5.1 The next step has been to compare the standard method figures for different areas to the scenarios for potential employment growth and the associated economic-led housing need identified in the HENA report.
- 5.2 Section 8 in the HENA report presented two scenarios for employment growth over the period to 2036. A 'Baseline' scenario was presented aligned to Cambridge Econometrics' trend-based projections for employment growth. An 'Aspirational Growth' scenario was also shown based on local interrogation of economic growth potential, and the strategy set out within the LLEP's Economic Growth Strategy. This Scenario envisaged stronger economic performance across key growth sectors.

Table 5.1 Economic-led Scenarios for Housing Need, 2020-36

| dpa 2020-36 | Baseline (Census commuting) | Baseline (1-1 commuting) | Aspirational Growth (Census commuting) | Aspirational Growth (1-1 commuting) |
|-------------------|-----------------------------------|--------------------------|--|---|
| Leicester | 723 | 767 | 1,192 | 1,324 |
| Blaby | 321 | 334 | 440 | 463 |
| Charnwood | 497 | 481 | 666 | 626 |
| Harborough | 428 | 422 | 554 | 542 |
| H&B | 298 | 282 | 445 | 398 |
| Melton | 178 | 168 | 290 | 263 |
| NW Leicestershire | 391 | 418 | 552 | 606 |
| Oadby & Wigston | 114 | 110 | 174 | 158 |
| L&L | 2,950 | 2,983 | 4,314 | 4,379 |

NB: Totals may not sum due to rounding

- 5.3 Comparing this to the results of the initial redistribution (as shown in Table 4.5), the initial redistribution would see sufficient workforce growth to support all future economic growth scenarios for most authorities in Leicestershire. The exceptions are Melton and North West Leicestershire. In Melton a need is shown for up to 290 dpa to support economic growth. Similarly in North West Leicestershire the evidence suggests stronger housing provision would be necessary to support future growth in the economy based on the HENA scenarios, with an economic-led need shown for up to 606 homes pa in North West Leicestershire. An adjustment to housing provision to support economic growth in Melton and NW Leicestershire is therefore justified.
- Any redistribution of housing from Leicester to local authorities within Leicestershire will help support workforce growth in the recipient authority, helping to support economic growth in these areas and minimise commuting.

5.5 The above analysis is however based on the balance between future employment and housing growth. In addition, Iceni has sought to consider the existing balance between homes and jobs using data on jobs densities. Jobs density data describes the ratio between jobs in an area and residents aged 16-64. The evidence suggests a higher concentration of employment relative to residents, implying net in-commuting, to North West Leicestershire and Blaby from other areas. Higher housing provision in these areas would therefore help to provide greater opportunities for local living and working and minimise the need to travel. This has been taken into account in drawing conclusions.

Table 5.2 Jobs Densities – L&L Local Authorities

| | 2011 | 2019 | 2020 |
|------------------------------|------|------|------|
| Blaby | 0.89 | 1.11 | 0.97 |
| Charnwood | 0.63 | 0.64 | 0.66 |
| Harborough | 0.81 | 0.84 | 0.81 |
| Hinckley and Bosworth | 0.65 | 0.69 | 0.73 |
| Leicester | 0.79 | 0.85 | 0.80 |
| Melton | 0.78 | 0.76 | 0.82 |
| North West Leicestershire | 0.92 | 1.09 | 1.13 |
| Oadby and Wigston | 0.59 | 0.61 | 0.62 |
| Leicester and Leicestershire | 0.76 | 0.83 | 0.81 |
| England | 0.78 | 0.88 | 0.85 |

6. DELIVERABILITY CONSIDERATIONS

6.1 The third stage of the process of considering the potential housing distribution is to appraise deliverability considerations. This includes issues related to land supply and to the localised market capacity to absorb growth.

Current Plan Targets

- 6.2 We have sought next to overlay current plan targets, and the residual requirement to meet the housing requirement identified within them (taking account of housing completions to April 2020). We have considered both current adopted plans, and in the case of Charnwood and Leicester City, their emerging Local Plans.
- A higher housing requirement than the standard method is shown for Melton BC, with a residual requirement for 300 dpa, adopting a 2020 base position and taking account of completions to date, relative either to the standard method LHN (231 dpa), the Stage 1 distribution figure (259 dpa) or the economic-led need shown (263-290 dpa). This was justified in Melton's Local Plan on the basis of supporting investment in strategic infrastructure (the Melton Mowbray Transport Package), economic growth and affordable housing delivery.³ The Plan's examination recognised that this provided 'headroom' to contribute to meeting unmet need from Leicester.

6.4 It is considered appropriate on this basis to adjust Melton's figure to align with the residual requirement in its Local Plan to 2036.

Table 6.1 Residual Requirement in Current/ Emerging Local Plans in Leicestershire

| | Plan period end point | Residual requirement at 2020 base | Stage 1 Distribution Figures ⁴ |
|---------------------|-----------------------|-----------------------------------|---|
| Blaby | 2029 | 369 | 655 |
| Charnwood | 2037 | 1111 | 1400 |
| Harborough | 2031 | 588 | 657 |
| Hinckley & Bosworth | 2026 | 495 | 574 |
| Melton | 2036 | 300 | 260 |
| NW Leicestershire | 2031 | 370 | 424 |
| Oadby & Wigston | 2031 | 183 | 448 |

³ See the Towards a Housing Requirement Report within the Melton Local Plan Evidence

⁴ As drawn from Table 4.5

6.5 For the other authorities current plans either do not look to 2036, or (in the case of Charnwood) do not make provision sufficient to meet the figures derived from the Stage 1 distribution. For emerging plans/plan reviews there is however potential to make provision for additional housing growth.

Potential Land Supply

The June 2021 Housing SOCG, signed by the L&L authorities collectively, set out the theoretical land supply in other authorities to 2036 as well. The table below outlines the results of this exercise. This includes sites with planning permission, existing allocated residential sites and those proposed for allocation in emerging plans and a windfall allowance. It represents an assessment of the land identified now for residential development.

Table 6.2 Identified Supply Position in Current/Emerging Plans⁵ 2020-36

| | Commit- ments | Allocations in Adopted Plans | Emerging Allocations in Draft Plans | Small Site Windfall Allowance | Total Projected Delivery to 2036 |
|---------------------|------------------|------------------------------------|-------------------------------------|-------------------------------------|----------------------------------|
| Blaby | 4,918 | 984 | | 440 | 6,342 |
| Charnwood | 8,820 | 1,990 | 9,024 | 1,040 | 20,874 |
| Harborough | 3,693 | 5,679 | | 864 | 10,236 |
| Hinckley & Bosworth | 2,992 | 1,497 | | 949 | 5,438 |
| Leicester City | 9,865 | | 8,456 | 2,400 | 20,721 |
| Melton | 2,704 | 3,891 | | 334 | 6,929 |
| NW Leicestershire | 7,013 | 1,427 | | 520 | 8,960 |
| Oadby & Wigston | 1,010 | 1,203 | | 189 | 2,402 |
| HMA Total | 41,015 | 16,671 | 17,480 | 6,736 | 84,458 |

NB: Totals may not sum due to rounding

6.7 This indicates a notional shortfall across the HMA to 2036 of c. 6,950 dwellings based on supply which is identified in current and emerging plans. However plans will require some supply-side contingency over housing requirement figures. If a 10% supply-side contingency was included across the board, the shortfall would be in the order of 16,100 dwellings. This is a more realistic broad assessment of the scale of additional supply that needs to be identified.

⁵ As of 1st April 2020

6.8 Table 6.3 assesses the current land supply position against each area's own local housing need figures. Sufficient capacity is currently identified (in numerical terms) in current/emerging plans to meet the need in most authorities beyond Leicester to 2036. The exceptions are Oadby and Wigston where a modest shortfall is identified, principally as its Local Plan runs to 2031, and Hinckley and Bosworth where having regard to current adopted Local Plan and the current trajectory for the delivery of the Barwell and East Shilton SUEs, there is a potential shortfall to 2036.

Table 6.3 Current Supply compared to Standard Method LHN, 2020-36

| 2020-36 | Identified Supply to 2036 | Local Housing Need | Shortfall/Surplus |
|---------------------|---------------------------|-----------------------|-------------------|
| Blaby | 6,342 | 5,461 | 881 |
| Charnwood | 20,874 | 17,771 | 3,103 |
| Harborough | 10,236 | 8,550 | 1,686 |
| Hinckley & Bosworth | 5,438 | 7,551 | -2,113 |
| Leicester City | 20,721 | 39,421 | -18,700 |
| Melton | 6,929 | 3,689 | 3,240 |
| NW Leicestershire | 8,960 | 5,953 | 3,007 |
| Oadby & Wigston | 2,402 | 3,011 | -609 |
| HMA Total | 81,902 | 91,406 | -9,504 |

- 6.9 However in addition to the supply identified in the above table, some authorities have identified further supply in land availability (SHLAA) studies. Beyond Leicester, this suggests some theoretical capacity to accommodate additional growth in most authorities. These SHLAA figures however need to be treated with caution as the land supply evidence is more up-to-date and comprehensive in some authorities than others, and studies do not necessarily adopt consistent assumptions such as on the application of constraints and existing policy filters in assessing what sites are deliverable or developable or in how density assumptions are applied.
- 6.10 Furthermore, infrastructure constraints and other issues associated with the cumulative impact of development may also restrict the scale of growth and when growth could come forward. The analysis in Table 6.4 should therefore be treated with a high level of caution.

Table 6.4 Comparing Current and Potential Supply to Standard Method LHN, 2020-36

| | Identified Supply to 2036 | SHLAA Potential Additional Capacity | Total Potential Supply | Authority LHN | Revised Shortfall/ Surplus |
|---------------------|---------------------------------|--|------------------------------|------------------|----------------------------------|
| Blaby | 6,342 | 18,956 | 25,298 | 5,461 | 19,837 |
| Charnwood | 20,874 | 19,938 | 40,812 | 17,771 | 23,041 |
| Harborough | 10,236 | 9,819 | 20,055 | 8,550 | 11,505 |
| Hinckley & Bosworth | 5,438 | 23,130 | 28,568 | 7,551 | 21,017 |
| Leicester City | 20,721 | 0 | 20,721 | 39,421 | -18,700 |

| Melton | 6,929 | 3,635 | 10,564 | 3,689 | 6,875 |
|-------------------|--------|--------|---------|--------|--------|
| NW Leicestershire | 8,960 | 13,281 | 22,241 | 5,953 | 16,288 |
| Oadby & Wigston | 2,402 | 3,060 | 5,462 | 3,011 | 2,451 |
| HMA Total | 81,902 | 91,819 | 173,721 | 91,406 | 82,315 |

NB: Totals may not sum due to rounding

6.11 We have also considered how the supply position compares to the figures arising from the emerging distribution (taking account of functional relationships and adjustments to support the economic growth scenarios). The results are shown in the table below. The analysis identifies a potential additional supply which could accommodate the emerging figures in most authorities, besides Oadby and Wigston.

Table 6.5 Comparing Current Potential Supply to Emerging Housing Need, 2020-36

| | Initial Redistribution (dpa) | Economic Adjust- ments (dpa) | Resultant Housing Need (dpa) | Housing Need, 2020-36 | Total Potential Supply | Shortfall/ Surplus |
|-------------------|------------------------------|---------------------------------------|---------------------------------------|-----------------------------|------------------------------|-----------------------|
| Leicester | 1,295 | | 1,295 | 20,720 | 20,721 | - |
| Blaby | 655 | | 655 | 10,473 | 25,298 | 14,825 |
| Charnwood | 1,400 | | 1,400 | 22,401 | 40,812 | 18,411 |
| Harborough | 657 | | 657 | 10,515 | 20,055 | 9,540 |
| H&B | 574 | | 574 | 9,182 | 28,568 | 19,386 |
| Melton | 260 | 3 | 263 | 4,201 | 10,564 | 6,363 |
| NW Leicestershire | 424 | 182 | 606 | 9,696 | 22,241 | 12,545 |
| Oadby & Wigston | 448 | | 448 | 7,170 | 5,462 | -1,708 |
| HMA Total | 5,713 | | 5,789 | 94,358 | 173,721 | 79,363 |

- Oadby and Wigston's supply position has therefore been considered further. OWBC has a strong functional relationship to Leicester, but is a particularly small authority which has some notable land supply constraints. OWBC has provided Iceni with information on potential additional SHLAA sites which have been submitted through a Call for Sites process but have not, at this stage, been subject to testing. Iceni has overlaid these on the current housing trajectory to consider a potential trajectory for their delivery, whilst including some provision for flexibility, and consider that this could support a housing requirement of 240 dpa over the period to 2036. As with other authorities, this will require further testing as the local plan preparation progresses but is considered to represent the theoretical potential capacity of the District. Having regard to the Borough's local housing need of 188 dpa, this could equate to a 52 dpa contribution to unmet need.
- 6.13 The evidence thus shows that Oadby and Wigston will be unable to meet the full scale of redistributed need based on its functional relationship to Leicester, albeit that it could make a contribution to doing so (subject to Local Plan testing).

Adjustments to Support Deliverability

- 6.14 The final stage of analysis relates to the application of cross-checks on the market capacity to deliver the scale of growth envisaged by the above steps. The table below shows the implied rate of housing growth. The total dpa figure in the 2nd column takes the higher of the figures based on the functional relationship, economic-led housing need or residual plan requirement (in Melton's case). For Leicester and Oadby and Wigston it is informed by the assessment of potential capacity to accommodate growth.
- 6.15 The rate of growth in housing stock implied by the previous stages would see housing stock growth vary from 0.9% per annum in Leicester and 1.0% pa in Oadby and Wigston to 1.4% pa in Harborough; and 1.6% pa in Charnwood.⁶ The variation in the growth rates implied is significant and it is important, and consistent with the NPPF, that the figures for individual authorities are potentially deliverable.
- 6.16 Stock growth rates are used to provide a comparable analysis across different areas, recognising their different sizes, and consideration of wider benchmarks. The analysis recognises that actual completions data for individual authorities historically can be influenced by past planning policies and associated housing supply. At the aggregate level across Leicester and Leicestershire, the standard method figures are above historical housing delivery (which has averaged 4,133 dpa over the last 15 years or 5,255 dpa over the last 5 years).
- 6.17 Charnwood in particular stands out as having a much higher growth rate than other authorities, influenced by the layering of unmet need on a base position which represented a higher relative rate of housing growth than other areas.

Table 6.6 Reviewing Deliverability of Emerging Outcomes

| | Total dpa | Total requirement over period to 2036 | Stock Growth CAGR |
|---------------------|-----------|---------------------------------------|-------------------|
| Leicester | 1,295 | 20,720 | 0.9% |
| Blaby | 655 | 10,473 | 1.3% |
| Charnwood | 1,400 | 22,401 | 1.6% |
| Harborough | 657 | 10,515 | 1.4% |
| Hinckley & Bosworth | 574 | 9,182 | 1.0% |
| Melton | 300 | 4,800 | 1.2% |
| NW Leicestershire | 606 | 9,696 | 1.2% |
| Oadby and Wigston | 240 | 3,840 | 1.0% |
| L&L Total | 5,727 | 91,628 | 1.2% |

⁶ The base stock position is established using MHCLG / DHUHC Table 125. Growth rates are Compound Annual Growth Rates (CAGRs)

- 6.18 The table below shows the comparative rate of stock growth achieved in a range of other local authorities in the Midlands. There are relatively few authorities which have sustained more than 1.5% pa growth in the housing stock. Charnwood historically has seen a rate of growth of 1.1-1.2% per annum.
- 6.19 There are very few local authorities which have sustained housing growth rates over 1.4% over a sustained period of 15+ years covering different parts of the economic cycle and therefore there are considerable risks to sustaining higher rates of growth than this. We consider that it is advisable to therefore seek to moderate the scale of growth in Charnwood to this level in order to avoid localised issues of over-concentration of development and to ensure that the distribution of development supports the delivery of the identified housing need across Leicester and Leicestershire.
- 6.20 The cap of housing stock growth rates at 1.4% seems to avoid potential issues of overconcentrating development to a degree where issues of market absorption could potentially arise and limit the ability of local authorities to meet housing targets and/or result in unsustainable patterns of development. It is appropriate that different local authorities in the County contribute equitably to meeting unmet need from Leicester; and that the figures and distribution which results is deliverable.

Table 6.7 Strongest Growth Local Authorities in East and West Midlands

| | 2001-20 CAGR | 2013-20 CAGR |
|---------------------------|--------------|--------------|
| South Derbyshire | 1.7% | 1.9% |
| Corby | 1.5% | 1.5% |
| North Kesteven | 1.4% | 1.0% |
| Kettering | 1.3% | 1.2% |
| Rugby | 1.3% | 1.3% |
| Stratford-on-Avon | 1.3% | 1.8% |
| Harborough | 1.2% | 1.5% |
| North West Leicestershire | 1.2% | 1.7% |
| Rutland | 1.2% | 1.3% |
| East Northamptonshire | 1.2% | 1.1% |
| South Northamptonshire | 1.1% | 1.5% |
| West Lindsey | 1.1% | 0.9% |
| South Holland | 1.1% | 1.0% |
| Daventry | 1.1% | 1.6% |
| Charnwood | 1.1% | 1.2% |

Table 6.8 Historical Stock Growth Rates in Leicester and Leicestershire

| | 2001-20 CAGR | 2013-20 CAGR |
|-----------------------|--------------|--------------|
| Blaby | 1.0% | 1.3% |
| Charnwood | 1.1% | 1.2% |
| Harborough | 1.2% | 1.5% |
| Hinckley and Bosworth | 1.0% | 1.0% |
| Leicester | 0.9% | 1.0% |
| Melton | 0.8% | 0.7% |

| North West Leicestershire | 1.2% | 1.7% |
|---------------------------|------|------|
| Oadby and Wigston | 0.2% | 0.5% |
| East Midlands | 0.9% | 0.9% |

- 6.21 Having regard to the comparative stock growth rates arising from the previous stages of analysis, as shown in Table 6.6, the potential to accommodate higher growth in Blaby, Melton, Hinckley and Bosworth and North West Leicestershire has been considered. Iceni in particular has considered the existing balance between jobs and homes in different areas, as shown through the jobs density data, and the prospects of further employment growth to arise. In particular we would note:
 - The jobs density data points to net in-commuting to work in Blaby and (particularly) in North West Leicestershire. Additional housing provision in these areas will help to support more local living and working and reduce the need to travel;
 - Iceni would note the designation of the East Midlands Freeport. This aims to drive economic regeneration across the East Midlands but is focused spatially on three main sites: the East Midlands Airport and Gateway Industrial Cluster in North West Leicestershire, the Ratcliffe-on-Soar Power Station across the county border in Rushcliffe in Nottinghamshire, and the East Midlands Intermodal Park (EMIP) in South Derbyshire. The potential for a concentration of employment growth in the north of NW Leicestershire District close to the Airport and Castle Donnington is a relevant factor in considering the distribution of development;
 - Similarly in the south of the County, Iceni is aware of proposals for development of the Hinckley
 National Rail Freight Interchange, located close to Junction 2 of the M69, which are being
 progressed through the DCO process. At the current time this is not however a commitment and
 it is unclear whether it consent will be granted and therefore if the development will go ahead;
 - In contrast there is a weaker economic driver or prospect of strategic employment growth in Melton BC.
- 6.22 The HENA economic projections are principally a demand-based analysis, taking account of economic structure and sectoral growth opportunities, and do not specifically take account of supply-side factors.
- 6.23 Having regard to above factors, the final step in the methodology is therefore to make some manual adjustments to take account of these factors with a view to supporting a sustainable and deliverable distribution of development. The scale of adjustment applied to Blaby ensures that its housing need does not rise above a growth rate of 1.4% per annum so as to avoid an over-concentration of development. Modest upward adjustments of 85 dpa to Hinckley and Bosworth and 80 dpa to NW Leiestershire are proposed in order to support sustainable economic growth in these areas, a balanced distribution of housing across the County and avoid issues of spatial over-concentration

whilst meeting (in the aggregate) the standard method local housing need across Leicester and Leicestershire.

- 6.24 The analysis points to the potential for the local market in Hinckley and Bosworth to absorb a higher rate of housing delivery, and an additional uplift has been applied of 85 dpa applied to Hinckley and Bosworth. The effect of this is to raise the growth rate expected in Hinckley and Bosworth to 1.2% pa, a level more akin to that anticipated in other parts of the HMA beyond Leicester and Oadby and Wigston where there are strategic land supply constraints to increasing delivery further. This is considered reasonable recognising the accessibility of the Borough to employment opportunities both locally and in areas immediately adjoining it (including within Warwickshire). The resultant table overleaf shows the conclusions of the analysis.
- 6.25 At the HMA level, these figures thus meet the standard method LHN. It should be noted that these figures need to be tested through the plan-making process and sustainability appraisal to ensure that these scales of growth are achievable.
- 6.26 These figures are intended, alongside other evidence, to inform the setting of housing requirement figures to 2036. Supply-side contingency to allow for slippage or delay in sites coming forwards should be considered separately.

Page 441 of 1014

Table 6.9 Proposed Interim Distribution of Housing Provision to 2036

| dpa | Leicester | Blaby | Charnwo od | Harbo- rough | H & B | Melton | NWL | O & W | L&L |
|---|-----------|-------|------------|-----------------|-------|--------|------|-------|------|
| Standard Method LHN | 2464 | 341 | 1111 | 534 | 472 | 231 | 372 | 188 | 5713 |
| Amount to be redistributed from Leicester | 1169 | | | | | | | | |
| Redistribution based on functional relationship to Leicester | | 27% | 25% | 11% | 9% | 2% | 4% | 22% | |
| Additional dpa | | 313 | 289 | 123 | 102 | 29 | 52 | 260 | 1169 |
| Distribution based on Functional Relationship | 1295 | 655 | 1400 | 657 | 574 | 260 | 424 | 448 | 5713 |
| Adjustments to support Future Economic Growth | | | | | | 3 | 182 | | 185 |
| Adjustments based on Current Plan Provision and Land Supply | | | | | | 37 | | -208 | -171 |
| Residual Distribution with Adjustments | 1295 | 655 | 1400 | 657 | 574 | 300 | 606 | 240 | 5727 |
| Implied Stock Growth (CAGR, 2020- 36) | 0.9% | 1.3% | 1.6% | 1.4% | 1.0% | 1.2% | 1.2% | 1.0% | 1.2% |
| Final Adjustments to Support Deliverability and Manage Commuting | | 32 | -211 | | 85 | | 80 | | |
| Proposed Redistributed Housing Provision (dpa 2020-36) | 1295 | 687 | 1189 | 657 | 659 | 300 | 686 | 240 | 5713 |
| Stock Growth CAGR | | 1.4% | 1.4% | 1.4% | 1.2% | 1.2% | 1.3% | 1.0% | 1.2% |

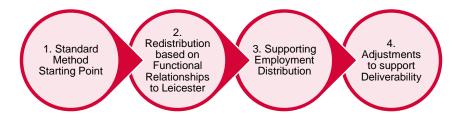
7. CONCLUSIONS AND SUMMARY

- 7.1 The standard method indicates a need for 91,400 homes across the Leicester and Leicestershire Housing Market Area (HMA) over the 2020-36 period. However Leicester has a constrained land supply, resulting in an unmet need of 18,700 homes arising from the City. The authorities in the HMA are required through national policy to work together to address this and agree a revised distribution of housing provision through the Duty to Cooperate.
- 7.2 The authorities within Leicester and Leicestershire have prepared a Strategic Growth Plan (SGP), which was published in 2018, and sets out a long-term strategy for growth in the sub-region. There are a number of other workstreams in progress which will inform a review of the SGP including this Study, and other work considering potential strategic development options and strategic transport options.
- 7.3 However there can be a lead-in time of 10 years or more to delivery of strategic sites, particularly where strategic infrastructure investment is needed to bring them forwards, and therefore it is necessary to consider an **interim** distribution of unmet housing need over the period to 2036 within the housing market area (HMA). The HENA brief seeks advice from Iceni on this and we have been asked to provide advice on a **manual** or formulaic redistribution which could be applied in distributing Leicester's unmet housing need on an interim short-to-medium term basis.
- 7.4 Iceni, in consultation with L&L officers, have identified three broad considerations in assessing the distribution of homes/ unmet need:
 - Functional relationship between different authorities and Leicester;
 - Local alignment of jobs and homes; and
 - Deliverability, which incorporates issues of both land supply and market capacity.
- 7.5 Our approach treats the standard method as a minimum level of provision for each Leicestershire local authority, as individual local plans would be expected (in line with the NPPF) to meet their own need using the standard method.
- 7.6 The first step is then to consider the redistribution of Leicester's unmet need. To do so we have considered the functional relationship of the different Leicestershire authorities with the City, taking account of migration and commuting relationships between the authorities (in both directions). This generates an initial distribution of unmet need.

Page 443 of 1014

- 7.7 Adjustments are then made to this distribution to align with the spatial distribution of future employment growth over the period to 2036, to promote a balance in the delivery of jobs and homes at a local level and limit the need to travel. This seeks to **locate houses close to where job opportunities arise** so as to provide additional labour where it is needed.
- 7.8 The third key consideration relates to **the deliverability of the distribution of development**. This reviews the findings arising against the previous steps, takes into account where authorities are already planning for higher growth or on the other hand where there are land supply constraints which might restrict the scale of development which can be accommodated. It then considers the comparative rate of housing growth implied in different areas and makes adjustments to the distribution to support the deliverability of the distribution proposed, and to ensure that all authorities are contributing proportionally (having regard to their local housing markets) to the unmet need. In doing so it seeks to avoid over-concentrating development in specific areas which could result in localised market capacity issues which inhibit the delivery of overall housing need. This final stage also has regard to the existing balance between jobs and homes in an area and whether higher housing provision might help to improve this balance.

Figure 7.1: Overview of Housing Distribution Methodology



7.9 This Paper uses this process to define the following possible distribution of housing need across the L&L authorities over the period to 2036.

Table 7.1 HENA Potential Housing Distribution

| | Housing Provision, 2020-36 ⁷ | dpa | Stock Growth CAGR |
|---------------------|---|------|-------------------|
| Leicester | 20,720 | 1295 | 0.9% |
| Blaby | 10,985 | 687 | 1.4% |
| Charnwood | 19,025 | 1189 | 1.4% |
| Harborough | 10,515 | 657 | 1.4% |
| Hinckley & Bosworth | 10,542 | 659 | 1.2% |
| Melton | 4,800 | 300 | 1.2% |
| NW Leicestershire | 10,976 | 686 | 1.3% |
| Oadby and Wigston | 3,840 | 240 | 1.0% |
| HMA Total | 91,404 | 5713 | 1.2% |

NB: Totals may not sum due to rounding

7.10 These figures will need to be tested through the plan-making process and sustainability appraisal to ensure that these potential scales of growth are achievable. They are intended to help inform, alongside other evidence, the setting of housing requirement figures to 2036. The longer-term distribution of growth should be informed by the strategy in the Strategic Growth Plan (or review thereof).

Page 445 of 1014

⁷ The dpa figures are rounded to the nearest integer



Leicester & Leicestershire Housing & Economic Needs Assessment

Employment Distribution Paper

Iceni Projects Limited on behalf of Leicester & Leicestershire Local Authorities

April, amended June 2022

Iceni Projects

Birmingham: The Colmore Building, 20 Colmore Circus Queensway, Birmingham B4 6AT

London: Da Vinci House, 44 Saffron Hill, London, EC1N 8FH

Edinburgh: 11 Alva Street, Edinburgh, EH2 4PH Glasgow: 177 West George Street, Glasgow, G2 2LB

Manchester: This is the Space, 68 Quay Street, Manchester, M3 3EJ

t: 020 3640 8508 | w: iceniprojects.com | e: mail@iceniprojects.com linkedin: linkedin.com/company/iceni-projects | twitter: @iceniprojects



EMPLOYMENT DISTRIBUTION 1.

- 1.1 The authorities within Leicester and Leicestershire have asked Iceni to provide advice on employment distribution of unmet needs (2021-36) drawing on emerging evidence from the HENA study as well as that provided in Local Plans, supporting evidence and other planning commitments as supplied by the local authorities.
- 1.2 Specifically, Leicester has declared an unmet need 23.3ha based on evidence prepared in 2020 for its own Local Plan.
- 1.3 The table overleaf draws together the range of information provided by the authorities and through the HENA to understand the overall demand / supply position across the HENA study area.

Table 1.1 Employment demand / supply balance ha (excluding strategic B8) 2021-2036

| | Ne | Need | | Supply | | nce | |
|------------|---------------------------|------------------|---------------------------|------------------|--------------------------|------------------|--|
| | B1 | B2/B8 (small) | B1 | B2/B8 (small) | B1 | B2/B8 (small) | Notes* |
| Blaby | 9.1 | 29.0 | 10.5 | 13.3 | 1.4 | -15.7 | 2021-36 need, HENA '21 . Supply based on permissions pipeline. Mixed permissions divided by use class. Supply at April 2020 |
| Charnwood | 7.5 | 35.7 | 15.1 | 66.7 | 7.6 | 31.0 | 2021-36 need, HENA '21. Supply based on Local Plan trajectory Exc. Loughborough Science and Enterprise Park. |
| Harborough | 6.8 | 39.3 | 18.0 | 41.7 | 11.2 | 2.4 | 2021-36 need, HENA '21 . Supply based on net permissions pipeline at April 2020 |
| H&B | 4.2 | 53.4 | 4.2 | 38.9 | 0.0 | -14.5 | 2021-36 need, HENA '21. Supply based on Local Plan Reg19 Feb '22 |
| Leicester | 46,100 sqm (2.3 ha) | 67.3 | 43,000 sqm (2.1 ha) | 44.0 | -3,100 sqm (- 0.2 ha) | -23.3 | 2019-36 need / office supply, City EDNA '20 (sqm, converted to ha at 2.0 ratio) Industrial supply based on Local Plan Reg19 Feb '22. |
| Melton | 2 | 38.1 | 2.6 | 34.4 | 0.6 | -3.7 | 2021-36 need, HENA '21 . Supply based on permissions and allocations pipeline. Supply at April 2020 |
| NWL | 8.9 | 31.8 | 17.1 | 36.5 | 8.2 | 4.7 | 2021-36 need, HENA '21 . Supply based on permissions and allocations pipeline. Supply at April 2020 |
| O&W | 1 | 3.1 | 2.8 | 5.7 | 1.8 | 2.6 | 2021-36 need, HENA '21 . Supply based on permissions and allocations pipeline. Supply at April 2020 |
| L&L Total | 41.8 | 297.7 | 72.4 | 281.2 | 30.6 | -16.5 | Excludes 50 ha at Loughborough Science and Enterprise Park. Excludes -44,600 sqm offices for Leicester |

Source: Various as identified in notes

^{*} Differences in needs / supply date alignment noted, but based on best available data

- 1.4 The key findings are as follows:
 - To 2036 there is an overall surplus of employment land across Leicester and Leicestershire including both office and industrial / small B8. However this comprises a shortfall of industrial / small B8 of 16.5 ha and a surplus of 30.6 ha of offices.
 - In terms of industrial / small B8, there is declared unmet need in Leicester but a surplus in a number of authorities most notably in Charnwood and to a lesser extent in Harborough, North West Leicestershire and Oadby and Wigston. This surplus exceeds the declared shortfall in Leicester for its Plan period.
 - It is assumed that any shortfalls other than for Leicester (notably Blaby. Hinckley & Bosworth and to a lesser degree Melton) or shortfalls occurring when longer plan periods are considered, will be met within the authorities themselves.
 - Loughborough's Science and Enterprise Park is excluded from the supply/demand balance
 assessment as "the Science Park allocation provides high quality employment space supporting
 specialist businesses across the sub-region and beyond and does not accommodate more
 general employment uses."
- 1.5 When considering the most appropriate locations in market terms for meeting unmet needs for industrial from Leicester, we consider the narrative in the HENA provided by Innes England:

"Development close to the trunk road network in the sub-region is likely to be in demand... Manufacturers are likely to particularly seek suburban locations in and around Leicester; with larger logistics occupiers more focused on those close and immediately accessible from the motorway network.

In terms of the local market below 50,000 sqft there is limited available stock. 41% of transactions are under 10,000 sqft. There is considered to be a need to bring forward units at this end of the market, to meet demand.

Innes England suggest that there will be demand for industrial units across the Leicester urban area in locations with good access to arterial routes and labour and more space is required for development in these areas. "(our emphasis)

1.6 Elsewhere the HENA notes the following:

"Mid sized and smaller stock opportunities should be considered as intensification or extensions of existing estates around the FEMA often in proximity to local settlements... Urban extensions or other future growth locations such as Leicester south-eastern growth corridor¹ present an opportunity to support the delivery of new employment spaces of smaller and midsized units

-

¹ As identified in the Strategic Growth Plan

- where well connected to the road network. Smaller units tend to rely on closer proximity to the population centres due to the nature of occupiers."
- 1.7 However the delivery of a south-eastern growth corridor is not expected in the short/medium-term and this affects the market attractiveness and deliverability of employment sites on the southern and eastern sides of the City.
- 1.8 Taking the above into account, the following principles to meeting Leicester's unmet needs are set out:
 - It is considered appropriate for authorities adjoining Leicester to be considered for unmet needs in the first instance (Charnwood, Blaby, Harborough, Oadby and Wigston) given the accessibility to the city and associated supply of labour.
 - Sites should be located in good proximity to the City, preferably adjacent to the existing urban area.
 - Sites should be well connected to the City by road (A road) and ideally connected to the wider strategic network (A road / motorway network).
- 1.9 These principles follow those taken to meeting the unmet needs of other cities most notably the sites around Coventry including in Rugby, Nuneaton and Bedworth and Warwick.
- 1.10 Drawing on these principles it would be sites on the A46, A50, A6, A47 and M1/M69 corridors around the City that are likely to be well placed to meet, or contribute to meeting, the identified unmet need for employment land.
- 1.11 As set out in Table 1.1, there is a quantitative shortfall of industrial / small B8 employment land across Leicester and Leicestershire. Within this a number of individual authorities have a quantitative supply surplus for industrial / small B8. In combination these surpluses amount to 40.8Ha, which exceeds Leicester unmet need of 23.3Ha. Therefore, Leicester's unmet need can be readily accommodated, assuming that other authorities that also have a shortfall of industrial/small B8 land can meet their own need.
- 1.12 To consider the best locations in which to meet unmet needs, Iceni has sought to apply the principles set out above.
- 1.13 The southern side of Charnwood Borough relates well to the City in spatial terms and is served by the A46 and A6. The former links the area to the M1. Notable allocations at Charnwood, which has the greatest supply excess in purely quantitative terms, include North East of Leicester Sustainable Urban Extension (SUE) (13 ha) and North of Birstall SUE (15 ha). These are well positioned on the fringes of the Leicester urban area and accessible to the City and the wider network particular the

North of Birstall SUE. The NE of Leicester SUE in Thurmaston is less well connected to the strategic road network but can still be considered suitable in meeting local needs for Leicester. Both sites have planning permission. In addition, there are other allocations in the Local plan which have a good functional relationship to Leicester. These include Watermead Business Park, Syston (12ha); Loughborough Road, Rothley (2.2ha); Rothley Lodge, Rothley (2.2ha) The Warren, East Goscote (3.95ha).

- 1.14 The A6 and A47 corridors link parts of Harborough District to the City. Those parts of the District which adjoin the urban area include Scraptoft, Bushby, Thurnby and Stoughton but are principally residential and do not relate strongly to the wider strategic road network or have concentration of existing employment land. The largest supply in Harborough of employment land is at the East of Lutterworth Strategic Development Area (23 ha B1/B2/B8) as well as Land at Airfield Farm (Market Harborough) (13 ha). These sites are considerably further from the Leicester urban area and less well suited to meet its needs.
- 1.15 Blaby is well positioned to meet needs as it wraps the western edge of the city and a number of key transport corridors. It includes existing well established employment locations such as Meridian Park and Optimus Point which relate well to the Leicester urban area. However at present, based on the data available, it requires further sites to meet its own need. This limits Blaby's potential to contribute towards meeting Leicester's unmet need in the short to medium term.
- 1.16 Oadby and Wigston relates well to the City in spatial terms. However employment land provision within the Borough is modest, and just 2.5 ha has planning permission. It includes Oadby Sewerage Treatment Works and Wigston Direction for Growth Allocation. The supply is of a scale/location which is focused on meeting local needs.

Bringing the Evidence Together

- 1.17 Drawing the evidence together, Iceni consider that Charnwood is best able to suitably meet Leicester's unmet need in respect of the identified short/medium-term unmet need to 2036. This in particular reflects the existing quantitative over-supply position in respect of meeting the Borough's own needs; combined with the availability of employment sites and land which is close to the City and can contribute to delivering employment land which can service the needs of Leicester-based companies in the short/medium-term.
- 1.18 Locational considerations mean that the deliverability of sites (or indeed potential locations) in Charnwood is stronger; whilst the local supply position is relatively limited in Oadby and Wigston and the areas of Harborough District which relate well to the City are less attractive for commercial development.

1.19 In the longer-term strategic infrastructure improvements could open up new opportunities for employment development around the south and east of the Leicester Urban Area. Consideration might also suitably be given to whether further sites in Blaby on the west of the City can also be brought forward in due course to contribute to maintaining a longer-term supply of attractive employment sites in the Leicester area.



Leicester and Leicestershire Authorities

Statement of Common Ground

Sustainability Appraisal Report

June 2022

| REVISION SCHEDULE | | | | | |
|-------------------|------------------|-----------------------------------|--|-------------------------------------|-------------------------------------|
| Rev | Date | Details | Prepared by | Reviewed by | Approved by |
| 1 | February 2022 | Draft SA Report for Client Review | Ishaq Khan Laurie Marriott Omar Ezzett | Ian McCluskey Associate Director | Alastair Peattie Technical Director |
| 2 | March 2022 | Final SA Report | Ian McCluskey Associate Director | Ian McCluskey Associate Director | Alastair Peattie Technical Director |
| 3 | June 2022 | Update to Final SA Report | Laurie Marriott Ian McCluskey | lan McCluskey Associate Director | Alastair Peattie Technical Director |

This document has been prepared by AECOM Limited ("AECOM") in accordance with its contract with the Leicester and Leicestershire authorities (the "Client") and in accordance with generally accepted consultancy principles and the established budget. Any information provided by third parties and referred to herein has not been checked or verified by AECOM, unless otherwise expressly stated in the document. AECOM shall have no liability to any third party that makes use of or relies upon this document.

Table of contents

Appendix D: Schedule of Compliance

| 1 | Introduction | 1 |
|----|--|----|
| 2 | Scoping | 6 |
| 3 | Description of the options | 11 |
| 4 | Methodology for appraising options | 32 |
| 5 | Appraisal Findings: Housing Options | 35 |
| 6 | Appraisal Findings: Employment Options | 43 |
| 7 | Appraisal of the preferred approach | 45 |
| 8 | Monitoring | 48 |
| 9 | Next Steps | 51 |
| Αp | pendix A: Appraisal of Housing Options | |
| Αp | pendix B: Appraisal of Employment Options | |
| Αp | pendix C: Detailed appraisal of the preferred approach | |

1 Introduction

1.1 Background

- 1.1.1 AECOM are independent consultants with specialisms in town planning, environmental and sustainability assessment. AECOM has been commissioned by The Leicester and Leicestershire Councils¹ to prepare a Sustainability Appraisal (SA) in relation to the housing and employment unmet need from Leicester City, which will be addressed through a Statement of Common Ground (SOCG). Whilst an SOCG is not a 'plan' in its own right, it will influence how the Leicestershire authorities deal with housing and employment needs (and other cross boundary matters) across the housing market area (HMA) and functional economic market area (FEMA). In particular, there is a requirement to ensure that any unmet needs from particular authorities can be met elsewhere.
- 1.1.2 The SOCG / Duty to Cooperate process does not strictly require an SA to be undertaken, as each individual authority would need to consider the merits of different spatial approaches to growth in their own Local Plan processes (which do have a requirement for SA to be undertaken). Nevertheless, the Leicester and Leicestershire Councils considered it to be a useful process to help in the decision-making process about how to distribute any housing and employment needs from a County-wide perspective.
- 1.1.3 As a result of the constraints provided by the administrative boundaries of the City of Leicester, shortfalls of both housing and employment land have been identified for Leicester. The SA has therefore focused on how these shortfalls can be met elsewhere in the County.
- 1.1.4 This document is an SA Report that describes the processes that have been undertaken and the resulting findings.

1.2 Summary of the SA process

1.2.1 Sustainability Appraisal (SA) is a process for helping to ensure that plans, policies and programmes achieve an appropriate balance between environmental, economic and social objectives. The process that is followed incorporates the requirements of a Strategic Environmental Assessment (SEA).

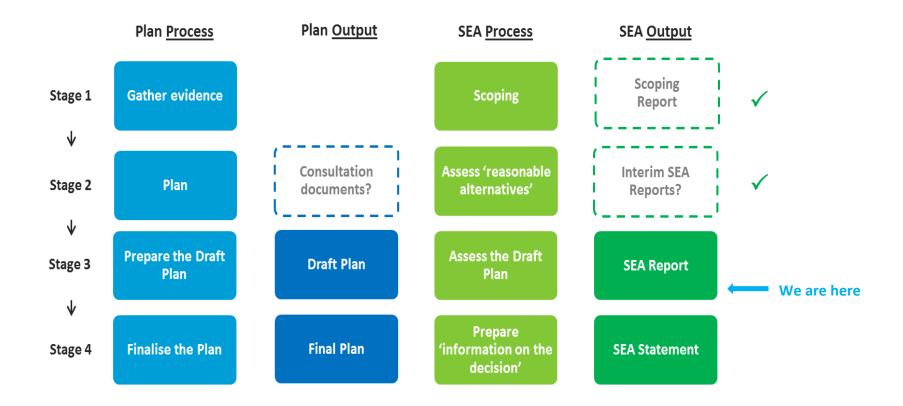
_

¹ Blaby District Council, Charnwood Borough Council, Harborough District Council, Hinckley and Bosworth Borough Council, Leicester City Council, Leicestershire County Council, Melton Borough Council, North West Leicestershire District Council, Oadby and Wigston Council: collectively referred to as 'the authorities'.

- 1.2.2 Strategic Environmental Assessment is a statutory process that must be carried out when a plan, policy or programme is considered likely to have significant effects on the environment. In the case of a SOCG, SA/SEA is rarely undertaken², as it is not a statutory plan as such. However, as discussed above, a decision was made that it would add value to the decision making process.
- 1.2.3 SA should help to identify the sustainability implications of different approaches and recommend ways to reduce any negative effects and to increase the positive outcomes.
- 1.2.4 SA is also a tool for communicating the likely effects of a plan (and any reasonable alternatives), explaining the decisions taken with regards to the approach decided upon, and encouraging engagement from key stakeholders such as local communities, businesses and plan-makers.
- 1.2.5 Although SA can be applied flexibly, it contains legal requirements under the 'Environmental Assessment of Plans and Programmes Regulations 2004' (which were prepared in order to transpose into national law the EU Strategic Environmental Assessment (SEA) Directive).
- 1.2.6 The regulations set out prescribed processes that must be followed. In particular the regulations require that a report is published for consultation alongside the draft plan that 'identifies, describes and evaluates' the likely significant effects of implementing 'the plan, and reasonable alternatives'. The SA report must then be taken into account, alongside consultation responses when finalising the plan.
- 1.2.7 Though the SOCG is not a statutory plan as such, it has the potential to influence the effects upon the environment, communities and economy in each of the constituent authorities. Therefore, it is considered beneficial to undertake a sustainability appraisal alongside existing and ongoing SA work that has/is being undertaken at a local authority level.
- 1.2.8 SA can be viewed as a four-stage process that produces a number of outputs. As illustrated in Figure 1.1 below, 'Scoping' is a mandatory process under the SEA Directive, but the publication of a scoping report is a voluntary (but useful) output.
- 1.2.9 Figure 1.1 shows the broad stages of the plan-making and SA process. A draft plan has been prepared, and this SA Report, documents the process and findings of the SA. However, in the context of the SEA Regulations, the plan is only 'final' once it has been approved (or Adopted for statutory Local plans for example). At this stage, an SA statement will be prepared.
- 1.2.10 **Appendix D** summarises how / where the requirements of the SA process have been met through reference to the SEA Regulations.

² This may well be the first SA undertaken for a SOCG

Figure 1.1: SA/SEA as a four stage process



1.3 Report structure

1.3.1 The report is structured as follows:

Section 2: Scoping

This part of the report sets out a summary of the scope of the SA, which is contained in detail in a separate Scoping Report.

Section 3: Description of the options

This part of the report sets out the options that have been established by the authorities. It describes the assumptions behind each option, and how this translates into growth across the HMA. Understanding the options is fundamental in being able to undertake a robust and meaningful sustainability appraisal.

Section 4: Methodology

This part of the report sets out the methodology to aid in the understanding of the appraisal process.

Section 5: Appraisal findings (Housing)

This part of the report sets out a summary of the options appraisal findings.

Section 6 – Appraisal findings (Employment)

This part of the report sets out a summary of the options appraisal findings.

Section 7 – Monitoring

Section 8 – Next Steps

This last part of the report sets out how to make comments on the SA Report and what the key stages in the process will be going forward.

1.4 Geographical area covered by the Statement of Common Ground

1.4.1 The SOCG covers the whole of the County of Leicestershire and the City of Leicester. This is shown in Figure 1.2.



Figure 1.2: The area subject to the Statement of Common Ground

2 Scoping

2.1 Background

- 2.1.1 The Scoping stage of the SA process is designed to establish the key issues that should be the focus of the appraisal, as well as proposing the assessment methodologies.
- 2.1.2 A proportionate and suitable starting point for the SOCG was to utilise existing work that had been carried out for the same geographical areas. An SA process was undertaken for the Leicester and Leicestershire Strategic Growth Plan (which covers the same geographical area as the SOCG and sets a framework for future Local Plans). As such, the scoping has already been undertaken and a suitable framework of issues identified for addressing plan-making issues across the housing market area. A sensible approach to take when appraising the SOCG is to draw upon the existing SA work undertaken for the Strategic Growth Plan, rather than duplicate the scoping stage unnecessarily.
- 2.1.3 A Scoping Report (for the Strategic Growth Plan) was prepared and published for consultation with the three statutory bodies (Historic England, Environment Agency, Natural England) between August 25th, 2017 and September 29th, 2017. Following consideration of the comments received, the scope of the SA was 'determined' and updated in January 2018. It is considered appropriate to draw upon this SA work, given that the Plan area is identical (to that which is subject to the SOCG), and the issues involved are very similar.
- 2.1.4 The scope of the SA is presented in full within a separate scoping report.
- 2.1.5 The scoping exercise involved gathering information about the baseline information relating to a range of sustainability factors. A review of relevant plans, policies and programmes was also undertaken in relation to each topic to identify key principles and sustainability objectives that ought to be taken into consideration in the SA process.
- 2.1.6 Drawing together all this information allowed a series of key issues to be identified, which formed the basis of the development of an SA Framework (a series of objectives and criteria for assessing the effects of the Strategic Growth Plan and now the SOCG). The key issues and thirteen sustainability objectives are summarised in this section of the SA Report. The full SA Framework can be found in the Scoping Report.
- 2.1.7 **Table 2.1** below sets out the sustainability topics that were identified within the scoping report, the associated key issues, and the corresponding sustainability objectives. Where a decision was made that topics could be 'scoped out' of the SA, no SA objectives were developed.

Table 2.1: Sustainability topics and corresponding SA Objectives

| Key issues | SA Objective |
|---|---|
| Biodiversity and geodiversity | |
| The County has a relatively low level of designated biodiversity sites. However, these are in a mostly favourable or recovering position. Opportunities to strengthen ecological networks should therefore be taken advantage of. The quality of water could affect a range of biodiversity habitats and species across the Plan area, making strategic river networks an important feature to protect, maintain and enhance. | Create new, protect, maintain and enhance habitats, species and ecological networks. |
| Health and wellbeing The population is ageing, with impacts for the delivery of health services. Another key issue due to a rising population is the provision of sufficient and appropriate housing within the HMA / districts. | Maintain and improve levels of health, whilst reducing health inequalities |
| Housing There is a need to meet needs for housing. In some districts it may be difficult to meet full needs 'locally' (i.e. within the district it arises). This could necessitate housing needs for some districts being met in other parts of the HMA. Housing affordability is an issue across the HMA. There is an increasing need to provide housing suitable for an ageing population. | 3. Secure the delivery of high quality, market and affordable homes, to meet Objectively Assessed Need. |

| Key issues | SA Objective |
|---|--|
| Employment and economy The County is well positioned for growth in the strategic distribution sector; though there is a need to identify the appropriate distribution of growth opportunities. Unemployment rates are falling across the HMA, though remain the highest within the city. | 4. Support the continued growth and diversification of the economy. |
| Transport and travel Accessibility to services, facilities and jobs is poor in rural areas. Access to strategic employment sites by public transport is not ideal. There may be constraints to the amount of development that can be accommodated on the edge or near the Leicester urban area in light of congestion along parts of the orbital road network. | 5. Improve accessibility to services, jobs and facilities by reducing the need to travel, promoting sustainable modes of transport and securing strategic infrastructure improvements. |
| Though generally good, air pollution presents an issue in some parts of the Plan area, typically within areas that suffer from higher levels of traffic and congestion. | 6. Minimise exposure to poor air quality, whilst managing contributing sources. |
| Climate change There are opportunities to increase the amount of low carbon and renewable sources of energy above the relatively low baseline position. | 7. Contribute to a reduction in greenhouse gas emissions and an increase in the use of low carbon energy. |

| Key issues | SA Objective |
|---|---|
| Landscape and land There are parcels of high quality agricultural land throughout the districts that should be protected given the relatively low amount of Grade 1, 2 and 3a land present. No nationally designated landscapes are present, but there are a variety of important landscapes which are important to the character of the countryside, preventing urban sprawl and supporting the natural environment. Whilst these are in relatively good condition, there are increasing pressures from development that need to be managed. | 8. Protect, maintain and enhance landscapes whilst promoting their value to sustainable growth.9. Protect high quality agricultural land from permanent development. |
| Cultural heritage There is a wealth and variety of heritage features, many of which are designated for their heritage value. It will be important to protect the condition and setting of these assets. Though the number of 'at risk' heritage assets has decreased slightly from 2015-2017, the majority of heritage assets that remain on the 'at risk' register are declining in condition. | 10.Conserve and enhance the historic environment, heritage assets and their settings. |

| Key issues | SA Objective |
|---|--|
| Water The quality of many water resources across the Plan area is in need of improvement, yet could come under increased pressure from new development. SUDs should be encouraged to support the natural and sustainable management of water resources. There are locations across the Plan area sensitive to and at risk of flooding (which could be exacerbated by climate change). There is a need to ensure that future development does not put more people at risk of flooding whilst ensuring that overall levels of flooding do not increase. This could/should constrain development in some areas, such as the flood plains of the River Soar and watercourses leading to and through Leicester City. | 11.Steer development away from the areas at the greatest risk of flooding, whilst supporting schemes that reduce the risk and impacts of flooding. 12.Protect, maintain and enhance the quality of water resources. |
| Waste and minerals Levels of recycling, reuse and composting are relatively high, and rates continue to improve. There has also been a general decrease in the amount of waste per capita. Growth in housing and employment is likely to generate more waste in terms of the overall volume. However, improved efficiency and continued drives to reduce the amount of waste sent to landfill should help to reduce the amount of waste generated per capita. There are mineral resources across the County, some of which could be sterilised by development. It is important to protect such reserves from sterilisation. | Waste – Scoped out. The trends are generally positive, and the planning for growth ought to be managed through the Leicester and Leicestershire Waste Plans. 13.Protect mineral resources from sterilisation, and support their sustainable extraction. |

3 Description of the options

3.1 Housing options

Unmet housing needs

- 3.1.1 Following on from the release of the revised Standard Methodology in December 2020 for calculating housing need, Leicester City identified, as a working assumption, an unmet need of 15,900 dwellings between 2020 and 2036. It also identified an unmet need of 23 hectares of employment land.
- 3.1.2 The purpose of the Statement of Common Ground (SOCG) is to distribute the unmet need for housing and employment from Leicester in a sustainable fashion to the other Boroughs and Districts in Leicestershire.
- 3.1.3 The SOCG and associated sustainability appraisal concentrate on distributing the unmet needs only, and is not a locational strategy for Leicester and Leicestershire. In this respect, the purpose of the SA is to explore how Leicester's unmet needs to 2036 could be reasonably distributed and the associated implications of different approaches.
- 3.1.4 The SA explores both the amount and the distribution of unmet housing and employment needs.
- 3.1.5 It is important to acknowledge what exactly is being explored in the SA and any assumptions about housing and employment growth. In this respect, the focus is on unmet needs from Leicester City only, and therefore, the 'baseline position' includes existing commitments, allocations and draft allocations in adopted and emerging Local Plans. The intention is to look at the effects of distributing unmet needs and how this interacts with growth that is already 'locked-in'. Therefore, when exploring the potential for development in the different settlements, this assumes that the growth is additional to what is already being planned for. There is also an assumption that individual local authorities will determine what constitutes a suitable 'buffer' in terms of meeting housing needs (both local needs / those from Leicester and in combination).

Housing need and distribution

- 3.1.6 The starting point for identifying reasonable alternatives is the June 2021 Statement of Common Ground, which highlights a working assumption of unmet need of 15,900 dwellings (rounded). For the purposes of the SA, this is referred to as Growth Scenario A.
- 3.1.7 The authorities explored whether it would be reasonable to test other growth scenarios in the SA, to ensure that the evidence is 'future proofed' should evidence of needs change (which is often the case).

- 3.1.8 In determining what level of growth may be reasonable, it was concluded that a higher and lower level of growth should be tested. Reasonable alternatives need to be significantly different for discernible differences in effects to be identified and this guided the process somewhat in terms of establishing the levels of growth to test.
- 3.1.9 In addressing the potential for unmet need to increase, the authorities considered that a 25% uplift on identified unmet needs was a reasonable alternative (i.e. 20,000 dwellings). For the purposes of the SA, this is referred to as Growth Scenario B.
- 3.1.10 In addressing the potential for unmet needs to decrease, the authorities considered that a 50% reduction on unmet needs was a reasonable alternative (i.e. 7950 dwellings). For the purposes of the SA, this is referred to as Growth Scenario C.
- 3.1.11 It was considered unnecessary / unreasonable to test further growth scenarios as they would not necessarily be related to the evidence base. Furthermore, the alternatives tested provide a reasonable range within which the effects of different options could be tested.
- 3.1.12 The authorities established a range of options for the distribution of development. The starting point was to relate the potential locational strategies in the context of the geography of Leicester & Leicestershire. In-line with the approach taken in the SA for the Leicester and Leicestershire Strategic Growth Plan, various 'tiers' of settlement have been identified across the area that settlements fall into at a strategic level. These are described in the table below and illustrated on Figure 3.1 (which also shows the location of potential site options that could be involved under the different growth scenarios).

Table 3.1 Settlement Tiers for the SA appraisal

| Settlement Tier | Definition |
|---|--|
| Near Leicester Area | This is the area within 10km from Leicester City Centre (the Clock Tower – See Figure 3.1 for a Map of the area). The Near Leicester Area (NLA) captures most of the areas close to Leicester which have a strong functional relationship with the city and reasonable access to it by public transport. |
| Market Towns | Coalville, Loughborough, Melton Mowbray, Market Harborough, Lutterworth, Hinckley. |
| Other Identified Settlements (excluding market towns) | These are settlements which are generally considered sustainable locations for some form of housing development. |
| Strategic Sites | Potential to accommodate 1000 or more homes. |
| Rest | Anything not included within the above categories |

3.1.13 The alternatives have been structured by directing different amounts of growth to each of these settlement tiers for the constituent local authorities. To ensure that the options are realistic / deliverable, the distribution of growth has been sense checked against the potential supply of land, and all options were considered to be appropriate. The options identified as reasonable are described in turn below.

Distribution Option 1: Local Plan Roll Forward (Spread-Settlement Pattern)

- 3.1.14 Leicester's unmet need is distributed to the NLA, Market Towns and Other Identified Settlements on the following basis:
 - 34% to NLA
 - 33% to Market Towns
 - 33% to Other Identified Settlements
- 3.1.15 It reflects a distribution that spreads Leicester's unmet need across Leicestershire based on the above settlement hierarchy and continues the existing pattern of development from existing Local Plans. The unmet need is shared first between the three settlement categories and then shared equally between LPAs with potential capacity in that settlement category.

Distribution Option 2: 2 Spread (Equal Share)

- 3.1.16 Leicester's unmet need is distributed 'equally' between the LPAs with potential capacity. The split is not based upon area size or population size.
- 3.1.17 It is similar to Option 1. However, this option reflects a distribution that spreads Leicester's unmet need across Leicestershire on an equal basis to Districts. This option directs more growth to Melton and North West Leicestershire than Option 1.
- 3.1.18 The unmet need is first shared equally between the LPAs with capacity and then distributed to the NLA, Market Towns and Other Identified Settlements taking account of capacity and settlement pattern.

Distribution Option 3: Focus on Strategic Sites

3.1.19 Leicester's unmet need is directed to Strategic Sites. The preference is to locate Leicester's unmet need to Strategic Sites within or close to the NLA in the first instance. This includes potential sites meeting the following criteria:

- Sites of at least 1000 homes. Priority may be given to sites able to create a standalone settlement with its own infrastructure (at least 3,500 dwellings).
- Within or adjoining the Near Leicester Area, or within close proximity to the Near Leicester Area (i.e. within 1 or 2km of NLA boundary)
- Potential to deliver homes up to 2036 sites that can commence within the period of time covered by the SOCG and deliver a reasonable amount of housing growth and deliver strategic infrastructure (or at least lay the foundations) are preferable to those that would only be suitable in the longer term.
- 3.1.20 Where there is not sufficient capacity for strategic sites in the NLA, meeting the locational criteria, then strategic site options in the Market Towns and Other Settlements will be considered.
- 3.1.21 The unmet need is shared to those strategic sites adjoining or in close proximity to the Near Leicester Area. Where there is not sufficient capacity then other locations for strategic sites will be considered.

Distribution Option 4: Near Leicester Area

- 3.1.22 100% of Leicester's unmet need is distributed in the Near Leicester Area (NLA).
- 3.1.23 It reflects the principle that Leicester's unmet housing need should be located near to Leicester.
- 3.1.24 The unmet need is shared equally between LPAs with potential housing capacity in the NLA taking account of the scale of that potential capacity.

Distribution Option 5: HENA Distribution

- 3.1.25 The Housing and Employment Needs Assessment (HENA) looks at a range of evidence to identify the scale of future economic and housing growth across Leicester and Leicestershire.
- 3.1.26 The HENA identified a distribution where Leicester's unmet need is directed to:
 - Locations where there is expected jobs growth;
 - Authorities where there is a functional relationship with Leicester; and

- Where the growth is deliverable in terms of land supply and market capacity.
- 3.1.27 The HENA Report sets out an overall scale of growth for each District and this was the starting point for the distribution under this option. The HENA distribution options were fixed to the total unmet need (15,900 dwellings) to ensure a consistent comparison with each of the other options.
- 3.1.28 To facilitate the appraisal and allow for differentiation in effects, an apportionment of indicative housing levels is made for each local authority for different levels of the settlement tiers. Tables 3.2, 3.3 and 3.4 break this down for each of the spatial options at each scale of growth. To give an idea of the spatial implications of each option, Figures 3.2 to 3.6 present a concept map of development locations, accompanied by a pie chart for each growth scenario to demonstrate the amount of growth that would be involved.
- 3.1.29 The locations indicated for growth are not exact replications of the scale of growth at each of the settlements, rather a broad indication of the locations for housing (at each spatial level) based on the supply of site options. Likewise, the locations shown would not necessarily all be involved for each option, they are simply shown conceptually to demonstrate the range of locations that would be involved under different options for each local authority.
- 3.1.30 There are several 'other identified settlements' that fall within the NLA. These are not depicted on the concept maps, but it does not mean that development in those areas wouldn't occur, rather they would be picked up as part of the NLA apportionments.

 Table 3.2
 Scenario A: 100% of Current unmet housing needs (15,900)

| | A1. Settlement Pattern Spread | | A2. Equ | ual share dispersed | A3.Strategic site focus | A4. Near I | eicester Area focus | s A5. HENA Distribution | | |
|------------------------------------|-------------------------------|---|-------------|---|---|----------------------------|---|-------------------------|---|--|
| Near Leicester Area | 5406 34% | Blaby – 1081 Charnwood – 1081 Harborough – 1081 Hinckley – 1081 Oadby - 1081 | 6110 38% | Blaby - 1522 Charnwood – 772 Harborough – 772 Hinckley – 772 Oadby - 2271 | Blaby – 2770 Harborough – 3750 Hinckley – 450 Oadby - 1480 | 15900 dwellings 100% | Blaby – 3330 Charnwood – 3330 Harborough – 3330 Hinckley – 3330 Oadby - 2582 | 6045 38% | Blaby - 3492 Charnwood — 354 Harborough — 647 Hinckley — 753 Oadby - 800 | |
| Market towns | 5247 33% | Charnwood – 1049 Harborough – 1049 Hinckley - 1049 Melton – 1049 NWL – 1049 | 5292 33% | Charnwood – 750 Harborough – 750 Hinckley – 750 Melton - 1522 NWL – 1522 | Charnwood – 890 Harborough – 1242 Hinckley - 1242 Melton - 1242 NWL - 1242 | 0% | | 5859 37% | Charnwood – 343 Harborough – 628 Hinckley – 1846 Melton - 884 NWL – 2158 | |
| Other Identified settlements | 5247 33% | Blaby – 874 Charnwood – 874 Harborough – 874 Hinckley - 874 Melton - 874 NWL - 874 | 4497 28% | Blaby – 749 Charnwood – 750 Harborough – 750 Hinckley – 750 Melton – 750 NWL - 750 | Blaby - 1242 Charnwood - 352 | 0% | | 3996 25% | Blaby – 1282 Charnwood – 343 Harborough – 628 Hinckley – 294 Melton – 436 NWL - 1014 | |
| Strategic site focus | | 0% | | 0% | 100% | | 0% | | 0% | |

 Table 3.3
 Scenario B: 25% uplift on current unmet housing needs (20,000)

| | B1. S | ettlement Pattern Spread | B2. Eq | ual share dispersed | B3.Strategic site focus | B4. Near | r Leicester Area focus | B5. HENA Distribution | | |
|---------------------------------|-------------|---|-------------|---|---|----------------------------|--|-----------------------|---|--|
| Near Leicester Area | 6800 34% | Blaby – 1360 Charnwood – 1360 Harborough – 1360 Hinckley – 1360 Oadby - 1360 | 7488 37% | Blaby - 1945 Charnwood – 987 Harborough – 987 Hinckley – 987 Oadby - 2582 | Blaby – 2770 Harborough – 3750 Hinckley – 450 Oadby - 1480 | 20000 dwellings 100% | Blaby – 4594 Charnwood - 4594 Harborough – 4594 Hinckley – 3637 Oadby - 2582 | 6879 34% | Blaby - 3589 Charnwood – 445 Harborough – 1086 Hinckley – 753 Oadby - 1006 | |
| Market towns | 6600 33% | Charnwood – 1320 Harborough – 1320 Hinckley - 1320 Melton – 1320 NWL – 1320 | 6764 34% | Charnwood – 958 Harborough – 958 Hinckley – 958 Melton - 1945 NWL – 1945 | Charnwood – 890 Harborough – 1925 Hinckley - 1925 Melton - 1925 NWL - 1420 | | 0% | 7764 39% | Charnwood — 432 Harborough — 653 Hinckley — 2591 Melton - 1112 NWL — 2976 | |
| Other Identified settlements | 6600 33% | Blaby – 1100 Charnwood – 1100 Harborough – 1100 Hinckley - 1100 Melton - 1100 NWL - 1100 | 5748 29% | Blaby – 958 Charnwood – 958 Harborough – 958 Hinckley – 958 Melton – 958 NWL - 958 | Blaby - 1925 Charnwood – 1035 NWL - 505 | | 0% | 5356 27% | Blaby – 2416 Charnwood – 432 Harborough – 653 Hinckley – 294 Melton – 548 NWL - 1014 | |
| Strategic site focus | | 0% | | 0% | 100% | | 0% | | 0% | |

 Table 3.4
 Scenario C: 50% of current unmet housing needs (7,950 dwellings)

| | C1.Sett | lement Pattern Spread | C2.Eq | ual share dispersed | C4. Near Le | eicester Area focus | C3.Strategic site focus | | |
|------------------------------------|-------------|---|-------------|---|---------------------------|--|---|--|----|
| Near Leicester Area | 2705 34% | Blaby - 541 Charnwood -541 Harborough - 541 Hinckley – 541 Oadby - 541 | 3029 38% | Blaby - 757 Charnwood – 379 Harborough – 379 Hinckley – 379 Oadby - 1136 | 7950 dwellings 100% | Blaby – 1590 Charnwood 1590 Harborough – 1590 Hinckley 1590 Oadby – 1590 | Blaby – 2770 Harborough – 3250 Hinckley – 450 Oadby - 1480 | | |
| Market towns | 2625 33% | Charnwood - 525 Harborough -525 Hinckley -525 Melton - 525 NWL – 525 | 2650 33% | Charnwood – 379 Harborough -379 Hinckley – 379 Melton – 757 NWL – 757 | 0% | | 0% | | 0% |
| Other Identified settlements | 2625 33% | Blaby – 437 Charnwood - 437 Harborough -437 Hinckley -437 Melton - 437 NWL - 437 | 2271 26% | Blaby – 379 Charnwood – 379 Harborough -379 Hinckley -379 Melton – 379 NWL – 379 | 0% | | 0% | | |
| Strategic site focus | | 0% | | 0% | | 0% | 7950 100% | | |

Figure 3.1: Potential site options (housing, employment and mixed use)

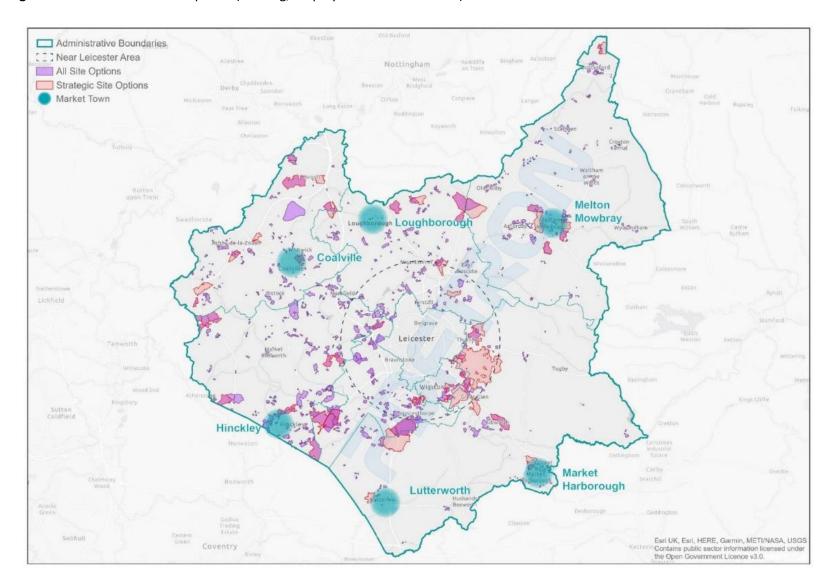


Figure 3.2: Distribution Option 1: Settlement Spread

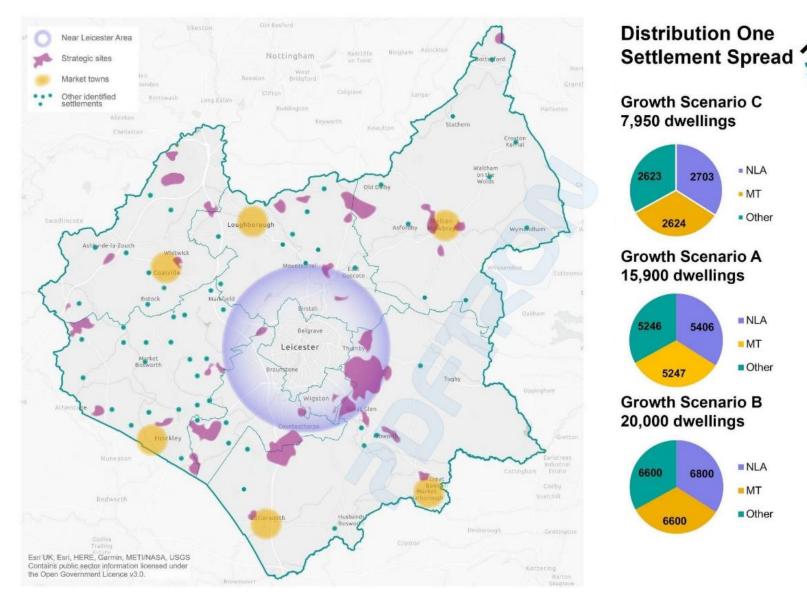
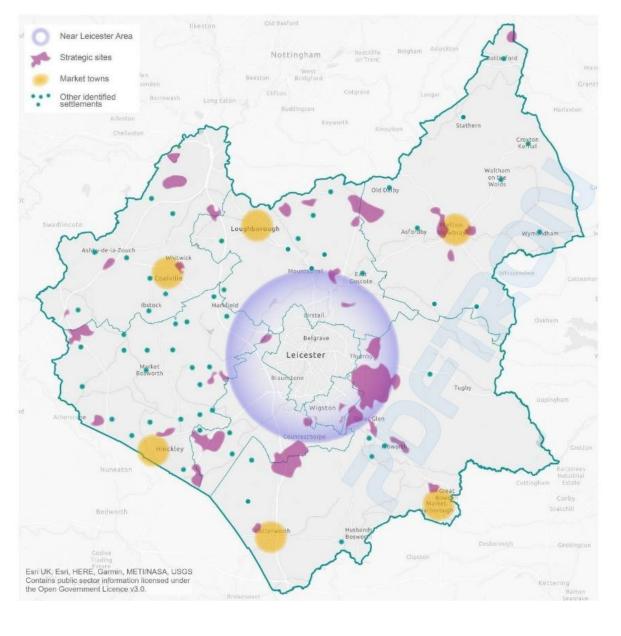


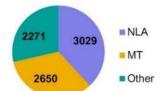
Figure 3.3: Distribution Option 2: Equal Share



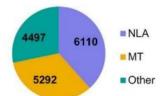
Distribution Two Equal Share



Growth Scenario C 7,950 dwellings



Growth Scenario A 15,900 dwellings



Growth Scenario B 20,000 dwellings

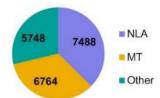


Figure 3.4: Distribution Option 3: Strategic site focus

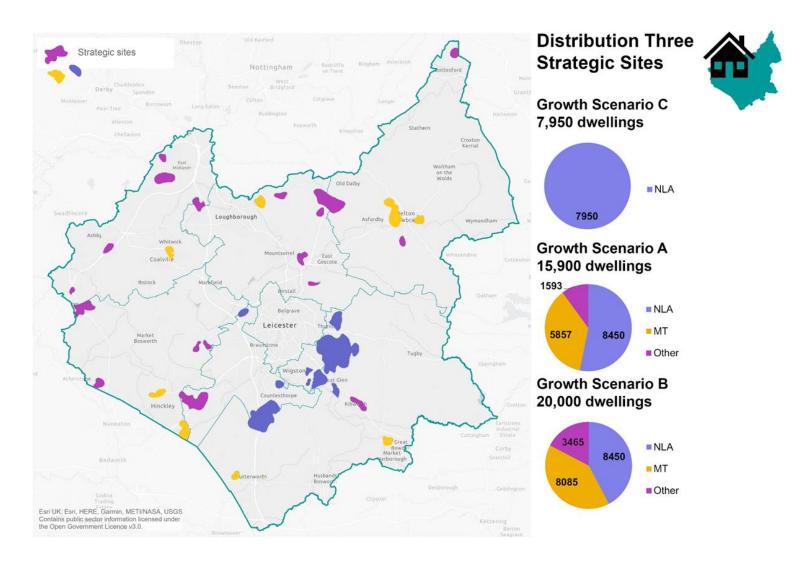
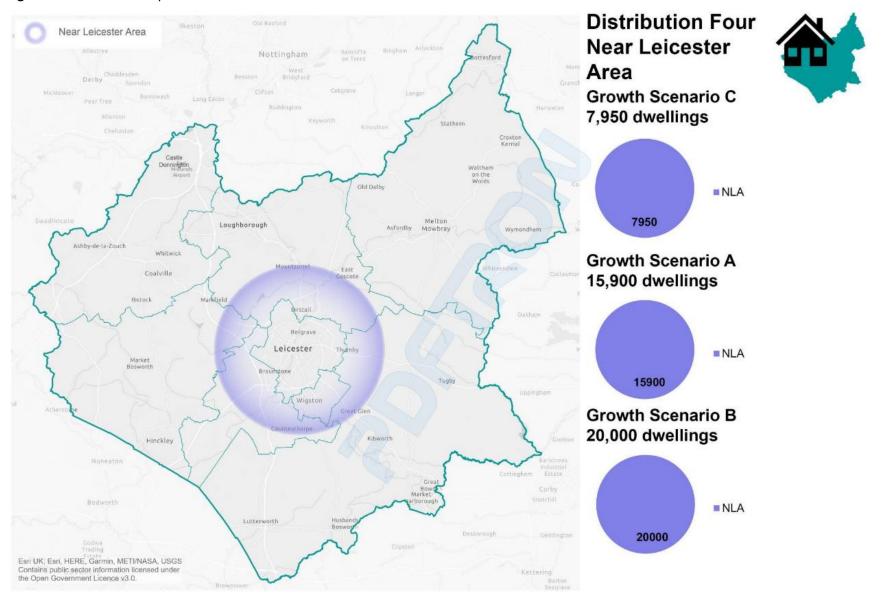


Figure 3.5: Distribution Option 4: Near Leicester Area focus



NLA

MT

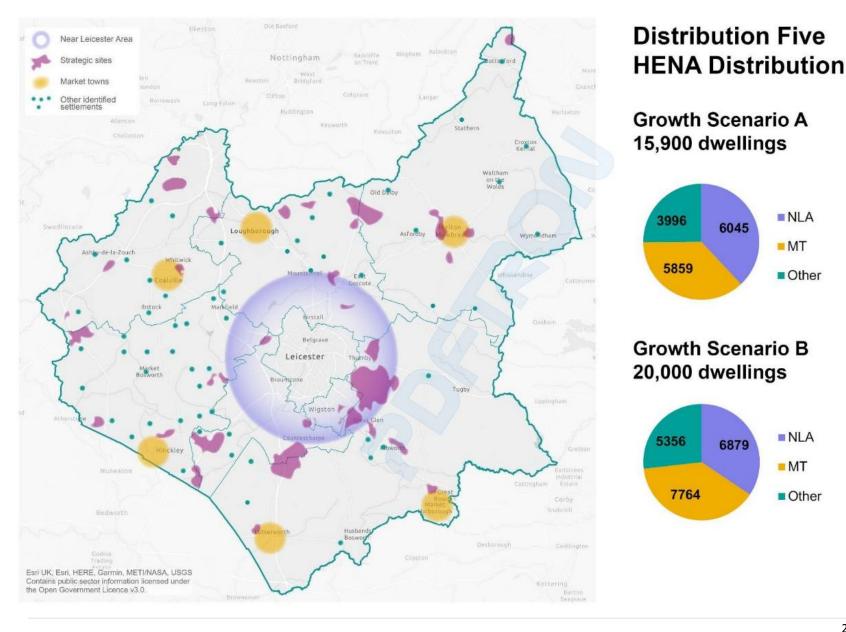
Other

NLA

MT

Other

Figure 3.6: Distribution Option 5: HENA



3.2 Employment Options

- 3.2.1 The draft City of Leicester Local Plan indicates that there is an unmet employment need (for general industrial and small warehousing (units less than 9,000 sq.m) of 23 hectares (rounded).
- 3.2.2 Details of employment land need and current employment land needs, supply and balance is set out below in table 3.5. This helps to identify the baseline position when exploring options for addressing Leicester City's unmet needs.
- 3.2.3 As illustrated in the table below, data for Leicester and Leicestershire shows a number of authorities in the Functional Economic Market Area have an oversupply of employment land. Leicester is the only authority with an unmet employment need. Other authorities with an undersupply intend to meet their 'local need' through the review of their Local Plan to cover this period.
- 3.2.4 The appraisal therefore focuses on the provision of additional employment land (beyond that identified in the existing supply position), and looks to address the type of employment land required (I.e. B2/B8) to meet Leicester's unmet needs.

Table 3.5: Employment land data (Source: HENA Employment Distribution Paper, June 2022)

| | Ne | ed | Su | pply | Balance | | |
|------------|------------|---------------|------------|---------------|------------|---------------|--|
| | B1 | B2/B8 (small) | B1 | B2/B8 (small) | B1 | B2/B8 (small) | |
| Blaby | 9.1 | 29 | 10.5 | 13.3 | 1.4 | -15.7 | |
| Charnwood | 7.5 | 35.7 | 15.1 | 66.7 | 7.6 | 31.0 | |
| Harborough | 6.8 | 39.3 | 18.0 | 41.7 | 11.2 | 2.4 | |
| H&B | 4.2 | 53.4 | 4.2 | 38.9 | 0.0 | -14.5 | |
| Leicester | 46,100 sqm | 67.3 | 43,000 sqm | 44.0 | -3,100 sqm | -23.3 | |
| Melton | 2 | 38.1 | 2.6 | 34.4 | 0.6 | -3.7 | |
| NWL | 8.9 | 31.8 | 17.1 | 36.5 | 8.2 | 4.7 | |
| O&W | 1 | 3.1 | 2.8 | 5.7 | 1.8 | 2.6 | |
| L&L Total | 41.8 | 297.7 | 72.4 | 281.2 | 30.6 | -16.5 | |

3.2.5 In considering the current employment data outlined in Table 3.5, the three growth scenarios in Table 3.6 have been identified as reasonable for the purposes of the SA. In addition, four approaches to distribution are identified in Table 3.7.

Table 3.6: Employment land delivery scenarios

| Option | Description | Rationale |
|--------------------|---|---|
| A Current | Based on employment need identified in the Leicester and Leicestershire Housing and Economic Development Needs Assessment or Local Employment Studies. This results in a figure of 23 hectares of unmet need for Leicester and reflects the draft Local Plan. | Reflects current unidentified needs and separates this from supply positions in individual authorities. |
| B Higher Option | 100% uplift in unmet need. This results in an unmet need of 46 hectares for Leicester. | To provide a buffer in supply / to drive higher levels of economic growth |
| C Lower Option | 50% of unmet need. This results in a figure of 11.5 hectares of unmet need. | Recognises that the total undersupply across Leicestershire is only -5.78ha. |

Table 3.7 Distribution options for Leicester's Unmet Employment Land Need

| Option | Description |
|----------------------------|---|
| 1. Local Plan Roll Forward | Leicester's unmet need is distributed equally between the seven Local Planning Authorities. |
| (Spread) | This option directs more growth to Melton and North West Leicestershire than other options. |
| 2. Strategic Sites | Leicester's unmet need is directed to Strategic Sites. This option directs employment growth in line with the housing option for strategic sites with a preference to locate Leicester's unmet need to locations within or close to the NLA as part of strategic sites of at least |
| | 1000 dwellings (priority may be given to standalone settlements) and the potential to deliver homes up to 2036. |

| 2 Noveleines 5 | 100% of Leicester's unmet is distributed in the Near Leicester Area (NLA). |
|-------------------------|---|
| 3. Near Leicester Focus | It reflects the principle that Leicester's unmet employment need should be located near to Leicester. The unmet need is shared equally between LPAs with capacity in the NLA. |
| 4 HENA Distribution | Leicester's unmet need is distributed to the Near Leicester Area taking account of existing commitments. |

3.2.6 In combination the employment growth and distribution options give rise to the following reasonable alternatives.

 Table 3.8
 Reasonable alternatives for employment

| | Scenario A Current | Scenario B Higher | Scenario C Lower |
|----------------------------|------------------------------------|-------------------------------------|---|
| 1. Local Plan Roll Forward | A1 3.3 ha for each local authority | B1 6.6ha foreach local authority | C1 1.7ha for each local authority |
| 2. Strategic Sites | A2 | B2 | C2 |
| | 11.5 ha for Blaby and | 23ha for Blaby and | 5.75ha for Blaby and |
| | Harborough only | Harborough only | Harborough only |
| 3. Near Leicester Focus | A3 | B3 | C3 |
| | 11.5 ha for Blaby and | 23 ha for Blaby and | 5.75 ha for Blaby and |
| | Charnwood only | Charnwood only | Charnwood only |
| 4 HENA Distribution | A4 | B4 | C4 |
| | 23ha for Charnwood only | 46 ha for Charnwood only | 11.5 ha for Charnwood only |

3.2.7 Figure 3.7 below shows the potential site options where employment development could be located. Some of these would be entirely in employment use, whilst others (particularly the larger strategic sites) would only involve a small element of employment use (i.e. they

would be mixed use, or the site boundaries do not reflect the total amount of area that would be involved). It is important to note that these sites are therefore not exact boundaries for employment land development, rather they enable the SA to explore the broad effects associated with these locations.

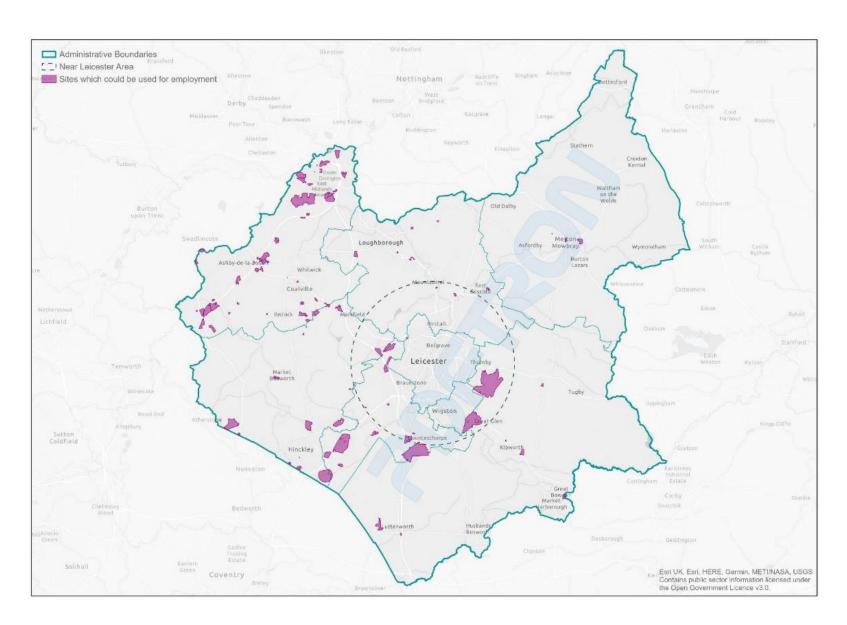


Figure 3.7
Site
options
that could
potentially
involve
employme
nt land

4 Methodology for appraising options

4.1.1 The appraisal has been undertaken and presented against each of the ten sustainability topics established through scoping. Each SA Topic includes one or more of the thirteen SA Objectives (see table 4.1 below), which have been taken into account as part of the appraisal for each topic. Where SA topics include more than one SA Objective, this is because there is a degree of overlap and close relationships between the objectives, and so the appraisal can be streamlined to avoid duplication. However, every SA Objective and the supporting criteria have been considered in the appraisal process, which is represented in the findings.

Table 4.1 The SA Framework

| SA Topic | SA Objective(s) |
|------------------------|---|
| Biodiversity | 1. Create new, protect, maintain and enhance habitats, species and ecological networks. |
| Health and wellbeing | 2. Maintain and improve levels of health, whilst reducing health inequalities6. Minimise exposure to poor air quality, whilst managing contributing sources. |
| Housing | 3. Secure the delivery of high quality, market and affordable homes, to meet Objectively Assessed Need. |
| Economy and employment | 4. Support the continued growth and diversification of the economy. |
| Transport and travel | 5. Improve accessibility to services, jobs and facilities by reducing the need to travel, promoting sustainable modes of transport and securing strategic infrastructure improvements. |
| Climate change | 7. Contribute to a reduction in greenhouse gas emissions and an increase in the use of low carbon energy |
| Landscape and Land | 8. Protect, maintain and enhance landscapes whilst promoting their value to sustainable growth.9. Protect high quality agricultural land from permanent development. |
| Cultural Heritage | 10. Conserve and enhance the historic environment, heritage assets and their settings. |
| Water | 11. Steer development away from the areas at the greatest risk of flooding, whilst supporting schemes that reduce the risk and impacts of flooding.12. Protect, maintain and enhance the quality of water resources. |
| Minerals | 13. Protect mineral resources from sterilisation, and support their sustainable extraction. |

- 4.1.2 For each of the SA topics (see the scoping report for the full SA Framework) an appraisal table has been completed which discusses the likely effects for each option (For all three growth projections).
- 4.1.3 An overall score for each option is derived from an appraisal and understanding of the effects across the SOCG / Plan areas in different spatial contexts. These 'building blocks' for each option are as follows (in-line with how the alternatives have been established):
 - Effects on the City
 - Effects on the Near Leicester Area
 - Effects on Market Towns
 - Effects on 'other identified settlements'
- 4.1.4 These individual elements are then considered together (cumulatively) to establish an overall score for each option against the SA Objectives.
- 4.1.5 Where helpful, selected baseline information has been reproduced in the appraisal tables for reference and to aid in the identification of effects.
- 4.1.6 When determining the significance of any effects, a detailed appraisal of factors has been undertaken to take account of:
 - the nature and magnitude of development,
 - the sensitivity of receptors, and
 - the likelihood of effects occurring.
- 4.1.7 Taking these factors into account allowed 'significance scores' to be established using the system outlined below.

Major positive ✓✓✓ Minor negative × Neutral / negligible effects - Moderate positive ✓✓ Moderate negative ×× Uncertain effects ?

Minor positive ✓ Major negative ×××

4.1.8 The assessment has been undertaken making-use of baseline information presented in the scoping report and mapping data. Whilst it has not been possible to identify exact effects due to sites not being firmly established at this stage, we have made assumptions on the potential locations of development by referring to SHELAA sites and potential opportunity areas identified by the authorities.

- 4.1.9 The appraisal has made assumptions about where development could take place based on identified supply of land (as illustrated on Figure 3.1), however, there is uncertainty around what sites would be selected for some of the options where a degree of choice exists. This is reflected in the appraisal findings. It should also be remembered that each local planning authority will determine an appropriate locational strategy as part of their Local Plan preparation taking account of the scale of growth, national and local policy documents including the Leicester and Leicestershire Strategic Growth Plan.
- 4.1.10 There is a focus on strategic impacts at a settlement-level and for the study area as a whole, rather than detailed local effects. Therefore, what might be 'significant' in the context of a particular settlement may not be significant when taken in the context of the entire study area.
- 4.1.11 In terms of assessing sites, it is presumed that the non-strategic sites can be delivered within the period of time covered by the SOCG (i.e. up to 2036). The effects are therefore predicted on the basis that they will arise in this timeframe. For the strategic sites, the phasing of development will influence when the effects are likely to arise. Though the full benefits of strategic sites might not be realised before 2036, there is an assumption that some ground work will be laid in terms of securing improvements to infrastructure and services. It is also important to recognise that strategic sites are often longer term prospects, but they give greater certainty that on-site facilities will eventually be secured. The effects are therefore predicted taking these factors into account.
- 4.1.12 Whilst every effort is made to make objective assessments, the findings are also based upon professional judgement and are therefore partly subjective.
- 4.1.13 When identifying 'overall effects' for the options, a subjective decision is taken based on the effects that are highlighted for different levels of the settlement tiers. This is not simply a 'totting up' process in terms of the number of positive and negative effects identified, rather it is a professional judgement based upon the identified effects in different locations. This allows for a comparison between the options from a Leicestershire-wide perspective, and is intended to aid the decision making process in terms of identifying which patterns of growth could bring about significant positive or negative effects. The intention is not to identify which option performs 'best' overall, as no weighting is applied to the different facets of sustainability.

5 Appraisal Findings: Housing Options

5.1 Introduction

- 5.1.1 Tables 5.1, 5.2 and 5.3 below present the overall scores recorded for all the reasonable alternatives (i.e. the different distribution options at three scales of growth)
- 5.1.2 These effects have been drawn together from the detailed assessments presented in **Appendix A**. The overall scores represent a summary of effects for the whole study area, which takes account of how the options could have different effects in different parts of the County.
- 5.1.3 First, a discussion of the distribution options is presented in the context of the currently identified unmet needs of 15,900 dwellings. This is followed by a discussion of the effects assuming a 25% uplift in housing supply, and then a 50% decrease (excluding the HENA distribution option).

5.2 Discussion of spatial options for Growth Scenario A (Current unmet housing needs: 15,900)

Table 5.1 Summary of appraisal scores for each option (Scenario A)

| | | Biodiversity | Health & wellbeing | Housing | Economy & employment | Transport & travel | Climate change | Landscape and land | Cultural heritage | Water | Minerals |
|------------------------|----|---------------------|-----------------------------|--------------------------|----------------------|---------------------|----------------|--------------------|----------------------|------------|----------|
| Settlement tiers | A1 | × | xx ?/ / / / ? | √√√ ? | √√√ ? | √√/ x × | ✓ | xxx? | xx [?] | - | × |
| Equal Share | A2 | × | xx ?/ < < | √√√ ? | √√√ ? | √√/ x x | ✓ | xxx? | xx? | x ? | × |
| Strategic Sites | А3 | x / √ | x / √ √ √ ? | √ √√ ₃ | √√√ | √√/ x | √ √ | xxx? | xx | x ? | × |
| Near Leicester Area | A4 | × | x / < < | /// | /// | √√√ [?] /x | ✓ | xx? | × | x ? | x? |
| HENA distribution | A5 | × | xx / < < | /// | | √√/ x × | √ √? | ×× | xx | x ? | × |

5.2.1 For Biodiversity, each option is predicted to have minor negative effects overall. Though there could be some loss of locally important habitat in a range of locations (regardless of distribution), it ought to be possible to avoid the most sensitive locations and / or severance

- of important wildlife corridors. For strategic sites, the potential for minor positive effects is considered to be greater given the larger scale and enhancement opportunities.
- 5.2.2 In terms of health and wellbeing, the options perform similarly overall as each could bring some benefits to settlements through new housing (including affordable housing), open space, and community facilities. Each option also has the potential for negative effects in terms of pressure on public services, loss of greenspace and general amenity concerns. The differences are where the benefits would be felt, which is heavily dependent upon the dispersal to different locations. The strategic sites option performs marginally better than the others as large scale growth would be more likely to support onsite social infrastructure, green infrastructure and more comprehensive transport enhancements that encourage active travel. This is also less likely to put pressure on existing settlements, which a more widely dispersed approach could. Broadly speaking, it is difficult to differentiate the options in terms of this topic though as each is likely to bring benefits to different communities. The NLA approach is perhaps most appropriate in terms of addressing housing need (and bringing health benefits) in areas that require investment.
- 5.2.3 With regards to housing and economy, each option is identified as generating major positive effects overall. This is to be expected given that they respond to identified unmet needs for Leicester and would help to address these issues. Options that focus on the Near Leicester Area perform marginally better as they are better related to Leicester itself, which is where the housing needs arise.
- 5.2.4 There is little to separate the options in terms of minerals, as lots of site options overlap with Mineral Safeguarding Areas. However, broadly speaking the effects are likely to be minor from a Leicestershire perspective given that; many sites will not be suitable for mineral workings, the magnitude of overlap is low compared to overall resources across the County, and there is potential for avoidance and mitigation.
- 5.2.5 Likewise, the effects with regards to water are likely to be neutral or potentially a minor negative. Broadly speaking at this scale and for any of the distributions, flood risk should not be a major constraint, nor is there likely to be significant constraints with regards to water quality individually or cumulatively. Option A1 performs marginally better than the other options given that it disperses growth in a way that fully avoids sensitive locations.
- 5.2.6 The overall effects for each option are not significantly different from one another for health, transport, landscape, heritage, climate change and biodiversity, which makes it difficult to pick an option that performs clearly better than the others, both for individual SA factors and across the full SA framework. However, some of the options have some slightly enhanced benefits or increased potential for negatives that are discussed below.
- 5.2.7 A focus solely on strategic sites is predicted to have potentially major negative effects with regards to landscape and heritage. This is due to the large scale of growth in some locations that contain sensitive landscapes and designated heritage assets. However, uncertainties are recorded reflecting the potential for mitigation and enhancements to be made on these types of development. A dispersed

approach as outlined under option A1 and A2 is also considered to be more negative for heritage and landscape compared to a greater focus on the NLA, which options A4 and A5 (to a lesser extent) do. This is mostly related to the potential for the character of a much wider range of settlements to be negatively affected. Given the rural character and nature of many settlements across the County, these are sensitive to change.

- 5.2.8 With regards to climate change it is considered that the strategic site options could offer better opportunities to incorporate adaptation measures such as green infrastructure and SUDs and to possibly minimise emissions through the co-location of services, and use of low carbon energy solutions. Likewise, a concentration on denser / concentrated development is likely to be beneficial, whilst those options that disperse more growth to lower order settlements perform less well.
- 5.2.9 With regards to transport, the most prominent effects (both positive and negative) are felt for Option A4, which directs all the growth to the NLA. The benefits here are related to delivering homes in accessible locations to the City and where needs are arising. The concentrated nature of growth could also bring benefits in terms of public transport infrastructure enhancements. Conversely, this approach could create increased trips on busy routes around and into Leicester (worsening traffic congestion), so is potentially the most negative in this respect. The dispersal approaches bring lower positive effects, but are also less likely to lead to major negative effects in terms of congestion in any particular location.

5.3 Discussion of housing options for Growth Scenario B (25% uplift on current unmet housing needs)

Table 5.2 Summary of overall effects for each option for Scenario B

| | | Biodiversity | Health & wellbeing | Housing | Economy & employment | Transport & travel | Climate change | Landscape and land | Cultural heritage | Water | Minerals |
|------------------------|----|--------------|---------------------------|------------|----------------------|-----------------------|-------------------------|--------------------|----------------------|------------|----------|
| Settlement tiers | B1 | × | xx/ < < | /// | ✓ ✓ ✓ | √√/xx | ✓ | xxx | xx | x ? | × |
| Equal Share | B2 | xx? | xx / < < | /// | √√√ | √√/×× | ✓ | xxx | xx | × | × |
| Strategic Sites | В3 | xx,/ \^, | xx ?/ / / / | /// | √√√ | √√/xx [?] | √ √ | xxx | xxx? | x ? | xx? |
| Near Leicester Area | B4 | ×× | xx/ << | /// | √√√ | √√√/xxx | √ √ ³ | ×× | × | × | × |
| HENA distribution | В5 | ×× | **/ < | /// | √√√ | √√/xx | √ √, | xxx | xx | x ? | ×x? |

- 5.3.1 As one might expect, the overall effects for some SA topics are of an increased magnitude at a higher scale of growth, regardless of the distribution. However, for some SA topics the effects do not rise despite an increase in growth, which is because there is still potential to avoid and mitigate effects, and / or because the growth is spread thinly and not significantly greater in any particular location.
- 5.3.2 In the main, where uncertain effects have been identified for the options in Growth Scenario A, these become more certain for the corresponding options under Growth Scenario B. In the main this means that positive effects upon health and wellbeing, transport, housing and economy are predicted with more certainty.
- 5.3.3 There are, however, some options where the significance of effects increases due to an uplift in growth. For example, the effects upon mineral resources are likely to increase from minor to moderate for options B3 and B5, which reflects a reduced ability to avoid constraints at a higher scale of growth for these distributions. Likewise, the potential for negative effects in terms of transport could increase for concentrated growth at strategic sites.

5.4 Discussion of the options for Growth Scenario C (50% of current unmet housing needs)

5.4.1 Table 5.3 below sets out the effects for the four reasonable alternatives (at this scale of growth) that were appraised prior to the preferred approach being established. A HENA distribution option has not been tested at this scale of growth, as the figures for the HENA relate to a need of 15,900.

Table 5.3 Summary of overall effects for each option (Scenario C)

| | | Biodiversity | Health & wellbeing | Housing | Economy & employment | Transport & travel | Climate change | Landscape and land | Cultural heritage | Water | Minerals |
|------------------------|----|--------------|--------------------|---------------------|----------------------|--------------------|----------------|--------------------|----------------------|------------|------------|
| Settlement tiers | C1 | - | x / < | √√/xxx [?] | √/ x | √/× | √? | xx? | × | - | x ? |
| Equal Share | C2 | - | x / < | √√/xxx [?] | √/x | √/ x | √? | xx? | × | - | x ? |
| Strategic Sites | С3 | x / < | x / √√? | √√/xx | √√/ x | √√/ <u>×</u> | √√? | xx? | × | x ? | × |
| Near Leicester Area | C4 | - | ✓ | √√/ x x | √√/ x | √√/xx | ✓ | × | ×? | - | - |

5.4.2 At half the amount of growth compared to Scenario A, the effects are markedly different. In terms of housing and economy, the positive effects are only moderate, reflecting fact that a proportion of the unmet housing needs would still be met.

- 5.4.3 However, potential major negative effects arise given that there could be a shortage of homes. This is offset to an extent by those options (C3 and C4) that focus more growth into the NLA (whether on strategic sites or otherwise).
- 5.4.4 The dispersal options still perform less well in terms of landscape and land, as they will involve agricultural land that is potentially best and most versatile, and some sensitive landscape locations may be unavoidable. For the NLA though, the effects are only minor as sensitive market towns and other settlements are fully avoided.
- 5.4.5 At this lower scale of growth, the effects on heritage are likely to be more manageable regardless of distribution, but particularly so for the dispersal options that could generate moderate negative effects at a higher volume of growth.
- 5.4.6 As one would expect, the effects on natural resources are also lower, and therefore it is more likely that neutral or only uncertain minor negative effects would arise for water and minerals.
- 5.4.7 With regards to climate change, one might expect a lower level of growth to be more favourable. However, the opportunities to support public transport enhancements, low carbon energy solutions and adaption measures would likely be lower. Therefore, the effects are not more positive, they are in fact less certain for each of the options. In principle though, strategic sites and concentrated growth ought to offer better opportunities in this respect.
- 5.4.8 The picture is similar for health and wellbeing and transport, which see negative effects of a lower significance for each option (due to less pressure on roads, services and facilities and a reduced likelihood of open space and amenity issues arising). Conversely, the benefits described for Scenarios A and B are also lower for the options under Scenario C. This is because the ability to secure infrastructure improvements would be lowered, and the level of affordable housing being provided would be less.

5.5 Mitigation and enhancement

- 5.5.1 Where appropriate, recommendations have been made as part of the appraisal of the SOCG options. These are summarised below.
- 5.5.2 It is important to remember that the SOCG is not a detailed policy document, rather it sets an agreement on housing and employment distribution of unmet needs. Therefore, it is expected that more detailed work would be undertaken through local plans.
- 5.5.3 At this stage, the focus of recommendations is on how negative effects could be avoided and positives maximised by influencing how unmet needs are distributed at a strategic level. These can be taken into consideration by individual authorities in due course, but can also be used to 'sense check' and tweak the preferred approach to the SOCG if deemed necessary.

Table 5.4: Summary of recommendations

SA Recommendations / observations

Under a dispersed approach, larger site options in less sensitive locations might be preferable (in terms of landscape and heritage impacts) to many smaller-medium sites in more sensitive settlements.

The potential for a 'net gain in biodiversity' should take into account strategic connectivity and resilience to climate change, rather than measuring improvements to habitats on a site-by-site basis (i.e., a strategic approach is recommended to planning biodiversity recovery).

It would be beneficial to focus some growth in the NLA given that it gives rise to the most positive effects in terms of housing. However, there are also clear benefits to strategic sites and dispersal to the market towns and other settlements. A hybrid approach could provide a suitable balance between effects.

There are sufficient sites that do not fall within flood zone 2/3 so as to ensure that no development is required in these locations under any approach. The final strategy should be influenced by a sequential approach to flood risk (which means large amounts of growth in Melton Mowbray might be inappropriate).

There are several benefits recorded with regards to the development of brownfield land. Given that these needs are presumed to be met in the later stages of the plan periods, it would be beneficial to maximise growth in these areas (beyond what is anticipated in each individual Local Plan, which has to be mindful of deliverability throughout the whole plan period). It is recognised that the local authorities have already sought to maximise brownfield site opportunities, but it is useful to continue to explore ways in which problematic sites can be brought forward. Given the potential for significant negative effects occurring in a range of settlements at higher levels of growth (for landscape and land in particular), it would be beneficial to continue to maximise the reuse and repurposing of land and buildings. Consideration of higher densities will also be important in this respect.

SA Recommendations / observations

In order to help address climate change, there is a need to promote a pattern of growth that concentrates development into the urban areas at higher densities. Likewise, strategic sites could provide opportunities for comprehensive sustainability packages (particularly the larger sites).

5.6 Outline reasons for the selection of the preferred approach (Housing)

- 5.6.1 The authorities have come to a decision on a preferred approach to the apportionment of unmet housing needs from Leicester City. The approach is to rely upon the suggestions within the HENA, which distributes housing according to an understanding of the relationship between the local authorities across the HMA and the housing needs arising in Leicester.
- 5.6.2 Though not a legal requirement, the authorities considered it useful to identify and appraise a range of options to understand the sustainability implications of different approaches to the delivery of Leicester's unmet housing needs.
- 5.6.3 The findings in the SA demonstrate that the different distribution options perform fairly similarly, with each having strengths and weaknesses. However, relatively speaking, the HENA distribution option performs as well or better than the alternatives for most sustainability topics. The HENA option is supported by robust evidence taking into account the authority's functional relationship with Leicester, economic and commuting factors, and deliverability. This serves to provide confidence to the authorities that following the recommendations of the HENA would be an appropriate approach to take to meeting unmet housing needs from Leicester (and there are no clear indications that suggest a different approach should be taken in the SOCG).
- 5.6.4 It should also be remembered that the precise distribution of housing will be the responsibility of each individual authority, and different options in this respect will be tested through the appropriate local plan processes (which will each be accompanied by SA).
- 5.6.5 However, the SA has helped to provide the authorities with confidence at this stage that the HENA distribution of growth can be accommodated in a broadly sustainable way (i.e. the apportionment of growth to each individual authority would not lead to unavoidable significant negative effects).
- 5.6.6 At the time the appraisal was undertaken, the working assumption unmet housing need for Leicester was 15,900 dwellings (from 2020 to 2036). The options were therefore formulated using these figures as a starting point. It was acknowledged that the calculations for

- housing needs were fluid though, and so three different growth scenarios were tested. This provided a broad understanding of the effects for each option should unmet needs increase or decrease.
- 5.6.7 Though the HENA figure (18,704 dwellings) is different to the unmet need figure of 15,900 identified in the June 2021 SOCG (which was the basis of the options appraisal), it is sufficiently similar to allow the authorities to understand the implications of different distributions of housing (and it also falls between Scenario A and B tested in the SA). It is therefore considered unnecessary to undertake a further round of appraisal specifically comparing options that would deliver 18,704 dwellings. This would add limited value to the process and would not lead to significantly different outcomes.

6 Appraisal Findings: Employment Options

- 6.1.1 Table 6.1 below presents a summary of the appraisal findings for each of the employment options. At the current level of unmet need (Scenario A), the effects are similar for each distribution option in terms of positive effects, with each bringing benefits for health and wellbeing and economy. The strategic site focus is most positive in these respects as it provides a greater amount of employment land overall and also would likely be part of a wider mixed use scheme. This approach is identified as potentially being most negative though in terms of the effects being more certain with regards to landscape, heritage, minerals and transport.
- 6.1.2 The dispersal option also (A1) gives rise to negative effects on environmental factors (but this is less certain), but brings about only minor positive effects on socio-economic factors. This is due to pressure being put on existing services, without necessarily creating the economies of scale in different locations to support significant infrastructure improvements. The additional employment land delivered under this approach would also be lower compared to A3 when taking into account of commitments and completions.
- 6.1.3 The HENA distribution (Option A4) is predicted to have mainly neutral effects in terms of environmental and social factors. This is because of an assumption that existing oversupply in Charnwood could be counted upon to deliver unmet needs. Nevertheless, there could still be some minor benefits in relation to economy and housing.
- 6.1.4 A focus on the NLA (Option A3) brings about fewer negative effects compared to option A1, but these are still only minor across all of the SA topics.
- 6.1.5 When increasing the scale of unmet needs to be delivered (i.e. growth scenario B), the effects for each distribution option become slightly more heightened. This serves to mean that uncertainties are removed or that a wider range of SA topics would be affected. For example, for a dispersal approach (B1), the positive effects for health and economy remain minor, but are more certain. However, minor negative effects arise for biodiversity that were not identified under A1, and the likelihood of negative effects for other topics becomes more certain. Likewise, for the strategic site focus (B2), the potential for positive effects increases with regards to housing and economy, but the effects on landscape and land would be more prominent. For the HENA distribution (B4), the effects remain largely neutral, but there would be increased potential for health benefits at this higher scale of growth as well for the economy. Conversely minor negative effects could arise for landscape and land, transport, biodiversity and minerals (that do not exist under A4).
- 6.1.6 At the lower level of development (Scenario C), the effects of dispersal (C1) and the HENA recommendations (C4) are mostly neutral, given that the majority of growth could be met through existing commitments. There would be some more notable effects for the focus on strategic sites and Near Leicester Area approaches (C2 and C3), given that both would involve greater amounts of new land provision. However, the effects would be minor and uncertain.

Table 6.1 Summary of overall effects for the employment options

| | | | Biodiversity | Health & wellbeing | Housing | Economy & employment | Transport & travel | Climate change | Landscape and land | Cultural heritage | Water | Minerals |
|----|----------------------|------------|--------------|--------------------|---------|----------------------|-------------------------|----------------|--------------------|----------------------|------------|----------|
| | | A1 | - | ₹? | - | , | ×, | ×, | ×, | x ? | ×, | ×, |
| 1. | Dispersed | B1 | × | ✓ | - | √ | × | × | × | × | × | × |
| | | C1 | - | - | - | - | - | - | - | - | - | - |
| | | A2 | - | √ √, | - | 11 | x x ; \ | ✓ | × | × | _? | ×? |
| 2. | Strategic sites | В2 | x ? | 11 | - | VV? | ** / // | 12 | ×× | × | x ? | × |
| | | C2 | - | ✓ | - | √ | × | - | ×, | x ? | - | - |
| 3. | Near | А3 | - | Ŋ | - | √ | x / v | - | × | x ? | - | - |
| o. | Leicester | В3 | - | √ | ×, | √ √? | xx / < | - | × | × | - | - |
| | Area | C 3 | - | خ. | - | √? | - | - | ×, | - | - | - |
| | | A4 | - | - | - | - | - | - | - | - | - | - |
| 4. | HENA distribution | В4 | × | Ś | - | ✓ | x ? / v ? | - | × | - | - | × |
| | aistribation | C4 | - | - | - | - | - | - | - | - | - | - |

6.2 Outline reasons for the selection of the preferred approach (employment)

The authorities have come to a decision on a preferred approach to the apportionment of unmet employment needs from Leicester City. The approach is to rely upon the suggestions within the HENA which involves directing 23ha of employment land to Charnwood in line with the HENA recommendations. The distribution accords with evidence relating to; accessibility to Leicester City, associated labour supply and connectivity to the strategic road network (amongst other things). The findings of the options appraisal are broadly supportive of this approach, demonstrating that there would be limited negative effects, whilst still bringing potential positive effects on the economy.

7 Appraisal of the preferred approach

Housing

- 7.1.1 Following the appraisal of strategic options for housing and employment growth, the authorities have determined that the preferred approach to addressing unmet needs should follow the suggested distribution in the HENA. Table 7.1 below shows how housing need would be apportioned to each local authority. To aid in the appraisal process, assumptions are made about how housing would be distributed in terms of the different levels of the settlement hierarchy. It should be remembered that this is for comparative purposes though, and ultimately, each local authority would need to determine (as part of their Local Plan) an appropriate strategy for meeting their housing requirement, including any share of needs. Therefore, individual Local Plans may adopt a different approach to that assumed as part of this appraisal.
- 7.1.2 The appraisal of options helped to influence the preferred approach, namely by confirming that an approach to distribution based upon the HENA distribution of unmet need (at 15,900 dwellings) would be appropriate (and would be unlikely to bring about significant negative effects). The appraisal of options also helped to identify the benefits associated with strategic sites and a focus on the NLA. Therefore, the preferred approach presumed that housing will be delivered in the NLA in the first instance, followed by the market towns and other settlements. Where appropriate, the use of strategic sites would be supported to secure strategic benefits.
- 7.1.3 When determining the effects, consideration has been given to committed development, and therefore, for some of the housing apportionments, there is an assumption that no additional growth would be required on new sites. The appraisal of housing options assumed that unmet housing need from Leicester would be taken into account in addition to committed development.

Table 7.1 – Assumed distribution of HENA by settlement category

| Authority | Difference between HENA and Local Housing Need | Near Leicester Area (commitments in brackets) | Market Towns (commitments in brackets) | Other Settlements (commitments in brackets) | | |
|------------|--|---|--|---|--|--|
| Leicester | 0 | 0 | 0 | 0 | | |
| Blaby | 5536 | 3364 (594) | 0 | 2172 (292) | | |
| Charnwood | 1248 | 424 (424) | 412 (412) | 412 (412) | | |
| Harborough | 1968 | 851 (575) | 558 (558) | 558 (558) | | |
| H & B | 2992 | 600 (150) | 2246 (146) | 146 (146) | | |
| Melton | 1104 | 0 | 740 (740) | 364 (364) | | |
| NWL | 5024 | 0 | 3435 (2015) | 1589 (993) | | |

| | Difference between HENA | Near Leicester Area | Market Towns | Other Settlements |
|-----------|-------------------------|---------------------------|---------------------------|---------------------------|
| Authority | and Local Housing Need | (commitments in brackets) | (commitments in brackets) | (commitments in brackets) |
| O & W | 832 | 832 | 0 | 0 |
| НМА | 18704 | 6071 (1743) | 7392 (3872) | 5241 (2765) |

7.1.4 The full appraisal findings are presented in Appendix C, with a summary presented in table 7.2 below, followed by a discussion of the key effects.

Table 7.2 – Summary of effects for the preferred approach to housing

| | City | Near Leicester Area | Market towns | Other settlements | Overall effects |
|---------------------------|---------------|------------------------|----------------------------|-------------------|-------------------------|
| Biodiversity | - | × | × | × | × |
| Health and Wellbeing | √? | √√ / x | √√ [?] / x | √/ x | √√ / x |
| Housing | ✓ | √√ | ✓ | ✓ | √√√ ? |
| Employment and Economy | ✓ | ✓ | ✓ | √? | √ √ [?] |
| Transport and Travel | √/ x ? | √/ x ? | - / <mark>×</mark> ? | x ? | √/ <mark>×</mark> ? |
| Climate Change mitigation | / | / | 1 | 1 | ^, |
| Landscape and Land | - | xx | xx? | xx? | ×× [?] |
| Heritage | - | × | × | × | × |
| Water | - | x ? | x ? | -5 | x ? |
| Minerals | - | x ? | ×? | x ? | x ? |

Table 7.3 – Overall effects for the preferred approach to housing

| Biodiversity | Health & wellbeing | Housing | Economy | Transport | Climate change | Landscape and land | Heritage | Water | Minerals |
|--------------|--------------------|--------------|---------|---------------|----------------|--------------------|----------|------------|------------|
| × | √√ / x | √√√ ? | √√? | √/ x ? | √ } | ×x? | × | x ? | x ? |

7.1.5 The proposed approach is predicted to have a range of effects. It is broadly positive from a socio-economic perspective, particularly with regards to the delivery of housing, much of which would be in close proximity to where needs are arising in Leicester. There are knock on benefits for the economy in terms of supporting local centres, providing accommodation for workers and increasing GVA.

- 7.1.6 New development is also likely to help support new services and infrastructure, which should help to improve health and wellbeing, and potentially sustainable transport infrastructure.
- 7.1.7 The distribution of housing should mean that most new homes are accessible to services and jobs and public transport, but there could possibly be increased congestion and traffic, especially in areas that are already busy and where substantial additional housing is proposed (for example in the NLA). These are only predicted to be potential minor `negative effects though.
- 7.1.8 In terms of environmental receptors, the choice of sites should mean that significant negative effects are avoidable. Therefore, only minor negative effects are predicted for biodiversity, heritage, water and minerals. For Landscape and land, the effects are potentially of greater significance, because there are lots of locations that are sensitive to change, whether this be a large scale development or the cumulative effects of multiple smaller scale developments in smaller settlements. There would also be loss of agricultural land regardless.
- 7.1.9 With mitigation and enhancement, the negative effects for most topics could perhaps be reduced or avoided, but this would need to be explored through individual local plans.

Employment

- 7.1.10 The preferred approach to meeting unmet employment needs is reflective of Option A4, which involves directing 23ha of employment land to Charnwood in line with the HENA recommendations.
- 7.1.11 Given that the SA has appraised the implications of this option, no further work is required to identify the effects of the preferred approach. The effects are summarised below, showing that there are neutral effects across all sustainability topics. This is to be expected given that there is a reliance on already committed development in Charnwood to address unmet needs within the City. Though there are still shortfalls in B2/B8 (small) for Blaby, Melton and Hinckley and Bosworth, these will be met through emerging Local Plans.

Table 7.4 – Overall effects for the preferred approach to employment

| Biodiversity | Health & wellbeing | Housing | Economy | Transport | Climate change | Landscape and land | Heritage | Water | Minerals |
|--------------|--------------------|---------|---------|-----------|----------------|--------------------|----------|-------|----------|
| - | - | - | - | - | - | - | - | - | - |

8 Monitoring

- 8.1.1 At this stage there is a requirement to outline the measures envisaged to monitor the predicted effects of a Plan. In particular, there is a need to focus on the significant effects that are identified. It is important to track predicted effects to ensure that positive effects are actually being realised and to identify any unforeseen negative effects that may occur.
- 8.1.2 These factors would typically be addressed through monitoring frameworks for each individual Local Authority. Given that the SOCG is not a statutory plan as such, the effects can be better monitored through a review of Local Plans and subsequent SA Reports. However, for completeness, some suggested monitoring measures are outlined below (these mirror those set out for the strategic growth plan as far as possible for consistency).
- 8.1.3 Table 8.1 below sets out monitoring measures under each SA topic which are intended to monitor any significant effects as well as tracking the baseline position more generally. At this stage the monitoring measures have not been finalised. This occurs once a Plan is approved, when an SA Statement needs to be prepared that explains how the SA has influenced the Plan's development. Appraisal of an SOCG is not a statutory requirement, but a similar statement will be prepared once the Local Authorities have finalised these matters in the SOCG (thereby discharging Duty to Cooperate requirements).

Table 8.1: Potential monitoring measures

| SA Topic | Potential monitoring measures | | | | | |
|----------------------|--|--|--|--|--|--|
| Biodiversity | Net loss/gain in designated habitats (ha). Ecological enhancement schemes delivered at strategic sites. Ecological water quality. Establishment of a green infrastructure strategy. | | | | | |
| Health and wellbeing | Net change in open space provision. Number of new health care facilities delivered. Access to local green space. Change in levels of deprivation in the top 20% areas. Achievement of air quality objectives Health impact assessments undertaken | | | | | |

| SA Topic | Potential monitoring measures |
|------------------------|---|
| Housing | Rates of housing delivery. Percentage of affordable housing delivered. Availability of land for strategic development opportunities in the key locations. |
| Economy and employment | Gross Added Value Leicester and Leicestershire. Unemployment rate. Retention of working age population. Changes in the levels of deprivation. Change in numbers of people employed by sector |
| Transport and travel | Number and proportion of homes within walking distance of key public services, recreational opportunities and public transport services. New / expanded public transport services secured through strategic development. Average annual traffic flows. Average trip length to access employment. |
| Climate change | Change in the amount of carbon emissions generated from transport and the built environment (per capita). |
| Landscape and land | Amount of best and most versatile agricultural land lost to development by grade. Number of allotments established at strategic development sites. Landscape character assessments undertaken to identify sensitive parcels of land at key growth areas. |

| SA Topic | Potential monitoring measures |
|----------------------|---|
| Cultural heritage | Loss of or change in the significance of designated heritage assets. Townscape and landscape character assessments completed. Amount of derelict land restored (ha). Heritage assets removed or added from the 'at risk' register. Net loss/gain of open space in Leicester City. |
| Water | Percentage of new development within flood zones 2 and 3. SUDs schemes incorporated into new developments. Development in nutrient sensitive zones |
| Minerals | Amount of development within Minerals Safeguarding Areas (ha). Potential sterilisation of minerals at strategic development sites. |

9 Next Steps

- 9.1.1 The Leicester and Leicestershire authorities have determined that the housing and employment figures proposed (for each authority) within the HENA (June 2022) will form the basis for the statement of common ground.
- 9.1.2 The next step will be to finalise a statement of common ground confirming this arrangement / agreement.
- 9.1.3 Following this, it will be the responsibility of each Local Authority to demonstrate how the unmet needs will be addressed (alongside local needs). The appropriate mechanism for exploring this issue differs for each authority depending upon the status of their Local Plan. For those with an Adopted Plan, additional unmet needs will most likely need to be addressed through a plan review. For emerging Local Plans, it may be possible to explore how unmet needs from Leicester can be met through forthcoming steps in the plan-making process.
- 9.1.4 It will be necessary to undertake SA alongside each individual Local Plan and the reasonable alternatives should take into account the unmet needs from Leicester that are set out for each authority in the Statement of Common Ground.

APPENDIX A: DETAILED APPRAISAL TABLES: HOUSING OPTIONS

This appendix presents the appraisal findings for each of the ten sustainability topics for the housing options.

For each topic a table is presented which discusses the effects at different spatial scales (City, Leicester Urban Periphery, Market Towns, Other Settlements, New / Expanded Settlements). The options are tested at three different levels of growth as illustrated in each table.

To introduce each topic and to provide context for the assessment of effect significance, baseline information has been summarised where appropriate.

Appraisal findings: Biodiversity

The findings relating to the Sustainability Topic 'Biodiversity' are presented in the following tables.

Biodiversity

There are a range of designated wildlife sites across the County that could be affected by development. The focus in this strategic assessment is on habitats that are designated at an international or national level (for example SSSIs, SCAs, SPAs). This is to identify which options could have the most prominent effect on the more important habitats. However, this is not to say that local wildlife sites are not important, or would not be affected.

City

Within the City of Leicester boundary there is 1 designated SSSI: Gypsy Lane Pit. Located approximately 2 miles to the north-west of the City centre, the SSSI was recorded as being in an 'unfavourable - declining' condition in 2016. There are also 7 LNR (Local Nature reserves) within the City of Leicester boundary, with the largest Aylestone Meadows located to the south of the city and Watermead Country Park on the northerly edge of the city boundary.

The quality of the River Soar and the Grand Union Canal was previously threatened, however in 2011, it was designated as a Biodiversity Enhancement Site (BES), which could help to protect and enhance quality.

The growth scenarios do not propose growth in the city area. However, a number of growth scenarios propose growth in the NLA. Under higher growth scenarios, such as levels proposed under A4 and B4 in particular, this would require the use of site options that fall adjacent to the built-up area that extends from the city. This is likely to result in the substantial loss of green space on the periphery of the city and to potentially undermine ecological connectivity, although some site options and scales are likely to support new green infrastructure which could mitigate these effects. These effects are likely to be more significant in Harborough, where higher levels of growth will encircle much of the built extent of Scraptoft, Bushby and Thurnby. Therefore, minor negative effects are predicted for growth scenarios A4 and B4. Lower levels of

growth in the NLA and growth beyond the NLA is not likely to adversely affect biodiversity in the city, and thus neutral effect are predicted for other growth scenarios.

Near Leicester Area (NLA)

The urban periphery of Leicester City accommodates numerous SSSI's, but the majority of these sites are situated to the north-west of the city. Groby Pool and Woods lies to the north-west and is made up of 6 units; Groby Grassland, Groby Wood, Slate Wood West and Slate wood East all in a 'favourable' condition, Groby Pool is in an 'unfavourable – no change condition' and Groby Tail Pool in an 'unfavourable – declining' condition. Sheet Hedges Wood is made up of 5 woodland units; 1 in a favourable condition, 3 in an 'unfavourable – recovering' condition, and 1 in an unfavourable – declining' condition. Bradgate Park and Cropston is made up of 5 units; 3 in an 'unfavourable – recovering' condition and 2 in an 'unfavourable – declining' condition.

Two SSSI sites lie to the South West of the city. Enderby Warren Quarry is in a 'unfavourable no change' condition. Narborough Bog is split into 3 units; Willow Car in a 'favourable' condition, Fen (Swamp) in an 'unfavourable – recovering' position and the Meadow also in an unfavourable – recovering position. Most of the land directly to the north-west of the city of Leicester falls into SSSI impact risk zones due to the density of SSSIs in such close proximity to one another, which Leicester council seeks to maintain due to the region having a much lower biodiverse value than most other regions in England.

There are also numerous local nature reserves that are within close proximity to the City boundary. Reedbed and Birstall lie to the north of the city, Scraptoft to the east and Lucas Marsh and Glen Hills to the south. Around the periphery of the City (to the north-west) there are also a number of small forest clusters that form part of the National Forest Strategy, which aim to seek an increase overall forest cover throughout the region.

Growth scenario A - 15,900 dwellings (Current unmet housing needs)

Option A1

In Charnwood, this scale of growth should be able to avoid sites around Cropston and Anstey that are in proximity to SSSIs in the south west of the borough. However, a higher number of greenfield sites including those that include important biodiversity habitats such as hedges and clusters of trees would likely have to be utilised. This scale of growth would result in a cumulative loss of green space in the NLA in Charnwood and will likely put some minor pressures around the built-up area of villages such as Rothley.

In Harborough, this scale of growth could be mostly delivered through the proportionate development of larger sites, avoiding some sensitive smaller sites in and around Scraptoft, Thurnby and Bushby that contain or provide important ecological connectivity to habitats of biodiversity value. However, cumulatively this would result in a loss of green space potentially including established hedgerows and trees in a small NLA area.

In Hinckley, this scale of growth would give flexibility to avoid and mitigate effects. Therefore, overall neutral to minor negative effects are recorded.

In Blaby, this scale of growth would require the use of site options that fall within or adjacent to built-up areas. Site options that contain important habitats or ecological networks where development is likely to cause some harm could be avoided. Whilst there would be some cumulative loss of green space, this can likely be adequately dispersed to avoid significant effects.

In Oadby and Wigston the scale of growth involved could give rise to minor negative effects.

Cumulatively, a minor negative effect is predicted. The overall scale of growth in the NLA is 5406 dwellings, and this is distributed equally amongst the districts, meaning that pressures in any particular area are less intense.

Option A2

In Charnwood, this scale of growth can potentially be accommodated on brownfield and greenfield sites of lower biodiversity value mainly in and around Thurmaston, Birstall and north of Hamilton. Whilst the allocation of greenfield sites would be required, at this scale of growth sites with ecologically-rich habitats can be avoided. Furthermore, there is potential for minor positive effects on brownfield sites mainly in and around Thurmaston through potential enhancements to the biodiversity value of sites from development. However, this level of growth will still require the loss of a significant amount of green space mainly on the edges of villages across the NLA in Charnwood. Cumulatively, a neutral effect is predicted.

In Harborough, this scale of growth can be accommodated on less sensitive smaller sites in and adjacent to the built area and through the proportionate development of larger sites. Greenfield sites that contain habitats such as trees and hedgerows of potential biodiversity value or provide important ecological connectivity would need to be utilised. However, at this scale of growth sensitive ecologically-rich habitats can be protected. Cumulatively, there will be some loss of green space in the NLA area, but this is not predicted to be significant. A neutral effect is predicted.

In Hinckley, this scale of growth is predicted to have similar effects to that under option A1. However, growth on the more sensitive site options should be easier to avoid given the lower number of dwellings involved. Therefore, neutral to minor negative effects are predicted.

In Blaby, site options that contain important habitats or ecological networks where development is likely to cause some harm could be avoided. Whilst there would be some cumulative loss of green space, this can likely be adequately dispersed to avoid significant effects.

In Oadby and Wigston, a larger scale of growth is required that could give rise to minor to moderate negative effects in relation to connectivity and pressures on the Kilby Foxton Canal SSSI.

Cumulatively, this scale of growth is likely to have minor negative effects, mainly relating to a cumulative loss of greenfield land and increased pressures in Oadby and Wigston and Blaby. The potential for mitigation and enhancement could lead to positive effects though.

Option A3 involves strategic sites in the NLA within Blaby and Harborough. The sites are not constrained by any nationally designated habitats, but there would likely be a loss of some locally important habitats and disturbances to species. These are minor negative effects. Conversely, the strategic nature of the sites should give better opportunities to secure net gain / enhancements on site of a strategic nature, and these are minor positive effects.

For **Option A4**, this scale of growth would require a large amount of land in the Charnwood NLA area to be allocated including sites around Cropston and Anstey that are in closer proximity to SSSIs in the south west of the borough. These site allocations have potential to have negative effects on the SSSIs which are likely to be long-term from disturbances to ecological connectivity and from human impact such as through increased recreational use and domestic animals. This level of growth would also require sites that contain habitats with biodiversity value to be allocated and will result in the loss of significant green space around a number of villages across the NLA. Cumulatively, this level of growth could therefore have moderate negative effects on biodiversity without sufficient mitigation and enhancement.

In Harborough, a number of smaller sites in and around Scraptoft, Thurnby and Bushby and large proportions of larger sites would need to be utilised to achieve this scale of growth. This is likely to result in some disturbances to ecological connectivity in the built up area. These sites also include habitats such as trees, hedgerows and watercourses that have potential to be of biodiversity value which could potentially be adversely effected by development. This scale of growth would also result in a cumulative significant loss of green space. Therefore, potential significant negative effects are predicted for biodiversity without sufficient mitigation and enhancement.

In Hinckley, this scale of growth is likely to put greater pressure on sites with regards to ecological severance and disturbance to areas of ancient woodland. There is also greater potential that sites close to the Groby Pool and Wood SSSI.

In Blaby, this scale of growth would require greenfield sites which are adjacent and outside built-up areas and sites which provide important green gaps between developed areas and habitats, such as the cluster of sites between the M1 and Kirby Muxloe. Under this growth scenario, cumulative pressures on the loss of green space will result in some loss of habitats and ecological connectivity in the NLA.

In Oadby and Wigston the scale of growth would present potential for disturbance on the SSSI, there is also potential for connectivity between habitats to be negatively affected.

Cumulatively, a moderate negative effect is predicted. There is potential for connectivity to be affected across the NLA, as well as localised pressures on habitats (including SSSIs). Mitigation and enhancement would be expected, and some sites are not of a high ecological value to start with, therefore, there is a degree of uncertainty as to the extent of negative effects. However, it cannot be assumed that negative effects in this area will be avoided just because policies seek a net gain in biodiversity. This might not be secured on all sites in this area, might not be a success in the long term and would not necessarily maintain connectivity between different areas.

Option A5 involves a lower level of growth in the NLA compared to Options A1 and A2, hence, the effects are likely to be of a lower magnitude. As such, neutral to minor negative effects are anticipated.

For Blaby, this distribution would involve a substantial amount of growth in the NLA, and with this potential moderate negative effects with regards to biodiversity.

For Charnwood, the level of growth involved could likely be accommodated without encroaching on areas that are sensitive for biodiversity, and the level of cumulative pressures would be fairly low. Hence, neutral effects are predicted.

For Harborough neutral effects are predicted, as the scale of growth is such that effects should be possible to avoid and mitigate.

For Hinckley and Bosworth, the scale of growth in the NLA is relatively low compared to the other options, and therefore a neutral effect is predicted.

For Oadby and Wigston, the scale of growth could lead to minor negative effects, with the scale of growth being fairly similar to Option B1 (I.E. minor negative effects).

Overall, this Option is predicted to have minor negative effects. For most districts, the effects in the NLA would either be minor or neutral. Though Blaby is an exception, the effects overall are considered to be minor negatives.

Growth scenario B – 20,000 dwellings (25% uplift on current unmet housing needs)

Option B1

At the higher scale of growth, each of the districts receive an additional 279 dwellings to be spread across the NLA compared to scenario A1. In most instances, this could still be accommodated without needing to release more sensitive locations, and the cumulative pressure on environmental features would not be significantly greater. As such, the effects are still predicted to be minor negative overall.

Option B2

At this higher scale of growth, for Oadby and Wigston and Blaby in particular, there could be an increased likelihood of negative effects relating to a loss of connectivity and pressure on local wildlife sites. As such a potential moderate negative effect is predicted.

Option B3

This will involve the same sites discussed as for A3, so the effects in this respect are the same (I.e. minor negative effects and minor positive effects)

Option B4

The focus on the NLA would likely put significant pressure on more sensitive sites in Blaby, as well as affecting connectivity. In Charnwood, the picture would be similar, with effects on assets close to Anstey likely to be more prominent, as well as potential connectivity effects on urban edge sites. In Hinckley, pressures would be increased with regards to development surrounding areas of national forest / ancient woodland, whilst in Harborough, the likelihood of effects on local wildlife features and the Kilby Foxton SSSI would increase, with further cumulative pressures likely from the scale of growth involved at Oadby and Wigston. Overall, the <u>potential</u> for major negative effects exists.

Option B5

For Blaby, this distribution would involve a substantial amount of growth in the NLA, and with this potential moderate negative effects with regards to biodiversity.

For Charnwood, the level of growth involved could likely be accommodated without encroaching on areas that are most sensitive for biodiversity, but the pressure would be greater compared to Option B5 (the same distribution at a lower scale of growth).

For Harborough, Oadby and Wigston and Hinckley and Bosworth, the scale of growth is such that significant effects should be possible to avoid and mitigate. However, the potential for minor negative effects exists.

Overall, potential moderate negative effects are recorded. This reflects the potential for minor negative effects in each of the districts, and an increased likelihood of effects for Blaby.

Growth Scenario C (50% of current unmet housing needs - 7950 dwellings)

Options C1 and C2 both involve less growth in the NLA, and so the potential for effects is reduced compared to Option A4 (discussed below).

In Charnwood, a significant proportion of this growth can potentially be accommodated on brownfield sites mainly in and around Thurmaston. These sites are likely to be of lower biodiversity value with development presenting opportunities for enhancements. These levels of growth would still require the use of greenfield sites, but this could be accommodated on sites of lower biodiversity value or with greater amounts of land set aside for green infrastructure.

In Harborough, this lower scale of growth can be accommodated on less sensitive smaller sites in and adjacent to the built area and through the proportionate development of larger sites, avoiding sensitive habitats and features of biodiversity value and sustaining ecological connectivity. Whilst the growth would be accommodated on mainly greenfield land, cumulatively this scale of growth should not result in the significant loss of green space in the NLA in Harborough.

In Hinckley, this scale of growth is predicted to have similar effects to that under growth scenario C4. However, growth on the most sensitive site options could possibly be easier to avoid. Growth at this scale also provides some opportunities for implementing new green infrastructure on the larger site options which can enhance the quality of existing habitats on these sites and ecological connectivity. Under growth scenario C1, new planting could be introduced to soften landscape impact on the larger site options which could have some positive effects through the creation of new habitats.

In Blaby, these growth scales could utilise brownfield and greenfield site options which relate well to the built-up area and where development can avoid site options or parts of site options which contain ecologically important habitats. However, under this approach opportunities for new green infrastructure is likely to be more limited.

In Oadby and Wigston this scale of growth would require the release of land at the urban periphery. For option C1, this could potentially be accommodated on one large site, whereas for Option C2, the higher scale of growth would need more widespread development. None of the potential sites are majorly constrained by designated biodiversity assets, though development could put pressures on the Kilby Foxton Canal SSSI at higher scales of growth.

Cumulatively, a neutral effect is predicted for both of these growth scenarios. Though there could be some minor negative effects on specific sites, it ought to be possible to limit severance to ecological corridors, and there may also be better opportunities to avoid the most sensitive sites. As a result, neutral effects are predicted overall.

Option C3 involves virtually the same scale of growth in the NLA as Option A3, and therefore the effects are the same (i.e. minor negative and minor positive).

Option C4 could involve sites along the NLA in Charnwood, Blaby, Harborough and Hinckley totalling 7950 dwellings.

In Charnwood, this scale of growth should be able to avoid sites around Cropston and Anstey that are in proximity to SSSIs in the south west of the borough. Even with growth nearby, it ought to be possible to mitigate effects. However, sites that include important local biodiversity habitats such as hedges and clusters of trees would likely have to be utilised. Although, adverse effects can be avoided through the protection of sensitive habitats and their ecological connectivity value can be sustained and potentially enhanced through buffering and additional planting. This scale of growth would require a significant proportion of sites around the built-up area of villages in the NLA in Charnwood which will result in a cumulative loss of green space and habitat.

In Harborough, this scale of growth could be mostly delivered through the proportionate development of larger sites, avoiding some sensitive smaller sites in and around Scraptoft, Thurnby and Bushby that contain or provide important ecological connectivity to habitats of biodiversity value. However, cumulatively this would result in a

significant loss of green space potentially including established hedgerows and trees in a small NLA area.

In Hinckley, this scale of growth in the NLA could require the use of site options which contain established habitats including trees, hedges and grasses likely to be of ecological importance. A number of site options which also provide important ecological connectivity or form part of larger habitats may also need to be developed which could result in harm to ecologically-rich habitats and disturbances to ecological connectivity. There are some sites adjacent to and overlapping with ancient woodland where development could cause disturbances. There may be some flexibility at this scale of growth to avoid the most sensitive locations and / or for mitigation, but residual negative effects are possible.

In Blaby, this scale of growth in the NLA would require the use of numerous site options that fall within or adjacent to the built-up areas. Site options that contain important habitats or ecological networks where development is likely to cause some harm could likely be avoided, although cumulative pressures on green space is likely to cause minor adverse effects.

In Oadby and Wigston there is potential for minor negative effects related to growth near to Kilby Foxton Canal SSSI, but actual areas for development are not thought to be significantly constrained in terms of on-site biodiversity value.

Under this approach, no growth is proposed for Melton or North West Leicestershire.

Cumulatively, an <u>uncertain</u> minor negative effect is predicted. There is a presumption that net gain will need to be achieved, but whether this can be done on a site specific basis (or whether there would be strategic improvements elsewhere) is uncertain. There is also a question about ecological connectivity. Improving the biodiversity value of a site might not necessarily mean connections are maintained to wildlife corridors. Rather, sites could possibly become isolated havens for wildlife. It is important to ensure that this does not happen. Therefore, an approach that focuses growth in the NLA could potentially lead to negative effects on biodiversity in this area, particularly with regards to connectivity.

Market Towns

Hinckley

• Burbage Wood and Aston Firs SSSI is located 1.5 miles to the East of Hinckley Town centre. The SSSI is split up into 4 units, all of which are in an 'unfavourable – recovering' position. Burbage common and Woods (LNR) is also located 1.5 miles to the east of Hinckley.

Coalville

- Coalville is surrounded by a number of SSSI's; Coalville Meadows SSSI located approx. 1.3miles north-east of the town in an 'unfavourable recovering' condition, Bardon Hill Quarry approx. 1.7miles to east in a 'favourable' condition and Charnwood lodge SSSI 2.2miles to the north east. Parts of Charnwood lodge have also been designated as a National Nature reserve (NNR).
- There are small pockets of woodland included in the National Forest Inventory surrounding the market town.

Loughborough

• Small pockets of woodland included in the National Forest Inventory to the West of the town. There is a woodland SSSI to the south of the town, as well as the Charnwood Forest, and to the north-east there are two SSSIs. Development in these locations has the potential for disturbance and / or recreational pressure.

Lutterworth

• There is a SSSI approx. 0.9 miles to the East of the town, Misterton Marshes. It is made up of 3 units all in an 'unfavourable- recovering' position. Small pockets of land forming the National Forest Inventory lies to the east of the village.

Melton Mowbray

• The River Eye runs through the town and is a designated SSSI. It is made up of six units, all of which are in an 'unfavourable – no change' condition.

Market Harborough

• There is 1 small SSSI site that lies approx. 1.6 miles to the north of the town centre and is in a 'favourable' condition and not considered likely to be the subject of recreational pressure.

There are also a range of local wildlife sites within and surrounding each of the Market Towns.

Growth Scenario A: 15,900 dwellings (Current unmet housing needs)

Options A1 and A2

In Coalville (NWL), the growth proposed under option A1 will require the use of several greenfield sites adjacent to the built-up area but growth can be adequately distributed to avoid adverse effects on existing habitats and on potential established ecological corridors. This growth scale would result in some loss of green space which cumulatively could undermine ecological connectivity to west of the town. However, development also presents opportunities for the integration of new green infrastructure which can equally enhance ecological connectivity. Under growth scenario A2, the effects are likely to be similar although the higher amount of growth would result in a greater cumulative loss of green space and avoiding site options most sensitive to landscape character is likely to put additional pressures on other site options and reduce the scope for new green infrastructure and the protection of important habitats on these sites.

In Charnwood the growth will be concentrated in Loughborough. The amount of growth proposed under options A1 and A2 could possibly be accommodated on brownfield sites across Loughborough. These sites are likely to be of low biodiversity value with development presenting opportunities for enhancements. Therefore, a positive or neutral effect is predicted. If development here is not deliverable or viable, then sites to the south of the town would be more likely to be involved and expanded towards the Charnwood Forest (this is more likely for option 1 which involves slightly higher levels of growth). This could potentially lead to negative effects on biodiversity as a result of disturbance, recreational pressure and loss of land.

In Hinckley, Market Harborough and Lutterworth, both scales of growth would require the use of greenfield sites that contain habitats of biodiversity value. However, the most sensitive sites could possibly be avoided and growth can be somewhat dispersed to ensure effects are not as adverse. However, cumulatively a minor negative effect is predicted.

In Melton Mowbray (Melton), growth under option A1 would also require the use of greenfield sites, some of which contain important habitats. This scale of growth is also likely to require the use of some more ecologically-sensitive site options, which contain important habitats and where development is less likely to be able to avoid

harm on habitats and ecological connectivity. Under growth scenario A2 these effects are likely to be intensified and to avoid site options that fall in flood zones, site options on the periphery (which do not fall within the pool of sites under this growth scenario) would be required. Development on these site options along with committed growth could encircle much of the built-up area to the north, east and west which will result in a cumulative loss of green space around the town and has potential to cause some disturbances to ecological connectivity between the built-up area and the countryside.

Cumulatively, these scales of growth are likely to result in minor negative effects, although effects vary between towns with effects in Loughborough possibly ranging from positive to minor negative, and effects in Melton ranging from minor to moderate negative.

Overall, a minor negative effect is predicted for both options from a Leicestershire-wide perspective. Whilst there will be potential for mitigation and enhancement on certain sites, it will not be possible in all situations, and therefore there may be a decline in biodiversity in certain parts of the Market Towns.

Option A3 involves growth at strategic sites, some of which are close by to Market Towns.

For Charnwood it is presumed the strategic site close to Loughborough would be an option. This site is intersected by a brook and contains some areas of woodland / trees. However, broadly speaking the site is arable and is not highly valuable in terms of biodiversity. The site is close to a small SSSI Cotes Grassland, which could also experience some increased disturbances. However, it ought to be possible to mitigate such effects by the provision of open space on site. Overall, mixed effects are likely.

For Harborough, there are two strategic sites for housing in the market towns (for the purposes of this SA), one at Market Harborough and one at Lutterworth. The site in Lutterworth is not designated for its biodiversity value, but is intersected by brooks and contains local features such as trees and hedgerows. The potential for negative effects therefore exists. In Market Harborough, the site is not designated in terms of biodiversity importance, but it does have a network of hedges and trees around field boundaries and is surrounded on three sides by the Grand Union Canal Conservation Area (which has wildlife value). The potential for minor negative effects therefore exits. As with other sites of this scale and nature, the potential to enhance biodiversity through net gain requirements should lead to longer term positive effects. It ought to be possible to avoid the more sensitive site at Lutterworth at this scale of growth, as not all strategic sites would be required to meet this scenario.

For Hinckley and Bosworth there are two strategic sites at the market towns that could be involved. With regards to biodiversity designations both sites are unconstrained. One of the sites contains mostly agricultural land, but there are features that could be of local value such as trees and hedgerows. Overall, the effects of development would likely be neutral. The other site is intersected by Soar Brook and contains pockets of woodland / trees. The biodiversity value here is therefore likely to be higher. Development would be expected to avoid such areas, but the potential for minor negative effects exists.

For Melton it would be necessary for one of two strategic sites to be developed. One of these is intersected by the River Eye SSSI, and is sensitive to development. Development here would likely bring about major negative effects. Though mitigation and compensation would be required, it is not a favourable site from a biodiversity protection perspective. The other strategic site is less sensitive, but does contain features likely to have local value such as hedgerows and trees.

For North West Leicestershire sites in the market towns would likely be required. The site at Coalville is enclosed by residential development and perhaps less likely to encourage enhancement that is strategically connected to the wider green infrastructure network.

Despite the large scale nature of growth at the strategic sites near to market towns, for this growth scenario, there is still flexibility to avoid the most sensitive sites. As

such only minor negative effects are predicted. However, the nature of such sites should also make it easier to achieve strategic improvements to biodiversity networks or significant new habitats, which are minor positive effects.

Option A4 involves no growth in the market towns and is unlikely to have indirect cumulative effects given the fairly distant location of most development from these locations. Therefore, neutral effects are predicted.

For **Option A5**, The level of growth involved in Loughborough could potentially be accommodated on brownfield sites mainly in and around Thurmaston. These sites are likely to be of lower biodiversity value with development presenting opportunities for enhancements. These levels of growth would still require the use of greenfield sites, but this could be accommodated on sites of lower biodiversity value or with greater amounts of land set aside for green infrastructure. Overall, neutral to minor negative effects are predicted.

The growth in Harborough could be split across Lutterworth and Market Harborough, and there is sufficient flexibility to avoid the more sensitive locations. As such, neutral effects are predicted as this high level.

In Hinckley, the scale of growth involved would require the use of larger site options on the periphery of the town. Broadly speaking, these are not significantly constrained by biodiversity designations, but there are some local features such as trees and hedgerows that could potentially be affected. As such only neutral to minor negative effects would be anticipated. If a strategic approach is taken to green infrastructure enhancement, there could be good opportunities in this location for biodiversity net gain on site, which would be positive.

The scale of growth in Melton could potentially require the use of sensitive land, and therefore possible moderate negative effects are identified. In Coalville, the scale of growth involved would require substantial use of greenfield land, some of which is adjacent to areas of ecological importance. There is therefore potential for moderate negative effects in terms of disturbance and possible severance of ecological corridors / stepping stones. Conversely, there may be good opportunities to enhance biodiversity provision on larger sites should they be found to have a low ecological baseline.

For the majority of market towns, the effects would likely be neutral or minor. However, the skewed growth towards Coalville could potentially give rise to moderate negative effects in that location. The relatively minor effects elsewhere and the potential for benefits somewhat offset the negative effects though, and so only minor negative effects are predicted at this stage.

Growth scenario B: 20,000 dwellings (25% uplift on current unmet housing needs)

Option B1

In Coalville (NWL), this scale of growth is likely to have similar effects to that proposed under growth scenario A1. However, to avoid coalescence effects, this growth scenario will result in the intensification of growth on some site options, potentially reducing the scope for new green infrastructure and cumulatively this scale would result in the substantial loss of green space around the periphery of the town. If coalescence occurred, this too could lead to effects in term of ecological connectivity.

In Loughborough (Charnwood), this amount of growth would require the use of both brownfield and greenfield sites (or more intensive development). Whilst around half of this growth might be possible to accommodate on brownfield sites (that are likely of low biodiversity value), more ecologically sensitive greenfield sites along the periphery of Loughborough would have to be utilised including sites to the south east nearby the Beacon Hill SSSI. Therefore, at this scale of growth, sites that contain habitats likely to be of high biodiversity value would need to be allocated. There is also potential for long-term adverse effects on SSSI from disturbances to ecological connectivity and from human impact such as through increased recreational use. Cumulatively, this level of growth is likely to have moderate negative effects on biodiversity. Whilst the scale of sites should allow some mitigation, the intrusion into the Charnwood forest would be difficult to achieve without some residual negatives in terms of a loss of tranquillity, and a smaller buffer between the urban area and forested areas.

In Hinckley, this scale of growth would mostly require the use of greenfield site options adjacent to the town. Whilst this will result in some loss of green space in the periphery of the town, site options or parts of site options can be used which do not contain important habitats and are not likely to have adverse effects on habitats and ecological connectivity to the Burbage Wood and Aston Firs SSSI and Burbage Common and Woods LWS.

This scale of growth would require the utilisation of several site options in Market Harborough and Lutterworth. This would include sensitive greenfield sites that contain habitats including clusters of trees and hedgerows or play an important ecological connectivity role. This would also include sites to the north west of Market Harborough that would result in a substantial cumulative loss of green space in this area and could adversely affect habitats and ecological connectivity. Overall, a potential moderate negative effects on biodiversity is predicted.

In Melton Mowbray (Melton) the effects would be of a similar significance to those described for A2 above. There would be slightly less growth, and thus the effects are more likely to lean towards minor rather than moderate negatives.

Cumulatively, this scale of growth is predicted to have **moderate negative effects** on biodiversity. Growth in most towns including Coalville, Loughborough, Market Harborough, Melton and Lutterworth would require the use of site options that contain important habitats or where development would result in disturbances to ecological connectivity which in some cases could be difficult to fully mitigate. Though net gain will be required, there are uncertainties as to how this would be achieved and whether it might need to be outside of these locations.

Option B2

In Coalville (NWL), this scale of growth could require the use of site options in between settlements surrounding the town. This scale of growth will result in the significant loss of green space and substantial urbanisation around the town which is likely to significantly reduce ecological connectivity between built-up areas and in the potential loss of important habitats.

In Loughborough (Charnwood), this amount of growth would require the use of both brownfield and greenfield sites. The majority of the growth can be accommodated on brownfield sites within the built-up area that are likely of lower biodiversity value. This scale of growth would require the loss of some greenfield land, but this can be accommodated on less sensitive sites to the east of Loughborough. Cumulatively, a neutral or potentially minor positive effect is predicted as significant growth can be accommodated on brownfield sites with potential for improvements to biodiversity.

In Hinckley, this scale of growth is likely to have similar effects to that under growth scenario B1, although the potential for major new green infrastructure is reduced and

the scale of loss of green space is less severe.

Most of the site options would need to be utilised for this scale of growth in Market Harborough and Lutterworth. This would include sensitive greenfield sites that contain habitats including clusters of trees and hedgerows or play an important ecological connectivity role. However, the most sensitive sites could possibly be avoided. This would also likely require some growth in the north west of Market Harborough that would contribute towards a cumulative loss of green space in this area and could adversely affect habitats and ecological connectivity. Overall, a negative effect on biodiversity is predicted.

In Melton Mowbray (Melton), this scale of growth is higher than Option B2 and so the ability to avoid and mitigate effects could be reduced. Hence, moderate negative effects are more likely.

Cumulatively, this scale of growth is likely to have moderate negative effects mainly due to the significance of adverse effects in Coalville, Market Harborough, Melton and Lutterworth. The spread of growth is such that Coalville would be more significantly affected compared to Option B1, whilst the other market towns would see broadly similar effects.

Option B3

Involves growth at strategic sites, some of which are close by to Market Towns. For all authorities but Charnwood, the amount of additional growth required would increase substantially compared to Option A3.

Overall, the increased scale of growth means that the total amount of greenfield land loss is substantial. Most of the additional sites involved are not highly constrained, and so only minor negative effects would be anticipated. However, several sites are more sensitive, and should they be involved this would raise the overall effects from minor (for A3) to <u>potential</u> moderate negative effects overall. This is countered by the fact that a lot of growth would come forward on sites with good potential to deliver net gain on site, which in the longer term ought to lead to an overall improvement in biodiversity assets across Leicestershire. These are <u>potential</u> moderate positive effects.

Option B4

This approach involves no growth in the market towns themselves and is unlikely to have indirect cumulative effects given the fairly distant location of most development from these locations. Therefore, neutral effects are predicted.

Option B5

The effects for Option B5 somewhat mirror those for A5. At Loughborough, Melton Mowbray, Lutterworth and Market Harborough, the additional growth involved is fairly minor and not expected to significantly different effects. Compared to A5. However, for Hinckley and Coalville, the level of growth is notably higher and would involve a more widespread use of site options. This could make it more difficult to avoid negative effects, and so a <u>potential moderate negative effect</u> is highlighted. As

discussed for all other options, there will be a need for biodiversity net gain, but in principle, the effects can still be negative in the context of following the mitigation hierarchy and avoiding the loss and disturbance of habitats in the first instance. It is also considered less likely that substantial on-site improvements can be achieved on non-strategic greenfield sites.

Growth scenario C - 7,950 dwellings (50% of current unmet housing needs)

Options C1 and C2 involve much lower levels of growth at the Market towns compared to the corresponding options under growth scenario A and B. It is considered likely that effects could be more effectively avoided and / or mitigated for both options, but more so for C2, which involves the lowest distribution of growth to the Market Towns of these two options. Therefore, neutral effects are predicted for Option C2 and uncertain minor negative effects for C1.

Option C3 does not involve any growth at strategic sites related to the market towns, hence neutral effects are predicted.

Option C4 involves no growth in the market towns themselves and is unlikely to have indirect cumulative effects given the fairly distant location of most development from these locations. Therefore, **neutral effects** are predicted.

Other Identified settlements

Growth scenario A - 15, 900 dwellings (Current unmet housing needs)

Broadly speaking, for **Option A1** and to a greater extent **Option A2**, a higher scale of growth in these settlements is likely to reduce the flexibility of site choice, so it is more likely that development might occur in areas that have sensitivities. The overall increase in development could also lead to greater cumulative effects upon ecological networks. However, a dispersed approach should still allow for significant effects to be avoided.

In Charnwood, this higher scale of growth is likely to require the intensification of growth around large villages. In Rothley, this could have adverse effects on the nearby SSSI through increased recreational use. This is also likely to reduce the scope for the integration of new green infrastructure on site options around large villages, although it is envisaged that important habitats and existing ecological networks can likely be safeguarded through sensitive design. This growth scenario is also likely to either require some use of site options north and south of Ashby Road East or adjacent to small villages. Development on site options north and south of Ashby Road East could have uncertain positive and negative effects, as development could introduce new habitats and enhance ecological connectivity to the SSSI, but could also increase recreational pressures.

In Harborough and Hinckley, this scale of growth is likely to have similar effect to that proposed under the lower growth scenario C. The additional cumulative loss of green space is not likely to be significant and the sensitive distribution of growth can ensure site in proximity to ecologically significant designated sites and site options with habitats and ecological networks vulnerable to development can be avoided.

In Blaby, this higher scale of growth is likely to require some growth in and around Huncote or east of Stoney Stanton which fall in close proximity to a number of SSSIs near Croft which could be adversely affected from recreational use. Growth could also undermine ecological connectivity to these important habitats, although it is likely

that affects could be avoided through sensitive design. Some site options in these areas also fall within close proximity to waterbodies which may be of ecological importance and habitats could be adversely affected without adequate mitigation.

In NWL, these higher scales of growth are likely to require some use of site options to the north and east of the district which fall within fairly close proximity to SSSIs. It is likely that site options which contain important stepping stone habitats for these ecologically rich areas could potentially be avoided, but growth here poses some risk of adverse effects on these protected sites through the potential increase in recreational use, especially if involving animals such as dogs. This could result in some cumulative loss of habitats over the longer term. There will also be a need to consider the impacts of increased development on the ecological quality of the River Mease Catchment. The impacts are more pronounced for A2, which involves the higher scale of growth

In Melton, the scale of growth would require development across several villages, but there is sufficient capacity across site options to provide flexibility in the location of development. Furthermore, the majority of site options are not significantly constrained by biodiversity designations and a desktop analysis suggests that some sites are unlikely to have significant ecological value (I.e., they do not contain important habitat or features). As a result, a neutral effect is predicted.

Cumulatively, minor negative effects are predicted for both Options A1 and A2. Though some areas could see neutral effects, several settlements could see development on more sensitive land, whilst cumulative pressures could affect places such as North West Leicestershire (River Mease) and Charnwood (Several SSSIs associated with quarries) more prominently. There ought to be potential for mitigation and enhancement, but the small-scale nature of some sites could make this difficult to achieve in the areas that development occurs 100% of the time.

Option A3 involves growth at strategic sites. For Blaby additional development would likely be accommodated at strategic sites at Stoney Stanton and/or Hinckley NRFI, the latter of which is in close proximity to a SSSI and other local wildlife designations bringing the potential for negative effects in terms of disturbance. Given that both sites would not be required, the effects are uncertain, but potential moderate negative effects are highlighted.

For Charnwood strategic growth could be at number of locations and only a small part of the overall strategic site development would be required. Nevertheless, for strategic sites to work, there would of course be continued development beyond the plan period. In this respect it is important to assume that comprehensive development would be involved. There are several sites which could be involved, with a SSSI overlapping with one of the strategic sites at Six Hills.

Other strategic sites are overlapped with habitats such as trees, but appear to be less sensitive in respect of biodiversity (for example Wymswold airfield). There is potential for moderate negative effects, but considerable uncertainty given the choice in site options and potential for mitigation. Similar to the other strategic sites, the large-scale nature of development sites could also bring good potential for on-site enhancement, which are positive effects.

Overall, <u>potential</u> <u>moderate negative effects</u> are predicted alongside <u>potential</u> <u>moderate positive effects</u>.

Option A4 will have neutral effects with regards to biodiversity in identified / other settlements

Option A5 involves relatively low levels of growth at the other settlements in Charnwood, Hinckley and Bosworth, Melton and Harborough. Therefore, the effects are

anticipated to be neutral or minor negative at worst. For North West Leicestershire and Blaby, minor negative effects are possible as per Options A1 and A2. Therefore, overall, <u>uncertain minor negative effects</u> are predicted.

Growth Scenario B - 20,000 dwellings (25% uplift on current unmet housing needs)

Option B1 and Option B2 involve additional growth across other settlements for all of the authorities. At the scale involved, it could potentially lead to increased negative effects, but this is dependent upon the choice of sites. Even at this higher scale of growth, there should remain flexibility so as to avoid significant negative effects. As such, minor negative effects are still predicted.

Option B3 involves the same strategic sites as mentioned for A3, but at a higher capacity. For Charnwood, this does not make a difference to the effects, because growth would still be lower than is required to support strategic growth. For Blaby, it would require a more comprehensive development at Stoney Stanton within the plan period, or the release of both sites. This could potentially bring greater potential for negative effects. Therefore, overall **moderate negative effects** are predicted with greater certainty, and potential **moderate positive effects** are predicted.

Option B4 will have neutral effects with regards to biodiversity in identified / other settlements as no growth is involved.

Option B5 is predicted to have the same or very similar effects as Option A5 for all authorities except for Blaby (which sees almost a doubling of growth). This increase could make it more difficult to avoid development in settlements that are close to designated habitats, and / or could have cumulative effects in terms of disturbance. As a result, potential moderate negative effects are predicted overall reflecting the concentration of growth into Blaby in particular.

Growth Scenario C – 7,950 dwellings (50% of current unmet housing needs)

For **Options C1 and C2**, the scale of growth proposed is the same for each authority (437 dwellings spread across the identified settlements for A1 and 379 dwellings spread across the identified settlements in each authority for C2).

In Charnwood, these scales of growth can be accommodated across a number of additional site options in towns and larger villages. There are sufficient sites in these areas to avoid significant negative effects upon biodiversity (but this might be more limited by other constraints such as landscape and heritage, which reduces the flexibility in site choice if trying to avoid environmental effects across a range of SA factors. Additional growth in Shepshed beyond the planned growth could perhaps be accommodated. But the majority of sites lie to the south of the settlement, and are in close proximity to the Newhurst Quarry SSSI. Development on these sites could provide new habitats and enhance ecological connectivity to the SSSI. However, the change of use to housing could also cause harm to the SSSI.

There is some risk for further growth at Rothley to have some adverse effects on the Buddon Wood and Swithland Reservoir SSSI due to impacts associated with increased recreation. Otherwise, this scale of growth could probably be met through the use of less sensitive smaller site options around settlements including Queniborough, Barrow-upon-Soar, Sileby and Rearsby. A small allowance for further growth in the smaller villages might also be feasible.

In Harborough, these scales of growth can either be distributed on a number of smaller site options or parts of sites adjacent to most or all settlements or by focusing growth on a smaller number of large sites at settlements such as Kibworth and Broughton Astley. At this scale, growth can be accommodated on site options where development is unlikely to cause any significant harm to existing habitats and is unlikely to undermine ecological connectivity. Growth on a small number of larger site options is more likely to support additional new green infrastructure, landscaping and planting, with potential to provide new habitats and enhance local ecological connectivity.

In Hinckley and Blaby, these scales of growth can broadly be accommodated on site options with habitats broadly consisting of trees and hedges along site boundaries, with potential for development to avoid adverse effects on existing habitats from development through adequate mitigation. Subject to the distribution of growth, this scale also provides opportunities for the introduction of new green infrastructure which could provide important habitats and enhance ecological connectivity.

In Melton, these scales of growth distributed across a number of site options across settlements could likely avoid sensitive habitats and adverse effects on ecological connectivity. This growth scale also provides some opportunities for the introduction of new green infrastructure which could provide new habitats.

In NWL, these scales of growth should be able to avoid site options in proximity to a number of SSSIs to the north and east of the district. However, growth would require the use of numerous site options adjacent to settlements. This could undermine some ecological connectivity around the periphery of settlements, although where growth utilises site options which fall adjacent or include small areas of land at risk of fluvial flooding, the wider development of these site options could support new green infrastructure and natural drainage systems providing important new habitats and potentially supporting enhanced ecological connectivity along waterbodies.

Cumulatively, neutral effects are predicted. Some sites could lead to enhancement opportunities, whilst others are unlikely to have significant negative effects if chosen so as to avoid environmental constraints. However, there are some locations that are of greater sensitivity that might be involved, and here it might be possible for negative effects to arise. The overall picture is neutral, as the effects counterbalance one another, and the dispersed nature of development means that severance of ecological corridors is less likely to be severe in any particular location. Uncertainties exist as effects will be ultimately dependent upon the sites that are chosen, mitigation and enhancement that is secured. Given that there is such a wide range of options, some of which contain sensitivities, then negative effects cannot be entirely ruled out.

Options C3 and C4 involve no growth in the other identified settlements themselves. As such **neutral effects** are predicted in this respect.

Overall effects

For all of the options, it should be acknowledged that mitigation and enhancement could potentially be secured to offset negative effects. Indeed, there will be a need to ensure that biodiversity net gain occurs. However, this does not negate the fact that effects could occur in the short term, on a temporary basis or on a permanent basis in some locations if net gain is delivered offsite. There are no strategic plans in place that show were biodiversity net gain opportunities would be focused, and so a precautionary approach is taken in this respect. The negative effects identified should be understood in this context.

Growth Scenario A – 15,900 dwellings (Current unmet housing needs)

At this scale of growth, for the dispersed options, minor negative effects are recorded overall for Option A1, A2 and A5. The effects are somewhat diluted, and though there could be certain locations more negatively affected than others, the overall picture is minor negative effects in each tier of the settlement hierarchy and overall.

For Option A3, which involves strategic sites, the potential for effects is greater in particular locations, but means that many other locations would see neutral effects. The use of strategic sites is also considered more likely to allow for avoidance of negative effects and securing strategic enhancements. These are minor positive effects across the County. The loss of greenfield land and the sensitive nature of some of the strategic sites means that minor negative effects are also recorded overall.

A focus on the NLA is more likely to bring about concentrated negative effects in the periphery of Leicester and these effects would be more likely to spill over into Leicester itself. However, other locations across the County would see neutral effects and so overall only a minor negative effect is predicted.

Growth scenario B - 20, 000 dwellings (25% uplift on current unmet housing needs)

At a higher scale of growth, the potential effects for market towns increases for Option 1, but the overall effects are still considered to be minor from a county wide perspective. For Option B2, potential moderate negative effects are recorded, as the significance of effects could increase in both the NLA and the market towns.

A greater range of strategic sites would be involved at this scale of growth, and thus the cumulative effects are more likely to arise, which are recorded as <u>potential</u> moderate positive and <u>potential</u> moderate negative effects.

Option B4 involves significant growth in the NLA, and this could push the effects into potential major negatives in this location, with spill over effects for the City. Though no effects would be likely elsewhere, this is considered to be a moderate negative effect from a county-wide perspective.

Option B5 is also likely to bring about more pronounced negative effects across the County in a range of settlements, which are moderate negative effects.

Growth scenario C – 7,950 dwellings (50% of current unmet housing needs)

For the dispersed growth options, there are mostly neutral effects across the County. Therefore, despite there being minor negative effects in some locations, the overall picture is considered to be neutral. For Option C3, which involves strategic sites, the effects are similar to Option A3 (i.e. minor positive / minor negative).

| | | City | Near Leicester Area | Market towns | Other settlements | Overall effects |
|------------------|-----------|------|------------------------|--------------|-------------------|-----------------|
| Option 1 | A1 HENA | - | × | × | × | × |
| Settlement tiers | B1 Higher | - | × | xx | × | × |

| Biodiversity | | | | | | |
|--|-----------|---|------------------|------------|--|------------------------|
| | C1 Lower | - | - | x? | _? | - |
| Oution 2 | A2 HENA | - | × | × | × | × |
| Option 2 | B2 Higher | - | xx? | xx | × | ××? |
| Equal Share | C2 Lower | - | - | - | _? | - |
| | A3 HENA | - | x / < | × / ✓ | xx ;/ \ \ \ \ \ \ \ \ \ \ \ \ \ \ \ \ \ \ \ | x / < |
| Option 3 | B3 Higher | - | × / ✓ | xx;/ √ √ , | xx/ √√ [?] | xx,/ \langle \langle i |
| Strategic Site focus | C3 Lower | - | x / < | - | - | x / ✓ |
| Option 4 | A4 HENA | × | xx | - | - | × |
| Near Leicester Area focus | B4 Higher | × | xxx [?] | - | - | ×× |
| · | C4 Lower | - | x ? | - | - | - |
| Option 5 <i>HENA Distribution</i> | A5 HENA | - | × | × | x ? | × |
| | B5 Higher | - | xx | xx? | xx | ×× |

Appraisal findings: Health and Wellbeing

The findings relating to the Sustainability Topic 'Health and Wellbeing' are presented in the following tables.

Health and Wellbeing

City

High levels of growth in the NLA, particularly to the extent proposed under growth scenarios B4, A4, and to a lesser extent under scenarios A3, B3, C3, C4, B2, B5 and B1, is likely to result in urban intensification along the fringe of the city. These scales of growth could reduce access for people in the city to open countryside / greenspace (especially those without a car) which could have some adverse effects on health and wellbeing. Whilst these scales of growth, particularly the higher amounts proposed under scenarios B4 and A4, should make the delivery of some health and social infrastructure viable. It is also possible that this level of growth in the NLA would add pressures to existing infrastructure in the city such as leisure centres and comparison retail which is unlikely to be delivered in the NLA. Furthermore, growth in most areas in the NLA is likely to rely on employment opportunities in the city and any new provision in health, employment or other services would not be centric and necessarily nearby all new communities spread across the NLA area. The increase in movement between the NLA and the city could exacerbate congestion at existing hotspots (including Melton Road and A47/Uppingham Road which also fall in an AQMA) and have adverse effects on air quality. Cumulatively, a minor negative effect is predicted for growth scenarios that involve higher levels of growth in the NLA (A4 and B4 to a greater extent). Other growth scenarios also propose substantial levels of growth in the NLA or further afield. However, the pressures and impacts are not considered to be as significant and thus neutral effects are predicted in this respect for the City. Conversely, those options that provide increased housing near to the city are more likely to have benefits for residents in that area that wish to move, including the provision of affordable housing. There should also be possible benefits with regards to investment in social infrastructure / open space on larger strategic sites, the potential minor positi

Near Leicester Area (NLA)

Growth scenario A - 15,900 dwellings (Local Housing Need)

Option A1

This scale and distribution of growth will likely support affordable housing delivery across the NLA area. Growth at this scale in most locations is likely to use smaller site options, particularly in Charnwood and Blaby. Pooled financial contributions provide opportunities for enhancements to existing provision in urban areas which would then benefit both existing and new residents. However, this scale of growth is unlikely to support any substantial new improvements in social infrastructure and opportunities for new infrastructure are further undermined as sites are too small for new on-site provision (which can often be more efficiently delivered). In the contrary, growth in Hinckley will require the use of larger sites and the distribution could allow for more self-sustained development.

In Charnwood, similar to option A4, this scale of growth will add some pressures to the local road network particularly where growth is concentrated in and around urban areas. However, this scale of growth can likely be accommodated in the Charnwood NLA area without causing substantial impacts on air quality hotspots.

In Harborough, growth would require use of site options within and immediately adjacent to Bushby, Thurnby and Scraptoft and some parts of larger sites. This will result in some loss of access to green space and countryside for residents, although the scale is not considered to be significant. This scale of growth will add some pressures along main roads which go onto fall within Leicester AQMA areas, but significant effects are not envisaged.

Cumulatively, mixed effects are predicted including minor positive effects from the delivery of affordable housing and social infrastructure and minor negative effects through the loss of access to green open space and impacts on amenity, noise and air quality.

Option A2

Cumulative effects for option A2 are similar to option A1, though there is approximately 700 additional dwellings involved in the NLA. This increases the cumulative magnitude of effects, although effects are lower in Charnwood, Harborough and Hinckley due the lower quantum of growth proposed in these locations. In Blaby, the higher scale of growth proposed under option A2 could lead to a greater loss of green space in this area, but areas sensitive to poor air quality and noise can likely be avoided. The greater local quantum of housing can further support the delivery of some community infrastructure, although potential financial contributions are likely to support the expansion of existing services rather than new ones.

In Oadby and Wigston, this scale of growth would require the comprehensive use of most site options adjacent to the main urban area to avoid strategic sites and areas within Flood Zones 2 and 3. This will limit opportunities to introduce new green space and could substantially reduce access for existing communities to the countryside. There are opportunities for this scale of growth to support substantial new community infrastructure including a small location centre and primary school. This scale of growth would also support a significant amount of affordable housing and potential mix of housing types and sizes, which could serve the needs of certain social groups in Oadby and Wigston and further afield. However, development is likely to rely on existing provision for secondary education, health and other services. Development would also rely on the wider towns and Leicester for employment and wider services, which could increase movement from the periphery location into urban centres, potentially having substantial adverse effects on AQMAs.

Cumulatively, this option would lead to some minor positive and minor negative effects.

Option A3

This option involves growth on strategic sites in the NLA. This scale of growth will involve the use of all site options in Blaby, Hinkley and Oadby and Wigston, and more comprehensive use of strategic sites in Harborough. The large scale nature of these sites means that they would likely be self-sufficient to an extent and in some locations be able to deliver new schools, health services and local shops (particularly at larger sites which can support growth beyond the plan period and where sites are in close proximity to one another). This is positive for those that would be living in these locations and reduces pressures on existing communities.

The exception to this includes the growth proposed in Oadby and Wigston, where individual strategic sites are smaller in size, which could undermine the potential to deliver new onsite social and health infrastructure.

There is potential for the growth proposed on strategic sites to result in a substantial loss of green space and reduce access for existing communities to open countryside in Harborough, a lesser but significant extent in Oadby and Wigston, and to some extent in Blaby. This scale of growth will increase demand for car trips in the NLA which is likely to put pressures on main thoroughfares into Leicester which also partly fall within the Leicester AQMA. Such effects are particularly likely to put pressures on Uppingham Road (A47), Leicester Road/Glen Road/ Gartree Road (A6), Bull Head Street/ Newton Road (A5199) and Saffron Lane (B5366), as a result of growth in Blaby, Harborough and Oadby and Wigston. With land north of Glenfield being bounded by the M1 to the east and A50 to the north, there is potential for adverse effects for future residents through poor air quality and noise, and for this to potentially have adverse effects on the health.

Conversely, the amount of housing proposed should have positive effects on health and wellbeing for some communities, particularly across Leicester and the southern Leicestershire area, by providing substantial affordable housing.

Cumulatively, mixed effects are predicted including moderate positive effects from the delivery of affordable housing and social infrastructure and minor negative effects through the loss of access to green open space and impacts on amenity, noise and air quality for Blaby and Oadby and Wigston. The adverse effects are considered to be more significant in Harborough and positive effects are less significant in Hinkley.

For **Option A4**, this higher scale of housing growth for all local authority areas should have positive effects of greater significance on health and wellbeing for some communities by providing affordable housing and the quantum of growth that might support upgrades to social infrastructure. However, this scale of growth would require the utilisation of almost all site options in Harborough and Hinckley, and most site options in Oadby and Wigston resulting in increased pressures on natural green space, particularly around villages in the NLA where access to open space would likely be adversely affected.

In Charnwood, higher growth in this area would increase demand for car trips, especially in and around Anstey, Thurcaston and Thurmaston where growth is already planned, which has potential for negative effects on health due to air quality and amenity issues. This is particularly a concern in Thurmaston where growth at this scale would substantially increase the demand for travel along Melton Road which is the main thoroughfare between Leicester and Thurmaston and broadly falls within the Leicester AQMA. Similar effects are also likely as a result of high levels of growth in Harborough which is likely to substantially increase the demand for travel along Uppingham Road (A47) which also falls within the Leicester AQMA. In Oadby and Wigston, the scale of growth proposed under option A4 is predicted to have similar effects to those under growth scenario A2. However, adverse effects on amenity and on air quality including the Leicester AQMA are likely to be exacerbated.

The potential dispersal of growth across a wide NLA area should reduce such effects to some extent in Blaby but growth along the M1 (which will likely be required under this growth scenario) is likely to not just worsen local air quality through increased demand for car trips and the urbanisation of green space, but also poses a risk on the health of future users from the poor existing air quality in and around these site options.

In Hinckley, growth at this scale would require substantial use of site options adjacent to settlements which is likely to substantially reduce access for communities in some locations to the countryside.

Opportunities to integrate new green space and leisure facilities are likely to be limited due to the higher density of development required in this area. Growth is also

predicted to be distributed in a less centric form and therefore development in most locations would add pressures to existing community provision.

Cumulatively, a <u>potential</u> <u>major positive effect</u> is predicted due to improved housing provision including affordable housing and at this increased scale of growth, the possibility to introduce new social infrastructure and other local facilities ought to be heightened. However, the substantial loss of greenspace round the NLA could have a <u>moderate negative effect</u> for certain communities by affecting amenity, access to green space, reducing the sense of tranquillity and openness, and possibly worsening air quality on routes into the City (some of which could affect communities that suffer from multiple deprivation).

Option A5

In Harborough, the scale of growth proposed under option A5 is predicted to have similar effects to those under growth scenario A1, though where the effects are felt would vary slightly. In Blaby, the scale of growth proposed under option A5 is predicted to have similar effects to those under growth scenario A4, as a high level of housing is involved. In Hinckley, the scale of growth proposed under option A5 is predicted to have similar effects to those under growth scenario A2.

In Oadby and Wigston, the lower scale of growth would reduce the potential to deliver more significant social infrastructure such as a primary school. However, this scale of growth should further allow the integration of a higher amount of green space and sustain better access for existing communities to the countryside.

Cumulatively, the lower scale of growth in most locations would add pressures but is unlikely to support any substantial improvements to existing community infrastructure. These locations are also unlikely to deliver any substantial affordable housing provision. On the contrary, growth in Blaby should be able to support new community infrastructure and a significant amount of affordable housing, but growth would likely have to utilise some site options which fall in areas with potential to have adverse effects on the amenity of new residents (from noise and air pollution).

Cumulatively, this option would lead to some minor positive and minor negative effects.

Growth scenario B - 20,000 dwellings (Higher Housing Need)

Option B1

Compared to Option A1, there is an additional 289 dwellings for each of the authorities receiving growth in the NLA. This is likely to increase the magnitude of effects discussed for A1, but in terms of significance, an additional 289 dwellings is unlikely to make a substantial difference in relation to negative effects (amenity / traffic / air quality / pressures on services) or positive effects (i.e. provision of new facilities). As such, minor positive and minor negative effects are predicted.

Option B2

In Charnwood, Harborough and Hinckley the scale of growth proposed under option B2 is predicted to have similar effects to those under growth scenario A2. Whilst

positive effects are predicted from new affordable housing provision, opportunities for new community infrastructure are still unlikely to be significantly different. Development in these locations would result in some loss of green space and access to the countryside, but this is also not considered to be significant.

In Blaby, at a localised scale this option would deliver a substantial amount of affordable housing and support new community infrastructure. This should also likely be possible whilst avoiding the most sensitive areas to the amenity of new residents, which is considered to be an improvement to other options with higher levels of growth planned in this local authority area.

In Oadby and Wigston, the scale of growth proposed under option B2 is predicted to have similar effects to those under growth option A2. However, adverse effects on amenity and on air quality are likely to be exacerbated.

Cumulatively, this option would lead to some minor positive effects mainly due to affordable housing provision and minor negative effects from likely additional pressures to existing community infrastructure.

Option B3

The effects for option B3 are similar to that under option A3, but there is additional growth. This is likely to increase the magnitude of effects in the south east part of the NLA, but nevertheless, the scale of growth is likely to still lead to a cumulative mixture of moderate positive and minor negative effects.

For **Option B4**, this higher scale of growth should have positive effects of greater significance on health and wellbeing for some communities by providing affordable housing and the quantum of growth that should support upgrades to social infrastructure. This scale should also be able to deliver a mix of housing types and sizes to support different social and demographic groups.

In Harborough, Hinckley and Oadby and Wigston, the scale of growth proposed under option B4 is predicted to have similar effects to those under growth scenario A4. In these areas all sites or almost all sites would need to be utilised. This high level of density would reduce the potential to incorporate green space and social infrastructure, whilst this scale of growth will result in a significant cumulative loss of green space and could exacerbate air pollution (particularly along key road routes into Leicester).

In Charnwood, this higher scale of growth will require the further use of site options and could increase pressures for the use of sites adjacent to areas at risk of fluvial flooding. Whilst this should not increase flood risk, it could have long-term adverse effects for new residents through increase insurance premiums and lower increases in house values. In Blaby, this higher scale of growth will likely require further use of sites nearby main road including the M1 which could have adverse effects on the health and amenity of new residents.

Where this options brings greater growth, the potential for development gains through new open space, transport and community facilities ought to be increased.

Overall, a <u>potential</u> <u>major positive effect</u> and <u>potential</u> <u>major negative effect</u> is predicted.

Option B5

In Charnwood and Oadby and Wigston, the scale of growth proposed under option B5 is predicted to have similar effects to those under growth scenario C2.

In Harborough, the scale of growth proposed under option B5 is predicted to have similar effects to those under growth scenario A1.

In Blaby, the scale of growth proposed under option B5 is predicted to have similar effects to those under growth scenario A4. The increase in the scale of growth is likely to exacerbate adverse effects, particularly in relation to air quality.

In Hinckley, the scale of growth proposed under option B5 is predicted to have similar effects to those under growth scenarios A2 and A5.

In Oadby and Wigston, the scale of growth proposed under option B5 is predicted to have similar effects to those under growth scenario C2.

Overall, a <u>potential</u> <u>moderate negative effect</u> is predicted mainly due to the significant harm from high level of growth in Blaby. A <u>potential</u> <u>moderate positive effect</u> is also predicted for the delivery of affordable housing and community facilities.

Growth Scenario C – 7950 dwellings (Lower Housing Need)

Options C1 and C2

At these scales of growth, housing options within or adjacent to the built-up area of Charnwood and Blaby can be utilised. Site options within the built-up area in these areas are unlikely to substantially reduce access to publicly accessible green space, as most site options are not of this nature. This scale of growth should also avoid a substantial loss of access for existing people in Charnwood and Blaby to open countryside. In Harborough, these scales of growth can avoid the use comprehensive use of strategic sites and therefore avoid the loss of access of existing communities to open countryside. Growth could also avoid site options in Scraptoft, Bushby and Thurnby that fall on publicly accessible green spaces.

In all areas of the NLA, these scales of growth is likely to put some pressures on existing health and social infrastructure. These scales of growth is likely to deliver some infrastructure but this is likely to be limited and subjective to the planned distribution of growth, especially in Blaby. Similarly, these levels of growth are unlikely to add substantial pressures to existing local health and social infrastructure. Significant adverse effects on air quality as a result of an increase in car trips at these scales of growth is also not likely.

In Hinckley, these scales of growth can avoid site options in highly sensitive locations to noise and poor air quality. However, this would require the concentration of much of the growth to site options west of Ratby or lower densities on other site options such as those north of Markfield Road.

In comparison to higher levels of growth proposed under some other growth scenarios, the reduction of growth under these growth scales provide opportunities for

development on these site options to incorporate new green infrastructure and recreational spaces. Under growth scenario C1, additional growth is likely to increase demand for local services and infrastructure but growth at this scale is unlikely to deliver substantial enhancements, which could overall reduce provision for existing residents. Under scenario C2, the lower growth is unlikely to add substantial pressures to existing services and infrastructure and thus adverse effects on provision is not predicted.

In Oadby and Wigston, under both scenarios growth can be dispersed across sites to reduce the localised loss of substantial green space and access to countryside. Under option C1, adverse effects on nearby AQMAs can likely be avoided, however this scale of growth is unlikely to deliver any substantial social infrastructure and is likely to add pressure on existing services and facilities in the towns. Growth scenario C2 should allow for greater provision of social infrastructure including a primary school, although development is still likely to rely substantially on existing provision in the towns.

Cumulatively, mixed effects are predicted including minor positive effects from the delivery of affordable housing and social infrastructure and minor negative effects through the loss of access to green open space and impacts on amenity, noise and air quality.

Option C3

This option involves growth on strategic sites in the NLA, with a similar approach to growth as option A3, but 500 fewer dwellings. Despite this decrease in housing, the effects are considered likely to be the same as for A3. Cumulatively, mixed effects are predicted including moderate positive effects from the delivery of affordable housing and social infrastructure and minor negative effects through the loss of access to green open space and impacts on amenity, noise and air quality for Blaby and Oadby and Wigston. The adverse effects are considered to be more significant in Harborough and positive effects are less significant in Hinkley.

Option C4

In Charnwood, this scale of growth would require a small proportion of sites around the built-up area of the NLA in Charnwood which will result in some cumulative loss of green space and potential community opposition where amenity issues arise. Development could present some opportunities to introduce social infrastructure, but at the scale of growth involved it may not be of a strategic scale. The level of growth is also likely to increase demand for car trips in the area which is likely to have some adverse effects on air quality. Conversely, the amount of housing proposed should have minor positive effects on health and wellbeing for some communities by providing affordable housing. This is also likely in Harborough, Blaby and Oadby and Wigston where the same scale of housing growth is also proposed.

In Hinckley, this scale of growth in the NLA would require the use of site options including a number of site options which fall within close proximity to major roads where development could have adverse noise and air quality effects on future occupants. This scale of growth would require the use of site options either to the east of Ratby or on larger sites that do not relate to existing communities and public transport links. In the absence of good public transport connectivity, cumulative growth is likely to increase local demand for car use which could exacerbate congestion and likely cause a minor deterioration in local air quality. This scale of growth also has potential to increase local affordable housing provision and some viability of services such as shops and public transport. This could result in improvements to local provision for new and potentially some existing residents but equally if growth is delivered without improvements to the provision and capacity of existing local infrastructure, this could cause adverse effects on local access to existing services.

Similar to the other authorities, amenity issues are also likely to arise for communities that are directly affected by new development (for example, with a loss of open

space nearby, loss of views, severance of public rights of way. However, such effects could mostly be avoided where development is proposed on site options that are separate from existing communities (such as site options to the north of Markfield Road and south of Sacheverell Way).

In Harborough, this scale of growth in the NLA would require the substantial use of non-strategic site options including sizable parts of the large sites. There is potential for this to result in a substantial loss of green space around Scraptoft, Bushby and Thurnby and reduce access for these areas to natural open space. However, the orientation of PROWs to the south of Oadby and gaps between the site options in relation to other settlements should continue to provide good access from the existing built-up area to open space and wider countryside. This scale of growth will increase demand for car trips in the area which could put pressures on Uppingham Road (A47) and Leicester Road/Glen Road (A6) which are the main thoroughfare from the area into Leicester and partly falls within the Leicester AQMA.

In Blaby, this scale of growth in the NLA would require the use of numerous site options that fall within or adjacent to the built-up areas but those outside can be avoided. Growth at this scale could also avoid site options to the east of Narborough and between Kirby Muxloe and Leicester which fall adjacent or nearby to an area of the M1 which fall within an AQMA and is known to be of poor air quality. This should avoid potential exacerbation of effects on air quality as a result of development in this area and also avoid development in an area known to have poor air quality and with potential to have adverse effects on the health of future occupiers. The potential dispersal of growth across the wide NLA area in Blaby and growth at this scale should also be able to avoid significant adverse effects on the Leicester AQMA and on air quality on main thoroughfares between the NLA area and Leicester. However, this scale of growth is likely to result in a loss of green space on the periphery of existing built-up areas, which could somewhat undermine access to countryside for some existing communities. The likely dispersal of growth under this scenario to avoid the effects mentioned above would also result in growth being encouraged on smaller site options which may not individually increase the capacity and provision of community services and infrastructure, but could cumulatively cause adverse effects on provision.

In Oadby and Wigston, this scale of growth in the NLA would require the use of larger site options with some potential to partially enclose areas to the south of Oadby and south east of Wigston. Such effects could be exacerbated to the south of Oadby where development is also proposed on adjacent sites in the Harborough NLA. However, growth at this scale should allow for lower densities and could avoid a substantial loss of green space and access to the countryside for existing communities at a single location. This scale of growth will increase demand for car trips in the area which could put pressures on Leicester Road/Glen Road (A6) and Leicester Road/Welford Road/Newton Lane (part A5199) which are the main thoroughfare from the area into Leicester and partly falls within the Leicester AQMA. This scale should also allow for some new social infrastructure provision including a new primary school.

Cumulatively, mixed effects are predicted including <u>potential</u> <u>moderate positive effects</u> from the delivery of affordable housing and social infrastructure and <u>minor</u> <u>negative effects</u> through the loss of access to green open space and impacts on amenity, noise and air quality.

Market Towns

Growth scenario A - 15,900 dwellings (Current unmet housing need)

Option A1 and A2

These scales of housing growth are likely to have positive effects on the health and wellbeing for some communities through the potential delivery of affordable housing in the market towns. If larger sites are brought into the mix, this could also bring potential for onsite new community facilities and improvements to infrastructure.

In most market towns, growth at these scales would require the use of most site options. The higher scales of growth in Market Harborough, Lutterworth and Loughborough would require the use of numerous site options adjacent to built-up areas which is likely to affect amenity and access for existing communities to open countryside (unless significant enhancements to recreation and open space facilities are secured). In these market towns, these effects are likely to be exacerbated under Option A1, although still could be significant under Option A2.

Such effects are likely to be prevalent in Market Harborough where both growth scenarios are likely to require some growth to the north west of the town where substantial cumulative growth is likely to significantly reduce access for existing communities to open countryside, although under growth scenario A2 the lower intensification of growth can accommodate new green infrastructure to help mitigate these effects. In Coalville, similar effects are likely, but growth proposed under Option A1 presents some opportunities for the introduction of new green infrastructure and recreational space at a strategic scale, which can enhance provision for existing communities in addition to access for new communities. However, the scale of growth proposed in Coalville under Option A2 would require the intensive development of site options reducing the scope for new green infrastructure. In Hinckley, growth at both scales could be adequately dispersed to avoid such adverse effects.

Higher levels of growth in market towns is likely to require the use of some large site options in Coalville, Market Harborough, Melton Mowbray and to a lesser extent in Loughborough which have some potential to support onsite health and social infrastructure. However, most growth is likely to involve smaller site options where improvements to local provision is unlikely to be feasible on site, but growth could increase demand for local services and facilities. Higher levels of growth particularly on the periphery of settlements is further likely to increase demand for travel within towns including to town centres which include a number of services, employment opportunities and rail connectivity. In Loughborough, this scale of growth could have adverse effects on the AQMAs from potential increase in car use in the town centre. Increased demand for car use from the substantial increase in housing growth under both scenarios is further likely to increase congestion on main road in the market towns.

Cumulatively, a <u>potential</u> <u>moderate negative effect</u> is predicted as these growth scenarios could increase amenity impacts on urban fringe sites, reduce access for existing communities to open countryside, increase pressures on health, social and transport infrastructures in some locations and has potential to have adverse effects on noise and air quality. Conversely, a larger amount of affordable housing would be delivered, there would be increased inwards investment, and depending upon the nature of sites, it could be possible to introduce new primary schools, recreational space and other benefits. These are <u>potential</u> <u>moderate positive effects</u>.

Option A3

This option involves growth on strategic sites at market towns. Growth at the scale proposed is likely to have significant positive effects on the health and wellbeing for some communities through the potential substantial delivery of affordable housing in the market towns, with effects less significant in Loughborough (due to lower apportionment of growth). The strategic scale of these sites should further be able to support new on-site social and health infrastructure potentially including new

schools, health services and local shops. This should help reduce potential reliance on existing provision, although the new provision might not substantially improve provision and access for existing communities. Therefore, positive effects are predicted for all market towns in this respect.

In Coalville, the scale of growth proposed could have adverse effects on the adjacent AQMA along Stephenson Way. Whilst development at the strategic sites could sustain and potentially enhance PROWs, development would result in the loss of access for existing communities to open countryside. Therefore, negative effects are also predicted, with potential for major negative effects should development result in the loss of playing fields.

Whilst the scale of growth proposed in Loughborough would add pressures to the local road network and potentially deteriorate air quality, such effects are not likely to be significant. Similarly, in Market Harborough and Lutterworth, this scale of growth can be distributed between site options to avoid a significant localised adverse effect on air quality. Development on strategic sites in Loughborough, Market Harborough and Lutterworth is also not likely to result in the significant loss of green space and reduce access to open countryside for existing communities.

In Melton Mowbray, growth at this scale can be accommodated on a single strategic site or dispersed over two strategic sites. Both approaches should avoid significantly exacerbating congestion and thus poor air quality along a thoroughfare into the town centre (including the train station). This should avoid significant adverse effects. The strategic locations are further likely to reduce the access of existing communities to open countryside, although some effects can likely be mitigated through good design (with possible enhancements if large amounts of strategic green/blue infrastructure is secured.

In Hinckley, the strategic site options are adjacent to main roads including the A47, M69 and A5, with some potential for development at these locations to cause adverse effects on the health of new residents from poor air quality and noise, but the scale of growth involved should allow for development to be set back to minimise potential effects. These site options could further accommodate growth without substantially undermining access of existing residents to open countryside.

Cumulatively, a mixture of moderate positive and minor negative effects are predicted.

Option A4 involves no growth in the market towns themselves and are unlikely to have indirect cumulative effects given the distant location of other site options from these locations. Therefore, neutral effects are predicted.

Option A5

In Loughborough, the scale of growth proposed under option A5 is predicted to have similar effects to those under growth scenario C2 (i.e. mixed minor positive and negative effects)

In Coalville, the scale of growth proposed under option A5 is predicted to have similar effects to those under growth scenario A2. However, effects will be more significant due to the higher scale of growth. There is also potential for the urbanisation of land off Stephenson Way to exacerbate surface water flood risk which would need to be addressed to mitigate adverse effects. Development on this site would also reduce access to countryside for existing communities, although the Rugby playing fields can be safeguarded.

In Market Harborough and Lutterworth, the scale of growth proposed under option A5 is predicted to have similar effects to those under option A2. The slightly lower scale of growth on larger sites should allow for increased provision of green space links for existing communities to the countryside. However, this may also further reduce the viability for the larger sites to incorporate social infrastructure such as a primary school.

In Hinckley, this scale of growth would require more substantial use of larger site options to the north of the town. This provides some opportunities for new social infrastructure including a primary school and other services. Growth at this location would also benefit from good access to the local secondary school (although improvements to provision would likely be required) and other nearby services. However, new communities would be distant to public transport connections.

In Melton Mowbray, the scale of growth proposed under option A5 is predicted to have similar effects to those under option C2.

Overall, the effects across the market towns are mixed. Cumulatively, <u>potential</u> <u>moderate positive effects</u> are likely to arise as a result of affordable housing provision and contributions to social infrastructure. However, <u>minor negative effects</u> are also recorded given that there would be amenity issues, and a loss of green space (particularly in Coalville).

Growth scenario B - 20,000 dwellings (25% uplift on current unmet housing needs)

Options B1 and B2

The scale of growth proposed under options B1 and B2 is predicted to have similar effects to those under growth scenario A1. However, the higher scale of growth involved at each market town increases the potential / certainty of the predicted effects. Therefore moderate negative and potential moderate positive effects are predicted.

Option B3

The effects for option B3 are similar to that under option A3, though there is approximately 200 additional dwellings involved in Coalville and 700 additional dwellings at Melton Mowbray, Market Harborough/Lutterworth and Hinckley. This is likely to increase the magnitude of both positive and negative effects.

In Coalville, this would require the comprehensive use of both strategic site options which has potential to result in the loss of playing fields.

In Melton Mowbray and Hinckley, the scale of growth under this option would require the use of both strategic site options. This presents a greater opportunity to distribute growth between both site options in these locations and encourage a lower density of growth, which could reduce the significance of adverse effects on air quality and access of existing communities to green space and open countryside.

Cumulatively, a mixture of <u>potential</u> <u>major positive</u> and <u>moderate negative</u> effects are predicted.

Option B4 involves no growth at the market towns and hence neutral effects are predicted.

Option B5

In Loughborough, the scale of growth proposed under option B5 is predicted to have similar effects to those under growth scenario C2. In Market Harborough and Lutterworth, the scale of growth proposed under option B5 is predicted to have similar effects to those under growth scenario A5.

In Coalville, the scale of growth proposed under option B5 is predicted to have similar effects to those under growth scenario A5. However, the higher growth would require the comprehensive use of site options. This is likely to reduce opportunities to integrate new social infrastructure and green space. This could also exacerbate pressures on existing services, particularly as most site options are not large in scale and would rely somewhat regardless on existing provision.

In Hinckley, this high scale of growth would likely require the additional use of site options to the north of Hinckley. This presents opportunities to introduce a wider array of social infrastructure and potential improvements to public transport provision (such as through the extension on an existing bus route). This would also add pressures to some existing social and health infrastructure in the town, such as secondary education where improvements to capacity may be required.

In Melton Mowbray, the scale of growth proposed under option B5 is predicted to have similar effects to those under growth scenario A1.

Cumulatively, a mixture of moderate positive and negative effects are predicted, although at a localised scale significant adverse effects are predicted for Coalville.

Growth Scenario C – 7950 dwellings (50% of current unmet housing need)

Options C1 and C2

In the market towns, these scales of housing growth are likely to have positive effects on health and wellbeing for some communities by providing affordable housing, which is predicted to be more significant in Coalville and Melton Mowbray under growth scenario C2 (due to higher scales of growth). However, in most market towns other than Loughborough, these scales of growth would need to utilise some greenfield sites on the edge of built-up areas, which could negatively affect experiences with the countryside for some communities.

These scales of growth are likely to utilise a number of brownfield site options in Loughborough, Melton Mowbray and to a lesser extent in Coalville and Market Harborough. The redevelopment of these site options has potential to have positive effects through improvements in local amenity from enhancements to the built character.

Concentrating growth in market towns could broadly be considered as a sustainable approach with good local access to employment opportunities, health and social facilities and transport infrastructure. These scales of growth are likely to result in the use of smaller site options where the scale and distribution of development is unlikely to deliver substantial on site enhancements to local provision but could add some pressures to existing provision where it is not possible to physically expand facilities. Although these effects are not predicted to be significant at these levels of growth.

In Loughborough, a number of site options fall within close proximity to a number of AQMAs within and in proximity to the town centre. Whilst development is likely to increase some demand for car use, it is unlikely that the use of these site options would have significant adverse effects on air quality as these site options are likely to deliver developments which may either be car-free or suited for people unlikely to use a car due to good local public transport provision and access to services. Should there be a need to expand into the urban fringes, there could be negative effects on amenity for nearby existing residents.

Overall, the effects across the market towns are mixed. Broadly speaking, minor positive effects are likely to arise as a result of affordable housing provision and contributions to social infrastructure. The redevelopment of brownfield sites could also improve the public realm. However, potential minor negative effects are also recorded given that there would be amenity issues, and a loss of green space.

Options C3 and C4 involve no growth in the market towns themselves and are unlikely to have indirect cumulative effects given the distant location of other site options from these locations. Therefore, neutral effects are predicted.

Other settlements

Growth scenario A - 15,900 dwellings (Current unmet housing needs)

Option A1 and A2

In Charnwood, this scale of growth is likely to have similar effects to the growth proposed under scenario C1. However, this level of growth would require the intensification of growth around villages which is could affect access /experiences for the existing community in terms of open countryside. These effects are likely to be exacerbated in Rothley where site options somewhat enclose the built-up area. This higher level of growth is also likely to add greater pressures onto services and infrastructure in large villages, although some pressures such as for green infrastructure and potentially for primary education could likely be addressed through development subject to the distribution of growth. This scale of growth is further likely to increase demand for car use which can increase congestion, noise and other amenity issues.

In Harborough, this scale of growth is likely to have similar effects to those under growth scenario C1. Whilst the level of growth would increase between settlements this is not predicted to cause any significant effects in individual settlements, and this can be ensured by proportionately distributing growth across the settlement hierarchy. This would not be at a level to provide economies of scale for new infrastructure, and could therefore lead to pressures in school and healthcare provision locally. The provision of affordable housing is beneficial to certain people though.

In Hinckley and Melton, this level of growth can be accommodated across a number of site options with similar effects to those set out in growth scenario C1. However, the substantial concentration of growth across a small number of settlements could have adverse effects on the health and wellbeing of existing communities in those areas through the loss of green space and pressures on local services and infrastructure.

In Blaby, this scale of growth is likely to require some growth on site options which fall in proximity to sources of amenity concern (for example major roads and quarries) which could have adverse effects on the health and wellbeing of future occupants. These may include site options in and around Huncote and east of Stoney Stanton which fall in close proximity to a working quarry in Croft and site options north and south of the M69. However, some effects can likely be mitigated through adequate landscaping and screening. This level of growth is also likely to add pressures onto services and infrastructure in existing settlements, although some pressures could likely be addressed at this scale if the distribution of growth is placed in areas that can accommodate growth through enhancements to existing facilities. This might not be possible in all locations though, and would be negative.

In North West Leicestershire, this scale of growth is likely to have similar effects to that under growth scenario C1. However, the higher levels proposed would likely result in a loss of green space at individual settlements such as Ravenstone, Ibstock and Measham. This would also add pressures to existing services and infrastructure in these areas, although some new provision could potentially be made viable or delivered through development. Growth at these scales is predicted to also increase coalescence effects which can affect amenity and access to open space.

Cumulatively, <u>potential</u> <u>minor negative effects</u> are predicted with regards to an increase in pressure on public services in some settlements that may not be able to accommodate expansion to services, and where the economies of scale are not large enough to support new facilities. There is also likely to be a loss of open space and localised impacts in terms of amenity for specific communities. As per other growth options, other people will experience positive effects as they could have better access to affordable housing and the higher scale of growth should also allow for increased investment in social infrastructure improvements. These are <u>minor positive effects</u>, which can be predicted with greater certainty compared to the same options at C1/C2.

Option A3

This option involves growth on strategic sites close to 'other settlements' in Blaby and Charnwood. Growth at the scale proposed in Blaby is likely to have positive effects on the health and wellbeing for some communities through the potential substantial delivery of affordable housing in proximity to Hinckley and other existing settlements. Positive effects are also predicted for Charnwood, especially where growth can relate to existing settlements such as Sileby and Shepshed. In Blaby. the strategic scale of sites should further be able to support a new school on-site and potential other social and health infrastructure. However, growth in Charnwood is likely to rely to a great extent on existing provision in a nearby settlement(s). This could reduce access and add pressures to social and health infrastructure for existing communities. In this regard, a mixture of minor positive and minor negative effects are predicted. The scale of growth and locations involved is likely to fall in proximity to main roads and rail infrastructure, but adverse effects on amenity and health can likely be mitigated through sensitive design. This option should also be able to avoid adverse pressures on existing AQMAs and sustain access for existing communities to green space and open countryside.

Option A4 will have neutral effects with regards to health and wellbeing in identified / other settlements as no development is proposed for 'other settlements'.

Option A5

In Charnwood and Hinckley, this scale of growth proposed for 'other settlements' under option A5 is predicted to have similar effects to those under growth scenario C2. In Melton, the scale of growth proposed under option A5 is predicted to have similar effects to those under growth scenario C1. In Harborough, the scale of growth proposed under option A5 is predicted to have similar effects to those under growth scenario A2. However, a lower density of growth can be supported particularly to the north west of Market Harborough.

In Blaby and NWL, the scale of growth proposed under option A5 is predicted to have similar effects to those under growth scenario A1. In NWL, effects will be more significant, as this scale would likely require the further intensification of growth around existing settlements and potential release of land in settlements close to Coalville such as Ravenstone, Whitwick or Hugglescote, reducing access to the countryside for existing residents, adding pressures to local services and congestion. This scale and distribution is not likely to deliver any substantial improvements in social infrastructure, but could help sustain existing services or have minor improvements in service provision (such as bus). In Blaby, this scale will require the use of site options in more sensitive locations (for example near to main roads and other uses that create noise and disturbance) which have potential to cause harm to the amenity of new residents.

Overall, a minor negative effect is predicted mainly due to the higher scale of growth in Blaby and NWL and the potential for these to have impacts on amenity and service provision for existing and new residents. Minor positive effects are also predicted mainly due to significant new provision of affordable housing for some groups.

Growth scenario B - 20,000 dwellings (Higher Housing Need)

Option B1 and B2

Overall, a combination of <u>uncertain</u> minor negative effects and minor positive effects are predicted. Whilst this scale and distribution would unlock affordable housing provision and provide a greater mix of housing types across smaller settlements, the scale and distribution of growth is unlikely to allow for any substantial infrastructure delivery at a local scale and this would therefore add pressures to existing services and community infrastructure across settlements.

Option B3

This option involves higher levels of growth on strategic sites close to 'other settlements' in Blaby and Charnwood, and growth in NWL. For Blaby, the effects are similar to those under Option A3, but positive effects on health and wellbeing through the delivery of affordable housing and on-site infrastructure is more significant. In Charnwood, the higher level of growth would either require the use of the Six Hills strategic site options or use of two of three urban extensions between Sileby, Shepshed and around Prestwold. This would intensify growth around settlements which is likely to undermine some access for existing community to open countryside. A concentration of growth at Six Hills should avoid such effects and should also be able to support the delivery of new on-site social and health infrastructure potentially including new schools, health services and local shops. Although, new residents would be distant to wider facilities, employment opportunities and public transport connections. On the contrary, the dispersed approach would add pressures to existing infrastructure in adjacent settlements, although the scale of growth should also allow for either some on-site provision or improvements to existing provision (such as the expansion of schools).

In NWL, this scale of growth should be able to avoid the strategic site options next to East Midlands Airport, which have the greatest potential for adverse effects on health and wellbeing of new residents. Other site options relate well with Ashby-de-la-Zouch, and thus have potential for positive effects through the provision of affordable housing, although these are likely to reduce some access to open countryside for existing residents. This approach further encourages growth along the A42,

but adverse effects on health from noise and poor air quality can likely be mitigated through sensitive design. The scale of growth involved in NWL would mean that future residents would rely on health and most social infrastructure off-site, which can add pressures onto existing provision and reduce access for nearby communities.

Cumulatively, this option is predicted to have a mixture of moderate positive and minor negative effects.

Option B5

In Blaby, this higher scale of growth will require the substantial use of site options in locations with potential to have adverse effects on the amenity of new residents. This include site options in and around Huncote and east of Stoney Stanton which fall in close proximity to a working quarry in Croft and site options north and south of the M69. However, some adverse effects can likely be mitigated through incorporating safeguarding measures. This scale of growth will also result in the substantial loss of green space at a localised scale around small settlements. This scale of growth will add substantial pressures on existing community infrastructure, although at some locations improvements to existing provision (such as increase in school places) or limited new provision where growth is consolidated may be possible.

In Charnwood and Melton, the scale of growth proposed under option B5 is predicted to have similar effects to those under growth scenario C1. In Harborough and NWL, the scale of growth proposed under option B5 is predicted to have similar effects to those under growth scenario A5. In Hinckley, effects are predicted to be similar to those under option C2, although the lower scale of growth should allow further flexibility to accommodate growth on site options which cause the least adverse effects on amenity of new and existing residents.

Overall, a combination of potential moderate negative effects and minor positive effects are predicted. This scale and distribution of growth would unlock affordable housing provision across some smaller settlements across local authority areas, other than Blaby and NWL where these positive effects will be more widespread. The distribution of growth is unlikely to allow for any substantial infrastructure delivery at a local scale and this would therefore add pressures to existing services and community infrastructure across settlements, particularly in Blaby and NWL. At some locations, development would also likely be required in proximity to areas at risk of fluvial flooding, which could indirectly adversely affect the wellbeing of new or existing residents.

Growth Scenario C – 7950 dwellings (50% of current unmet housing need)

Option C1 and C2 will involve dispersed growth in each of the authorities across identified settlements and smaller villages. There is a presumption that following a settlement hierarchy approach, the larger, better served settlements would be the first port of call, followed by the smaller villages.

In Charnwood, this scale of growth can be accommodated across a number of site options in small towns and large villages such as Shepshed, Barrow upon Soar, Rothley and Sileby. Concentrating growth in Shepshed provides opportunities for the redevelopment of site options that contain derelict or commercial/industrial uses which are considered to likely have adverse effects on amenity of existing communities. Outstanding growth can further be distributed adequately across site options that relate to numerous large villages. Whilst the levels of growth in service centres and other larger villages would not be significant, there could be pressures relating to the provision of school places and health care. Without substantial growth, additional development is therefore likely to lead to pressures, which are potential

negative effects. Growth villages such as Barrow upon Soar and Sileby further benefit from good rail connectivity to Leicester and Loughborough which form important employment areas for the Leicestershire area and growth here could reduce some demand for car use (offsetting potential amenity issues relating to growth) and ensure good access to jobs and services.

In Harborough, this scale of growth can either be distributed on a number of smaller site options or parts of sites adjacent to most or all settlements or by focusing growth on a smaller number of large sites at settlements such as Kibworth and Broughton Astley. Distributing this scale of growth across a number of smaller site options is not predicted to have any significant effects on health and wellbeing, as the localised loss of green space would be negligible and access to countryside for existing residents is not likely to be adversely affected. This distribution approach is unlikely to deliver any significant improvements in health and social facilities and infrastructure, but equally this scale of growth is unlikely to cause any substantial adverse effects on existing provision. Opportunities for integrating new green infrastructure on smaller site options is also predicted to be limited. Focusing growth on a smaller number of large sites could increase potential for the integration of green infrastructure. This approach could also increase the viability of certainly services such as public transport and local shops, which could help safeguard the existing provision and potentially deliver enhancements.

In Hinckley, this scale of growth can be accommodated across a number of larger villages with have good existing health and social infrastructures and some public transport provision such as Stoke Golding and Barlestone. Distributing growth between settlements should avoid significant pressures on existing services and infrastructure in a single area and avoid the significant loss of green space on the periphery of these villages. Alternatively, this growth could be accommodated on a number of larger site options in larger villages which have good existing services and infrastructure. In such case, development could unlock some enhancements to existing provision such as green infrastructure, contributions towards the expansion of primary education provision and play areas. This approach should also be able to help safeguard existing services at these villages, although it could add pressures onto the local road network which could have a minor adverse effect on local air quality.

In Melton, this growth can be distributed across a number of site options that relate to numerous settlements. Under this growth scenario and distribution site options that relate to villages with some services and infrastructure such as Long Clawson, Hose and Somerby would be required which could add some pressures to existing services and infrastructure in settlements. However, these pressures are unlikely to be significant and some growth in these areas could support enhancements in provision. Alternatively, growth can be focused on one or more of the larger sites in specific identified settlements. This growth distribution could deliver new health and social facilities and infrastructure such as a school, shops and green infrastructure (though this would depend upon the ability to expand facilities). Although site options in proximity to Melton Mowbray might not be available within the current plan period, development on these site options are unlikely to add pressures on services and infrastructure in nearby communities. The spatial distribution of these large site options should also avoid excessive pressures from movement to and from these sites and Melton Mowbray which could otherwise cause adverse effects on air quality. This scale of growth is also not likely to have cumulative adverse effects on the loss of green space or undermine access for existing communities to open countryside.

In Blaby, the effects of growth are somewhat dependent on the likely distribution. Growth on site options close to the NLA such as those near Narborough could add some pressures on existing health, social and transport infrastructure in these areas. However, at this scale distributing growth could avoid significant pressures on an individual settlement and support existing facilities. The cumulative loss of green space under this growth scenario is not predicted to be significant and growth is unlikely to significantly undermine access of existing communities to open countryside. Growth at this scale could also likely either implement adequate mitigation or

avoid site options in close proximity to infrastructure and development such as major roads and quarries which could have adverse effects on health and amenity.

In North West Leicestershire, this scale of growth whilst avoiding more sensitive site options to the north and east would likely need to be concentrated in and around a number of settlements including Ashby-de-la-Zouch, near Coalville such as Ravenstone, Ibstock and Measham among potential others. Concentrating growth in these areas could add pressures to existing local services and infrastructure, although effects in Ashby and near Coalville are less likely to be as significant due to the proximity of site options to these towns and the wider range of services they provide. In some locations such as Ashby-de-la-Zouch, further growth could reduce access for existing communities to open countryside which could have adverse effects on a localised scale. This scale of growth is also likely to cause some coalescence effects between settlements such as with Coalville and surrounding built-up areas. The substantial change in the character of the built environment could have adverse effects on the wellbeing of existing communities which are likely to not be as receptive to change.

Cumulatively, this scale of growth is predicted to have <u>potential</u> <u>minor positive effects</u>, as it is likely that growth could be accommodated without putting major pressures on new facilities, but could support the viability of existing services. At the relatively low, dispersed levels of growth involved it ought to be possible to manage potential negative effects in terms of amenity and access to green spaces ought to remain good.

Option C3 and C4 involve no growth in the other identified settlements themselves. As such neutral effects are predicted in this respect.

Overall effects

Growth scenario A - 15,900 dwellings (Current unmet housing need)

The dispersed options (A1, A2 and A5) at this scale of growth generate mixed effects and these are spread across a wider area of the County. In particular, there could be moderate positive and moderate negative effects at the market towns, due to additional growth supporting new facilities and infrastructure in accessible locations. Though only minor positive effects are recorded for the NLA and the other settlements, a range of locations would benefit and cumulatively, these are considered to be potential moderate positive and moderate negative effects (in terms of effects on amenity, greenspace and public services). For option A3, which focuses on strategic sites, the overall positive effects are potentially major given that the types of development involved are more likely to bring comprehensive provision of services and facilities on site. A focus on the NLA could have potentially major positive effects for communities in these locations by virtue of access to jobs, affordable homes and infrastructure improvements. However, few other locations would benefit, and so the overall effect is considered to be moderately positive.

Growth scenario B - 20,000 dwellings (25% uplift of current unmet housing need)

At a higher scale of growth the effects of corresponding options under Growth Scenario A would be heightened, which gives greater certainty that effects will arise, and / or that the significance of effects (particularly negative effects) will increase.

Growth Scenario C – 7950 dwellings (50% of current unmet housing need)

At a lower level of housing delivery, the effects are of a lower significance regardless of the distribution involved. A focus on strategic sites is still found to have the biggest potential for positive effects in terms of health, given that comprehensive development with supporting services ought to be achieved.

| | | City | Near Leicester Area | Market towns | Other settlements | Overall effects |
|--|-----------|--------------|--|--------------------|-------------------|-------------------------|
| Option 1 Settlement tiers | A1 HENA | - | × / √ | xx; / \ \ \ \ \ \ | x? / √ | xx; / \^\; |
| | B1 Higher | - | × / √ | xx / < < | ×/ √ | xx / < < |
| | C1 Lower | - | × / √ | x ? / ✓ | √, | x / < |
| Option 2 Equal Share | A2 HENA | - | × / √ | xx; / < | x? / √ | xx?/ < < |
| | B2 Higher | - | × / √ | ××/ √ √ | x/ √ | xx / < < |
| | C2 Lower | - | × / √ | x ? / ✓ | √, | x / < |
| Option 3 Strategic Site focus | A3 HENA | ^, | x / < < | x / < < | x / < | x/ √ √ √ [?] |
| | B3 Higher | ^, | x / < < | xx / \ \ \ \ \ \ ? | x / < < | ×× [?] / √ √ √ |
| | C3 Lower | ^, | x / < < | - | - | x / √ √ ? |
| Option 4 <i>Near Leicester Area focus</i> | A4 HENA | <u>x</u> / < | xx / √ √ √ ? | - | - | × / √ √ |
| | B4 Higher | <u>x</u> / < | xxx ;/ \ \ \ \ \ \ \ \ \ \ \ \ \ \ \ \ \ \ | - | - | x x / < < |
| | C4 Lower | - | x / √ √ ? | - | - | ✓ |
| Option 5 HENA Distribution | A5 HENA | × / ✓ | x / √ | × / √ √ ? | x [?] /√ | xx / < < |
| | B5 Higher | <u>x</u> / < | xx;/ \ \ \ \ \ \ \ \ \ \ \ \ \ \ \ \ \ \ \ | xx / < < | x? / < < | xx / < < |

Appraisal findings: Housing

The findings relating to the Sustainability Topic 'Housing' are presented in the following tables.

Housing

Leicester City and the Near Leicester Area (NLA)

Growth scenario A - 15,900 dwellings (HENA)

Option A1 would involve 5,406 dwellings within 10km of Leicester's centre, which would be likely to lead to minor positive effects where housing would be located near to where needs are arising. The delivery would be expected to be broadly even across the five Local Authorities which border Leicester, helping to ensure that the positive effects are distributed across areas of Leicester in close proximity to proposed growth.

Option A2 would involve a higher amount of growth in areas surrounding Leicester, with 6,110 dwellings being delivered. Charnwood, Harborough and Hinckley and Bosworth would receive 772 dwellings in this area each, Blaby would receive 1522 and Oadby and Wigston 2271. Whilst the scale of growth in these areas would be higher than Option A1, the broad magnitude of effects may be likely to remain broadly aligned for the NLA as a whole; however, the distribution of effects would follow the spread of growth, with Blaby and Oadby and Wigston being expected to see more pronounced benefits relating to the delivery of housing. Minor positive effects are expected.

Option A3 would be expected to involve the intended growth of 15,900 being distributed across large, new strategic sites. Sites in close proximity to Leicester would be maximised, with 8,450 dwellings spread across strategic sites in Blaby (2770), Harborough (3750), Hinckley (450) and Oadby and Wigston (1,480) providing strategic growth and the remaining growth being provided elsewhere in the County. The growth and associated effects for the NLA would be expected to be aligned with that set out under Option C3, aside from 500 additional dwellings within Harborough. The large amount of growth (8,450) would help to meet the Leicester's identified housing need in some areas of growth which would be broadly accessible from the city. Areas in the east and south east would be expected to benefit from the effects of the large growth at the Stoughton site; the benefits would be expected to be related to improved housing affordability and an appropriate mix of new housing types and tenures. Moderate positive effects are likely.

Option A4 would see a large amount of growth (15900 dwellings) within the Leicester Urban periphery; Blaby, Charnwood, Harborough and Hinckley and Bosworth would receive 3330 dwellings each with Oadby and Wigston receiving 2582. This higher level of growth would be expected to provide additional beneficial effects which magnify those outlined under growth scenario C for the NLA. This approach would deliver the identified housing need in areas in close proximity to where the need is required. It is noted that this scale of growth would be likely to involve some strategic growth sites within the areas which surround Leicester; these may deliver additional benefits relating to improved infrastructure to make housing more desirable. Overall, **major positive effects** are predicted for the NLA, with spill over effects in the City.

Option A5 would focus on delivering growth according to individually assesses local housing needs across Leicestershire. Growth in the NLA would be largely aligned in scale to that set out under Option A2, however the distribution would be different. Blaby would see 3,492 dwellings, Charnwood 354, Harborough 647, Hinckley 753 and Oadby and Wigston 800 dwellings. As such, positive effects associated with housing delivery are likely to be aligned to the distribution of growth; Blaby would be

expected to see the greatest delivery of housing and as such may see the most pronounced positive effects. The clustering of growth in such a way may also give rise to some increased potential for strategic benefits, leading to positive outcomes in terms of providing housing which is broadly well connected to identified need and an attractive range of properties for future residents. Whilst the spread of effects and housing would differ from Option B2, the general thrust of housing delivery would be likely to lead to effects of a similar magnitude. Overall, moderately positive effects are expected.

Growth scenario B -20,000 dwellings (High growth)

Option B1 would equally distribute growth across Blaby, Charnwood, Harborough, Hinckley and Oadby and Wigston (1,360 dwelling allocated to each) within the NLA; the remaining growth would be spread across other areas in Leicestershire. This approach would result in 6,800 dwellings being delivered in areas which are considered to be broadly well connected to the established housing need. The more distributed spread may hold back the potential for higher level strategic benefits (though this scale would be likely to offer some strategic benefits) and it would still deliver a large amount of housing in the NLA, potentially helping to improve affordability and availability of housing in these areas. **Moderately positive effects** are expected in the NLA.

Option B2 would be expected to deliver slightly more growth within areas close to Leicester than seen in Option B1. This would be through a less even distribution, with Blaby and Oadby and Wigston seeing an increase in dwellings (1,945 and 2,582 respectively) and the remaining areas seeing a reduction (987). This may permit some strategic benefits in Oadby and Wigston and Blaby, potentially better connecting growth with Leicester, however effects may be less pronounced in areas of the NLA. On balance, moderately positive effects are expected for Leicester and the NLA.

Option B3 would involve growth of 20,000 dwellings on strategic sites; in order to meet this, all strategic sites nearby to, or within the near Leicester area would be allocated, resulting in growth of 8450 dwellings within 10km of Leicester's centres. Blaby would see 2770 dwellings, Harborough 3,750, Hinckley 450 and Oadby and Wigston 1,480. This growth would be the same for this area as seen under Option A3 and effects would be likely to mimic those set out under that option. There may be some increase positive effects associated with the general uplift in housing delivery beyond the identified need, helping to improve affordability and offer an appropriate range of housing types and tenures. **Moderately positive effects** are expected for the NLA and Leicester itself.

Option B4 would see growth surrounding Leicester within the peripheral locations around Leicester being maximised according to the capacity of each authority within these areas. Leicester's peripheral areas within Blaby (4,594), Charnwood (4,594), Harborough (4,594), Hinckley (3,637) and Oadby and Wigston (2,582) would see growth. These areas would be likely to see some improvements to affordability of housing, as well as a better suited mix of housing types and tenures. This option would maximise the opportunities for growth in areas as close as possible to Leicester and the scale would be expected to permit some strategic benefits including transport links which would better connect the identified housing need with the new housing delivery. The uplift in housing delivery beyond that which has been determined to be required in also positive and would enhance effects relating to housing affordability as well as providing an appropriate mix of housing types and tenures in the NLA. **Major positive effects** are likely, with some knock on benefits for the City itself due to a reduced pressure for homes.

Option B5 would deliver growth of 6,879 within 10km of Leicester's centre with the most growth being allocated in Blaby (3,589), the rest of the growth would be distributed to Charnwood (445), Harborough (1,086), Hinckley (753) and Oadby and Wigston (1,006). The overall scale of growth in the NLA would be broadly aligned with that seen under Option B1, hence being likely to deliver similar effects for the NLA. That said, the different distribution should mean that effects are more pronounced in those areas seeing the higher growth (most significantly in Blaby). **Moderately positive effects** are expected overall.

Growth Scenario C - 7950 dwellings (low growth)

Option C1 would be expected to deliver 2703 dwellings within 10km of Leicester's centre, distributed between Blaby, Charnwood, Harborough and Hinckley and Oadby and Wigston (541 dwellings each). This lower growth would be expected to mimic those effects outlined in Option A1, but to a reduced magnitude. Therefore, only minor positive effects are likely for the NLA and the City. Considering the lower growth around this area (NLA) and the overall shortfall in housing delivery under this growth scenario, more pronounced negative effects would be likely, potentially placing greater pressure on housing delivery in this area and the City. Alongside the aforementioned positive effects, potential major negative effects are highlighted for the City, as the overall amount of shortfall would be lower, and some of this would be delivered in locations outside of the NLA.

Option C2 would involve some slightly inflated growth within 10km of Leicester's centre in Blaby (757) when compared to Option C1, however less growth (379) would be allocated to areas in Charnwood, Harborough and Hinckley which also contain areas within the NLA. Further to this, 1,136 would be delivered nearby to Leicester in Oadby and Wigston. Overall, the level of growth directed to the NLA would be slightly higher than seen under Option C1. Whilst this may to some extent reduce the magnitude of negative effects and increase the magnitude of positive effects, the anticipated effects for Leicester would be considered to be largely aligned with those set out under Option C1. The level of growth in different areas would be likely to relate to the magnitude of effects in each area, though the overall effects would be similar. As such, minor positive effects and potential major negative effects are predicted.

Option C3 would involve 7950 dwellings, which could be distributed across strategic sites in Blaby (2770), Harborough (3250), Hinckley and Bosworth (450) and Oadby and Wigston (1480), nearly maximising the strategic potential within the NLA. This would not require any other strategic releases of land to meet this option's proposed quantity of growth. As such, ensuring that all housing is functionally connected to Leicester itself should have some positive effects in terms of delivering large areas housing in areas relevant to the identified need, whilst benefitting the peripheral areas by offering a locally relevant mix of housing types and tenures. The strategic nature of the sites would be expected to ensure improved connectivity to these areas from Leicester, helping to make these areas more attractive for prospective residents. **Moderate positive effects** are predicted. Some **moderate negative effects** may be seen linked to the fact that this scale of growth would not deliver sufficient housing to meet the identified need, and hence pressures on housing may be seen in the City.

Option C4 would be expected to meet some of the identified housing need for Leicester on sites which fall within 10km of Leicester's centre. 7,950 dwellings would be allocated within Blaby, Charnwood, Harborough, Hinckley and Bosworth and Oadby and Wigston. Where the sites would be within a relatively close proximity to Leicester's identified need, positive effects are expected where this delivery will provide houses to match employment needs, some boosts to localised affordability as well as an increased likelihood that the homes would be of appropriate types and tenures to match the local need where it arises to an extent. There are likely to be **moderate positive effects**, which are also likely to spill over into Leicester City to an extent. There would be no further housing delivery across the HMA under this approach, and there would be an overall shortfall in the amount of housing delivered, which is a **moderate negative effect** for the City.

Market Towns

Growth scenario A - 15, 900 dwellings (Current unmet housing need)

Option A1 would lead to 5,247 dwellings being split between Leicestershire's market towns; Charnwood, Harborough, Hinckley, North West Leicestershire and Melton

would receive 1,049 dwellings. Loughborough, Hinckley, Melton Mowbray and Coalville are likely to see significantly higher levels of growth than outlined under Option C1, amplifying the anticipated effects outlined for the lower growth scenario below (Option C1). Market Harborough and Lutterworth would be expected to see similar effects, though potentially to a lesser extent as the 1,049 dwellings would be likely to be split between the areas. Overall, the market towns of Leicestershire would be likely to see moderate positive effects.

Option A2 would involve the largest amount of growth directed to Coalville and Melton Mowbray (1,522), the next highest to Loughborough and Hinckley (750), and Lutterworth and Market Harborough would split a share of 750 dwellings. Market towns seeing growth are likely to see positive effects, with increased housing provision helping to increase local affordability as well as there being a high likelihood of locally appropriate mixtures of housing types and tenures. The scale of growth is likely to link to the magnitude of effects. Hence, Coalville and Melton Mowbray are likely to see the most significant positive effects, with the high growth (albeit lower than Coalville) in Loughborough and Hinckley likely to promote more substantive positive effects. Melton Mowbray, Lutterworth and Market Harborough would be likely to see lower growth levels, hence, these areas are likely to see minor positive effects. Overall, the high levels of housing growth in Leicestershire's market towns under this approach is expected to lead to moderate positive effects.

Option A3 would involve growth of 5,857 dwellings on strategic sites in Market Towns; 1,242 would go to each of Harborough, Hinckley, Melton and North West Leicestershire, with 890 going to Charnwood. The overall scale of growth across Market Towns would be slightly higher, but not significantly dissimilar from Options A1 and A2, resulting in the same broad effects. That said, where the distribution differs, those areas seeing higher growth (Hinckley, Melton Mowbray and Coalville) would see more pronounced effects, and other areas slightly reduced effects. Further benefits may be seen through strategic delivery of growth leading to some increased desirability of new dwellings. On balance, moderate positive effects are predicted.

Option A4 would not involve any growth in Market Towns, and hence effects are neutral.

Option A5 would deliver growth of 5,859 in Market Towns across Leicestershire; Loughborough would see 343 dwellings, Market Harborough and Lutterworth 628 between them, Hinckley 1,846, Melton Mowbray 884 and Coalville 2,158. The overall scale of growth across Market Towns would be slightly higher, but not significantly dissimilar from Options A1 and A2, resulting in the same broad effects. That said, where the distribution differs, those areas seeing higher growth (Hinckley and Coalville) would see more pronounced effects, and other areas slightly reduced effects. On balance, moderate positive effects are predicted.

Growth scenario B – 20,000 dwellings (25% uplift in unmet needs)

Option B1 would involve growth of 6,600 dwellings across the county's market towns, with 1,320 dwellings allocated in each market town, aside from Market Harborough and Lutterworth, where that quantity would be expected to be split. This should mimic the effects set out under Option A1, though with slightly more pronounced effects seen in each market town, aligned with the higher growth. On balance, moderate positive effects are predicted.

Option B2 would see growth of a broadly similar scale allocated to market towns as seen under Option B1. The difference would be seen through distribution, Melton Mowbray and Coalville would see increased housing and Loughborough, Hinckley, Lutterworth and Market Harborough would see a reduction. The magnitude of effects in each town would align to the scale of growth allocated to it. Overall, moderate positive effects are predicted.

Option B3 would see growth of 8,085 dwellings allocated to strategic sites in or around market towns, making this the highest growth scenario for market towns.

Hinckley and Melton Mowbray would see the highest growth (1,925 dwellings), Coalville would see the next highest (1,420), Loughborough would see 890 dwellings and Lutterworth and Market Harborough would share an allocation of 1925 dwellings. The previously outlined positive implications of housing delivery would be expected in each of these towns, with the magnitude associated with the scale of growth. The strategic nature of the growth under this option may further benefit housing related outcomes, including by making developments more attractive through the delivery of supporting infrastructure. Overall, major positive effects are predicted.

Option B4 would not involve any growth in Market Towns, and hence effects are neutral.

Option B5 would allocate 7,764 dwellings to market towns across the county. The distribution of growth would align with that set out under Option A5, though with a greater quantity at each town. This would be likely to produce effects of a similar nature to those seen under Option A5, though at an increased magnitude in line with the higher growth. **Major positive effects** are therefore predicted.

Growth Scenario C – 7,950 dwellings (50% of current unmet housing need)

Option C1 would lead to 2,624 dwellings being split between market towns within Charnwood, Harborough, Hinckley, Melton and North West Leicestershire; each Local Authority would be allocated 525 dwellings to be delivered within their Market Towns. Whilst this would deliver some of Leicester's unmet housing need, the locations are a relatively long way from Leicester itself. The market towns of Coalville, Loughborough, Hinckley and Melton Mowbray would be likely to see positive effects as a result of additional housing provision. This would be expected to improve local affordability, whilst increasing the likelihood of appropriate housing types and tenures. Market Harborough and Lutterworth would be expected to see similar effects, though potentially to a lesser extent as the 525 dwellings would be likely to be split between the areas. Overall, the market towns of Leicestershire would be likely to see minor positive effects.

Option C2 would direct housing growth to the market towns within the county, lower growth (379) would go to Loughborough and Hinckley, even lower growth (379 split between them) would go to Market Harborough and Lutterworth, whilst higher growth would be directed towards Melton Mowbray and Coalville (757 dwellings each). The larger amount of growth in the later mentioned market towns would be expected to result in some positive effects related to increased housing affordability and an appropriate mix of types and tenures. Market Harborough and Lutterworth would be likely to see some minor positive effects. Overall, the growth is likely to be more skewed than outlined under Option C1. Hence, whilst positive effects are predicted for areas with higher growth, other towns would not see as much growth and benefits would be minor. Hence, when looking at the overall effects on market towns on balance, minor positive effects are predicted.

Option C3 would not involve any growth in Market Towns, and hence effects are neutral.

Option C4 would not involve any growth in Market Towns, and hence effects are neutral.

Other settlements

Growth scenario A - 15,900 dwellings (Current unmet housing need)

Options A1 and A2 would involve equal levels of growth across other identified and sustainable settlements throughout Leicestershire, with 874 additional dwellings allocated within Blaby, Charnwood, Harborough, Hinckley, Melton and North West Leicestershire under Option A1 and 750 under Option A2 (749 for Blaby). The growth would be expected to be more distributed across the county on smaller sites.

The higher growth also makes it likely that housing would be delivered on an increasing number of sites, further distributing the beneficial impacts. Several locations may be brought forward that are not well related to Leicester, and this offsets the positive effects somewhat. Overall, a minor positive effect is predicted for the NLA, with positive effects in the City too.

Option A3 would see 1,242 dwellings on strategic sites across other identified and sustainable settlements in Blaby and 352 in Charnwood. This would offer fairly localised effects around the specific areas of strategic growth. In these areas, especially in Blaby, it would be likely that benefits would be seen including improved housing affordability and locally relevant mix of housing types and tenures. That said, considering the overall effects across the whole county, these effects would only be likely to promote minor positive effects.

Option A4 would not involve any growth in Other Settlements, and hence effects are neutral.

Option A5 would result in the delivery of 3,996 dwellings across other identified and sustainable settlements. Blaby and North West Leicestershire would see the highest allocation of dwellings with 1,282 and 1,014 respectively. Harborough would see 628, Melton 436, Charnwood 343 and Hinckley 294. Those seeing lower growth would see negligible positive effects as the growth would be likely to be distributed thinly across the authorities. Blaby and North West Leicestershire would see more pronounced effects, with some increased affordability and housing types and tenures to suit local needs being seen across other areas across the authorities, potentially benefitting rural communities. Overall, this is likely to result in **moderate positive effects**, though these are likely to be focused in the two authorities seeing higher growth.

Growth scenario B – 20,000 dwellings (25% uplift of unmet housing need)

Option B1 would involve growth of 1,100 dwellings within each of Blaby, Charnwood, Harborough, Hinckley, Melton and North West Leicestershire across other identified and sustainable settlements. This would be likely to mimic those effects set out under Option A1, though with the effects being seen across a greater number of places, in line with the increased growth. Minor positive effects are likely.

Option B2 would see growth of 958 dwellings across other identified and sustainable settlements in each of Blaby, Charnwood, Harborough, Hinckley, Melton and North West Leicestershire. This scale and potential effects would be of a magnitude between that seen under Option A1 and Option C1. As such, it is likely to promote minor positive effects.

Option B3 would see strategic growth in other identified and sustainable settlements in Blaby (1,925), Charnwood (1,035) and North West Leicestershire (505). This increased growth would see benefits in Blaby, Charnwood and to a lesser extent North West Leicestershire, including improved affordability and a more locally relevant mix of housing types and tenures. Whilst this is positive in these areas, the effects would be very isolated. Elsewhere there would be no growth in this type of area and hence, mixed **neutral** and **minor positive effects** are expected.

Option B4 would not involve any growth in Other Settlements, and hence effects are **neutral**.

Option B5 would see 5,356 dwellings being delivered across other identified and sustainable settlements in Blaby (2,416), Charnwood (432), Harborough (653), Hinckley (294), Melton (548) and North West Leicestershire (1,014). This should lead to effects which are aligned with those set out under Option A5, though with some more thoroughly distributed and hence more pronounced effects in line with increased growth. Overall, this is likely to result in **moderate to major positive effects**, these are likely to be more focused in the two authorities seeing higher growth and less so elsewhere.

Growth Scenario C - 7746 dwellings (50% of unmet housing need)

Options C1 and C2 would involve similar levels of growth across other identified and sustainable settlements throughout Leicestershire, with 437 additional dwellings allocated within Blaby, Charnwood, Harborough, Hinckley, Melton and North West Leicestershire under Option C1 and 379 under Option C2. The growth would be expected to be more distributed across the county on smaller sites. Hence, the aforementioned positive effects associated with housing growth would be expected to be less localised and more widely spread than options which focus growth on more specific localities. One benefit of this approach is to allow for delivery in multiple areas at the same time and to enhance housing choice. This is positive, but it is probable that a large proportion of housing would not be well linked to Leicester, and would not necessarily be delivering the type of housing need arising in the City. Therefore, overall, only minor positive effects are predicted with regards to housing objectives.

Option C3 would not involve any growth in Other Settlements, and hence direct effects are expected to be neutral. That said, smaller settlements in close proximity to the large-scale strategic growth would be expected to experience some improvements to affordability, as well as improved provisions of locally determined housing types and tenures. However, when looking at other identified settlements as a whole and across the county, effects are predicted to be neutral.

Option C4 would not involve any growth in Other Settlements, and hence effects are neutral.

Overall effects

Growth scenario A - 15,900 dwellings (HENA Local Housing Need)

Each of the options are predicted to have major positive effects, as they each will plan for the identified level of housing need for Leicester. The options that direct the most growth away from the NLA (A1 and A2) involve some uncertainty in terms of whether the major positive effects would be realised. Conversely, the options that focus growth into the NLA are more likely to bring benefits closest to where the need for housing arises (and therefore the effects are more certain in this respect).

Growth scenario B - 20,000 dwellings (25% uplift on current housing needs)

With the identification of a higher level of housing delivery, each of the options is predicted to have major positive effects. Each option will provide a buffer in supply, and though some of this may not have a direct relationship with Leicester (for each option other than Option B4), it would help to relieve pressure for local housing in the constituent authorities.

Growth Scenario C – 7,950 dwellings (50% of current unmet housing need)

Each of the options at this lower scale of growth are predicted to have negative effects with regards to housing in Leicester City. This is because the identified level of need would not be planned for. The effects are more pronounced for the options that distribute growth away from the Near Leicester Area, and therefore Options C1 and C2 are identified as having <u>uncertain</u> <u>major negative effects</u>. Options C3 and C4 will provide a higher amount of growth in the NLA, and this means that the negative effects are only recorded as <u>moderate negative effects</u>. Despite there being negative effects overall as discussed above, there would also be benefits in those locations were new housing is directed. For options C1 and C2, where there is a spread of benefits across the NLA, market towns and other settlements, whilst

for Options C3 and C4 the benefits are concentrated towards the NLA and Leicester. Overall, each option is predicted to have moderate positive effects.

| | | City | Near Leicester Area | Market towns | Other settlements | Overall effects |
|---|---------|--------------------|---------------------|--------------|-------------------|--------------------------------------|
| Option 1 Settlement tiers | A1 HENA | ✓ | ✓ | √√ | ✓ | $\wedge \wedge \wedge_{\mathcal{S}}$ |
| | B1 High | ✓ | √√ | √√ | ✓ | √√√ |
| | C1 Low | √/xxx [?] | ✓ | ✓ | ✓ | √√/xxx [?] |
| Option 2 <i>Equal Share</i> | A2 HENA | ✓ | ✓ | √√ | ✓ | $\wedge \wedge \wedge_{\mathcal{S}}$ |
| | B2 High | ✓ | √ √ | √√ | ✓ | /// |
| | C2 Low | √/x×x [?] | ✓ | ✓ | ✓ | √√/xxx [?] |
| Option 3 Strategic Site focus | A3 HENA | ✓ | √√ | √√ | ✓ | $\wedge \wedge \wedge_{\mathcal{S}}$ |
| | B3 High | ✓ | √√ | √√√ | ✓ | √√√ |
| | C3 Low | √/ x x | √ √ | - | - | √√/ x x |
| Option 4 Near Leicester Area focus | A4 HENA | ✓ | √√√ | - | - | V V V |
| | B4 High | √√ | √√√ | - | - | √√√ |
| | C4 Low | √/×× | √√ | - | - | √√/xx |
| Option 5: HENA Distribution | A5 HENA | ✓ | √√ | √√ | √√ | V V V |
| | B5 High | ✓ | √√ | √√√ | ✓ ✓ | √√√ |

Appraisal findings: Employment and Economy

The findings relating to the Sustainability Topic 'Employment and Economy' are presented in the following tables.

Employment and Economy

City

Growth scenario A - 15,900 dwellings (Current unmet housing need)

Option A1 would be expected to meet the identified housing need for Leicester on some sites which fall within 10km of Leicester's periphery. 1,081 dwellings would be allocated within each of Blaby, Charnwood, Harborough, Hinkley and Oadby and Wigston. The housing growth in this area which is well connected to Leicester would be likely to support economic growth within the city for the reasons discussed above. This constitutes <u>potential</u> <u>moderate positive effects</u> for the City.

Option A2 would involve growth of 6,110 dwellings within the NLA; though the city would not see direct housing growth, this would be expected to bring some positive effects to Leicester, especially in areas nearby to its boundaries with other authorities. Blaby would see a greater amount of growth at 1,522 dwellings, with Charnwood, Harborough and Hinckley receiving 772 and Oadby and Wigston receiving 2,271. When comparing to Option A1, increased growth in Blaby and Oadby and Wigston is expected to lead to inflated positive effects in Leicester's west, south west and south eastern outskirts, nearby to growth. Effects in areas of Leicester closer to the other three districts which would be expected to see lower levels of growth, would be less significant in line with a reduction in proposed growth when compared to Option A1. Overall growth in the NLA would be slightly less than under Option A1, however this approach would still be expected to deliver <u>potential</u> <u>moderate positive effects</u>.

Option A3 would be involve the intended growth of 15,900 being distributed across large, new strategic sites across Leicestershire, with 8,450 dwellings maximising the capacity of available strategic sites within 10km of Leicester's centre. Whilst none of this growth would be within Leicester, the large amount of growth (8,450) nearby to the city would be expected to deliver improved connectivity from these areas into Leicester, boosted by the strategic nature of growth. This would have some beneficial effects of delivering housing to meet the city's identified need, which would support economic growth in the City. It would be likely that the increase in population would provide an increase in footfall within the city centre, as well as within the service centres nearby to growth, especially nearby to larger strategic growth on the eastern and southern outskirts of Leicester. This increased footfall is likely to boost local shops, services and the leisure industry. Consequential impacts of this growth are likely to lead to increased employment within the sectors which have benefited, serving to alleviate unemployment pressures identified within Leicester. Construction related employment and economic activity is likely to be beneficial for contractors and suppliers within Leicester. Whilst this option is likely to have positive impacts for Leicester, the lack of growth within the city means that the effects are diluted somewhat and some of the new populations could use other service centres and urban areas elsewhere in the county. The large strategic sites would be expected to deliver onsite shops and services, reducing the need for residents to spend money elsewhere. But, conversely, the strategic growth is likely to provide increased benefits of better connecting the sites to Leicester's identified need. Overall, moderately positive effects are predicted for Leicester.

Option A4 would be expected to meet the identified housing need for Leicester on sites which fall within 10km of Leicester's centre. Areas within the NLA would receive the following growth: 3,330 dwellings would be allocated within Blaby, Charnwood, Harborough and Hinckley, with 2,582 allocated in Oadby and Wigston. The large amount of growth in this area would be expected to magnify the effects outlined in Option A4 in line with the additional proposed growth. However, this increase in significance of the effects would be aligned with the additional growth assigned to each district. Therefore, the effects relating to growth in the NLA which benefits

Leicester's outskirts would be skewed, with slightly less pronounced effects being seen in Oadby and Wigston compared to the other areas receiving growth. The additional housing being well connected to Leicester and its associated employment would help to match the identified housing need with employment and economic growth in the city. There would likely be increased footfall related boosts to the city centre of Leicester itself, potentially helping to address the city's unemployment pressures. These pressures could be further alleviated in the shorter term due to the employment which would be associated with the construction process within areas near Leicester. For Leicester as a whole, these effects are likely to be moderate positive effects.

Option A5 would distribute growth in a pattern which reflects local Housing and Economic Needs Assessment findings. A total of 6,045 dwellings would be allocated within the NLA, with Blaby receiving the higher growth at 3,492 dwellings, Oadby and Wigston 800, Hinckley 753, Harborough 647 and Charnwood 354. As such, the effects would be most likely to be more pronounced for areas of Leicester which are in close proximity to Blaby, where the majority of growth would be allocated which may also include strategic growth leading to improved connectivity into Leicester. Elsewhere, effects may be expected to be more distributed and localised in the vicinity of peripheral areas of Leicester which are nearby to growth. For Leicester itself, considering the entire area, potential moderate positive effects are predicted.

Growth Scenario B – 20,000 dwellings (25% uplift on current unmet housing needs)

Option B1 would be likely to broadly mimic those effects outlined under Option A1, though in line with the additional 279 dwellings in each authority receiving growth, effects would be expected to be marginally greater. Whilst some peripheral areas of Leicester may see more pronounced effects where they are nearby to allocations, for Leicester as a whole, moderate positive effects are predicted.

Option B2 would identify land for 7,488 dwellings within 10km of Leicester's centre. Blaby would receive 1,945 dwellings, Oadby and Wigston 2,582 and Charnwood, Harborough and Hinkley 987; some of this may be delivered on strategic sites where capacity permits and land is required (most likely in Blaby and Oadby and Wigston, though also possible in Harborough and Hinckley). Effects would be broadly expected to be aligned with those see under Option A2, though to a slightly increased significance in line with the higher growth. Whilst some peripheral areas of Leicester may see more pronounced effects where they are nearby to allocations, for Leicester as a whole, moderate positive effects are predicted.

Option B3 would see the same growth and distribution of 8,450 dwellings in the NLA as outlined under Option A3. As such, the effects would be aligned both in terms of significance and spread. Overall, moderately positive effects are predicted for Leicester.

Option B4 would provide 20,000 dwellings within the NLA, within 10km of Leicester's city centre. 4,594 dwellings would be delivered in each of Blaby, Charnwood and Harborough, Hinckley would see 3,637 and Oadby and Wigston would see 2,582 dwellings. Where there is capacity for strategic growth in Blaby, Harborough, Hinckley and Oadby and Wigston, some of this growth may be strategic. The nature of effects would be broadly linked to themes discussed above, including increased footfall in service centres nearby to growth as well as Leicester's city centre, short-term construction related economic growth, increased employment and local GVA due to shops and services associated with the growth (especially for strategic sites). The magnitude of these effects would be boldened in line with the additional growth, with the scale of these increases in line with the additional growth when compared to Option A4. Whilst the scale of growth under this option would be expected to lead to some significant positive effects, the fact that the growth is outside of Leicester itself means that these effects may be realised more strongly in areas to the edges of Leicester, nearby to growth. However, considering the high growth under this option in areas functionally linked to the identified housing need, for the city as a whole, major positive effects are predicted.

Option B5 would see growth being allocated with a similar distribution to that set out under Option A5, though the scale of growth in each authority within 10km of Leicester's city centre would be slightly increased to deliver the increased housing delivery under this approach. As such, the magnitude of effects may be expected to increase somewhat, though only to a small degree in areas nearby to growth. For Leicester itself, considering the entire area, moderate positive effects are predicted.

Growth Scenario C – 7,950 dwellings (50% of current unmet housing need)

Option C1 would involve an equal spread of growth across the NLA, with growth of 541 dwellings within each of Blaby, Charnwood, Harborough, Hinckley and Oadby and Wigston. Growth in Hinckley which is further from Leicester would have some very minor potential increases in footfall and associated effects within the north western periphery of the city's outskirts. More pronounced effects would be related to the outskirts of Leicester which are nearby to the housing growth, the effects of which have been described previously. Hence, where it would be likely that a reduced number of sites (compared to Option C4) would need to be allocated within the NLA, the benefits would not be as distributed the same. Likewise, the likely footfall increase in Leicester's built-up centre would still provide positive effects, but due to the growth being lower than under the NLA focused approach, effects would not be as significant. Less development would also lead to a reduction in construction related employment, this will still be expected to deliver positive effects for the city, but less prominently than under options which would see higher NLA growth. Overall, a minor positive effect is predicted directly for the City as a whole, given the dispersed nature of growth. This might be alongside some minor negative effects relating to a shortfall in housing delivery.

Option C2 would involve growth of 3029 dwellings within the NLA; though the city would see not direct housing growth, this would be expected to bring some positive effects to Leicester. Blaby and Oadby and Wigston would see a greater amount of growth at 757 dwellings and 1,136 respectively, with Charnwood, Harborough and Hinckley receiving 379. Positive effects associated with this growth have been outlined above and their magnitude are dependent upon the scale of growth. When comparing to Option C1, growth in Blaby is expected to lead to slightly greater positive effects in Leicester's west, south western and south eastern outskirts. Effects in areas of Leicester closer to the other three districts which would be expected to see lower levels of growth, would be less significant. Overall, a **minor positive effect** is predicted directly for the City as a whole, given the dispersed nature of growth. This might be alongside some **minor negative effects** relating to a shortfall in housing delivery.

Option C3 would be expected to involve the growth of 7950 dwellings distributed across strategic in close proximity to Leicester. This would maximise capacity in Blaby (2,770), Hinckley (450) and Oadby and Wigston (1,480), with Harborough allocating 3,250 out of a total capacity of 3,750. The large concentration of growth within relatively close proximity to Leicester would be likely to lead to an improved level of connectivity from the area into Leicester. This would have some beneficial effects of delivering housing to meet the city's identified need, which would support economic growth in the City. It would be likely that the increase in population would provide an increase in footfall within the city centre, as well as within the service centres on the south eastern, southern and western outskirts of Leicester and on the new sites themselves. This increased footfall is likely to boost local shops, services and the leisure industry. Consequential impacts of this growth are likely to lead to increased employment within the sectors which have benefited, serving to alleviate unemployment pressures identified within Leicester. Construction related employment and economic activity is likely to be beneficial for contractors and suppliers within Leicester. Whilst this option is likely to have positive impacts for Leicester, the lack of growth within the city means that the effects may be somewhat diluted and some of the new populations could use other service centres and urban areas elsewhere in the county. The large strategic sites would also be expected to deliver onsite shops and services, reducing the need for residents to spend money elsewhere. There could also be scope for employment land to be delivered as part of strategic development opportunities given that they are large scale and could support a mixed use (with some having the potential to link to strategic transport networks). This could help to further growth and diversification in the economy, with benefits to nearby settlements such as Leicester.

growth being stifled by a shortfall of housing to support jobs growth. Overall, moderate positive effects alongside some minor negative effects are predicted for Leicester.

Option C4 would be expected to meet the identified housing need for Leicester on sites which fall within 10km of Leicester's centre. 1,590 dwellings would be allocated within each of Blaby, Charnwood, Harborough, Hinkley and Oadby and Wigston. The housing growth in this area, which is well connected to Leicester would be likely to support economic growth within the city by providing accommodation to support an increase in employment. It would be likely that the increase in population would provide an increase in footfall within the city centre, as well as within the service centres on the outskirts of much of Leicester. This increased footfall is likely to boost local shops, services and the leisure industry. Consequential impacts of this growth are likely to lead to a slight increase in employment within the sectors which have benefited, serving to alleviate unemployment pressures identified within Leicester. Construction related employment and economic activity is likely to be beneficial for contractors and suppliers within Leicester. Whilst this option is likely to have positive impacts for Leicester, meeting some unmet needs outside of the City itself means that some of the new populations could use other service centres and urban areas elsewhere in the county. The fact that this approach seeks to allocate growth at a scale below the identified need may also stifle economic development where employees may see pressure on housing and affordability as a push factor. It can therefore be said that this approach would be expected to lead to <u>uncertain moderate positive effects</u> for the city of Leicester with regards to economy, alongside some minor negative effects relating to a shortfall in housing delivery.

Near Leicester Area (NLA)

Growth Scenario A - 15,900 dwellings (Current unmet housing need)

Option A1 would involve housing development on some sites which fall within 10km of Leicester's periphery. 1,081 dwellings would be allocated within each of Blaby, Charnwood, Harborough, Hinkley and Oadby and Wigston. The housing growth in this area which is well related to Leicester would be likely to support economic growth within the city for the reasons discussed above, as such moderate positive effects are predicted for the NLA.

Option A2 would involve growth of 6,110 dwellings within the NLA. Blaby would see a greater amount of growth at 1,522 dwellings, with Charnwood, Harborough and Hinckley receiving 772 and Oadby and Wigston receiving 2,271. Positive effects associated with this growth have been outlined above and their magnitude are dependent upon the scale of growth. When comparing to Option A1, increased growth in Blaby and Oadby and Wigston is expected to lead to inflated positive effects in Leicester's west, south west and south eastern outskirts, nearby to growth. Overall, moderate positive effects are predicted for the NLA.

Option A3 would be expected to involve the intended growth of 15,900 being distributed across large, new strategic sites across Leicestershire, with 8,450 dwellings maximising the capacity of available strategic sites within 10km of Leicester's centre. Whilst none of this growth would be within Leicester, the large amount of growth (8,450) nearby to the city would be expected to deliver improved connectivity from these areas into Leicester, boosted by the strategic nature of growth. This would have some beneficial effects of delivering housing to meet the city's identified need, which would support economic growth in the City. It would be likely that the increase in population would provide an increase in footfall within the service centres nearby to growth, especially nearby to larger strategic growth on the eastern and southern outskirts of Leicester. This increased footfall is likely to boost local shops, services and the leisure industry. Construction related employment and economic activity is likely to be beneficial for contractors and suppliers within the NLA.

The large strategic sites would be expected to deliver onsite shops and services, reducing the need for residents to spend money elsewhere. But, conversely, the

strategic growth is likely to provide increased benefits of better connecting the sites to Leicester's identified need. Overall, moderately positive effects are predicted for the NLA.

Option A4 would be expected to meet the identified housing need for Leicester on sites which fall within 10km of Leicester's centre. Areas within the NLA would receive the following growth: 3,330 dwellings would be allocated within Blaby, Charnwood, Harborough and Hinckley, with 2,582 allocated in Oadby and Wigston. Therefore, the effects relating to growth in the NLA which benefits Leicester's outskirts would be skewed, with slightly less pronounced effects being seen in Oadby and Wigston compared to the other areas receiving growth. The additional housing being well connected to Leicester and its associated employment would help to match the identified housing need with employment and economic growth in the city. There would likely be increased footfall related boosts to the city centre of Leicester itself, potentially helping to address the city's unemployment pressures. These pressures could be further alleviated in the shorter term due to the employment which would be associated with the construction process within areas near Leicester. For the NLA these effects are likely to be **major positive effects**.

Option A5 would distribute growth in a pattern which reflects local Housing and Economic Needs Assessment findings. A total of 6,045 dwellings would be allocated within the NLA, with Blaby receiving the higher growth at 3,492 dwellings, Oadby and Wigston 800, Hinckley 753, Harborough 647 and Charnwood 354. As such, the effects would be most likely to be more pronounced for areas of Leicester / the NLA which are in close proximity to Blaby, where the majority of growth would be allocated which may also include strategic growth leading to improved connectivity into Leicester. Elsewhere, effects may be expected to be more dispersed and localised in the vicinity of peripheral areas of Leicester which are nearby to growth. Overall, moderate positive effects are predicted for the NLA.

Growth scenario B - 20,000 dwellings (25% uplift on current housing needs)

Option B1 would be likely to broadly mimic those effects outlined under Option A1, though in line with the additional 279 dwellings in each authority receiving growth, effects would be expected to be marginally higher. Moderate positive effects are recorded.

Option B2 would deliver 7,488 dwellings within 10km of Leicester's centre. Blaby would receive 1,945 dwellings, Oadby and Wigston 2,582 and Charnwood, Harborough and Hinkley 987; some of this may be delivered on strategic sites where capacity permits and land is required (most likely in Blaby and Oadby and Wigston, though also possible in Harborough and Hinckley). Effects would be broadly expected to be aligned with those under Option A2, though to a slightly increased significance in line with the higher growth. Moderate positive effects are recorded.

Option B3 would see the same growth and distribution of 8,450 dwellings in the NLA as outlined under Option A3. As such, the effects would be aligned both in terms of significance and spread. Overall, moderately positive effects are predicted.

Option B4 would deliver 20,000 dwellings within the NLA, within 10km of Leicester's city centre. 4,594 dwellings would be delivered in each of Blaby, Charnwood and Harborough, Hinckley would see 3,637 and Oadby and Wigston would see 2,582 dwellings. Where there is capacity for strategic growth in Blaby, Harborough, Hinckley and Oadby and Wigston, some of this growth may be strategic. The nature of effects would be broadly linked to themes discussed above, including increased footfall in service centres nearby to growth as well as Leicester's city centre, short-term construction related economic growth, increased employment and local GVA due to shops and services associated with the growth (especially for strategic sites).

Whilst the scale of growth under this option would be expected to lead to some significant positive effects, the fact that the growth is outside of Leicester itself means

that these effects may be realised more strongly in areas to the edges of Leicester, nearby to growth. Overall, major positive effects are predicted for the NLA.

Option B5 would see growth being allocated with a similar distribution to that set out under Option A5, though the scale of growth in each authority within 10km of Leicester's city centre would be somewhat increased to deliver the increased housing delivery under this approach. As such, the magnitude of effects may be expected to increase somewhat, though only to a small degree in areas nearby to growth. Overall, moderately positive effects are predicted.

Growth Scenario C – 7,950 dwellings (50% of current unmet housing need)

Option C1 would involve an equal spread of growth across the NLA, with growth of 541 dwellings within each of Blaby, Charnwood, Harborough, Hinckley and Oadby and Wigston. The nature of effects relating to this growth would be expected to mimic that previously set out, with the scale of development influencing the magnitude of effects. Hence, where it would be likely that a reduced number of sites (compared to Option A4) would need to be allocated within the NLA, the benefits would not be as dispersed or significant for the area as a whole. The likely footfall increase in the built-up and service centres of the NLA would still provide positive effects, but due to the growth being lower than under the NLA focused approach, effects would not be as significant. Less development would also lead to a reduction in construction related employment, this will still be expected to deliver positive effects for the city, but less prominently than under options which would see higher NLA growth. Overall a minor positive effect is predicted directly for the NLA, given the dispersed nature of growth.

Option C2 would involve growth of 3029 dwellings within the NLA. Blaby and Oadby and Wigston would see a greater amount of growth at 757 dwellings and 1,136 respectively, with Charnwood, Harborough and Hinckley receiving 379. Positive effects associated with this growth have been outlined above and their magnitude are dependent upon the scale of growth. When comparing to Option C1, growth in Blaby and Oadby and Wigston would be expected to lead to slightly inflated positive effects, with the reduced growth elsewhere expected to see less significant effects. Overall a **minor positive effect** is predicted directly for the NLA, given the dispersed nature of growth.

Option C3 would be expected to involve the growth of 7950 dwellings distributed across strategic sites in close proximity to Leicester. The large concentration of housing would be expected to provide an increase in footfall within the NLA's service centres, new shops and services on strategic sites as well as in built-up centres already existing in the NLA. This increased footfall is likely to boost local shops, services and the leisure industry. Consequential impacts of this growth are likely to lead to increased employment within the sectors which have benefited. Construction related employment and economic activity is likely to be beneficial for contractors and suppliers within the NLA. The large strategic sites would also be expected to deliver onsite shops and services, boosting local employment. There could also be scope for employment land to be delivered as part of strategic development opportunities (given their location on key transport routes). This could help to further growth and diversification in the economy in the NLA. Overall, moderately positive effects are predicted for the NLA.

Option C4 would provide housing land for Leicester on sites which fall within 10km of Leicester's centre. 1,590 dwellings would be allocated within each of Blaby, Charnwood, Harborough, Hinkley and Oadby and Wigston. The housing growth in this area, which is well connected to Leicester would be likely to support economic growth in areas around Leicester city by providing accommodation to support an increase in employment. It would be likely that the increase in population would provide an increase in footfall within service centres in areas surrounding Leicester. This increased footfall is likely to boost local shops, services and the leisure industry.

Consequential impacts of this growth are likely to lead to a slight increase in employment within the sectors which have benefited. Construction related employment and economic activity is likely to be beneficial for contractors and suppliers within the NLA. This approach would therefore be expected to lead to <u>potential</u> moderately

positive effects for the NLA with regards to economy.

Market Towns

Growth scenario A - 15,900 dwellings (Current unmet housing needs)

Option A1 would involve the delivery of 5,247 dwellings, spread across the county's market towns. Loughborough, Coalville, Melton Mowbray and Hinckley would each receive equal growth (1,049 dwellings), whilst the two market towns of Harborough (Market Harborough and Lutterworth) would be likely to split the allocated growth (1,049) between them. Beneficial effects are likely to be in the form of increased footfall within the town centres and smaller service centres within close proximity to areas of growth. This would be expected to increase the viability of existing shops and services. Some minor short-term construction related employment would also be likely in each of the market towns. The scale of growth would not be expected to lead to significant increased provisions of shops and services, as it would be expected that the increased demand could be met by existing provisions. There are key employment areas close to the Market Towns, and so new homes would also be well matched with economic growth opportunities. Overall, moderate positive effects are predicted.

Option A2 would involve the largest amount of growth going to Coalville and Melton Mowbray (1,522), with 750 dwellings going to each of Loughborough and Hinckley and Lutterworth and Market Harborough splitting a share of 750 dwellings. Market towns seeing growth are likely to see positive effects, with increased housing provision likely boosting service and town centre footfall, potentially leading to the provision of new shops and services to cater for the population growth as well as some shorter-term construction related employment. The scale of growth is likely to link to the magnitude of effects. Hence, Coalville and Melton Mowbray are likely to see the most significant positive effects, with the growth in Loughborough and Hinckley likely to promote moderate positive effects. Lutterworth and Market Harborough would be likely to see lower growth levels, hence, these areas are likely to see positive effects of a lower magnitude. Overall, the high levels of housing growth in Leicestershire's market towns under this approach would be likely to deliver benefits to local GVA as well as improved employment opportunities and linking new homes to jobs; hence moderate positive effects are predicted.

Option A3 would involve strategic growth at the market towns across Leicestershire, with Loughborough receiving 890 dwellings, Market Harborough and Lutterworth sharing a portion of 1,242 dwellings and each of Hinckley, Melton Mowbray and Coalville receiving 1,242 dwellings. This growth would be likely to replicate previously discussed effects, benefitting employment and GVA from the county's market towns in line with allocated growth. Further to this, the strategic nature of the development may serve to deliver an increase in shops and services to support the growth, further boosting employment and GVA. Whilst this is more positive than Options A1 and A2, the strategic growth would be unlikely to be central within existing market towns and hence could divert some spending away from town centres. Overall, moderate positive effects are predicted.

Option A4 would not involve any growth in market towns or within close proximity, and hence, neutral effects are predicted.

Option A5 would focus growth according to the HENA evidence base, with market towns receiving varied scales of growth. Coalville would receive 2,158 dwellings, Hinckley 1,846, Melton Mowbray 884, Loughborough 343 and Market Harborough and Lutterworth would share 628 dwellings. Effects previously discussed would be expected to apply to these areas seeing growth, the magnitude of which would depend upon the scale of growth.

As such, Coalville would see the most pronounced and likely significant positive effects, followed closely by Hinckley, effects elsewhere may be more diluted where a

reduced scale of growth is proposed. On balance, whilst some effects in higher growth areas would be significant, elsewhere this would be less so and overall, moderate positive effects are predicted.

Growth scenario B – 20,000 dwellings (25% uplift on current unmet housing needs)

Option B1 would see growth of 6,600 dwellings across the County's market towns; Loughborough, Hinckley, Melton Mowbray and Coalville would be expected to see an additional 1,320 dwellings, with Lutterworth and Market Harborough likely to split 1320 dwellings between them. The likely effects of this growth in market towns would be expected to be broadly aligned with those set out under Option A1, however as a result of the increased scale of growth (approximately 271 additional dwellings per authority), the magnitude of effects would likely be increased to some extent. Hence, moderate positive effects are predicted.

Option B2 would involve growth at a slightly increased overall rate than outlined under Option B1 across the county's market towns. This would consist of comparatively reduced growth in Loughborough, Market Harborough, Lutterworth and Hinckley alongside increased growth in Melton Mowbray and Coalville. Though the scale of growth varies, the likely effects are broadly similar. Market towns experiencing growth are likely to see positive effects, with increased housing provision likely boosting town centre footfall, increasing the viability of existing shops and services to cater for the population growth as well as some shorter-term construction related employment. The significant positive effects for Melton Mowbray and Coalville may be balanced out by the more moderate positive effects in the remaining market towns. Overall, moderate positive effects are predicted.

Option B3 would be expected to would involve overall growth of 8,085 at strategic sites in/around market towns, with 1,925 going to each of Melton Mowbray and Hinckley, 1420 to Coalville, 890 to Loughborough and a share of 1,925 to Market Harborough and Lutterworth. The previously discussed effects would be expected to be most pronounced in those areas receiving higher growth, including Melton Mowbray and Hinckley. This would be somewhat less pronounced in the remaining market towns; however overall effects would be likely to be significant in terms of the economy and employment across the market towns. **Major positive effects** are expected.

Option B4 would not involve any growth in market towns, and hence, neutral effects are predicted.

Option B5 would include growth of 7,764 dwellings across Leicestershire's market towns. The largest share of this growth would be allocated to Coalville (2,976), followed by Hinckley (2,591), Melton Mowbray (1,112), Loughborough (432) and Market Harborough and Lutterworth expected to share a portion of 653 dwellings. The most pronounced effects here would therefore benefit the local GVA and employment outcomes for Coalville and Hinckley. Melton Mowbray would also be expected to see some significant positive effects linked to the delivery of housing. Elsewhere, effects would be positive, but at a reduced magnitude in line with the scale of allocated growth. **Major positive effects** are expected for Market Towns as a whole.

Growth Scenario C – 7,950 dwellings (50% of current unmet housing needs)

Option C1 would be expected to deliver 2,624 dwellings, spread across the county's market towns. Loughborough, Melton Mowbray, Coalville and Hinckley would each receive equal parts of growth (525 dwellings), whilst the two market towns of Harborough (Market Harborough and Lutterworth) would be likely to split the allocated growth between them. The housing growth would be broadly likely to lead to economic benefits for the areas receiving the dwellings. Thepositive effects are likely to be more pronounced in the towns receiving 526 dwellings and marginally reduced in Harborough's market towns, should they split the growth. Whilst there would be the potential to deliver some of this growth on strategic sites, the scale of growth in each location would be unlikely to necessitate this. Overall, for market towns, this option is likely to lead to minor positive effects.

Option C2 would be expected to see an overall increase in growth within Leicestershire's market towns in comparison to Option C1. The distribution of 2,650 dwellings amongst these towns would see 757 dwellings in Melton Mowbray and Coalville, 379 dwellings in Loughborough and Hinckley as well as a likely scenario where Market Harborough and Lutterworth share the allocation of 379 dwellings in Harborough. The effects associated with growth in market towns have been discussed under Option C1, however the magnitude of these effects is dependent upon the scale of growth. The towns receiving higher growth would be expected to see some moderate positive effects, with 757dwellings potentially providing additional benefits of the potential provision of new shops and services to cater for the population growth. For market towns it would be expected that, whilst some areas may see more significant, and others less magnified effects (aligned with growth), overall minor positive effects are predicted.

Options C3 and C4 would not involve any growth in market towns, and as such, neutral effects are predicted.

Other settlements

Growth Scenario A - 15,900 dwellings (Current unmet housing needs)

Option A1 would involve an additional 874 dwellings being distributed across other identified settlements across each of Blaby, Charnwood, Harborough, Hinckley, Melton and North West Leicestershire. This spread of growth would be likely to be fairly thinly spread, with small amounts of growth across a large number of settlements. Positive effects of this approach would be likely to involve some increased footfall in the centres of the settlements which see additional growth, boosting the viability of existing shops and services, but the small scale of growth would not be likely to result in additional shops or services. The location of development could be well related to existing and future job opportunities in some instances (some identified settlements are close to strategic employment sites for example), whilst others would be less well related to jobs. However, the varied locations for and the types of homes that could be built might be attractive to a wider range of potential workforce. The smaller, more dispersed growth could also be more beneficial for smaller-scale construction companies, which may in turn boost local GVA and employment in the smaller settlements. It would therefore be expected that this approach would result in minor positive effects for other settlements.

Option A2 would see a similar scale of growth to Option A1 across these settlement types in Blaby, Charnwood, Harborough, Hinckley, Melton and North West Leicestershire, though with slightly lower figures, it would therefore be expected that this approach would result in minor positive effects for other settlements.

Option A3 Would involve growth of 1,593 dwellings across strategic sites, with 1,242 dwellings going to Blaby and 352 dwellings to Charnwood. This strategic growth would be likely to boost employment and GVA (including by potentially providing new shops and services) as well as increasing local footfall within the other identified settlements. However, the locations that would be limited to where strategic growth occurs. For the majority of settlements, neutral effects are predicted. However, there ought to be trickle down positive effects for a handful of locations, which are minor positive effects.

Option A4 would see growth within the NLA of a magnitude of 15,900, with 3,300 dwellings going to each of Blaby, Charnwood, Harborough and Hinckley and 2,582 to Oadby and Wigston. There could <u>potentially</u> be some <u>minor positive effects</u> for nearby settlements due to the scale of growth and possible 'trickle down' benefits.

Option A5 would deliver 3,996 dwellings in other identified settlements across Leicestershire according to local HENA evidence. Settlements in Blaby would be allocated 1,282, North West Leicestershire 1,014, Harborough 628, Melton 436, Charnwood 343 and Hinckley 294. Effects relating to distributed growth across other identified settlements would largely mimic those effects set out above relating to this type of housing delivery. Effects would be more mild in magnitude and distribution would be

according to the scale of growth proposed. As such, effects would be likely to be seen more widely across Blaby and North West Leicestershire, with effects still likely but less spread out under the authorities receiving lower growth. Overall, considering these types of areas across Leicestershire as a whole, this approach could potentially result in minor positive effects for other settlements.

Growth scenario B – 20,000 dwellings (25% uplift on current unmet housing needs)

Option B1 would involve growth of 6,600 dwellings distributed across other settlements, with 1,100 within each District (aside from Leicester and Oadby and Wigston). effects would be expected to be aligned with those set out under Option A1, though in line with the additional growth, these effects may be seen more widely with a greater distribution. It would therefore be expected that this approach would result in minor positive effects for other settlements.

Option B2 would see the same effects of housing growth across other identified settlements as highlighted under Option A2, though in line with a slight increase in growth the effects and housing allocations would be more dispersed. It would therefore be expected that this approach would result in minor positive effects for other settlements.

Option B3 would Involve growth of 3,465 dwellings on strategic sites across other identified settlements in Blaby (1,925), Charnwood (1,035) and North West Leicestershire (505). This strategic growth would be expected to largely mimic that previously discussed under Option A3, though in a more distributed manner across the three authorities seeing growth. Minor positive effects are predicted.

Option B4 would see growth within the NLA of a magnitude of 20,000 dwellings. The effects on other settlements would see broadly similar effects to that outlined under Option A4, with some increased magnitudes related to growth in locally specific areas. There could <u>potentially</u> be some <u>minor positive effects</u> for nearby settlements due to the scale of growth and possible 'trickle down' benefits.

Option B5 would involve growth across other identified settlements according to the local HENA evidence bases, resulting in growth of 5,356 dwellings across this settlement category. The highest growth, and hence most distributed effects would be seen in Blaby (2,416), followed by North West Leicestershire (1,014). Lower growth would be seen across other identified settlements across Charnwood (432), Harborough (653), Hinckley (294) and Melton (548). As previously discussed the main benefits to employment and the economy would be distributed across the authorities receiving growth in a manner which reflects the growth assigned to it. Overall effects for the county's other identified settlements would be expected to be similar to Option B2, though at a slightly reduced scale and a distribution which focuses growth in a less balanced way across all authorities. It would therefore be expected that this approach would result in minor positive effects for other settlements overall.

Growth Scenario C – 7,950 dwellings (50% of current unmet housing need)

Option C1 would involve a total of an additional 437 dwellings being distributed across other identified settlements across each of Blaby, Charnwood, Harborough, Hinckley, Melton and North West Leicestershire. This spread of growth would be likely to be thinly spread, with small amounts of growth across a large number of settlements. Positive effects of this approach would be likely to involve some increased footfall in the centres of the settlements which see additional growth, boosting

the viability of existing shops and services, but the small scale of growth would not be likely to result in additional shops or services. The location of development could be well related to existing and future job opportunities in some instances (some identified settlements are close to strategic employment sites for example), whilst others would be less well related to jobs. However, the varied locations for and the types of homes that could be built might be attractive to a wider range of potential workforce. The smaller, more dispersed growth could also be more beneficial for smaller-scale construction companies, which may in turn boost local GVA and employment in the smaller settlements. This approach would therefore be likely to promote minor positive effects within the other settlements which receive housing allocations. It, however, would not be likely that all of the other identified settlements would receive housing, and hence, as a whole this approach is predicted to lead to minor positive effects.

Option C2 would see the same distribution of growth as Option C1, with a similar, but slightly reduced scale of growth. Each of Blaby, Charnwood, Harborough, Hinckley Melton and North West Leicestershire would receive 379 dwellings. Whilst the scale is reduced in comparison, it is only by a small margin and as such the magnitude of effects would be likely to be aligned. This approach is predicted to lead to minor positive effects overall.

Option C3 would not involve any growth in Other Settlements, and hence direct effects are expected to be neutral. That said, smaller settlements in close proximity to the large-scale strategic growth would be expected to experience some increases in footfall, in turn boosting the viability of shops and services, whilst increasing employment in the areas affected. However, when looking at other identified settlements as a whole and across the county, effects are predicted to be neutral.

Option C4 would not involve any direct growth within other settlements, however some of the growth within the NLA would be in close proximity to a number of other identified settlements. These other settlements would be expected to see some isolated beneficial effects of increased footfall, increasing the viability of local shops and services. There are also local employment sites that might benefit from increased accommodation nearby. However, where these effects would only be very locally specific and adjacent to housing growth, effects upon other settlements as a whole would not be considered to be significant. Therefore, **neutral effects** are predicted.

Overall effects

Growth scenario A - 15,900 dwellings (Current unmet housing needs)

At this level of housing delivery, no negative effects are anticipated regardless of the distribution of housing. This is because identified housing needs would be planned for in full, and would support employment growth and opportunities. The benefits would be felt in different locations dependent upon distribution, but broadly speaking would be more pronounced compared to Growth Scenario C. This gives rise to potential **major positive effects** for all of the options, but with a greater degree of certainty for options A3, A4 and A5 (owing to the fact that there is a greater focus of growth towards the NLA, with knock on benefits for Leicester City).

Growth scenario B – 20,000 (25% uplift on current housing needs)

Under this scenario, each of the options are predicted to have a major positive effect overall. This is primarily because each would ensure delivery of the unmet housing needs from Leicester, which is positive in terms of construction, providing accommodation in areas close to employment growth, and through 'spill over' benefits for nearby local settlements. The provision of a buffer in terms of land supply would be more likely to support an increase in development across the plan periods.

Positive effects are predicted regardless of distribution, as each approach would place development in areas with good links to employment (for example in the NLA and Market Towns). However, those options that direct more growth toward the NLA are considered to be slightly more favourable.

Growth Scenario C – (50% of identified housing needs)

At a lower level of housing delivery, each option is predicted to have minor negative effects in terms of economic growth in the City, as there would be a shortfall in housing delivery, with knock on implications with regards to the economy. Nevertheless, housing delivery would bring with it benefits for existing settlements where growth is proposed. For options C1 and C2 which disperses growth, the benefits would be spread across the NLA, market towns and strategic sites, with only minor positive effects identified both individually and collectively. Options C3 and C4 would bring more growth closer to the City of Leicester, and at a level that could bring about moderate positive effects. The focus on the NLA, either at strategic sites or other locations is considered to be more beneficial in terms of economic development given this is where housing needs are arising and also matching accommodation to where many job opportunities and economic growth is projected. Delivery through strategic sites (as per C3) could also bring an element of employment land accompanying housing development.

| | | City | Near Leicester Area | Market towns | Other settlements | Overall effects |
|--|-----------|-------------------------------|---------------------|--------------|-------------------|------------------|
| Option 1 Settlement tiers | A1 HENA | $\wedge \wedge_{\mathbb{J}}$ | ✓ ✓ | ✓ ✓ | ✓ | √ √ √ ; |
| | B1 Higher | √ √ | ✓ ✓ | ✓ ✓ | ✓ | √ √ √ |
| | C1 Lower | √/× | ✓ | ✓ | ✓ | √/ x |
| Option 2 Equal Share | A2 HENA | $\wedge \wedge_{\mathcal{S}}$ | ✓ ✓ | ✓ ✓ | ✓ | √ √ √ ' ? |
| | B2 Higher | √ √ | ✓ ✓ | ✓ ✓ | ✓ | √ √ √ |
| | C2 Lower | √/× | ✓ | ✓ | ✓ | √/ x |
| Option 3 Strategic Site focus | A3 HENA | √ √ | ✓ ✓ | √ √ | ✓ | √ √ √ |
| | B3 Higher | √ √ | ✓ ✓ | √ √ √ | ✓ | √ √ √ |
| | C3 Lower | √√/× | ✓ ✓ | - | - | √√/ <u>×</u> |
| Option 4 <i>Near Leicester Area</i> | A4 HENA | √√ | √√√ | - | √ , | √ √ √ |
| | B4 Higher | √√√ | √√√ | - | √ , | √ √ √ |
| | C4 Lower | √√ [?] /× | √ √ ? | - | - | √√/ <u>×</u> |
| Option 5: HENA Distribution | A5 HENA | √ √ | ✓ ✓ | ✓ ✓ | ✓ | √ √ √ |
| | B5 Higher | √ √ | ✓ ✓ | √ √ √ | ✓ | √ √ √ |

Appraisal findings: Transport and Travel

The findings relating to the Sustainability Topic 'Transport and Travel' are presented in the following tables.

City

Growth scenario A - 15,900 dwellings (Current unmet housing needs)

Option A1 would be expected to broadly mimic those effects set out under Option C4 in terms of the anticipated effects and their distribution in the NLA/City, with benefits likely to impact the outskirts of Leicester as well as the City itself. In line with the proportionate reduction in growth across all areas, effects may be of a lower magnitude, but not substantially so. Overall, for Leicester, moderately positive and moderately negative effects are likely.

Option A2 would involve some increased growth within 10km of Leicester's centre in Blaby (1,522 dwellings) and Oadby and Wigston (2,271) when compared to Option A1, with lower (but still high) growth (772 dwellings) which would be allocated to areas in Charnwood, Harborough and Hinckley which are within the NLA. Overall the NLA would see growth of 6,110 dwellings under this option. The resulting effects would be likely to mean increased congestion on Leicester's orbital and arterial roads, with greater pressure being placed on routes into the city from the south and west. Some increased likelihood of new sustainable transport infrastructure and services would be expected, with the large growth in these areas potentially increasing the viability of a sustainable travel corridor into Leicester, benefitting those who live along the route. Overall, this approach is expected to see mixed moderately positive and moderately negative effects, though it should be noted that though this approach scores similarly to Option A1, these effects would be likely to be more heavily skewed towards areas in the west and south of Leicester.

Option A3 would be expected to involve growth of 8,450 being distributed across large new strategic sites in close proximity to Leicester in the NLA within Blaby, Harborough, Hinckley and Oadby and Wigston, alongside the remaining growth being allocated across strategic growth sites in the rest of the county in North West Leicestershire, Loughborough, Melton, Blaby and Hinckley and Bosworth. The fairly large amount of growth closer to Leicester, within and adjacent to the NLA would be expected to promote mixed effects. The potential concentration of growth in an arc across strategic sites to the south east of the city would be likely to increase the viability of a sustainable transport hub and corridor providing access into Leicester from the sites. This could include new public transport services as well as segregated active travel routes, helping to reduce car dependency for those accessing Leicester from the sites, as well as for those who live in Leicester and are in close proximity to the potential new sustainable transport routes. On the flipside, as private motor vehicles are the predominant transport modal choice, this large scale of concentrated growth would be likely to lead to an increase in pressures on the already strained road network around Leicester. Areas in the south and east of the city, mostly on arterial and orbital roads would be likely to see an increase in congestion levels, especially at peak times. Overall, this approach would be expected to result in moderate positive and minor negative effects in Leicester itself.

Option A4 would see growth of 15,900 within the NLA, with growth of 3,300 dwellings in each of Blaby, Charnwood, Harborough and Hinckley and growth of 2,582 in Oadby and Wigston. The significance of effects would be aligned with the distribution of growth, meaning that the higher levels of growth surrounding Leicester would potentially lead to an increased viability of sustainable transport schemes across a number of locations. However, <u>potential</u> <u>major negative effects</u> are predicted for Leicester with regards to congestion, as it is unclear whether new developments would all promote sustainable travel or be capable of providing new infrastructure and dominant behavioural norms would be expected to lead to large increases in private car use regardless. On the flip side, a large amount of growth would be focused in areas that have good access to the City, and therefore the length of trips involved would be shorter, and the ability to access jobs and services by sustainable modes ought to increase. These are <u>potential</u> <u>major positive effects</u>.

Option A5 would involve a distribution and scale of growth within the NLA which is reflective of the HENA evidence base. The overall scale of growth in the NLA would be aligned roughly with Option A2, though the spread would place the majority of growth in Blaby (3,492), with 800 in Oadby and Wigston, 753 in Hinckley, 647 in Harborough and 354 in Charnwood. This would be expected to lead to the magnitude of effects being heavily skewed towards Blaby, with lesser effects elsewhere aligned to the allocated growth. Overall, this approach is expected to see mixed **moderately positive** and **moderately negative effects**, though it should be noted that though this approach scores similarly to Option A1 and A2, these effects would be likely to be more heavily skewed towards areas in Leicester which are in closer proximity to Blaby.

Growth scenario B – 20,000 dwellings (25% uplift on current unmet housing needs)

Option B1 would involve the same distribution to a slightly higher scale in each area as seen under Option A1. The increase of 279 dwellings in each location may lead to the magnitude of effects being partly increased, though not substantially. Overall, for Leicester, moderately positive and moderately negative effects are likely.

Option B2 would be expected to deliver growth in the NLA in a similar distribution to Option A2, though the scale of allocated dwellings would increase proportionately across all areas. This is likely to exacerbate those effects, including some increased likelihood of improved transport provisions, alongside worsening congestion issues in areas of Leicester which provide connectivity to areas of higher growth. Whilst the scale of growth would be higher, the effects would still be expected to be **moderately positive** and **moderately negative**.

Option B3 would involve the same growth nearby to Leicester as seen under Option A3; as such effects would be aligned. Moderate positive and moderate negative effects are likely.

Option B4 would see growth surrounding Leicester within the NLA distributed between Leicester's peripheral areas within Blaby, Charnwood, Harborough (4,594 dwellings each), Hinckley (3,637) and Oadby and Wigston (2,582). The effects would be likely to mimic those set out under Option A4, however, in line with the increased levels of growth, their magnitudes would be expected to be somewhat increased. Housing growth of 20,000 dwellings would be more distributed across the NLA, and it would therefore be likely that the number and efficiency of corridors of sustainable transport provision/networks leading into Leicester would be increased, resulting in improved connectivity into Leicester from a range of locations.

Equally, congestion related problems would still be likely to be made more acute in a wider range of locations, especially in areas of Leicester which are closer to the areas seeing higher or more clustered growth. The higher scale of growth would reduce the ability for all of the sites to be chosen in line with strategic sustainable transport related priorities, potentially leading to growth exacerbating existing transport issues. Overall, mixed major negative and major positive effects are predicted.

Option B5 would involve a total growth of 6,879 dwellings on sites within the NLA. The majority of these would be located in Blaby (3,589), then Harborough (1,086), Oadby and Wigston (1,006), Hinckley (753) and Charnwood (445). This would be expected to lead to more pronounced effects in areas seeing higher growth, and as such the south west, south and south east of Leicester would be likely to see some substantial effects in a corridor. These effects would be expected to include increased congestion alongside a number of measures to improve sustainable transport offerings, as previously explained. Effects would be most pronounced in areas closer to growth in Blaby. Moderate positive and moderate negative effects are predicted.

Growth Scenario C - 7950 dwellings (50% of current unmet housing need)

Option C1 would be expected to deliver 2703 dwellings within 10km of Leicester's centre, evenly distributed between Blaby, Charnwood, Harborough, Hinckley and Oadby and Wigston. The increased growth within the NLA would be expected to lead to some additional viability of sustainable transport schemes, including new segregated active transport infrastructure as well as improved public transport provision. Under these provisions, connectivity to Leicester would be expected to improve, with the potential to establish some sustainable travel corridors into the city from the NLA, especially if allocations were strategically clustered. The length of trips would also likely be relatively short. Conversely, the increase in housing and associated population growth in the area would be likely to lead to increased pressure on the road network in the City. This would be expected to be a particular problem on the already congested orbital roads around Leicester, as well as on arterial routes leading into the city; prevalence would be worst at peak times.

The relatively low scale of growth and large number of site options in the NLA would allow sites to be chosen in line with strategic sustainable transport related priorities, hence, clusters of sites which would increase the viability of new schemes would be beneficial, as well as placing growth in locations which are well connected (by existing sustainable transport provisions) to shops, services and employment. Hence, this approach would be expected to lead to minor positive and minor negative effects reflecting these mixed outcomes.

Option C2 would involve some slightly inflated growth within the NLA within Blaby (757) and Oadby and Wigston (1,136) when compared to Option C1, however less growth (379) would be allocated to areas in Charnwood, Harborough and Hinckley which are within the NLA; a total of 3,029 dwellings within the NLA. Similar effects to those outlined under Option C1 would be expected, though with some changes to their significance aligned to varying levels of growth. Growth within the Blaby and Oadby and Wigston Districts could see pronounced effects with the potential for congestion within areas of Leicester which border these authorities which are susceptible to the effects, including increased traffic volumes on the already congested A563. That said, the higher growth may offer increased viability of sustainable transport schemes, including improved connectivity to Leicester. For the Districts seeing lower levels of growth, congestion related issues would be more likely to be more thinly spread and more commonly an issue on orbital or arterial routes into the city. The growth would also be less likely to result in significant improvements to sustainable transport provisions, with a likelihood that small scale enhancements cater for the population growth (e.g. extended bus routes or cycle locking facilities and junction improvements). Where this growth is smaller than proposed under Option C1 for the Districts (excluding Blaby and Oadby and Wigston), the opportunity to allocate housing according to strategic transport related priorities would be enhanced, potentially reducing the volumes of traffic within Leicester.

As such, a balanced assessment would suggest that this approach would be expected to promote minor positive and minor negative effects, reflecting the mixed outcomes discussed above.

Option C3 would involve the growth of 7,950 dwellings, this would be distributed across strategic sites in Blaby (2,770), Harborough (3,250), Hinckley (450) and Oadby and Wigston (1,480) within 10km of Leicester's centre. The fairly large amount of growth closer to Leicester, within and adjacent to the NLA would be expected to promote mixed effects, similar in nature to those discussed for option A3 (given that the dispersal of growth is very similar). Overall, this approach would be expected to result in **moderate positive** and **minor negative** effects in Leicester itself. The negative effects are lower than C4, as it is more likely that new road infrastructure could be supported at strategic growth sites.

Option C4 would be expected to meet some of the identified housing need for Leicester on sites which fall within 10km of Leicester's centre. 1,590 dwellings would be allocated within each of Blaby, Charnwood, Harborough, Hinkley and Oadby and Wigston. This large amount of growth in close proximity to Leicester would be likely to result in an increase in traffic volumes on nearby roads, as well as on the arterial and orbital road network. The existing identified congestion related issues along parts of the orbital road around Leicester would be likely to be exacerbated, especially at peak journey times. Conversely, the large amount of more concentrated growth would be expected to increase the viability of improved and additional sustainable transport provisions, such as additional public transport services connecting the area of growth with Leicester, as well as the increased likelihood of delivery of segregated active travel routes, connecting housing growth to key employment centres. These benefits may be realised to a greater extent should any strategic site options form a part of this option, which may be more likely to the south and south east of Leicester, in closer proximity to a larger number of large strategic site options.

New development would also be expected to provide electrical car charging facilities, boosting national strategic goals of transitioning away from petrol and diesel vehicles. Sustainable transport related improvements may serve to increase rates of active travel and public transport commuting into Leicester. Where new sustainable travel options ought to be well networked, areas and populations along the routes would be likely to benefit from the facilities. That said, the behavioural change needed to substantially alter travel behaviours to a more sustainable approach would not be expected to occur as a result of this development. Hence, whilst some moderate positive effects are likely to occur as a result of the additional provisions which support sustainable modes of travel, private motor vehicles are likely to still be the dominant mode of transport, further exacerbating pre-existing congestion related issues on Leicester's orbital and central roads. Overall, moderate positive and moderate negative effects are likely reflecting these mixed outcomes (shorter trips and potential for sustainable travel, but increased congestion).

Near Leicester Area (NLA)

Growth scenario A - 15,900 dwellings (Current unmet housing need)

Option A1 would be expected to broadly mimic those effects set out under Option C4 in terms of the anticipated effects and their distribution, with benefits likely to impact the NLA in a fairly distributed way. In line with the proportionate reduction in growth across all areas, effects would be of a lower magnitude. There might be some expected increase in the viability of sustainable transport schemes providing access to and from the NLA, alongside negative implications associated with increased volumes of traffic on the area's roads network. Overall, for the NLA, moderately positive and moderately negative effects are likely.

Option A2 would involve some inflated growth within 10km of Leicester's centre in Blaby (1,522 dwellings) and Oadby and Wigston (2,271) when compared to Option A1, with lower (but still high) growth (772 dwellings) which would be allocated to areas in Charnwood, Harborough and Hinckley which are within the NLA. Overall the NLA would see growth of 6,110 dwellings under this option. The resultant effects would be expected to be therefore skewed in favour of areas within Oadby and Wigston Blaby, due to their higher growth. The resulting effects would be likely to mean increased congestion on the NLA's road network, with greater pressure being placed on routes in the south and west. Some increased likelihood of new sustainable transport infrastructure and services would be expected, with the large growth in these areas potentially increasing the viability of a sustainable travel corridor connecting the NLA to other populated areas, benefitting those who live along the route. Overall, this approach is expected to see mixed **moderately positive** and **moderately negative effects**, though it should be noted that though this approach scores similarly to Option A1, these effects would be likely to be more heavily skewed towards areas in the west and south of the NLA.

Option A3 would be expected to involve the intended growth of 8,450 being distributed across large new strategic sites in the NLA within Blaby, Harborough, Hinckley and Oadby and Wigston, alongside the remaining growth being allocated across strategic growth sites in the rest of the county in North West Leicestershire, Loughborough, Melton, Blaby and Hinckley and Bosworth. The large amount of growth (8,450) would be the same as that outlined under Option C3, though with 500 additional dwellings allocated in areas of Harborough in the NLA. As such, effects would be expected to be aligned with those outlined under Option C3 (though with some marginally inflated effects related to increased growth in Harborough), due to the same anticipated growth within close proximity to the city, as such, moderate positive and minor negative effects are likely.

Option A4 would see growth of 15,900 within the NLA, with 3,300 dwellings in each of Blaby, Charnwood, Harborough and Hinckley and growth of 2,582 in Oadby and Wigston. In line with the increased growth, this approach would be likely to exacerbate effects associated with and discussed under Option C4. The significance of effects would be aligned with the distribution of growth, meaning that the high levels of growth in the NLA would potentially lead to an increased viability of sustainable transport schemes across a number of locations. Potential Major negative effects are predicted with regards to congestion, as dominant behavioural norms would be expected to lead to large increases in private car use regardless of improved sustainable travel offerings. On the flip side, a large amount of growth would be focused in areas that have good access to employment, shops and services, and therefore the length of trips involved should be shorter, and the ability to access jobs and services by sustainable modes ought to increase. These are potential major positive effects.

Option A5 would involve a distribution and scale of growth within the NLA which is reflective of the HENA evidence base. The overall scale of growth in the NLA would be aligned roughly with Option B2, though the spread would place the majority of growth in Blaby (3,492), with 800 in Oadby and Wigston, 753 in Hinckley, 647 in Harborough and 354 in Charnwood. This would be expected to lead to the magnitude of effects being heavily skewed towards Blaby, with lesser effects elsewhere aligned to the allocated growth. Overall, this approach is expected to see mixed **moderately positive** and **moderately negative effects**, though it should be noted that though this approach scores similarly to Option A2, these effects would be likely to be more heavily skewed towards areas in Blaby.

Growth scenario B - 20,000 dwellings (25% uplift on current housing needs)

Option B1 would involve the same distribution to a slightly higher scale in each area as seen under Option A1. The increase of 279 dwellings in each location may lead to the magnitude of effects being partly increased, though not substantially. Overall, for the NLA, moderately positive and moderately negative effects are likely.

Option B2 would be expected to deliver growth in the NLA in a similar distribution to Option A2, though the scales of allocated dwellings would increase proportionately across all areas. This is likely to exacerbate those effects, including some increased likelihood of improved transport provisions, alongside worsening congestion issues in and around areas of higher growth in the NLA. Whilst the scale of growth would be higher, the effects would still be expected to be **moderately positive** and **moderately negative**.

Option B3 would involve the same growth nearby to the NLA as seen under Option A3; as such effects would be aligned. <u>Potential</u> <u>moderate positive</u> and <u>potential</u> <u>moderate negative effects</u> are likely.

Option B4 would see growth within the NLA distributed between Blaby, Charnwood, Harborough (4,594 dwellings each), Hinkley (3,637) and Oadby and Wigston (2,582). The effects would be likely to mimic those set out under Option C4, however, in line with the increased levels of growth, their magnitudes would be expected to

be somewhat increased. Housing growth of 20,000 dwellings would be more distributed across the NLA, and it would therefore be likely that the number and efficiency of corridors of sustainable transport provision/networks would be increased, resulting in improved connectivity within the NLA. Equally, congestion related problems would still be likely to be made more acute in a wider range of locations, especially in areas of the NLA which are closer to the areas seeing higher or more clustered growth and in locations which provide connectivity to larger built-up areas. The higher scale of growth would reduce the ability for sites to be chosen in line with strategic sustainable transport related priorities, potentially leading to growth exacerbating existing transport issues with a reduced ability to mitigate impacts. Overall, mixed major negative and major positive effects are predicted.

Option B5 would involve a total growth of 6,879 dwellings on sites within the NLA. The majority of these would be located in Blaby (3,589), then Harborough (1,086), Oadby and Wigston (1,006), Hinckley (753) and Charnwood (445). This would be expected to lead to more pronounced effects in areas seeing higher growth, and as such the south west, south and south east of the NLA would be likely to see some substantial effects in a corridor. These effects would be expected to include increased congestion alongside a number of measures to improve sustainable transport offerings, as previously explained. Effects would be most pronounced in areas closer to growth in Blaby. Moderate positive and moderate negative effects are predicted.

Growth Scenario C - 7950 dwellings (50% of current unmet housing needs)

Option C1 would be expected to deliver 2703 dwellings within 10km of Leicester's centre, even distributed between Blaby, Charnwood, Harborough, Hinckley and Oadby and Wigston. The increased growth within the NLA would be expected to lead to some additional viability of sustainable transport schemes, including new segregated active transport infrastructure as well as improved public transport provision. Under these provisions, connectivity from this area would be expected to improve, with the potential to establish some sustainable travel corridors to better connect the NLA to other large, populated areas, especially if allocations were strategically clustered. Conversely, the increase in housing and associated population growth in the area would be likely to lead to increased pressure on the road network. This would be expected to be a particular problem on the already congested orbital roads around Leicester; prevalence would be worst at peak times.

The relatively low scale of growth and large number of site options in the NLA would allow sites to be chosen in line with strategic sustainable transport related priorities, hence, clusters of sites which would increase the viability of new schemes would be beneficial, as well as placing growth in locations which are well connected (by existing sustainable transport provisions) to shops, services and employment. Hence, this approach would be expected to lead to minor positive and minor negative effects reflecting these mixed outcomes.

Option C2 would involve slightly more growth within the NLA within Blaby (757) and Oadby and Wigston (1,136) when compared to Option C1, however less growth (379) would be allocated to areas in Charnwood, Harborough and Hinckley which are within the NLA; a total of 3,029 dwellings within the NLA. Similar effects to those outlined under Option A1 would be expected, though with some changes to their significance aligned to varying levels of growth. Growth within the Blaby and Oadby and Wigston Districts would see the most pronounced effects. That said, the higher growth may offer increased viability of sustainable transport schemes. For the Districts seeing lower levels of growth, congestion related issues would be more likely to be more thinly spread and more commonly an issue on orbital routes around the NLA. The growth would also be less likely to result in significant improvements to sustainable transport provisions, with a likelihood that small scale enhancements cater for the population growth (e.g. extended bus routes or cycle locking facilities and junction improvements). Where this growth is smaller than proposed under Option 1b for the Districts (excluding Blaby and Oadby and Wigston), the opportunity to allocate housing according to strategic transport related priorities would be enhanced, potentially reducing the volumes of traffic within the NLA. As such, a balanced assessment would suggest that this approach would be expected to promote

minor positive and minor negative effects, reflecting the mixed outcomes discussed above.

Option C3 would involve the growth of 7,950 dwellings in the NLA, this could be distributed across strategic sites in Blaby (2,770), Harborough (3,250), Hinckley (450) and Oadby and Wigston (1,480) within 10km of Leicester's centre. The fairly large amount of growth within the NLA would be expected to promote mixed effects. The potential concentration of growth in an arc across strategic sites to the south east of the city would be likely to increase the viability of a sustainable transport hub and corridor providing improved access to and from the NLA. This could include new public transport services as well as segregated active travel routes, helping to reduce car dependency for those who are in close proximity to the potential new sustainable transport routes. On the flipside, as private motor vehicles are the predominant transport modal choice, this large scale of concentrated growth would be likely to lead to a substantial increase in pressures on the already strained road network. Areas in the south and east of the NLA, mostly on orbital roads would be likely to see substantial deteriorations to congestion levels, especially at peak times. Overall, this approach would be expected to result in moderate positive and minor negative effects in the NLA.

Option C4 would be expected to meet some of the identified housing need for Leicester on sites which fall within 10km of Leicester's centre. 1,590 dwellings would be allocated within each of Blaby, Charnwood, Harborough, Hinkley and Oadby and Wigston. This large amount of growth in close proximity to Leicester would be likely to result in a significant increase in traffic volumes on nearby roads, as well as on the arterial and orbital road network. The existing identified congestion related issues along parts of the orbital road around Leicester would be likely to be exacerbated, especially at peak journey times. Conversely, the large amount of more concentrated growth would be expected to increase the viability of improved and additional sustainable transport provisions, such as additional public transport services providing better connectivity within the NLA, as well as the increased likelihood of delivery of segregated active travel routes, connecting housing growth to key employment centres. These benefits may be realised to a greater extent should any strategic housing delivery form a part of this option, which may be more likely in the south and south east of the NLA, where there are a larger number of large strategic site options.

New development would also be expected to provide electrical car charging facilities, boosting national strategic goals of transitioning away from petrol and diesel vehicles. These sustainable transport related improvements may serve to increase rates of active travel and public transport commuting from those in the NLA. Where new sustainable travel options ought to be well networked, areas and populations nearby to the improved connectivity would be likely to benefit. That said, the behavioural change needed to substantially alter travel behaviours to a more sustainable approach would not be expected to occur as a result of this development. Hence, whilst some moderate positive effects are likely to occur as a result of the additional provisions which support sustainable modes of travel, private motor vehicles are likely to still be the dominant mode of transport, further exacerbating pre-existing congestion related issues in areas surrounding Leicester. Overall, moderate positive and moderate negative effects are likely reflecting these mixed outcomes (shorter trips and potential for sustainable travel, but increased congestion).

Market Towns

Growth Scenario A - 15,900 dwellings (Current unmet housing needs)

Option A1 would lead to 5,247 dwellings being split between Leicestershire's market towns; Charnwood, Harborough, Melton, Hinckley and North West Leicestershire would receive 1,049 dwellings in their respective market towns. There would be some increased likelihood of more substantial provisions for sustainable transport options in areas of growth around the market towns, especially where growth is clustered together; this could include some segregated active travel routes or

new/substantially expanded bus routes. Also associated with the uptick in housing growth would be an increase in congestion related issues related to the increase in traffic volumes from the increased population. The market towns of Loughborough, Hinckley, Melton Mowbray and Coalville would see the greater increase in magnitude of effects. Where Harborough would be likely to split the growth between Market Harborough and Lutterworth, the effects would be more significant in line with additional growth, but not as pronounced as the market towns seeing the highest increases in housing growth. Overall, whilst effects are not equally distributed across market towns, there would still likely be moderate positive and moderate negative effects for market towns as a whole.

Option A2 would involve the largest amount of growth going to Coalville and Melton Mowbray (1,522), the next highest to Loughborough and Hinckley (750) and Lutterworth and Market Harborough would split a share of 750 dwellings. Coalville and Melton Mowbray would see substantial growth in and around the urban area, in relatively close proximity to shops and services. It would be likely that this growth would increase the viability for active travel schemes (cycle locking infrastructure, junction improvements and potentially new segregated routes) as well as improved bus service routes and frequencies. That said, the scale of growth and behavioural norms in terms of transport modal choice would be expected to result in some pressures on the road network within Coalville and Melton Mowbray, with specific issues likely to prevail at pinch points and at peak times nearby to new development. Loughborough and Hinckley would be likely to see some less significant improvements in terms of sustainable travel, as well as a reduced level of congestion related issues. Market Harborough and Lutterworth would see the least growth, leading to some positive and negative effects, but to a much reduced magnitude compared to other market towns. Overall, market towns would be likely to see mixed effects, with moderate positive and moderate negative outcomes.

Option A3 would involve growth of 5,857 dwellings on strategic sites in and around market towns. The growth would be allocated in Coalville, Melton and Hinckley (1,242 dwellings each), 890 dwellings in Loughborough and a share of 1,242 allocated between Market Harborough and Lutterworth. This overall quantity of growth would be slightly above that seen under Options A1 and A2, though where it would be on strategic sites, there may be the potential to deliver more targeted and effective measures to improve sustainable transport offerings. Conversely, this may come alongside some more concentrated congestion issues, especially nearby to strategic growth sites at traffic pinch points and at peak journey times. Overall, market towns would be likely to see mixed effects, with moderate positive and moderate negative outcomes.

Option A4 would not involve any growth in Market Towns, and not in locations likely to draw significant traffic through the Market Towns, and hence effects are **neutral**.

Option A5 would see growth of 5,859 dwellings in market towns on strategic sites, distributed according to the HENA evidence. Coalville would see the highest allocations (2,158), followed by Hinckley (1,846), Melton Mowbray (884), Loughborough (343) and Market Harborough and Lutterworth sharing a portion of 628 dwellings. Effects would be likely to mimic those previously set out in relation to growth in market towns, however the magnitude of these would be aligned to the scale of allocated housing. As such, the most pronounced effects would be in Coalville and Hinckley, with the least pronounced effects seen in market towns in Harborough. Overall, for market towns as a whole, moderate positive and moderate negative effects are likely.

Growth Scenario B – 20,000 dwellings (25% uplift on current unmet housing needs)

Option B1 would deliver 6,600 dwellings in market towns across the county, with 1,320 going to Coalville, Melton Mowbray, Hinckley and Loughborough, and Lutterworth and Market Harborough sharing a portion of 1,320 dwellings. The distribution and nature of associated effects would be likely to mimic that set out under Option A1, though in line with the increase in growth at each location, effects would be likely to be of a greater magnitude, though not significantly. **Moderate positive**

and moderate negative effects are likely.

Option B2 would involve growth of 6,764 dwellings in market towns across the county, with 1,945 going to Coalville and Melton Mowbray, 958 to Hinckley and Loughborough, and Lutterworth and Market Harborough sharing a portion of 958 dwellings. This should result in the most pronounced, major significant effects being realised in those higher growth areas, with more minor effects in the lower growth market towns, especially those in Harborough. This would mean a relatively uneven distribution of effects, though for market towns as a whole, moderate positive and moderate negative effects are likely.

Option B3 would deliver growth of 8,085 dwellings on strategic sites in and around market towns. 1,925 dwellings would go to Melton Mowbray and Hinckley, 1,420 to Coalville, 890 to Loughborough and a share of 1,925 to each of Market Harborough and Lutterworth. In reference to growth and its implications on effects, the same as described under Option B2 applies here. This should distribute some more substantial effects to market towns in a larger range of locations than seen under Option B2. Namely Melton Mowbray, and Hinckley seeing the most significant effects. Overall, this uptick in growth in Leicestershire's market towns could <u>potentially</u> lead to <u>major positive</u> and <u>major negative</u> effects.

Option B4 would not involve any growth in or close to any Market Towns, and hence effects are neutral.

Option B5 would result in 7,764 dwellings across market towns, distributed in line with the HENA evidence base. The distribution of housing allocations would be aligned roughly with that set out under Option A5, though the scale would be proportionally higher in each location. As such, Coalville would see the most significant effects, followed by Hinckley, Melton Mowbray, Loughborough and then Market Harborough and Lutterworth. This would lead to a very mixed range of effects ranging from major significance to much more mild and minor effects. Considering the likelihood of such major effects being realised in Coalville and Hinckley, overall, potential major positive and major negative effects are expected.

Growth Scenario C – 7,950 dwellings (50% of current unmet housing need)

Option C1 would lead to 2,624 dwellings being split between market towns within Charnwood, Harborough, Hinckley, Melton and North West Leicestershire; each Local Authority would be allocated 525 dwellings to be delivered within their Market Towns. Placing this scale of growth within or nearby to market towns would be likely to have mixed effects. The increase in population would be expected to lead to an increased viability of public transport services, especially local routes which connect the sites to the nearest market town centre. There would also be an expected improvement to active travel infrastructure, whilst this scale of growth would be unlikely to deliver segregated and networked walking and cycling routes, however some improvements in terms of safety at junctions and infrastructure such as locking facilities might be expected.

Broadly speaking, connectivity at the Market Towns is relatively good, with several hosting railway stations linked to Leicester, as well as a range of employment opportunities and services. This makes it less likely that residents would need to travel long distances on a regular basis. Some local increases in congestion would be expected in the vicinity of development, especially at traffic pinch points and at peak travel times. As such, effects would be likely to be mixed, with minor positive and minor negative effects (given that growth in any particular location is unlikely to be significant).

Option C2 would be expected to allocate housing growth to the market towns within the county, lower growth (379) would go to Loughborough and Hinckley, even lower growth (379 split between them) would go to Market Harborough and Lutterworth, whilst higher growth would be directed towards Melton Mowbray and

Coalville (757 dwellings each). The effects would be likely to be broadly similar to those outlined under Option C1 in terms of potential increases in traffic volumes as well as the likelihood of improved sustainable transport infrastructure and services. The towns seeing slightly lower growth would likely see a slightly reduced magnitude of effects and those seeing higher growth would be expected to see a marginally increased significance of effects. Hence, overall the variation in effects would be likely to balance out and result in minor positive and minor negative effects.

Option C3 would not involve any growth in Market Towns, and hence effects are neutral.

Option C4 would not involve any growth in Market Towns, and not in locations likely to draw significant traffic through the Market Towns, and hence effects are broadly neutral.

Other settlements

Growth scenario A - 15,900 dwellings (Current unmet housing needs)

Option A1 would involve an equal level of growth across other identified and sustainable settlements throughout Leicestershire, with 874 additional dwellings allocated within Blaby, Charnwood, Harborough, Hinckley, Melton and North West Leicestershire. Each district would see growth 100% higher than outlined under Option C1, meaning that there would be a higher chance of growth being spread across a large number of other identified settlements. Where some of his growth could be broadly clustered nearby, then a proportionate magnification of effects when compared to Option C1 would be expected. However, it would be more likely that growth would be spread out. Nonetheless, some minor improvements in terms of diverted bus routes and active travel related infrastructure could be expected at larger sites (bike locking facilities and junction improvements). Local increases of congestion would be expected in close proximity to housing sites, though where the growth in housing is spread out, effects would be expected to be only slightly more significant locally. However, this approach would place a greater amount of development in locations that are likely to promote the use of the private car. The overall increase in growth in a dispersed manner could therefore see cumulative negative effects in terms of traffic and car use in general. Overall, this approach would be likely to lead to potentially moderate negative effects and minor positive effects.

Option A2 would be expected to see a distribution and scale of growth broadly aligned with that set out under Option A1, though with 750 dwellings allocated to other settlements within each authority (Blaby, Charnwood, Harborough, Hinckley, Melton and North West Leicestershire). Where the growth is slightly lower, the effects would be expected to be less distributed across a smaller number of other identified settlements. The nature of effects would be likely to be aligned with Option A1; and, whilst the magnitude would be likely to be somewhat less pronounced due to the lower scale of growth, similar <u>potential</u> <u>moderate negative effects</u> and <u>minor positive effects</u> are predicted.

Option A3 would involve growth of 1,593 dwellings on strategic sites within other identified settlements; 1,242 dwellings in Blaby and 352 dwellings in Charnwood. Whilst this growth would be expected to mimic previously discussed effects relating to growth in other settlements, the strategic nature of the housing delivery may help to mitigate issues relating to car dependency and potentially serve to better connect smaller settlements to the wider County. Whilst this may be likely, the relatively small scale of growth during the plan period may not result in significant new infrastructure delivery, and would more likely deliver improvements to existing sustainable transport infrastructures and services. Overall, more significant effects may be realised for the localised areas seeing growth, but for other areas as a whole, minor positive effects and minor negative effects are likely.

Option A4 would not involve any growth in Other Settlements, and hence effects are **neutral**. Any effects related to growth on 'other settlements' in the NLA are discussed under the section relating to NLA growth.

Option A5 would deliver a total of 3,996 dwellings in other identified settlements, distributed according to the HENA evidence. This would see 1,282 dwellings in Blaby, 1,014 in North West Leicestershire, 628 in Harborough, 436 in Melton, 343 in Charnwood and 294 in Hinckley and Bosworth. This would be expected to mimic previously discussed effects on sites within other identified settlements, though the distribution would be likely to dictate the spread of effects, As such, Blaby and North West Leicestershire would be expected to see the most distributed effects, with other areas seeing a less even spread of effects related to the scale of growth they would receive. Overall, this approach would be likely to lead to <u>potentially moderate negative effects</u> and <u>minor positive</u> effects.

Growth scenario B – 20,000 dwellings (25% uplift on current unmet housing needs)

Option B1 would involve growth of 1,100 dwellings in other identified settlements across all authorities aside from Leicester and Oadby and Wigston; this is an uplift of 226 dwellings across each authority when compared to Option A1. As such, the associated effects would be likely to be much the same, though with a more widely spread distribution of growth and effects. Whilst the effects would be more spread, they would not be likely to lead to an overall substantial increase in the significance of effects. Overall, this approach would be likely to lead to moderate negative effects and minor positive effects.

Option B2 would see housing growth at a scale slightly under that seen under Option B1 for other identified settlements, with 958 dwellings being allocated in each authority. This approach would be expected to lead to similar effects to those discussed under Option B1 resulting in anticipated **moderate negative effects** and minor **positive effects**.

Option B3 would involve growth of 3,465 dwellings on strategic sites within other identified settlements; 1,925 dwellings in Blaby, 1,035 dwellings in Charnwood and 505 dwellings in North West Leicestershire. Whilst this growth would be expected to mimic previously discussed effects relating to growth in other settlements, the strategic nature of the housing delivery may help to mitigate issues relating to car dependency and potentially serve to better connect smaller settlements to the wider County. Whilst this may be likely, the scale of growth would not be expected to result in significant new infrastructure delivery, and would more likely deliver improvements to existing sustainable transport infrastructures and services. Overall, stronger effects may be realised for the localised areas seeing growth, but for other areas as a whole, <u>potential</u> <u>moderate positive</u> and <u>minor negative</u> effects are predicted, though these are potential effects due to some uncertainties related to the benefits associated with strategic growth.

Option B4 would not involve any growth in Other Settlements, and hence effects are **neutral**.

Option B5 would see growth allocated in a distribution across Leicestershire's LPAs according to the HENA evidence base. Blaby would see the most growth at 2,416 dwellings, followed by North West Leicestershire at 1,014, Harborough at 653, Melton with 548, Charnwood at 432 and Hinckley with 294 dwellings. As such, Blaby would be likely to see a spread of growth distributed across this settlement type with some more significant effects comprising of some degree of improved accessibility and sustainable transport provisions alongside more negative effects linked to increased congestion and car dependencies. Elsewhere the effects would be less pronounced and spread, with the magnitude and distribution of effects being aligned with planned growth. Overall, some areas would see significantly more pronounced effects that others, but on balance and considering other identified settlements as a whole, moderate negative effects and minor positive effects are predicted.

Transport and Travel

Growth Scenario C – 7,950 dwellings (50% of current unmet housing needs)

Options C1 and C2 would involve similar levels of growth across other identified and sustainable settlements throughout Leicestershire, with 437 additional dwellings allocated within Blaby, Charnwood, Harborough, Hinckley, Melton and North West Leicestershire under Option C1 and 379 under Option C2. The growth would be expected to be distributed across the county across a range of settlements. The magnitude of effects associated with smaller scales of growth would be much reduced in any particular location, and therefore in terms of congestion, **neutral effects** would be anticipated. The small scale of growth alongside the large number of site options is likely to mean that sites can be selected which are well suited to meet the needs of overarching sustainable transport related strategic priorities. As such, it would be expected that some of the growth under this approach would be well located in relation to shops, services and sustainable travel options, which is positive. However, other smaller settlements are less well serviced by jobs, services and public transport. This engenders a reliance on the private car, and this trend would be likely to be exacerbated with such a distributed approach, albeit the magnitude of effects is low. Taken in combination, these are <u>potential minor negative effects</u> when considering the likely travel patterns that would be fostered across the County (greater reliance on cars and longer trips). A dispersed approach is also likely to have some <u>minor positive effects</u> in locations that are well suited to growth.

Option C3 would not involve any growth in other settlements, and hence direct effects are expected to be neutral.

Option C4 would not involve any growth in other settlements (apart from those in the NLA, which are discussed in that section), and hence effects are neutral.

Overall effects

Growth scenario A - 15,900 dwellings (Current unmet housing needs)

At this scale of growth, the dispersed options perform similarly overall. All of Options A1, A2 and A5 are predicted to have mixed effects, with both moderate positive effects and moderate negative effects highlighted. The effects are similar to those described for Scenario C, but with double the amount of overall growth, the effects are of greater significance.

Though the overall effects are the same for these three options, there are nuances between them in terms of where the effects will be most or least prominent. This depends on the locations where growth is focused. However, broadly speaking, no distribution can be found to be worse or better, which is to be expected given that the patterns of dispersal are similar. Where there are concentrations of growth, the potential for significant effects increases, both positive and negative. For A4, a focus on the NLA could therefore bring pressures to orbital routes and linear routes into Leicester, which are already congested in parts at peak times, which are potential major negative effects. Conversely, development could potentially support infrastructure improvements, and the majority of growth would also be well located with regards to public transport and a wide range of facilities and services (hence the potential for major positive effects). The picture is similar for A3, but it is considered that negative effects could possibly be mitigated in a more coordinated manner if strategic transport enhancements are secured alongside strategic site development. The level of concentration in the NLA is also lower, and therefore, only minor negative effects are predicted in this respect for A3. Likewise, the potential for positive effects is reduced in the NLA, but there would also be benefits across other parts of the County were strategic sites are developed. These are moderate positive effects overall.

Growth scenario B – 20,000 (25% uplift on current unmet housing needs)

At a higher scale of growth, the effects are broadly the same as identified for the corresponding options under Scenario A. Despite the increase in delivery, the potential

Transport and Travel

for more significant effects (both positive and negative) is not considered to be substantial. With regards to Options B3 and B4, the main difference is that the potential for negative effects becomes more certain.

Growth Scenario C – (50% of current unmet housing needs)

At this lower scale of growth, the dispersed approaches to growth are likely to have only minor effects at locations across the County, which constitutes minor positive and minor negative effects overall for Options C1 and C2. The negative effects are due to some homes being placed in less accessible locations and most likely encouraging greater numbers and distances of car trips. Some positive effects are likely due to certain locations having access to services and facilities, and through the encouragement of sustainable travel. However, it is unlikely that any strategic level infrastructure improvements would be secured.

For Option C3, which involves strategic sites at the NLA, there is greater potential for positive effects due to the strategic scale of development and potential to strengthen transport links with Leicester City in particular. As such, moderate positive effects are recorded. The focus of growth into concentrated sites could also bring negative effects with regards to congestion, but at this scale of growth, only minor negative effects are anticipated.

For Option C4, there is a focus on the NLA, but not necessarily on strategic sites. There should still be potential for moderate positive effects given that strategic sites should be well connected to the City, and can also provide services and facilities on site. However, the potential for negative effects to be of a higher significance compared to C3 is noted, as growth would be more likely to be dispersed and could be more likely to put pressure on current infrastructure without securing strategic improvements. Therefore, potential moderate negative effects are recorded.

| | | City | Near Leicester Area | Market towns | Other settlements | Overall effects |
|----------------------------------|-----------|----------------|---------------------|----------------|----------------------------|-----------------|
| Ontion 1 | A1 HENA | √√/ x x | √√/ × × | √√/ x × | √/ x x ? | √√/ x x |
| Option 1 Settlement tiers | B1 Higher | √√/xx | √√/ ×× | √√/xx | √/ x x | √√/ x × |
| | C1 Lower | √/ × | √/ <u>×</u> | √/× | √/ x ? | √/ × |
| Option 2 Equal Share | A2 HENA | √√/ x x | √√/×× | √√/xx | √/ × × [?] | √√/ x x |
| | B2 Higher | √√/ x x | √√/×× | √√/xx | √/ x x | √√/ x x |
| | C2 Lower | √/ × | √/ <u>×</u> | √/× | √/ <mark>×</mark> ? | √/ × |
| Option 3 | A3 HENA | √√/ x | √√/ × | √√/ x x | √/× | √√/ x |

| Transport an | d Travel | | | | | |
|-----------------|-----------|------------------------------------|------------------------------------|------------------------------------|-----------------------------|------------------------------------|
| Strategic Site | B3 Higher | √√/ xx ? | √√/ ×× ? | √√√ [?] /xxx [?] | √ √ [?] / × | √√/×× [?] |
| focus | C3 Lower | √√/ x | √√/ x | - | - | √√/ x |
| Option 4 | A4 HENA | √√√ [?] /××× [?] | √√√ [?] /××× [?] | - | - | √√√ [?] /××× [?] |
| Leicester urban | B4 Higher | √√√/xxx | √√√/ x ×× | - | - | √√√/××× |
| periphery focus | C4 Lower | √√/xx | √√/xx | - | - | √√/ x × |
| Option 5: | A4 HENA | √√/xx | √√/xx | √√/×× | √/xx [?] | √√/ x × |
| HENA | B5 Higher | √√/xx | √√/xx | √√√ [?] /xxx [?] | √/×× | √√/×× |
| Distribution | | * * / * * | * * / * * | V V V / X X | · / * * | * * / * * |

Appraisal findings: Climate Change

The findings relating to the Sustainability Topic 'Climate Change' are presented in the following tables.

Climate Change Mitigation

Climate change mitigation is a topic which does not conform to an approach which highlights specific, locational and isolated effects within any one area. The effects would be experienced as an area as a whole and as such the appraisal of this topic will focus on overall effects for Leicestershire with the scale and distribution of growth being the key variables. Important factors relating to development which effect efforts to minimise the causes of climate change relate to the ability for the occupants of new housing developments in the county to access sustainable modes of transport for both long and short journeys; active travel is highly beneficial in this respect (with a multitude of additional cross-cutting benefits), as well as public transport and efforts made to locate development in close proximity to jobs, shops and services. The ability for new developments to positively contribute towards carbon sequestration efforts (e.g. tree planting or protection of carbon sinks) is important as well as the ability for a development to promote energy efficiency or low-carbon energy generation.

Internal development scheme mobility and the efficiency of housing are highly dependent upon the development itself and broadly relate to scheme viability; as such, associated assumptions are not made and it is accepted that any development has the potential to offer energy efficient housing with internal transport options reducing the need to use greenhouse gas (GHG) emitting vehicles onsite. District-wide energy generation schemes are very reliant upon technical feasibility, viability and the required energy demand profiles. Certain locations could be more suitable than others, but without detailed evidence, only high level assumptions could be made (i.e. development in denser urban locations and / or where there are existing anchor loads for energy demand).

Growth scenario A - 15,900 dwellings (Current unmet housing needs)

Option A1 would split housing between Leicestershire's market towns, other identified settlements and in the urban periphery of Leicester. The approach would mean that housing growth is fairly well distributed across the county, and as such effects would be dispersed too. This level and distribution of growth would be likely to result in improved sustainable transport provisions (active travel infrastructure, public transport and electric car charging networks) connecting new growth to shops and services in the NLA and in the County's market towns. Growth in the more isolated other identified settlements would not be expected to deliver as significant sustainable transport provisions due to the lower scale of growth across a wider number of areas, meaning schemes are potentially less viable. These areas would also be likely to be less well connected to shops, services and employment, potentially increasing car dependency.

In terms of overall car use, short, medium and longer term effects are likely to be minor positive effects. Though the potential for emissions reductions is likely to be lower for a more dispersed approach, there could still be an overall improvement in per capita emissions (through sustainable design, carbon sequestration efforts on some sites, and support for sustainable transport.

Overall, this approach would promote positive effects of some onsite carbon sequestration, energy efficiency and generation schemes where viable as well as the

likelihood of improved and additional sustainable transport provisions connecting new housing growth to areas of higher retail, service and employment densities. Conversely, the increase in housing development and associated growth would be expected to lead to an increase in car use, driving up GHG emissions in the area in the short to medium-term. This approach's high level of growth would also be expected to lead to some poorer located sites which serve to increase car dependency and offer fewer positive opportunities associated with larger scale developments. On balance minor positive effects are predicted, as development ought to help reduce per capita emissions in the longer term, offsetting any increases in emissions from transport and the built environment.

Option A2 would see each of Blaby, Charnwood, Harborough, Hinckley, Melton and North West Leicestershire receiving levels of growth which are aligned (2271), though the distribution of growth is likely to differ within each District. The overall scale of growth would be the same as that outlined under Option A1, though growth would vary more between settlement categories. As outlined previously, the significance of effects would be largely expected to be magnified in line with increased growth and viceversa. Levels of growth across settlement types vary slightly between Option A2 and A1. The key areas of variance would be: magnified growth and effects in Oadby and Wigston and Blaby's NLA, Melton Mowbray and Coalville and reduced growth and effects in Charnwood's, Harborough's and Hinckley and Bosworth's NLA and market towns.

This approach would involve a greater proportion of available site options in order to fulfil the growth proposed. This could reduce the ability for sites to be selected based on strategic priorities relating to reducing the County's GHG emissions; hence, whilst the most sustainable sites in this respect would be likely to be utilised, maximising their potential for carbon sequestration, renewable energy generation and energy efficient schemes, there would be some requirement to allocate sites which are less favourable.

On balance minor positive effects are predicted, as development ought to help reduce per capita emissions in the longer term, offsetting any increases in emissions from transport and the built environment that might occur.

Option A3 would require more of the large, strategic site options to be utilised to meet the housing need, which would have some implications for the effects linked to this approach. The approach would be less likely to allow for the selection of sites based on their ability to meet strategic climate change mitigation priorities, such as carbon sequestration measures or energy efficiency and renewable energy generation schemes. The additional growth within Market Towns is unlikely to create the economies of scale required to support new sustainable transport infrastructure but is likely to enhance existing public transport services and the proximity to services at the nearby market towns potentially leads to reduced and shorter car journeys to access retail and services. The approach would be likely to bring improved provisions of sustainable transport infrastructures and services, with some of these benefits spreading to communities located in close proximity to the improvements. The inclusion of the some more isolated strategic sites (e.g. in North West Leicestershire and Charnwood) would be more likely to result in an increase in car dependency than seen from the sites better connected to existing concentrations of retail, services and employment (i.e. sites within the NLA and market towns). Overall, moderate positive effects are predicted, despite the increase in growth, per capita emissions are likely to reduce in the longer term given the opportunities for sustainable growth on strategic sites, especially those with strong links to the NLA and market towns.

Option A4 would see Leicester's urban periphery in Blaby, Charnwood, Harborough, and Hinckley and Bosworth seeing the greatest housing growth (3330 units each) with slightly lower growth in Oadby and Wigston (2582). The increase in overall growth under this option would lead to both positive and negative effects. The effects would be likely to be more pronounced in areas seeing higher growth. The level of growth proposed would mean that a larger proportion of site options within the NLA would need to be allocated to meet the housing need. This would reduce the ability pick and choose sites on their merit with respect to the potential for onsite tree planting, renewable energy generation and efficient energy schemes or locating them in close proximity to retail, services or existing sustainable transport provisions. Conversely, a

higher concentration of development in the NLA could help to support improvements to transport and renewable energy provision. The positive effects would therefore be likely to be magnified, Though total emissions would increase with greater housing provision, the per capita emissions would expected to be improved, therefore the negative effects are not predicted to raise significantly. Overall, minor positive effects are predicted. Whilst an increased concentration of development in the NLA could better support sustainable transport and energy solutions, some sites might need to be included that are less well placed in terms of achieving carbon sequestration and accessibility. Nevertheless, the overall picture should be an improvement in terms of per capita emissions.

Option A5 aims to deliver growth in line with locally assessed housing needs across the County. The bulk of growth (75%) would be distributed within the NLA and Market Towns, which is positive in terms of accessibility. Under A5, Blaby would get more substantial growth (3492) whilst Oadby and Wigston are allocated lower growth. The growth within the Blaby NLA is likely to produce substantial economies of scale likely to facilitate new sustainable transport infrastructure and also enhance existing public transport within Blaby and surroundings. The overall level of growth within the NLA would be on par with option A2 and as discussed above, the significance of effects would be largely expected to be magnified in line with increased growth and vice-versa. Consequently, magnified growth and effects would be likely in Blaby's NLA, Hinckley and North West Leicestershire and reduced growth and effects in Charnwood, Harborough, Melton and Oadby and Wigston. Importantly, this option seeks to allocate growth according to projected population and employment growth and therefore predicted to create positive effects by placing new housing growth where its most needed, close to economic growth thus helping to reduce the number and length of car journeys required to travel to work and access services.

Overall, this approach would promote positive effects of some onsite carbon sequestration, energy efficiency and generation schemes where viable as well as the likelihood of improved and additional sustainable transport provisions connecting new housing growth to areas of higher retail, service and employment densities. Conversely, the increase in housing development, particularly within the NLA, and associated growth would be expected to lead to an increase in car use, driving up GHG emissions in the area in the short to medium-term. Overall, potential moderate positive effects are predicted.

Growth scenario B - 20,000 dwellings (25% uplift on current unmet housing needs)

Option B1 follows a similar approach, in terms of distribution, to option A1 but with a higher amount of growth. The effects are anticipated to be similar to those under option A1 but amplified in magnitude (positive or negative) due to the greater amount of growth proposed. On balance, minor positive effects are predicted overall as the benefits of new infrastructure and high quality development ought to outweigh any increases in emissions, meaning that per capita emissions reduce for the County.

Option B2 replicates the distribution approach taken in Option A2 but with an uplift in total growth. Blaby, Charnwood, Harborough, Hinckley, Melton and North West Leicestershire each get 2903 new homes and Oadby and Wigston get 2582 units. Effects are likely to be similar to those under option A2 with their significance amplified in line with increased growth and vice-versa. Due to the significantly larger growth, there would be less scope to pick and choose sites as a greater proportion of available sites would need to be allocated in order to fulfil the required growth. This would reduce the ability for sites to be selected based on strategic priorities relating to reducing the County's GHG emissions; leading to some sites being allocated in less sustainable locations. On the other hand, the greater growth, particularly around the NLA would likely facilitate new and improved sustainable transport infrastructure. The location of new housing in close proximity to centres of employment and services would also help reduce reliance on cars and reduce the frequency and duration of car journeys. However, as with option B1, the greater amount of growth will inevitably lead to more vehicular traffic resulting in an increase of emissions. On balance, minor positive effects are predicted overall as the benefits of new infrastructure and high quality development ought to outweigh any increases in emissions, meaning that per capita emissions reduce for the County.

Option B3 involves a growth of 20,000 homes on strategic sites mainly within the NLA and market towns. Harborough (5675) and Blaby (4695) would get over half the total growth with the rest split across Hinckley (2375), Charnwood (1925), Melton (1925), North West Leicestershire (1925) and Oadby and Wigston (1480). The substantial

generation and energy efficient CHP / district heating schemes (though this would take time to implement). Other positive effects are likely as the scale of growth is likely to include mixed schemes including new employment, retail, services and community facilities helping reduce the need to travel further afield and facilitating active modes of travel. This would be countered by potentially negative effects associated with less flexibility in choice of sites for development (due to higher growth) and increased vehicular traffic due to increased growth particularly within the NLA areas surrounding Leicester. Some of the more remote sites would necessitate car journeys to access employment and services. Overall, moderate positive effects are predicted, despite the increase in growth, per capita emissions are likely to reduce given the opportunities for sustainable growth on strategic sites, especially those with strong links to the NLA and market towns. However, it should be noted that the full benefits associated with some of the strategic sites might only arise beyond 2036 once schemes are complete. Requiring developments to secure infrastructure improvements such as transport services and utilities prior to substantial housing growth can help to bring the benefits forward in time though.

Option B4 maximises growth within the NLA around Leicester, distributing it across adjacent LPAs. The bulk of growth would be focused around Leicester's urban periphery in Blaby (4594), Charnwood (4594) and Harborough (4594) followed by Hinckley (3637) and Oadby and Wigston (2582). The effects are expected to be similar to those under option A4 but amplified due to the larger scale of growth. The higher level of growth would reduce choice of sites resulting in a larger proportion of site options within the NLA being allocated to meet the higher growth targets. This would reduce the ability be selective about sites that are most amenable to onsite tree planting, renewable energy generation and efficient energy networks. Conversely, the substantial scale of growth is likely to produce the kind of economies of scale required for new sustainable transport infrastructure, new employment, retail, services and community facilities. On the other hand, the substantial additional growth would inevitably lead to increased vehicular traffic flow particularly in the NLA and into / out of Leicester leading to increased GHG emissions. On balance potential moderate positive effects are predicted as the concentration of growth into the NLA ought to support improved infrastructure for sustainable travel and low carbon energy solutions. This outweighs potential minor effects in terms of increased car trips (particularly as the NLA has good accessibility broadly speaking).

Option B5 is similar to A5 in that it distributes growth according to the HENA evidence base but adds a 25% uplift in growth (20,000). The bulk of growth would be distributed within the NLA and Market Towns. Blaby would get more substantial growth (6,000) followed by North West Leicestershire (3,990) then Hinckley (3,637), Harborough (2393), Melton (1660) Charnwood (1308) and Oadby and Wigston (1006). The growth within the NLA, particularly in Blaby, is likely to produce economies of scale likely to facilitate new sustainable transport infrastructure and also enhance existing public transport within Blaby and surroundings. The overall level of growth within the NLA would be on par with option B2 and as discussed above, the significance of effects would be largely expected to be magnified in line with increased growth and vice-versa. Consequently, magnified growth and effects would be likely in Blaby's NLA and North West Leicestershire and reduced growth and effects in Charnwood, Harborough, Melton and Oadby and Wigston. This option seeks to allocate growth according to projected population and employment growth and therefore predicted to create positive effects by placing new housing growth where its most needed, close to economic growth thus helping to reduce the number and length of car journeys required to travel to work and access services.

The scale of growth, particularly in Blaby, Hinckley and North West Leicestershire could provide the economies of scale to support new energy infrastructure (renewable generation and/or CHP and district heating schemes), though there would be a need for a coordinated approach given that sites are not necessarily all strategic in nature. The potential for substantial carbon sequestration through planting maybe slightly reduced compared to lower growth options due to the scale of growth which may necessitate higher density housing. Furthermore, the increase in housing development, particularly within the NLA would be expected to lead to an increase in car use, driving up GHG emissions in the area in the short to medium-term. On balance <u>potential</u> moderate positive effects are predicted, as development ought to help reduce per capita emissions in the longer term, offsetting any increases in emissions from transport and the built environment.

Growth Scenario C - 7950 dwellings (50% of current unmet housing needs)

Option C1 would involve dispersed delivery of growt. Growth would be spread across the NLA, market towns and around other identified settlements. In terms of transport, it would be likely that growth within the NLA would lead to some minor improvements to sustainable transport provision (active travel options, public transport and electric vehicle facilities)..

Growth of 525 homes within each of Coalville, Loughborough, Melton Mowbray and Hinckley, with the same growth split between Lutterworth and Market Harborough is likely to bring positive effects to these areas relating to improved sustainable travel provisions. The further housing growth of 541 across Oadby &Wigston and the 437 dwellings distributed across other identified settlements within the County, would be likely to provide some improvements to existing sustainable transport provisions, but due to the more distributed growth, effects would be more thinly spread and hence viability of large schemes would be considerably reduced. In terms of accessibility, most development ought to be relatively well located in terms of facilities and jobs, and therefore per capita emissions would not be expected to increase in this respect.

Total GHG emissions could be expected to rise as a result of the increase in car use, particularly given the longer trips that would be involved for growth in the lower order settlements that have a relative scarcity of shops, services and jobs. Whilst this is negative, as mentioned earlier, the longer-term prospects of widespread electric vehicle usage mean that any negative effects are more likely to be experienced over the short to medium-term (though this makes assumptions that the national grid would be generating from lower carbon sources).

In addition to these effects, on a County-wide scale, this approach would offer opportunities to select sites which offer greater potential for onsite tree planting, renewable energy generation and efficiency potential or locating in very close proximity to shops, services or existing sustainable transport provisions. Hence, due to this approach being able to be more selective over site options, most of the additional growth would be expected to be on well located sites with an increased potential to contribute towards mitigating the causes of climate change in the ways discussed.

On balance this approach is predicted to have neutral to <u>potential</u> <u>minor</u> <u>positive</u> <u>effects</u>. Though the potential for emissions reductions is likely to be lower for a more dispersed approach, there could still be an overall improvement in per capita emissions (through sustainable design, carbon sequestration efforts on some sites, and support for sustainable transport.

Option C2 would see each of Blaby, Charnwood, Harborough, Hinckley, Melton, North West Leicestershire and Oadby and Wigston receiving equal levels of growth (1136 each), though the distribution of said growth is likely to differ within each District. The overall scale of growth would be the same as that outlined under Option C1, though growth would vary more between settlement categories. As outlined previously, the significance of effects would be largely expected to be magnified in line with increased growth and vice-versa. The level of growth proposed in Oadby and Wigston under C2 is around double that proposed under option C1, which is likely to have favourable effects on improving sustainable transport provision, particularly in view of the proximity of the area to Leicester. Otherwise, the Levels of growth vary relatively little between Options C2 and C1, meaning that effects would be likely to be on par. The key areas of variance would be: magnified growth and effects in Oadby and Wigston, Blaby's NLA, Melton Mowbray and Coalville and reduced growth and effects in Charnwood's, Harborough's and Hinckley and Bosworth's NLA and market towns.

On balance this approach is predicted to have neutral to <u>potential</u> <u>minor</u> <u>positive</u> <u>effects</u>. Though the potential for emissions reductions is likely to be lower for a more dispersed approach, there could still be an overall improvement in per capita emissions (through sustainable design, carbon sequestration efforts on some sites, and support for sustainable transport.

Option C3 would see housing growth distributed across strategic sites, south and south east of Leicester. The largest is located in Harborough (3250), followed by Blaby

(2770), Oadby and Wigston (1480) and Hinckley and Bosworth (450). Large concentrations of housing growth have the potential to increase the viability of sustainable transport schemes connecting the growth to areas of high retail, service and employment densities. Such schemes could include active travel provisions (including segregated cycle lanes), new and improved public transport services and multi-modal transport hubs which can serve to reduce car dependency, driving down GHG emissions. Conversely, the increase in population would be expected to lead to an overall increase in car journeys in these areas, leading to increases in GHG emissions in the short to medium-term.

The large scale of growth would improve the likelihood and viability of onsite tree planting and retention as well as offering increased viability of renewable energy generation and efficient energy networks such combined heating and power (CHP) schemes and district heating networks or other renewable energy. These become more viable on larger strategic developments, through economies of scale, and work best on sites selected for characteristics which make them amenable to such schemes. As such, whilst this approach would include some sites which are further from Leicester (e.g. at Harborough), the sites with the most suitable characteristics may be chosen.

Under this approach of developing new, large scale settlements, where these are in close proximity to established settlements, the likelihood of sustainable transport modal uptake would be higher due to proximity to retail, community facilities, services and employment. In more isolated areas of growth, it is generally more difficult to promote uptake of sustainable travel due to issues relating to convenience and longer distances relative remoteness from centres of services and employment. Hence, where growth under this approach would mostly be focused around the NLA providing accessibility to Oadby, Wigston, Blaby and Leicester, sustainable modes of transport would be expected to see some higher uptake. The substantial strategic settlement around Harborough is likely to generate significant benefits due to the economies of scale it could create. This is likely to help provide new sustainable transport modes and the settlement would also benefit from proximity to existing services in Harborough and Leicester. However, some of these effects would not arise within in the period up to 2036, but the commitment to strategic growth could certainly lay the foundations for such positive effects.

The smaller amount of growth at Hinckley and Bosworth (450) is unlikely to produce the same economies of scale required to facilitate new sustainable transport infrastructure and low carbon solutions; but is likely to make existing services more viable (such as bus routes and train services) and potentially lead to improved services. It should be recognised that much of the growth required to create economies of scale on these strategic sites would occur beyond the plan periods being considered in this SOCG. However, commitment to the delivery of strategic sites in the current plan periods (to address an element of unmet needs) would set the foundation for significant benefits in the longer term.

The concentrated growth will be expected to deliver increased viability of sustainable transport schemes which will benefit people needing to travel to and from strategic sites, potentially reducing car dependency and therefore reducing the per capita GHG emissions associated with car use (in the short to medium term). The viability of such schemes would be expected to be greater in settlements located near to existing settlements and Leicester (Blaby, Oadby and Wigston). For smaller developments, relatively more distant from Leicester (Hinckley and Bosworth), it would be expected that car dependency would not be reduced as much and sustainable travel provisions less well connected to retail, employment and services (though it should be expected that standalone new developments would provide some services on site). Regardless of the sustainable transport provisions, the increase in population growth would be likely to lead to an increase in car use, resulting in an increase in GHG emissions in the short to medium-term.

On balance <u>potential</u> <u>moderate positive effects</u> are predicted, as development ought to help reduce per capita emissions in the longer term, offsetting any increases in emissions from transport and the built environment.

Option C4 would see growth of 7950 dwellings within a 10km radius from the centre of Leicester, spread equally across Blaby, Charnwood, Harborough, Hinckley and

Bosworth, and Oadby and Wigston. Within and around the band of growth around Leicester, it would be expected that some new schemes would be established which support sustainable modes of transport, including public transport, active travel and electric vehicle use; this relative concentration of growth would be expected to increase the viability of such schemes. This would be expected to increase sustainable travel rates amongst future communities as well as for existing populations and areas which are in close proximity to the improvements. In contrast to this, where dominant behavioural norms make personal motor vehicles the most common form of transport choice, the large concentration of growth within 10km of the centre of Leicester could be expected to lead to an increase in car use, leading to an increase in carbon emissions.

In part, this could be seen as a short to medium-term issue due to the expected widespread rollout of electric vehicles, making the use of private vehicles less likely to contribute as significantly towards climate change (taking aside embodied emissions from battery production and electricity). National policy directives targeting substantial GHG emission reductions and a net neutrality by 2050 have suggested a ban on all new petrol and diesel cars by 2030. This drive is expected to rapidly increase the widespread provision of charging facilities and bolster a market driven surge in affordable electric cars, becoming the norm for personal motor vehicles.

The site options under this approach could increase the viability of energy efficient schemes such as district heating or renewable energy generation schemes, but this is uncertain, and only likely with mixed use schemes or close to existing concentrations of development. Some sites within the NLA, especially to the east and west of Leicester would also be likely to provide some onsite tree planting and in the small number of cases where the sites encompass areas of tree cover, for the most part it ought to be possible to retain these.

Overall, this approach would be expected to have some mixed effects. The location of growth near centres of employment and services should help reduce the need to travel further afield. Minor positive effects would be likely to be seen through improvements to sustainable travel options, including active travel and public transport provision would help 'nudge' people into behaviour change potentially reducing use of private cars in favour of walking, cycling and public transport. Further positive effects relate to the potential for some tree planting schemes on land which for the most part across the site options, is greenfield land with relatively low tree cover. These larger site options would also provide some increased potential for low carbon energy generation schemes onsite as well as more efficient energy distribution systems such as district heating schemes associated with larger scale developments. Some minor negative effects associated with the growth's knock-on uptick in car use would be expected to increase GHG emissions associated with personal mobilities, however the future drive to ensure widespread use of electric vehicles should mean that this is a short to medium-term problem. Overall, a minor positive effect is predicted as the benefits are likely to outweigh any increases in emissions.

| City | Near Leicester | Market towns | Other | Strateaic Sites | Overall |
|------|----------------|--------------|-------------|-----------------|---------|
| City | Area | Market towns | settlements | Strategic Sites | effects |

| Climate Change Mitig | ation | | | | | | |
|--|-----------|---|---|---|---|---|-------------------------|
| 0.11. | A1 HENA | / | / | 1 | / | / | ✓ |
| Option 1 Settlement tiers | B1 higher | / | / | / | / | / | ✓ |
| settlement tiers | C1 lower | / | / | 1 | / | / | ^, |
| | A2 HENA | / | / | 1 | / | / | ✓ |
| Option 2 Equal Share | B2 higher | / | / | 1 | / | / | ✓ |
| | C2 lower | / | / | 1 | / | / | ^, |
| Outlan 2 Stuatonia Sitas | A3 HENA | / | / | 1 | / | / | √√ |
| Option 3 Strategic Sites focus | B3 higher | / | / | / | / | / | ✓ ✓ |
| locus | C3 lower | / | / | / | / | / | √ √ , |
| Option 4 <i>Near Leicester Area focus</i> | A4 HENA | / | / | / | / | / | ✓ |
| | B4 higher | / | / | / | / | / | √ √ ³ |
| | C4 lower | / | / | / | / | / | ✓ |
| Option 5 HENA | A5 HENA | / | / | / | / | / | √ √ , |
| Distribution | B5 higher | / | / | / | / | / | √ √ ? |

Appraisal findings: Landscape and land

The findings relating to the Sustainability Topic 'Landscape and Land' are presented in the following tables.

Landscape and Land

City

Growth in areas outside of the city is not likely to have any adverse effects on land resources in the city. In regard to landscape impact, accommodating growth outside the city should avoid the further intensification of the city area that could otherwise result in the loss of open and green spaces and require higher densities which would undermine the character of the built area. However, higher levels of growth in the NLA as proposed under all growth scenarios except C1 and C2, and to a greater extent under scenarios A4, B4 and C4, would result in the substantial loss of open green space on the periphery of the city which is important to its character in places. These issues are addressed and impacts recorded in the discussions below relating to the NLA.

Near Leicester Area (NLA)

Most of the land within the NLA area is classified as grade 3 agricultural land. However, to the south and south-east of the city boundary, there are small pockets of land that still fall into the urban land classification. Development at the majority of the urban periphery of Leicester has the potential to affect the rural character outside of the City boundary. In terms of landscape character and sensitivity, growth in some parts of the urban periphery could be seen to 'close the gap' between nearby smaller settlements, such as Thurmaston and Syston, Oadby and Great Glen, Birstall and Rothley. This could have negative effects on landscape character.

Growth scenario A - 15,900 dwellings (Current unmet housing needs)

For **Option A1**, in Charnwood, some of the growth involved can be accommodated across a number of less sensitive small greenfield and brownfield site options within or adjacent to the built up area. However, a small amount of growth would also likely be required on larger greenfield sites, and this could lead to significant negative effects.

In Harborough, this scale of growth would require site options within and immediately adjacent to Bushby, Thurnby and Scraptoft and some parts of larger sites. This will result in the loss of Grade 3 agricultural land, although it is not clear if this is among the best and most versatile. This will also cause some harm to landscape character, but this scale should be able to avoid any substantial coalescence effects, and therefore effects are minor/moderate.

In Blaby, a small portion of the growth can be accommodated on sites of low sensitivity However, most of the growth would need to be accommodated outside of existing built up areas on adjacent sites. At this scale, growth could be accommodated across a number of less sensitive sites and sites that would not cause significant coalescence effects. However, with sites adjacent to built up areas being greenfield Grade 3 agricultural land, the scale of growth proposed is likely to result in some loss of the best and most versatile agricultural land. Some harm is also likely on landscape impact, although at most locations adverse effects can likely be mitigated to a great degree through sensitive design.

In Hinckley, this scale of growth would result in the loss of Grade 3 agricultural land. This scale would also require either the use of site options around Ratby, to the north of Markfield Road or sites to the north west of Groby. Growth to the north west of Groby would not relate with the main urban area and therefore represent urban sprawl into open countryside, with the exception of Bradgate Hill which will form an extension to an existing built up area on a site enclosed by woodland. Growth in the other two locations would be more likely to alter the built character of settlements and appear as an intrusion of built development into open countryside. At this scale, the growth can be dispersed across less sensitive site options and the partial use of more sensitive site options supported with new landscape features and green space to reduce coalescence and other adverse effects on landscape character. Highly sensitive areas such as to the west of Ratby can also be avoided.

In Oadby and Wigston, the scale of growth proposed under option A1 is predicted to have similar effects to those under growth scenario C2.

Cumulatively, this growth scenario would result in a loss of Grade 3 agricultural land and loss to the openness of landscape character in the NLA across all areas. In addition, the growth proposed in Charnwood, Hinckley and Oadby and Wigston is likely to cause more substantial harm to landscape character. Therefore, a moderate negative effect is predicted.

For **Option A2** in Charnwood, the scale of growth proposed under option A2 is predicted to have similar effects to those under growth scenario A1. However, there should be further flexibility to distribute growth to avoid negative effects on landscape character and agricultural land. As such, only minor negative effects are predicted.

In Harborough, the scale of growth proposed under option A2 is predicted to have similar effects to those under option A1. Although, the higher scale of growth proposed would require further use of larger sites and thus exacerbate effects on land resources and landscape character.

In Blaby, the scale of growth proposed under option A2 is predicted to have similar effects to those under option A1.

In Hinckley, this scale of growth is likely to derive similar effects to those under growth scenario A1. However, the additional growth would require the use of some more sensitive site options, but a combination of choice and opportunities to incorporate substantial new green space and landscape features should reduce potential adverse effects. This scale should also not result in any significant loss of agricultural land.

In Oadby and Wigston, this scale of growth would require the comprehensive use of most site options adjacent to the main urban area to avoid strategic sites in the countryside which do not relate to existing settlements and represent a sporadic form of development. This will limit opportunities to introduce new green space and landscape features to help contain the significant intrusion of built development into an otherwise open and exposed landscape. This option would also result in a sizable loss of Grade 3 agricultural land resource, although it is unclear if this is amongst the best and most versatile.

The severity of adverse effects across the NLA vary substantially between local authority areas under this option. However, cumulatively this option will result in the loss of important agricultural land resources and has potential to cause substantial harm to landscape character particularly in Blaby and Oadby and Wigston. Therefore, a potential moderate negative effect is predicted overall.

For **Option A3**, in terms of soil, the strategic sites predominantly consist of Grade 3 agricultural land. Whilst it is unclear if this is amongst the best and most versatile, this option would result in a substantial loss of important agricultural land resource. Development on site options in Harborough, Blaby and Oadby and Wigston will extend unrestricted into open countryside and in some locations could cause coalescence between the main urban area and independent settlements currently in open countryside. This is likely to have significant adverse effects on landscape character by affecting the setting of independent settlements, openness and by appearing as an intrusion (depending upon the scale, layout and design) of built development into open countryside. However, some harm can be reduced through introducing new planting and landscape features such as trees and hedgerows including new natural boundary treatment. In Blaby and Hinckley, development on some of the strategic sites could cause coalescence between the main urban area of Leicester and surrounding settlements, but there ought to be potential to introduce mitigation and there would be a choice between sites to be made. Nevertheless, overall, a major negative effect is predicted due to the substantial loss of agricultural land resources, likely impact on landscape character and potential for coalescence between settlements. However, it ought to be possible to minimise effects through avoidance and mitigation measures.

For **Option A4**, in Charnwood, this higher scale of growth would result in the greater loss of Grade 3 agricultural land. The effects on landscape character are also likely to be more prominent, as it would be necessary to encroach upon site options that do not relate as well to existing built-up areas, which contain important landscape features or could exacerbate coalescence, and thus are of higher sensitivity to change. These are major negative effects.

In Harborough, this scale of growth would require the comprehensive use of site options including strategic sites which do not relate to the main urban area and sizable sites surrounding smaller settlements. This option is likely to result in the significant loss of Grade 3 agricultural land, although it is not clear if this is among the best and most versatile. The substantial development of the sites would also represent a significant intrusion of the built-up area to the east of Leicester into open countryside, potentially covering areas with sensitive landscape features. Development could further change the character of settlements (including more sensitive smaller settlements) and cause significant coalescence between settlements. Opportunities for avoidance and mitigation are more limited at this scale (compared to C4), and therefore, the potential for major negative effects exists.

In Blaby, this scale of growth in the NLA would require the use of numerous site options that fall within or adjacent to the built-up areas. However, it is likely that growth on the most sensitive sites that do not relate to built-up areas or would cause significant coalescence, such as sites between Kirby Muxloe and Leicester City that provide an important natural gap between the built-up areas, can be avoided. Cumulatively, development will lead to a substantial loss of Grade 3 agricultural land, although it is not clear if this is among the best and most versatile. Whilst site options that relate to the built-up area can be utilised, at this scale of growth several site options that contain more sensitive landscape features would need to be used although some adverse effects on landscape character can potentially be mitigated through sensitive design that protects important landscape features, planting and effective boundary treatment. It is expected that there could be moderate negative effects.

In Hinckley, this level of growth will require the utilisation of almost all site options. This will result in the substantial loss of Grade 3 agricultural land. This could also cause significant harm to landscape character through increased coalescence between Anstey and Groby and Ratby and Groby. This would also cause significant harm to the character of the built up area through the insensitive expansion of Ratby and Groby and growth would appear as an intrusion of built development into open countryside. Therefore, moderate to major negative effects are possible.

In Oadby and Wigston, the scale of growth proposed under option A4 is predicted to have similar effects to those under growth scenario A2. However, opportunities to introduce new landscape features and green space to help mitigate the substantial harm to landscape character are further constrained if development on the most sensitive sites is avoided.

Cumulatively, this growth option would result in a significant loss of Grade 3 agricultural land across the NLA and a substantial disturbance to open landscapes from intensive development in several locations. Therefore, a <u>potential major negative effect</u> is predicted overall in these locations. Given the heavy focus on the NLA, it would be more difficult to avoid and mitigate some of the more serious impacts on the sites that are known to be more sensitive.

For **Option A5**, in Charnwood, the scale of growth proposed is predicted to have similar effects to those under growth scenario C2 (i.e. neutral / minor negatives).

In Harborough, the scale of growth proposed under option A5 is predicted to have similar effects to those under growth scenario C1 (i.e. minor negative effects). Although, the higher scale of growth proposed would slightly exacerbate effects on land resources and landscape character.

In Blaby, the scale of growth proposed under option A5 is predicted to have similar effects to those under growth scenario A4 (i.e. moderate / major negative effects)

In Hinckley, the scale of growth proposed under option A5 is predicted to have similar effects to those under growth scenario A2 (i.e. minor to moderate negative effects)

In Oadby and Wigston, the scale of growth proposed under option A5 should allow for a lower density of development incorporating additional green space and landscape features whilst minimising the use of less sensitive sites, which means the potential moderate negative effects are identified. f

Overall, this option is likely to result in moderate negative effects mainly due to the substantial harm to landscape character as a result of growth in Blaby. Whilst some locations would only see minor negative effects, the potential for major negatives exist in some locations.

Growth scenario B - 20,000 dwellings (25% uplift on current unmet housing needs)

For Option B1, in Charnwood, the scale of growth proposed is predicted to have similar effects to those under growth scenario A1, but the higher scale of growth could tip the effects into moderate / major negative effects

In Harborough, the scale of growth proposed under option B1 is predicted to have similar effects to those under growth scenario A1 (i.e. minor/moderate negative). However, a greater amount of growth would be required on larger sites and thus the adverse effects on landscape character and agricultural land resource is somewhat exacerbated.

In Blaby, the scale of growth proposed under option B1 is predicted to have similar effects to those under growth scenario C4. However, the slightly lower scale of

growth will allow development to avoid some sites with greater potential for landscape impact.

In Hinckley, the scale of growth proposed under option B1 is predicted to have similar effects to those under growth scenario C4. However, the slightly lower scale of growth should allow for the reduced use of more sensitive site options.

In Oadby and Wigston, the scale of growth proposed under option B1 is predicted to have similar effects to those under growth scenario C4. Although, the smaller quantum of growth proposed should reduce the adversity of effects slightly.

Overall, a moderate negative effect is predicted due to the substantial loss of agricultural land resources and potential harm to landscape character. It ought to be possible to avoid major negative effects in most authorities, but where there is less scope to avoid negative effects, major negative effects could arise.

Option B2

In Charnwood, Harborough and Hinckley the scale of growth proposed under option B2 is predicted to have similar effects to those under growth scenario A1.

In Blaby, most of the growth would need to be accommodated on sites adjacent to the built up area. At this scale, growth can be accommodated across a number of less sensitive sites and sites that would not cause significant coalescence effects. However, there would be a substantial loss of Grade 3 agricultural land. Harm is also likely on landscape character, although there are some opportunities to limit effects through sensitive design.

In Oadby and Wigston, the scale of growth proposed under option B2 is predicted to have similar effects to those under growth scenario A2. However, opportunities to introduce new landscape features and green space to help mitigate the substantial harm to landscape character are further constrained if development on the most sensitive sites is avoided.

Overall, a moderate negative effect is predicted.

The effects for **Option B3** are similar to that under option A3 and presume the same use of strategic site options. Therefore, a **major negative effect** is predicted.

For **Option B4**, in Charnwood, this higher scale of growth would result in the significant loss of Grade 3 agricultural land. The effects on landscape character are also likely to be very prominent, as it would be necessary to encroach upon site options that do not relate to existing built-up areas or contain important landscape features and thus are of higher sensitivity to change. Additional growth along the A46 near Thurcaston and Anstey would further the coalescence of the villages with Leicester city. At this scale of growth, such effects would be more difficult to avoid and are significant.

In Harborough, this scale of growth would require the comprehensive use of site options and thus could have significant adverse effects, similar to those under option A4.

In Blaby, this scale of growth will have similar effects to those identified under option A4. However, a small amount of growth would also likely be required on more sensitive site options, such as those that do not resonate with urban areas or would increase coalescence between settlements.

In Hinckley, this scale of growth would require the comprehensive use of all site options. This is likely to have similar effects to those under growth scenario A4, however effects are exacerbated to reflect the reduced scope to integrate landscape features to reduce significant harm to landscape character.

In Oadby and Wigston, the scale of growth proposed under option B2 is predicted to have similar effects to those under growth scenario A2. However, opportunities to introduce new landscape features and green space to help mitigate the substantial harm to landscape character are further constrained if development on the most sensitive sites is avoided.

This higher level of growth will result in a significant cumulative loss of agricultural land resource and cause more substantial harm to landscape character across all areas, although in some areas there are opportunities for mitigation which should reduce the adversity of effects at a localised scale. Overall, a major negative effect is predicted.

Option B5

In Charnwood, the scale of growth proposed under option B5 is predicted to have similar effects to those under growth scenario C2.

In Harborough, the scale of growth proposed under option B5 is predicted to have similar effects to those under growth scenario A1.

In Blaby, the scale of growth proposed under option B5 is predicted to have similar effects to those under growth scenario A4. However, opportunities to introduce new landscape features without utilising additional more sensitive sites is undermined.

In Hinckley, the scale of growth proposed under option B5 is predicted to have similar effects to those under growth scenarios A2 and A5.

In Oadby and Wigston, the scale of growth proposed under option B5 is predicted to have similar effects to those under growth scenario C2.

Overall, a moderate negative effect is predicted mainly due to the substantial harm to landscape character in Blaby.

Growth Scenario C – 7950 dwellings (50% of current unmet housing needs)

Options C1 and C2

At the scale involved under growth scenario C2, it ought to be possible to avoid sensitive areas and a loss of agricultural land except in Hinckley and Oadby and Wigston where some loss is likely. For Option C1, the amount of growth is slightly higher and some greenfield land might be required, but there would be flexibility in choice.

Hence, neutral effects in relation to agricultural land resources are likely for both options.

In Charnwood, growth at the scales involved can be accommodated across a number of less sensitive small greenfield and brownfield site options within or adjacent to the built up area for Option C2. Therefore, effects are likely to be minor negative.

In Harborough, the amount of growth under scenario C1 would either require a more comprehensive development of the larger sites adjoining the main urban area or some use of smaller sites surrounding small settlements such as Great Glen and Houghton on the Hill. This is likely to result in some loss of Grade 3 agricultural land, and some minor effects in terms of landscape, particularly for option C1.

In Blaby, most of the growth would need to be accommodated outside of existing built-up areas on adjacent sites (particularly for C2). However, at this scale, growth could be accommodated across a number of less sensitive sites. As these sites are predominantly greenfield Grade 3 agricultural land, it is likely that a small amount of the best and most versatile agricultural land is lost. However, effects upon landscape would likely be minor.

In Hinckley, the level of growth involved under option C2 would require the use of greenfield site options, but growth can be accommodated on smaller site options not currently in agricultural use and which are well defined and resonate well with the built up area. Therefore, effects on the landscape and land resources under option C2 are not likely to be significant. Under option C1, additional growth can likely be accommodated on less sensitive sites adjacent to built up areas such as Bradgate Hill. Alternatively, a small amount of growth may require the use of less sensitive site options including through the expansion of Ratby or on other larger site options, which would either alter the character of Ratby or appear as an intrusion of built development into open countryside. This is likely to derive negative effects on landscape character but can likely be avoided.

In Oadby and Wigston, a small portion of the growth proposed under the growth scenarios can be accommodated on brownfield and greenfield sites within the urban area. Under growth scenario C1, the scale of growth involved would also require some use of sites adjacent to the main built up area, but this can be dispersed to areas which are less sensitive compared to others. However, the scale of growth proposed under scenario C2 will require the use of larger and more sensitive site options, resulting in greater loss of Grade 3 agricultural land and adversely impacting on landscape character and built character of the towns.

Overall, a <u>potential / uncertain</u> minor negative effect is predicted for option C1. This is due to the potential for some loss of grade 3 agricultural land and growth on the urban fringes that could affect landscape in particular areas. There is flexibility in site choice for these options in most authorities, hence overall effects being minor negative, despite potential for more prominent effects in Hinckley and Bosworth and Oadby and Wigston. For option C2, a minor negative effect is predicted with greater certainty, mostly as a result of the harm envisaged on landscape character from the scale of growth proposed in Oadby and Wigston.

Option C3 involves growth on strategic sites in the NLA. This scale of growth will involve the use of all site options in Blaby, Hinckley and Oadby and Wigston, and the comprehensive use of strategic sites in Harborough. The strategic sites predominantly consist of Grade 3 agricultural land. Whilst it is unclear if this is amongst the best and most versatile, this option would result in a substantial loss of important agricultural land resource. Development on site options in Harborough, Blaby and Oadby and Wigston will extend unrestricted into open countryside and in some locations could cause coalescence between the main urban area and independent settlements currently in open countryside. This is likely to have significant adverse effects on landscape character by affecting the setting of independent settlements, openness and

by appearing as an intrusion (depending upon the scale, layout and design) of built development into open countryside. However, some harm can be reduced through introducing new planting and landscape features such as trees and hedgerows including new natural boundary treatment. In Blaby and Hinckley, development on the strategic sites could cause coalescence between the main urban area of Leicester and surrounding settlements, though mitigation is possible.

Overall, a <u>potential / uncertain</u> major negative effect is predicted due to the substantial loss of agricultural land resources, likely impact on landscape character and potential for coalescence between settlements. However, it ought to be possible to minimise effects through avoidance and mitigation measures, particularly as the level of growth in Harborough is less compared to A3.

For **Option C4**, in Charnwood, some growth could possibly be accommodated on brownfield sites that fall within or relate well to the built-up area (mainly around Thurmaston) but most of the growth is likely to fall within areas of Grade 3 agricultural land. With regards to landscape, it is likely that greenfield sites will need to be released at this scale of growth, and this would likely lead to moderate /major negative effects as there are several sensitive sites across the area and growth is already planned in this location through the emerging local plan.

In Harborough, this scale of growth in the NLA would require the use of smaller site options within and immediately adjacent to Bushby, Thurnby and Scraptoft. This scale would also require comprehensive use of larger sites adjoining the main urban area. This could appear as an intrusion of the Leicester city and Oadby area into open countryside, increasing coalescence with smaller settlements nearby. However, there are some opportunities for the larger sites to accommodate green infrastructure and new landscape features such as trees and hedgerows including natural boundary treatment to reduce the adversity of effects. This scale of growth would also result in some loss of Grade 3 agricultural land, although it is not clear if this is amongst the best and most versatile.

In Hinckley, this scale of growth would result in the loss of Grade 3 agricultural land. This scale would also require either the use of either site options around Ratby, to the north of Markfield Road or sites to the north west of Groby. Growth to the north west of Groby would not relate with the main urban area and therefore represent urban sprawl into open countryside, with the exception of Bradgate Hill which will form an extension to an existing built up area on a site enclosed by woodland. Growth on the other two locations would substantially alter the built character of settlements, increase the coalescence of settlements and appear as an intrusion of built development into open countryside. At this scale, the growth can be somewhat dispersed across less sensitive site options which can be supported with new landscape features and green space to reduce coalescence and other adverse effects on landscape character. However, this will likely result in harm to the built character of Ratby.

In Blaby, a small portion of the growth can be accommodated on a number of brownfield and greenfield sites of lower sensitivity within built-up areas. However, most of the growth would need to be accommodated outside of existing built up areas on adjacent sites. At this scale, growth could be accommodated across a number of less sensitive sites and sites that would not cause significant coalescence effects. However, with sites adjacent to built up areas being greenfield Grade 3 agricultural land, the scale of growth proposed is likely to result in some loss of the best and most versatile agricultural land. Some harm is also likely on landscape impact, although at most locations adverse effects can likely be mitigated to a great degree through sensitive design.

In Oadby and Wigston, a small portion of the growth can be accommodated on brownfield and greenfield sites within the urban area. However, the majority of the growth will require the use of large sites adjacent to the main built up area. Growth on these sites will result in a notable loss of Grade 3 agricultural land resource, substantial change to the built character of the towns, result in the loss of important landscape features and in most locations form an unrestricted extension into open

countryside. Although, there are opportunities for development on the larger sites to incorporate green space and new landscape features to provide a degree of enclosure and create a distinction with the surrounding open landscape.

Overall, a moderate negative effect is predicted due to the substantial loss of agricultural land resources and harm to landscape character, particularly in Harborough, Hinckley and Blaby.

Market Towns

Hinckley and Burbage

• Most of the land surrounding Hinckley and Burbage is made up of grade 3 land classification. Some site options will encroach into the countryside and have effects on landscape, but there are physical boundaries such as the M69 and A5 that provide a hard break between the surrounding countryside. Land to the north has been classified as more sensitive, whilst other areas like Sketchley and Burbage South and East are of a low – moderate sensitivity to residential development.

Coalville

• Segments of the market town centre itself are classified as urban land whilst being surrounded by mainly grade 3 land with small pockets of grade 2 running through the town centre and to the south-west. There are several areas of separation between the urban areas that surround and make up the Coalville. Any loss of this land could potentially lead to significant adverse effects on landscape character.

Loughborough

• Land that could potentially be developed is classified mainly as grade 3 agricultural land. The market town centre itself is classified as urban land. Landscape sensitivity varies, but is generally of medium sensitivity to the north and west, and low to medium sensitivity in the south. Where growth extends into the Charnwood Forest, the effects are more likely to be significant. The extent and location of development would determine the effects.

Melton

- There are pockets of land surrounding Melton that could be developed that are classified as Grade 1-2 agricultural land.
- Further land surrounding the town is grade 3 agricultural land. It may be difficult to avoid the loss of best and most versatile agricultural land due to its extent around the market town. Much of the land identified as potential development areas (i.e. in the SHLAA) falls to the north and south of the town. The landscape here has been classified as a mix of highly sensitive, to moderately sensitive, with some lower sensitivity in small parcels (Melton Landscape Character Assessment Update, 2011). At higher levels of growth it is most likely that sensitive areas of land would need to be released.

Market Harborough

• Surrounded predominantly by grade 3 agricultural land (though it is unclear whether this is 3a or 3b). The sensitivity of the landscape to change differs around the town, but some areas identified as development opportunities have medium capacity or low capacity to change, which suggests negative effects would be possible in these areas, but perhaps not to a significant extent.

Lutterworth

• Site options surrounding this settlement are mostly grade 3, though it is uncertain whether this is 3a or 3b. The settlement has varying sensitivities with regards to landscape.

Growth scenario A - 15,900 dwellings (Current unmet housing needs)

Options A1 and A2

In Coalville (NWL), these scales of growth would require the use of site options adjacent to the built-up area and the use of Grade 3 agricultural land, but growth on Grade 2 land can most likely be avoided. The majority of the growth would need to utilise sites that fall adjacent to the built-up area and also site options that are highly sensitive for landscape character would also need to be used, although some adverse effects under growth scenario A1 can be mitigated through the part use of site options and introducing new landscaping and boundary treatment which should avoid some coalescence effects. For growth scenario A2, which involves a greater share of the market towns total in Coalville, opportunities to accommodate growth without utilising more sensitive site options is reduced and this scale would also likely require some use of land off Stephenson Way, increasing potential coalescence effects. If coalescence did occur, major negative effects would occur.

In Loughborough (Charnwood), any additional growth would likely require movement into the sensitive areas south of the town. Though there are some site options available in the urban area, their delivery might be an issue, and the ability to deliver the scales involved in addition to the emerging planned growth in this town could give rise to major negative effects. The effects could be slightly less for Option A2, given that the allocation to Loughborough is lower. Nevertheless, moderate / major negative effects are still considered likely. There would also be likely loss of Grade 2 and 3 agricultural land in this location.

In Harborough, a small proportion of the growth levels could possibly be accommodated across a number of brownfield sites in the built-up area of Market Harborough and Lutterworth. The remaining growth would require the use of greenfield site options within Market Harborough and some growth either on sites adjacent to the built-up area in the north west or south east of Market Harborough.

In Market Harborough and Lutterworth, this scale of growth would require the use of most site options within and adjacent to these towns including site options that are of higher landscape sensitivity. It is likely some site options that would result in unsympathetic extensions to the built area such as site options to the north and west of Lutterworth and west of Market Harborough would need to be utilised. This could adversely affect the openness of landscapes, cause harm to sensitive landscape features and appear as urban sprawl / potential coalescence with nearby villages. Development on sites adjacent to Market Harborough and Lutterworth is likely to result in some loss of Grade 3 agricultural land, although it is not clear if this is among the best and most versatile. This constitutes moderate negative effects.

In Hinckley, the scale of growth under scenario A1 and to a less extent under A2 would require greater use of site options adjacent to the town which will result in some loss of Grade 3 agricultural land. However, these scales of growth can avoid more sensitive site options.

In Melton Mowbray (Melton), under growth scenario A1 and to a greater extent under A2, larger site options adjacent or in closer proximity to the town (mainly to the east) would need to be comprehensively developed. This is likely to substantially exacerbate effects under C2, as a greater loss of Grade 2 and Grade 3 agricultural land is required and the scale of development would significantly alter the character of the settlement by appearing as an intrusion into open countryside. Particularly under A2, the scale involved would reduce opportunities to mitigate adverse coalescence effects between the main urban area and nearby small settlements without utilising the more sensitive site options to the south, north west and west of the town. This constitutes major negative effects.

Cumulatively, a major negative effect is predicted across the Market towns for both options A1 and A2. The main difference is the locations that the most significant negative effects would be likely to occur. For option A1 the effects are likely to be moderate to major negative for most of the market towns. For option A2, the effects could be slightly lower (or less likely) for most of the market towns, but would be major negatives for Coalville and Melton Mowbray. The scale of growth involved would also still be likely to cause problems for landscape in places such as Loughborough, which has limited additional capacity without invoking significant effects on landscape. Therefore, it is difficult to avoid significant negative effects at a higher scale of growth when focusing on market towns.

Option A3

This option involves growth on strategic sites at market towns. Growth at the scale and site locations identified is likely to result in a significant cumulative loss of important agricultural land resources. This includes Grade 2 (mostly around Loughborough and Melton Mowbray) and Grade 3 agricultural land. Whilst it is unclear to what extent the Grade 3 land is amongst the best and most versatile, the scale of loss is significant.

In Coalville, the growth proposed would require the comprehensive development of the strategic sites which would result in coalescence between Coalville and the surrounding built up areas including Whitwick. This would also significantly alter the built character of the settlement.

Similarly, comprehensive development on strategic sites in Melton Mowbray has potential to cause coalescence with Burton Lazars to the south east and Ashfordby Hill to the west. However, the scale of growth proposed under this scenario could be accommodated between site options to reduce the adversity of effects. Development on the strategic sites would also significantly alter the built character of the town, but in the context of a strategic allocation broadly confirms well with the character of the settlement. The exception to this is the site area to the south east, which does not adjoin existing development and form a natural extension to the settlement. The scale of growth involved should further be able to support the integration of green space and new landscape features, particularly to reduce the openness of these sites to adjacent unconstrained countryside.

In Loughborough and Market Harborough, growth on strategic sites would not adjoin the main settlement area. In Loughborough this will involve the significant extension of Cotes, cause significant irreversible harm to the character of the existing hamlet.

In Market Harborough, this could resemble a sporadic form that does not resonate with the main settlement or appear as an independent settlement, whilst undermining the surrounding openness of the countryside and built character of the town. In comparison, growth to the west of Lutterworth would significantly

change the built character of the town and adjoin the main settlement area with the industrial park to the west. However, the strategic site is mostly enclosed by built development and a main road to the south and thus would not appear as an intrusion of development into open countryside.

In Hinckley, growth at the strategic sites at the scale under this option would require the use of both site options to some extent. Development on the site to the south would extend the settlement beyond a containment provided by the M69 into open countryside in an insensitive form. To the north of Hinckley a similar effect is predicted where development on the strategic allocation would extend beyond a natural boundary and containment along the A47 into open countryside. However, this scale of growth should allow for the comprehensive introduction of new green space and landscape features to define the built development and avoid a sense of urban sprawl. This scale of growth should also avoid full coalescence between Hinckley with Wykin.

Cumulatively, a major negative effect is predicted due to the loss of important agricultural land resources and from the significant impact on landscape character and coalescence between settlements.

Option A4 involves no growth in the market towns themselves and are unlikely to have indirect cumulative effects given the distant location of other site options from these locations. Therefore, neutral effects are predicted.

Option A5

In Loughborough, the scale of growth proposed under option A5 is predicted to have similar effects to those under growth scenario C2.

In Coalville, the scale of growth proposed under option A5 is predicted to have similar effects to those under growth scenario A2. However, effects will be more significant as this scale would likely require the use of highly sensitive site options including land off Stephenson Way which would cause coalescence between Coalville and Whitwick. This scale of growth would also result in a greater loss of agricultural land resources and some Grade 2 land could also potentially be required. These would be major negative effects.

In Market Harborough and Lutterworth, the scale of growth proposed under option A5 is predicted to have similar effects to those under growth scenario A2. However, a lower density of growth can be supported on more sensitive site options to reduce potential adverse effects. Nevertheless, the effects are still likely to be moderate negatives.

In Hinckley, this scale of growth would likely require some use of less sensitive site options to the north of Hinckley, although these could be proportionately distributed to avoid significant negative effects and sites that do not adjoin the main urban area can be avoided altogether.

In Melton Mowbray, the scale of growth proposed under option A5 is predicted to have similar effects to those under growth scenario C2. However, the slightly higher scale of growth involved could add pressures to accommodate growth sensitively without causing substantial coalescence effects with settlements to the east. This constitutes moderate negative effects.

Whilst moderate effects are predicted across most market towns, the scale of growth proposed for Coalville is likely to derive significant adverse effects and cause substantial harm to landscape character. Therefore, a <u>potential / uncertain</u> <u>major negative effect</u> is predicted overall.

Growth scenario B - 20,000 dwellings (25% uplift on current unmet housing needs)

Option B1

In Loughborough, the scale of growth proposed under option B1 is predicted to have similar effects to those under growth scenario A1. However, the higher scale of growth involved would likely require the use of more sensitive sites to the south and south west or north east at Cotes. Development on the site options to the south and south west would be in a sporadic form that does not relate to the character of the main urban area and undermines the openness of the countryside around the town (in the case of land south of Woodthorpe, this would also significantly increase coalescence with Quorn). Development at Cotes would significantly alter and cause irreversible harm to the character of the settlement. Overall, these would be major negative effects.

In Coalville, the scale of growth proposed under option B1 is predicted to have similar effects to those under growth scenario A2. However, effects can be less significant where growth can avoid land off Stephenson Way which would otherwise cause coalescence between Coalville and Whitwick. Nevertheless, moderate negative effects are likely.

In Market Harborough and Lutterworth, the scale of growth proposed under option B2 is predicted to have similar effects to those under growth scenario A1.

In Hinckley, the scale of growth proposed under option B1 is predicted to have similar effects to those under growth scenario A1. However, the higher levels of growth will add additional pressures to accommodate growth on less sensitive site options.

In Melton Mowbray, the scale of growth proposed under option B1 is predicted to have similar effects to those under growth scenario A2. Despite the slightly lower scale of growth involved, this scale will causing adverse coalescence effects or require the use of less sensitive site options.

Overall, a major negative effect is predicted, reflecting the increased level of growth and less flexibility to avoid negative effects compared to A1.

Option B2

In Loughborough, Market Harborough/Lutterworth and Hinckley, the scale of growth proposed under option B2 is predicted to have similar effects to those under growth scenario A1.

In Coalville, the scale of growth proposed under option B2 is predicted to have similar effects to those under growth scenario A2. However, effects will be more significant as this scale would likely require the use of highly sensitive site options including land off Stephenson Way which would cause coalescence between Coalville and Whitwick. This scale of growth would also result in a greater loss of agricultural land resources and some Grade 2 land could also potentially be required.

In Hinckley, the scale of growth proposed under option B2 is predicted to have similar effects to those under growth scenario A1.

In Melton Mowbray, this scale of growth will require the comprehensive use of site options to the east and some use of other less sensitive site options. This is likely to

increase the coalescence effects identified under growth scenario A2. The more substantial use of less sensitive site options would result in a sporadic form of development, which either does not relate to the main urban area or would substantially alter its built character by appearing as a linear intrusion into open countryside. The collective scale of growth across the market town would also significantly harm the built character.

Overall, a major negative effect is predicted, reflecting the increased level of growth and less flexibility to avoid negative effects compared to A2.

Option B3

The effects for option B3 are similar to that under option A3, though there is approximately 200 additional dwellings involved in Coalville and 700 additional dwellings at Melton Mowbray, Market Harborough/Lutterworth and Hinckley. This is likely to increase the magnitude of effects.

In Melton Mowbray and Hinkley, the higher growth would require the comprehensive development of sites which would likely result in significant coalescence to nearby settlements and significantly reduce the potential to integrate green space and landscape features to reduce the adverse effects on landscape character.

In Market Harborough and Lutterworth, this higher growth option would require some use of all strategic site options including sites in open countryside which do not resonate or form a sensitive extension to the nearby towns. This will result in substantial development in open countryside in a sporadic form causing significant harm to the wider landscape character of this area.

Cumulatively, a major negative effect is predicted.

Option B4

This option focuses growth within the NLA, therefore, neutral effects within Market Towns are precited.

Option B5

In Loughborough, the scale of growth proposed under option B5 is predicted to have similar effects to those under growth scenario C2. However, these effects are slightly exacerbated by pressures for further use of site options to the south and south east.

In Coalville, the scale of growth proposed under option B5 is predicted to have similar effects to those under growth scenario A5. However, the higher growth would require the comprehensive use of site options including more sensitive site options. This is likely to cause coalescence and reduce the potential to incorporate additional landscape features and green space to help mitigate adverse effects.

In Market Harborough and Lutterworth, the scale of growth proposed under option B5 is predicted to have similar effects to those under growth scenario A5.

In Hinckley, this scale of growth would likely additional use of less sensitive site options to the north of Hinckley, although most sensitive parts of sites can be avoided and sites that do not adjoin the main urban area can be avoided altogether.

In Melton Mowbray, the scale of growth proposed under option B5 is predicted to have similar effects to those under growth scenario A1.

Overall, a major negative effect is predicted with greater certainty than for A5 given the increased levels of growth in sensitive locations.

Growth Scenario C – 7950 dwellings (50% of current unmet housing needs)

For **Options C1 and C2**, in Coalville (NWL), these scales of growth would require the use of site options adjacent to the built-up area and the use of Grade 3 agricultural land, but growth on Grade 2 land can most likely be avoided. The majority of the growth would need to utilise sites that fall adjacent to the built-up area but could avoid some of the more sensitive areas. Some adverse effects can be mitigated through the part use of site options and introducing new landscaping and boundary treatment which should avoid some coalescence effects. For option C1, which involves a greater share of the market towns total in Coalville, the effects are more likely to be significantly negative compared to C2. Overall, moderate negative effects are predicted.

In Hinckley, there are site options within the urban area that could accommodate this scale of growth. However, it is presumed these would be utilised as part of any emerging strategy for meeting local needs in Hinckley if they are deliverable. Additional growth in the town would more than likely be at the urban fringes. There are still site options available here in land of low-moderate sensitivity. Therefore, it ought to be possible to avoid significant negative effects. If further growth was required to the north of the settlement the effects would be of a greater magnitude.

In Loughborough (Charnwood), any additional growth would likely require movement into the sensitive areas south and south east of the town. Though there are some site options available in the urban area, their delivery might be an issue, and the ability to deliver around 500 dwellings in addition to the emerging planned growth in this town could give rise to negative effects. The effects could be slightly less for Option C2, given that the allocation to Loughborough is lower. Nevertheless, moderate negative effects are still considered likely. There would also be likely loss of Grade 2 and 3 agricultural land in this location.

In Harborough, a small amount of growth could possibly be accommodated across a number of brownfield sites in the built-up area of Market Harborough and Lutterworth. The remaining growth would require the use of greenfield site options within Market Harborough and some growth either on sites adjacent to the built-up area in the north west or south east of Market Harborough. However, these scales of growth should be able to avoid more sensitive sites on the edge of Lutterworth and Market Harborough that either contain important landscape features or would cause a linear extension of built development into the open landscape. Development on sites adjacent to Market Harborough is likely to result in some loss of Grade 3 agricultural land. However, the adverse effects are not likely to be significant as only a small amount of Grade 3 land would be required under these growth scenarios and smaller sites that are less practical for agricultural use can be utilised. Overall, minor negative effects are predicted here.

In Melton Mowbray (Melton), some growth at these scales can be accommodated on brownfield sites in Flood Zone 1 within the built-up area. However, most growth would require the use of greenfield sites adjacent to the town and subsequently result in the likely loss of Grade 2 and Grade 3 agricultural land. The loss of Grade 2 land is likely to be exacerbated under the higher growth scenario C2 as around half of the growth would require this best and most versatile land resource. The growth is also

likely to fall on sites to the east of the town that relate best to the built-up area when compared to other site options. However, development on some of these sites would likely leave small natural gaps between new development and the existing built-up area and fall on site parcels that are not well enclosed to restrict the sense of urban sprawl. These effects can be somewhat mitigated through new planting and boundary treatment, but are negative.

Overall, this scale of growth ought to allow growth in some of the Market Towns without generating significant negative effects. However, capacity in some locations is limited without needing to encroach onto sensitive landscapes or rely heavily on brownfield sites. A moderate negative effect is recorded overall for both options, with an element of uncertainty.

Options C3 and C4 involve no growth in the market towns and hence neutral effects are predicted.

Other settlements

Growth scenario A - 15,900 dwellings (Current unmet housing needs)

Options A1 and A2

In Charnwood, there are some locations that could accommodate growth without giving rise to significant effects, but the overall increase in growth would mean that some of the more sensitive locations might also need to be introduced such as at Syston and Thurcaston. These both could lead to issues in terms of coalescence and the loss of Grade 2 agricultural land. The emerging strategy for Charnwood already seeks to maximise opportunities in the less sensitive areas, and so moderate negative effects are possible at this increased scale of growth.

For Blaby and Melton, the effects would depend upon the strategy being promoted and how these interact with additional allowance for unmet needs. At a higher scale of growth, there would be increased possibilities that sites are involved on urban fringes that are more sensitive to change in terms of landscape. However, it is unlikely that any Grade 2 agricultural land would be affected. Minor to moderate negative effects are possible.

In Harborough, the scales of growth involved would require further development on sites adjacent to smaller settlements which are highly sensitive to change. However, this scale of growth could be dispersed to avoid significant harm at individual locations.

In Hinckley, a dispersed approach to growth could lead to a loss of grade 2 agricultural land, and negative effects on the character of several settlements. This could be significantly negative. However, the potential to accommodate growth on one or two larger site options would help to avoid these issues. There is therefore a degree of uncertainty.

In NWL, a dispersed approach would lead to a loss of mostly Grade 3 agricultural land, but potentially a small amount of Grade 2 land. This would also likely require the use of options across a number of smaller settlements or nearby Coalville which would have negative effects on their character. Alternatively, much of the growth can be accommodated on land to the west of Belton, which would have significant negative effects on landscape character but on a localised scale.

Overall, a moderate negative is predicted for both options. Whilst there would be some loss of Grade 3 agricultural land, Grade 2 land can broadly be avoided. In most local authority areas, growth can be distributed to avoid highly sensitive sites but growth at these scales, but would require the use of site options across numerous smaller settlements which would cause some disturbance to their landscape and townscape character.

Option A3 involves growth on strategic sites across other settlements in Blaby and Charnwood. In Blaby, development on the strategic sites would result in the loss of Grade 3 agricultural land, although it is unclear if this is amongst the best and most versatile. Comprehensive development on the strategic site to the west of the M69 could appear as an unsympathetic extension to Hinckley. Comprehensive development to the east of the M69 could cause harm to the openness of the landscape character surrounding Stoney Stanton and Sapcote, which is intrinsic to the built character of these settlements. Development could further increase a sense of coalescence between the settlements and with Hinckley to the west. The scale of growth proposed would either require the comprehensive development of the site to the east of the M69 or a lower density across both strategic sites. For both approaches, the adverse effects discussed are likely to be realised, although a dispersal approach would allow for the incorporation of additional green space and landscape features to reduce the severity of adverse effects.

In Charnwood, growth at this scale would result in the loss of Grade 3 agricultural land and have an effect on landscape character.

Cumulatively, a <u>potential</u> moderate negative effect is predicted due to the loss of agricultural land and likely effects on landscape character. Although, at a localised scale the severity of effects could be greater.

For **Option A5**, in Charnwood and Hinckley, the scale of growth proposed is predicted to have similar effects to those under growth scenario C2. In Melton, the scale of growth proposed under option A5 is predicted to have similar effects to those under growth scenario C1. In Harborough, the scale of growth proposed under option A5 is predicted to have similar effects to those under growth scenario A2. However, the lower levels of growth in Harborough should reduce some pressures and harm on smaller settlements.

In Blaby and NWL, this higher scale of growth would require significant growth at other settlements and would lead to more prominent negative effects in terms of landscape character and land. There would be a need to release sensitive parcels of land around settlement such as Coalville that would lead to coalescence effects with other nearby settlements and adversely affect landscape character. There would also be a need to release some Grade 2 agricultural land (mainly in NWL) alongside Grade 3 land. In the smaller settlements, smaller scale changes would be required, but these are relatively sensitive locations and thus negative effects here would be likely. This approach is predicted to have major negative effects for Blaby and NWL in terms of land.

Overall, a moderate negative effect is predicted. Though the higher scale of growth in Blaby and NWL could have more prominent / major effects on land resources and on landscape character, the effects would more likely be minor in the other authorities.

Growth scenario B - 20,000 dwellings (25% uplift on current unmet housing needs)

Option B1 and B2

In Blaby and NWL, under these growth scenarios the effects are predicted to be similar to those under option A5. However, the severity of land and landscape impact should be slightly reduced in Blaby. Nevertheless, moderate to major effects could occur.

In Charnwood, these higher scales of growth would add further pressures to use Grade 2 agricultural land resources and at more sensitive locations including Syston and Thurcaston. Similarly, in Hinckley, the higher scales of growth would potentially require use of Grade 2 land resources and some growth at more highly sensitive locations.

In Harborough, this scale of growth is predicted to have similar effects to those under option A1, but some use of more sensitive sites would be required with potential to cause significant harm at some locations.

In Melton, under these scales of growth it should be possible to avoid the release of Grade 2 agricultural land, but growth will mostly involve Grade 3 land. Growth would likely be required at some smaller settlements which are highly sensitive to change, although the majority of the growth can be dispersed to reduce the adversity of negative effects.

Overall, the increase in growth increases the likelihood of major negative effects arising in certain locations, though this is not a certainty.

Option B3

In Blaby, this growth option is likely to derive similar effects to that under option A3. However, the increase in growth would require the comprehensive use of more than one strategic site option. This is likely to result in greater likelihood of coalescence between Hinckley and Stoney Stanton and Sapcote. Opportunities to integrate green infrastructure and landscape features to reduce the severity of adverse effects may also be more limited due to the scale of growth proposed.

In Charnwood, this higher scale of growth would require either the comprehensive use of two sites adjacent to settlements or the Six Hills sites. This will result in the loss of some Grade 2 and Grade 3 agricultural land, although it's not clear if the latter is amongst the best and more versatile. The use of site options adjacent to settlements would also appear as an intrusion of built development into open countryside and adversely affect the built character of existing settlements, particularly in Shepshed and Sileby where development would create linear extensions. Development to the south of Sileby and at Prestwold would further cause coalescence. Where growth is accommodated at the Six Hills site, the scale of growth involved is somewhat likely to reduce the sense of a sporadic form of development in open countryside, with growth likely to appear as a new standalone settlement. However, development would disturb an historically open landscape.

In NWL, the proposed growth can be accommodated on the strategic site to the south of Ashby-de-la-Zouch. Whilst development would change the built character of the settlement and increase coalescence with Packington, the strategic site is well contained by the A42 and Willesley Park Golf Course. Therefore, development may not necessarily cause significant harm to landscape character. Some adverse effects can further be mitigated through incorporating green spaces and landscape features, supported by the lower density of development required for the site.

Overall, potential major negative effects are predicted due to the loss of agricultural land resource and potential for substantial harm to landscape character.

Option B5

In Blaby, this higher scale of growth will require the substantial use of more sensitive site options which could cause significant adverse effects on landscape and townscape character. This scale would also result in the substantial loss of Grade 3 agricultural land.

In Charnwood and Melton, the scale of growth proposed under option B5 is predicted to have similar effects to those under growth scenario C1. In Harborough and NWL, the scale of growth proposed under option B5 is predicted to have similar effects to those under growth scenario A5. In Hinckley, effects are predicted to be similar to those under option C2, although the lower scale of growth should allow further flexibility to accommodate growth on less sensitive site options.

Overall, a major negative effect is predicted mainly due to the higher scale of growth in Blaby and NWL and the significant impact this would likely have on land resources and on landscape character.

Growth Scenario C – 7950 dwellings (50% of current unmet housing needs)

Options C1 and C2 distribute growth across a range of settlements. The effects are likely to vary for each authority depending upon the exact distribution amongst these settlements.

In Charnwood, landscape sensitivity is an issue for many of the identified settlements. Additional growth would also be likely to occur on Grade 3 or 2 agricultural land, but there would be some flexibility in choice.

In Harborough, many settlements are sensitive to landscape changes given their rural and small scale nature. A dispersed approach that sees small developments in many settlements could therefore lead to cumulative negative effects in terms of eroding the rural nature of settlements across the district.

An alternative would be to release one or two larger site options that exist in the larger settlements. This could lead to localised significant negative effects, but would negate the effects in most other places. Regardless of approach, negative effects on landscape are likely to occur to some extent.

At Hinckley, the proposed growth could be accommodated in a range of ways. It could be possible to avoid significant negative effects by focusing on strategic extensions to particular settlements where sensitivities are lower. There are several sites overlapping with Grade 2 land, but it ought to be possible to utilise Grade 3 land first.

At North West Leicestershire, the opportunities for expansion in identified settlements are likely to lead to negative effects on landscape character. This would be particularly the case where there is possible coalescence with Coalville and surrounding built up areas. Smaller settlements across the district also have sensitivities, so a thinly dispersed approach would still be likely to give rise to negative effects. Though there are some options that fall in Grade 3, 4 or non-agricultural land, several sites

are Grade 2, and could be possibly affected (though a degree of flexibility remains at this scale of growth).

For Melton, there are a range settlements that could be expanded, but they are relatively small scale, and growth would lead to negative effects on landscape.

At Blaby, there are some sensitivities at identified settlements, but some locations could accommodate growth without bringing about significant negative effects on landscape or soil resources. As such, neutral effects are predicted.

Overall, both options are predicted to have minor to moderate negative effects with regards to landscape character. There are likely to be negative effects in each authority in terms of both agricultural land and landscape character. Whilst these may only be minor in specific locations, a cumulative effect is likely. There may also be more notable effects in certain settlements adding to this. At this scale of growth the level of flexibility ought to allow for effects to be avoided and minimised in the most part, so an uncertain minor negative effect is concluded.

Options C3 and C4 involve no growth in other settlements, and hence neutral effects are predicted.

Overall effects

Growth scenario A - 15,900 dwellings (Current unmet housing needs)

Option A1 gives rise to major negative effects at the market towns and NLA, as the scale of growth involved could encroach upon more sensitive areas and have effects in multiple settlements. Alongside moderate negative effects in the other settlements, this constitutes a potential major negative effect overall.

Option A2 has similar effects to Option A1, and therefore potential major negative effects are predicted from a Leicestershire-wide perspective.

Option A3 would require most strategic sites to be released, and potentially at an increased density. This brings the potential for major negative effects in the NLA and the Market towns. However, the upside would be that most existing settlements across the County would be 'protected' as a result. Overall a <u>potential</u> <u>major negative</u> <u>effect</u> is predicted overall.

Option A4 increases growth in the NLA to an extent that could lead to coalescence of some built up areas, and cumulative effects could therefore be major. This is offset from a Leicestershire wide level by a lack of effects elsewhere, and therefore a <u>potential</u> <u>moderate negative effect</u> is predicted overall.

Option A5 could bring about moderate negative effects on both the NLA and other settlements. There is also potential for major negative effects at the Market Towns. Overall, this constitutes a moderate negative effect.

Growth scenario B - 20,000 dwellings (25% uplift on current unmet housing needs)

The effects for the options under growth scenario B are similar to those under the corresponding options for Scenario A. However, the potential for the effects to be of a greater magnitude is noted. As such, there is greater certainty that negative effects would arise for these options.

Growth Scenario C – 7950 dwellings (50% of current unmet housing needs)

Options C1 and C2 only result in minor negative effects for the NLA and the other settlements, but could give rise to potential moderate negative effects in the market towns, depending upon the precise sites involved. Given that a wider range of settlements would experience negative effects, an <u>uncertain</u> moderate negative effect is predicted for both options overall.

Option C3 is predicted to have a <u>potential / uncertain</u> moderate negative effect overall. The effects are potentially major negative in the locations that strategic growth occurs. However, the nature of these sites should allow for green infrastructure and mitigating measures to be employed. Development of new sites would also help protect the character of the majority of existing settlements across the County, and their rural feel. Therefore, the overall effects for Leicestershire are not considered to be major negative effects.

Option C4 could generate some moderate negative effects in the urban periphery / NLA, but there ought to be flexibility at this scale to avoid coalescence of settlements and the most sensitive landscapes. The effects would be neutral at all other settlements across the County though, which 'offsets' the negatives in the NLA to an extent from a Leicestershire wide perspective. As a result, minor negative effects are predicted overall.

| | | City | Near Leicester Area | Market towns | Other settlements | Overall effects |
|----------------------|-----------|------|---------------------|--------------|-------------------|------------------|
| 0 | A1 HENA | - | xx | xxx | xx? | xxx [?] |
| Option 1 | B1 Higher | - | xx | xxx | xxx? | xxx |
| Settlement tiers | C1 Low | - | x ? | xx? | x ? | xx? |
| O., ti 2 | A2 HENA | - | xx? | xxx | ×× | xxx [?] |
| Option 2 Equal Share | B2 Higher | - | xx | xxx | xxx? | xxx |
| Equal Share | C2 Lower | - | × | xx? | x ? | xx? |
| Option 3 | A3 HENA | - | xxx | xxx | xx ? | xxx [?] |

| Landscape and Lai | nd | | | | | |
|--|-----------|---|------|------|------------------|-----------------|
| Strategic Sites | B3 Higher | - | xxx | xxx | xxx [?] | xxx |
| | C3 Lower | - | xxx? | - | - | ** [?] |
| Option 4 <i>Near Leicester Area</i> | A4 HENA | - | xxx? | - | - | xx ? |
| | B4 Higher | - | xxx | - | - | xx |
| | C4 Lower | - | xx | - | - | × |
| Option 5 HENA Distribution | A5 HENA | - | xx | xxx? | xx | xx |
| | B5 Higher | - | xx | xxx | xxx | xxx |

Appraisal findings: Cultural Heritage

The findings relating to the Sustainability Topic 'Cultural Heritage' are presented in the following tables.

Cultural Heritage

Leicester City

The City contains a range of heritage assets across the area, with particular concentrations within the central parts of the City. These are unlikely to be affected by growth in the NLA or further afield. There are some sites on the urban fringes where development could possibly change the setting of specific heritage assets, as well as changing the interface between the urban edge and surrounding authorities. There are unlikely to be significant effects overall though, particularly for lower levels of growth in the NLA.

Growth in areas other than the NLA is unlikely to have indirect cumulative effects given the distant location of the site options from the city.

Near Leicester Area (NLA)

Harborough - There are listed buildings at several parts of the urban fringe including in Scraptoft, Thurnby and Bushby and Stoughton.

Charnwood - Hamilton Medieval Village Scheduled Monument is located in the urban periphery to the north-east. There are also smaller villages in close proximity that could be affected by large scale development, for example Barkby and Beeby. North of Leicester City, there are heritage assets to the fringe of Thurcaston, whilst assets further north at Rothley may also be affected depending upon the scale of growth.

Blaby - Development to the south between Glen Parva and Blaby could have an effect on the setting of designated heritage assets (Scheduled Monument at Glen Parva and Grand Union Canal Conservation Area). There are also designated assets including Scheduled Monuments to the west, including Kirby Muxloe Castle, Rabbit Warren (Lubbesthorpe) and the Lubbesthorpe Medieval Settlement and designated assets to the north at Glenfield.

Hinckley - Development here could potentially affect the character of several settlements and / or the setting of designated assets. For example at Glenfield (which is in Blaby and Charnwood) and Anstey (which is in Charnwood).

Cultural Heritage

Growth scenario A - 15,900 dwellings (Current unmet housing needs)

Option A1

In Charnwood, it should be possible to avoid site options that are most sensitive (such as near the Scheduled Monument and in and around Thurcaston and Anstey). Utilising sites options in and around other settlements in the NLA such as Barkby and Rothley may produce developments that do not relate well to the existing settlements and have the potential for effects on townscape and landscape character. These settlements also have centres that contain listed buildings (including locally listed buildings) and Conservation Areas. Whilst the scale of growth is fairly substantial, it would require developing a relatively small proportion of total available sites leaving scope for mitigation and avoidance of significant adverse effects. Having said that development at the fringe of these settlements has the potential to affect the character of the historic environment and therefore minor negative effects are likely.

For Hinckley, there are some heritage assets in close proximity to the potential development sites but it ought to be possible to mitigate for potential effects as only around a third of available sites/capacity would be required to fulfil required growth. Similarly, in Harborough, there are potentially sensitive locations within and adjacent to Bushby, Scraptoft and Thurnby but the lower proportion of sites required means significant adverse effects are unlikely.

In Blaby, there are some very sensitive site options in parts of the NLA, but at this scale of growth it could be possible to accommodate on site options that are less likely to have adverse effects on the historic environment.

Overall minor negative effects are anticipated as this option provides a degree of flexibility, allowing sites less likely to have adverse effects to be allocated for development, and it also provides good scope for mitigation measures through landscaping and topography.

Option A2

For Charnwood, Harborough and Hinckley, the potential to avoid effects of a greater magnitude is improved, as the level of growth is reduced compared to Option A1. Though growth is increased in Blaby (compared to Option A1), there is still some flexibility due to the low ratio of required sites to available sites, so significant negative effects should be avoidable. Consequently only minor negative effects are predicted overall.

Option A3 directs growth to strategic site options within Blaby, Harborough, Hinckley and Oadby and Wigston. In Blaby, there are several strategic sites. One lies around 600m away from the boundary of the Blaby Conservation Area, separated by fields (Highfields Farm). This site is also very close (25m) to the South Wigston Conservation Area. Therefore, developing this site would have potentially adverse effects on the setting of the conservation areas, particularly as the site would need to be fully utilised to accommodate proposed growth. Potential sensitivities to development exist at Kirby Muxloe, however one strategic site nearby is 1.75km away. The north of Glenfield site is closer, and could cause harm. At the Whetstone Pastures site, there is a listed building on site, and development would be likely to have negative effects on its setting. As such, moderate negative effects are highlighted.

In Harborough, these scales of growth would require comprehensive utilisation of strategic site capacities. As discussed above there are sensitivity to designated heritage assets such as at Little Stretton, Great Stretton, Stoughton and the Houghton on the Hill Conservation Area. Therefore, moderate negative effects on the

Cultural Heritage

historic environment are likely under this option.

In Hinckley the strategic site is distant from designated heritage assets and significant effects are therefore unlikely.

At Oadby and Wigston, the proposed sites potentially impact the Grand Union Canal Conservation Area and Oadby Hill Top and Meadowcourt Conservation Area. The latter is around 300m from one of the proposed sites and therefore significant effects are likely.

Overall <u>potential</u> <u>moderate negative effects</u> are anticipated under this option as development would involve comprehensive use of strategic sites (within the NLA), many of which, are in close proximity to conservation areas and / or heritage assets, and in Harborough and Blaby the effects are highlighted as moderately negative.

Option A4

The NLA across Charnwood includes a number of small settlements (such as Thurcaston and Barkby) which are particularly sensitive to change in their character and historic value. These settlements also have centres that contain listed buildings (including locally listed buildings) and Conservation Areas. Development at the fringe of these settlements has the potential to affect the character of such heritage assets. Additionally, development on sites along the A46 near Thurcaston and Anstey could lead to coalescence of the villages with Leicester city which would adversely affect the character of these settlements. Locations such as south of the Scheduled Monument of the deserted medieval village of Hamilton are particularly sensitive to development. These factors could potentially lead to negative effects but they are counterbalanced by the fact that at this level of growth, only around half of the total potential site capacity would be required to achieve the proportion of growth involved. This serves to provide flexibility in terms of selecting sites that are less likely to have significant effects, there would also be scope for mitigation, leaving minor negative effects overall.

There are relatively few designated heritage assets within the NLA portion of Hinckley, however there are numerous ones in the Harborough NLA. As discussed under C3 above, these are sensitive to development and the proposed growth would require utilising most of the site options, which diminishes opportunities for avoidance of sensitive locations and mitigation.

In Blaby, The historic centre of Glenfield is close to some site options, and includes a Scheduled Monument (Moated site and garden enclosure at Glenfield) and several listed buildings. Development nearby would likely alter the setting of the proposed Conservation Area and the heritage assets. Furthermore, development here would be likely to lead to the coalescence of Glenfield with Groby substantially altering the character of the settlement and setting of the heritage assets. However, development within the Blaby NLA would require utilising only around a fifth of potential site options. Therefore, whilst development has the potential for some adverse effects on the character of settlements in this area it should be possible to avoid the most sensitive locations and to implement appropriate mitigation. Nevertheless, the potential for moderate negative effects exists.

Overall, minor negative effects are predicted. The ability to avoid negative effects is reduced for some authorities, but broadly speaking, most locations should only see minor negative effects. The exception is Harborough and Blaby, but this does not substantially alter the overall conclusions for the Leicester area of minor negative effects.

Option A5

The relatively low levels of growth involved for Charnwood, Harborough and Hinckley should enable development without significant effects on the historic environment. Whilst Blaby is allocated a higher level of growth there is scope for selecting sites that are less constrained in terms of effects on the historic environment as there are greater site options available and growth would only require around developing about a fifth of available sites. In Oadby and Wigston there is no overlap with heritage assets and only around a quarter of available sites would be developed to meet growth leavings lots of scope for avoidance and mitigation of significant adverse effects. Overall, minor negative effects are anticipated as the scale of growth would inevitably alter the character of some of the more sensitive heritage areas and the townscape, but this is counterbalanced by the substantial scope for avoidance and mitigation of effects due to the relatively small proportion of sites required to fulfil the growth allocated in the NLA.

Growth scenario B - 20,000 dwellings (25% uplift on current unmet housing needs)

Options B1 and B2

Whilst these options allocate a higher overall level of growth, allocations within the NLA form a relatively small portion of the NLA site capacities available within Blaby, Charnwood, Harborough, Hinckley and Oadby and Wigston (under Option B1). This should enable avoidance and mitigation of significant adverse effects on the historic environment.

Option B2 allocates a higher level of growth within the Oadby and Wigston NLA compared to Option B1 and would require utilising more of the available site options. However, the sites do not overlap heritage assets. Overall, minor negative effects are predicted as the scale of growth would likely alter the character of areas around existing settlements in the NLA. However, this is offset by the potential to avoid the more sensitive sites and secure mitigation (by virtue of there being a large pool of sites to choose from).

Option B3

Would fully utilise available strategic sites within the NLA within Blaby, Harborough, Hinckley and Oadby and Wigston. In Blaby, fully developing strategic sites can adversely impact the character of the existing settlement particularly the Blaby Conservation Area. Similarly, in Harborough this scale of growth would utilise strategic sites in the NLA resulting in significant change to the character of the nearby settlements, with potentially adverse effects on the setting of numerous listed heritage assets, conservation areas and the countryside. In Oadby and Wigston the allocations would not overlap designated heritage assets but the scale of growth proposed would utilise all the available site options considerably altering the townscape character of the settlements. Therefore overall, moderate negative effects are anticipated.

Option B4

The higher level of growth under this option could adversely impact the historic environment within Harborough and Hinckley, where the growth allocated equals or exceeds identified site options; making avoidance and or mitigation of adverse effects less likely. This scale of growth in the NLA would result in change to the character

of the built-up areas and could potentially have adverse effects on the setting of conservation areas, listed heritage assets and settlements in Harborough and Hinckley. The site options in Charnwood and Blaby could offer more scope for avoidance and /or mitigation of adverse effects due to higher sites capacity but the substantial growth would nonetheless be expected to alter the character of existing settlements and heritage assets. Overall, moderate negative effects are anticipated.

Option B5

The bulk of growth would be distributed within the NLA and Market Towns. The growth within the NLA at Blaby, Harborough, Hinckley and Oadby and Wigston would utilise a relatively small proportion (20% to 33%) of total available capacity and only a small fraction of sites in Charnwood. Therefore, this option would provide substantial scope for avoidance and mitigation of potential adverse effects on the historic environment within the NLA. That said, the scale of growth (over 3700 dwellings) would inevitably impact the character of the NLA at the above locations, therefore, minor negative effects remain.

Growth Scenario C - 7950 dwellings (50% of current unmet housing needs)

Options C1 and C2

In Charnwood, these scales of growth could be accommodated within the built-up areas. This should help to maintain the character and setting of settlements and landscapes in the NLA area. Site options can broadly be accommodated in and around Thurmaston and broadly speaking, these do not contain features of historic importance and do not fall within the setting of heritage designations where any potential adverse effects cannot be mitigated effectively through sensitive design. Should these areas not be suitable or deliverable, then there would be a need for some release of land in more sensitive locations, but the effects are unlikely to be significant given the increased flexibility.

Growth within Loughborough has the potential for adverse effects on the historic environment as there are eight conservation areas here with numerous heritage assets concentrated at the core of the town. However, given the lower scale of growth under this option there is scope for picking and choosing the least constrained sites and there is also scope for on-site mitigation which should leave minor negative residual effects. The same applies to Ratby where development could potentially affect the historic character of Ratby but with mitigation and selection of less sensitive sites, effects are likely to be minor.

In Harborough, these scales of growth would be possible to accommodate on one of the larger sites or several smaller /medium sites. There are sensitivities in most areas, and despite a reduction in growth, it is still likely that adverse effects will occur on the setting of heritage assets and the character of villages. As such, with mitigation minor negative effects could be expected.

In Blaby, growth under both scenarios could possibly be accommodated on sites adjacent to built-up areas on site options where sensitively designed development is unlikely to have any adverse effects on historic features or their setting. Furthermore, these growth scenarios are unlikely to have any significant effects on the character of settlements which are intrinsic to the setting and historic value of some historic features.

Overall, minor negative effects are predicted for these two options. Whilst negative effects ought to be possible to avoid in some parts of the NLA, there are sensitive areas that would still be likely to suffer minor negative effects even at lower levels of growth.

Option C3

Focuses growth at strategic sites within the NLA at Blaby (2770), Harborough (3250), Oadby and Wigston (1480) and Hinckley (450). The strategic site options in Blaby differ in terms of sensitivities. Some are close to conservation areas, whilst others contain listed heritage assets. It is therefore likely that some degree of harm would occur, regardless of site choice. That being said, it ought to be possible to avoid the most sensitive locations.

Similarly, the Harborough allocations can potentially impact adjacent heritage assets at Little Stretton, Great Stretton, Stoughton and the Houghton on the Hill Conservation Area. The scale of growth proposed would require utilising the majority of available strategic sites which may limit scope for appropriate mitigation therefore potential moderately negative effects on the historic environment are recorded.

Option C4

In Charnwood, the majority of opportunity sites do not contain listed buildings or other designated heritage assets. However, the scale of growth involved in some settlements would be likely to alter the character of the settlements, and the setting of historic assets. For example, in Barkby, and Thurcaston, there are sensitivities to growth.

There are also site opportunities close to a Scheduled Monument (deserted medieval village of Hamilton). At this scale of growth, it ought to be possible to avoid some of these more sensitive locations. However, approximately half of all the identified site capacity in the area would need to be brought forward under this approach (in addition to any that might be required to meet local housing needs). It would be difficult to avoid growth in all sensitive locations, and as such the potential for minor negative effects exists.

One of the sites within Hinckley (to east of M69 towards Smockington) overlaps a Grade II listed building, otherwise there would be no direct overlap with heritage assets. There are some heritage assets in close proximity to the potential development sites but it ought to be possible to mitigate for potential effects as only around 43% of available site capacity would be required at the proposed level of growth. The location of growth near Ratby could significantly alter the scale and form of the settlement, and could potentially affect the setting of nearby heritage assets such as listed buildings and a Scheduled Monument (Ratby Camp). This is partly counteracted by the fact that at this level of growth a lower proportion of available sites would be developed presenting opportunities to utilise areas of the site that are less likely to give rise to significant effects on the heritage assets and their setting. This also offers good scope for mitigation through good design and landscaping. Therefore, only minor residual negative effects are predicted.

In Harborough, this scale of growth in the NLA would likely result in significant change to the character of the built-up area and could potentially have adverse effects on the setting of Conservation Areas and listed buildings on the edge of the built-up area and in the open countryside. Again, the lower level of growth proposed under this option would only require developing around 40% of potential sites capacity, which allows for flexibility in selecting locations that are less likely to have adverse effects on the historic environment. Nevertheless, the potential for minor negative effects remains.

In Blaby, there site options that do not fall within the setting of listed buildings and features can be utilised. Whilst the scale of growth is substantial, it represents

around a 10th of potential site capacities in total. Potential sensitivities to development exist at sites between Kirby Muxloe and Leicester City which could have adverse effects on the character of listed buildings and the Scheduled Monument in Kirby Muxloe through the loss of open landscapes which defines the settlement and forms part of the wider setting of these heritage features. However, if sensitively designed, this scale of growth can likely be accommodated to avoid any significant adverse effects on historic features including listed buildings and the most sensitive sites can be avoided.

Overall, minor negative effects are predicted. Whilst development would alter the character in some of the proposed locations, the lower scale of growth provides scope for selecting sites that have the least adverse effects on the historic environment. There is also scope for mitigation measures through landscaping, screening and topography.

Market Towns

Development surrounding the urban fringes would have the potential to impact upon the character of the market towns due to urban expansion. Some specific features are present at each of the individual market towns.

Hinckley and Burbage

• There are numerous listed buildings within the core urban areas of Hinckley and Burbage. Designated heritage assets are only present in some locations around the urban fringe, which makes some locations less sensitive in this respect.

Coalville

• There are numerous listed buildings within the urban areas of Coalville. Designated heritage assets are also present at the urban fringe and at surrounding smaller settlements such as Ravenstone, Hugglescote and Swannington.

Loughborough

• There are numerous listed buildings within the urban areas of Loughborough. Designated heritage assets are also present at the urban fringe on all edges of the town. Some site options in the urban area overlap with heritage assets.

Lutterworth

• The majority of listed buildings are concentrated in the centre of the settlement. Nearby Bitteswell is also sensitive to change.

Melton Mowbray

• There are numerous listed buildings within the urban area of Melton Mowbray. Designated heritage assets are only present in some locations around the urban fringe.

Market Harborough

• There are numerous listed buildings within the urban areas of Market Harborough and nearby Great Bowden. The Grand Union Canal is a Conservation Area of note, whilst a range of other designated heritage assets are present in some locations around the urban fringes.

Growth scenario A - 15,900 dwellings (Current unmet housing needs)

Options A1 and A2

In Coalville (NWL), some sites at the edge of the existing settlement could lead to coalescence with Whitwick to the north east and Ravenstone. However, at this level of growth only around a quarter (A1) to a third (A2) of all available sites (in terms of capacity) would be required; therefore avoidance of adverse effects should be possible to an extent.

The growth allocated to Hinckley would require developing only a small proportion of available sites (up to 10%). At the scale of growth involved for both options, it ought to be possible to avoid direct negative effects on heritage assets at Hinckley and Burbage. Therefore, neutral effects are likely.

In Loughborough (Charnwood), growth for Option A1 would require developing less than half total available site capacities which should enable avoidance of significant adverse effects particularly adjacent to the built extent of the town. For option A2, less than a third of site capacities would be required and therefore the effects on heritage could potentially be better managed.

In Harborough, half of available capacity would be required for growth under option A2 and around 70% of total capacity under A1. The Market Harborough site options do not overlap designated heritage assets and are relatively distant from the Market Harborough Conservation Area. However, when considered cumulatively with planned and committed growth they would lead to a change to the character of the settlement extending it substantially to the north west. In Lutterworth the sites do not overlap designated heritage assets and are relatively distant from the conservation area but developing all sites would substantially alter the character of the town extending it substantially to the west. As neither option requires fully developing available capacity; sites in close proximity to historic features, including locally-listed buildings, are amenable to mitigation measures to reduce adverse effects to an extent. Issues might start to arise though if growth starts to creep into surrounding locations that are sensitive such as Great Bowden and Bitteswell. In addition, growth may encroach on green spaces within the built-up area of Market Harborough; which are considered intrinsic to the character of the local urban area. This is more so the case for Option A2, which involves developing a higher proportion of available capacity.

In Melton Mowbray, less than half available capacity would be required for option A1 and A2. Therefore, effects would not likely be significant. Should growth be directed into areas adjacent to Thorpe Arnold and Burton Lizard, then negative effects would be more likely.

Overall, a <u>potential moderate negative effect</u> are predicted for option A1, whilst it ought to be possible to avoid negative effects in most towns, there could be some localised effects on heritage that will would need to be addressed, particularly in Market Harborough due to the greater utilisation of capacity and the cumulative

impact of planned and committed development there. For option A2 minor negative effects are predicted as the lower utilisation of sites provides more scope for avoidance and mitigation of significant adverse effects.

Option A3

In Charnwood this option involves fully developing a strategic site in Loughborough, which is adjacent to a Scheduled Monument (site of a medieval village) and three listed buildings. Although the site is distant from Loughborough's Conservation Area (1.8 km), the scale of development could significantly alter the rural character of the area. As growth would utilise the entire site there would be less scope for avoidance and mitigation measures. Therefore, moderate negative effects are predicted here.

In Coalville (North West Leicestershire) this option would utilise almost 90% of potential strategic site capacities. Developing these sites at the edge of the existing settlement could lead to coalescence with Whitwick. The high utilisation of sites involved leaves less scope for avoidance of adverse effects and also limits mitigation measures.

Growth allocated to remaining Market Towns in Harborough, Melton and Hinckley would utilise around half of strategic site capacities at these locations which leaves scope for avoidance and mitigation of adverse effects on the historic environment.

Overall, moderate negative effects are predicted, mainly reflecting the potential for such effects in Coalville and Loughborough.

Option A4 involves no growth in the market towns and thus unlikely to have indirect cumulative effects given the distant location of other site options from these locations. Therefore, **neutral effects** are predicted.

Option A5

This options allocates smaller growth within Market Towns, representing less than half identified capacity. This should leave substantial scope for avoidance of locations likely to have adverse effects on the historic environment and also provides scope for effective mitigation measures. Therefore, only minor negative effects are likely.

Growth scenario B - 20,000 dwellings (25% uplift on current unmet housing needs)

Options B1 and B2

Whilst these options allocate a higher overall level of growth, the allocations within the Market Towns of Loughborough, Coalville, Hinckley and Melton would not require the full utilisation of available site options thus presenting of scope for selecting sites that avoid adverse effects. Option B1 would utilise 90% of available sites (in terms of capacity) within Lutterworth and Market Harborough and therefore offers less scope for avoidance/ mitigation of adverse effects. This is not an issue with Option B2 as it allocates smaller growth in these towns (65% of capacity). Therefore, option B1 is likely to have moderate negative effects on the historic environment in Harborough's Market Towns where there are numerous listed buildings within the urban areas of Market Harborough and nearby Great Bowden. Similarly, Option B2 is predicted to produce some potentially adverse effects but these would be lower in magnitude as this option provides more flexibility in site selections, offering scope for avoidance and mitigation of significant effects. Therefore minor negative effects are anticipated for option B2.

Option B3

Would fully utilise available strategic sites within Loughborough and Coalville. Sensitivities to development exist near the proposed strategic site in Loughborough which is adjacent to a Scheduled Monument (Deserted Medieval Village) and six listed buildings including. In Coalville (North West Leicestershire) this option would fully utilise strategic sites which could lead to coalescence with Whitwick. The development would be less than 700m from the Coalville Conservation Area.

Growth at Harborough (Lutterworth and Market Harborough) and Hinckley is also likely to give rise to potentially adverse effects but the growth here would utilise less than 80% of available site capacities in total which allows room for avoidance and mitigation of significant negative effects on the Conservation Areas in Market Harborough and Great Bowden and Bitteswell leaving residual moderate negative effects. In Hinckley the proposed strategic site south of Burbage can adversely impact the Conservation Area there being just over 800 me away but again here the utilisation (around 80%) would leave some room for avoidance and mitigation of the most significant effects leaving residual moderate negative effects. Only around 70% of sites would be utilised for Melton Mowbray but the sites are 300-800m away from the concentration of heritage assets within the Melton Mowbray Conservation Area and therefore development would potentially have significant negative effects on the character of the setting of the area. Having said that the lower utilisation should allow scope for avoidance and mitigation.

Overall this option is expected to produce **moderate negative effects** due to impacts on conservation areas within the Market Town and greater level of utilisation of sites required to achieve growth which leaves less scope for avoidance and mitigation of effects.

Option B4

This option focuses growth within the NLA, therefore, neutral effects within Market Towns are precited.

Option B5

The Market Towns would get just under 40% of total growth under this option but the individual allocations would require developing smaller proportions of available sites (16-65%). This leaves substantial scope for avoidance of sites that are likely to give rise to the most significant effects and good scope for mitigation of effects on sites chosen for development. Therefore, minor negative effects are anticipated overall.

Growth Scenario C - 7950 dwellings (50% of current unmet housing needs)

Options C1 and C2

The scale of growth involved for these options is less likely to require development in more sensitive locations. Therefore, in individual market towns and overall the effects are likely to be avoidable or possible to mitigate successfully. With lower scales of growth, it may also be possible to rely more on brownfield sites, which could possibly lead to enhancements if sympathetic high quality design is secured. Furthermore, the growth allocated would require utilising a relatively small proportion of total site options leaving scope for avoidance of sites with heritage constraints. Overall, neutral effects are predicted at this high level of assessment for both options C1

and C2.

Options C3 and C4

These do not involve growth in the market towns and are unlikely to have indirect cumulative effects given the distant location of other site options from these locations. Therefore, neutral effects are predicted.

Other settlements

Growth scenario A - 15,900 dwellings (Current unmet housing needs)

At a higher scale of growth, there would be a need to release a greater number of sites. For **Options A1 and A2**, with the exception of Oadby and Wigston, each authority would need to deliver a further 874 (A1) or 750 units (A2) across the other identified settlements (in addition to planned growth to meet their own local needs). If dispersed across a range of settlements, the effects would likely be negative for the smaller villages that are sensitive to change (as described above). Where larger site opportunities exist, the effects could be concentrated in fewer locations, but might still need to involve some smaller sites too. This could reduce widespread negative effects, but could lead to a handful of settlements seeing some greater changes in terms of built form. Overall, the effects will depend on how growth is distributed and there is also the potential for cumulative effects to occur, especially with a distributed approach. This is offset by the relatively small proportion of total sites that would need to be developed in order to fulfil the required growth. On balance, <u>uncertain minor</u> to <u>moderate negative effects</u> are predicted.

Option A3 allocates 1242 units in Blaby's other identified strategic sites and around 352 units in Charnwood. The Blaby site options are not particularly sensitive with regards to heritage assets, but large scale growth could potentially affect the character of nearby settlements such as Stoney Stanton, Sapcote and Elmesthorpe. Therefore, potential minor negative effects are likely.

In Charnwood, the smaller allocation proposed could be accommodated with less significant effects as the amount of development is relatively small compared to overall capacity within the District allowing avoidance of locations likely to produce significant negative effects. Overall minor negative effects are anticipated.

Option A4 does not allocate growth in locations outside of the NLA and therefore neutral effects are expected.

Option A5

The same effects under option A3 would apply in Blaby and Charnwood. As discussed above, growth within the villages would likely produce negative effects due the resulting erosion of the rural character of such settlements. Growth on a smaller number of large sites at settlements such as Kibworth and Broughton Astley would create localised adverse effects within these settlements, but likely to leave the rest of the district unharmed. Having said that, to achieve the allocated level of growth a very small proportion of available sites would need to be developed which leaves substantial scope for avoidance of more sensitive sites and provides scope for mitigation. Therefore, <u>uncertain</u> moderate negative effects are anticipated..

Growth scenario B – 20,000 dwellings (25% uplift on current unmet housing needs)

Options B1 and **B2** would be expected to have similar effects to Options A1 and A2 but with a higher magnitude of effects due to the additional growth. Therefore, moderate negative effects are likely. Similarly, **Option B3** is likely to have similar effects to Option A3 but amplified in magnitude due to the higher growth proposed. Therefore, Option B3 is predicted to produce moderate negative effects.

Option B4 does not allocate growth in locations outside of the NLA and therefore neutral effects are expected.

Option B5

The same effects under option A5 would apply but with a higher magnitude due to the additional growth proposed. As such moderate negative effects are likely.

Growth Scenario C - 7950 dwellings (50% of current unmet needs)

Options C1 and C2 will involve dispersed, modest growth in each of the authorities across identified settlements and smaller villages. There is a presumption that following a settlement hierarchy approach, the larger, better served settlements would be the first port of call, followed by the smaller villages. Though there are a lot of settlements falling into these categories, there are not site opportunities in all locations, so the spread might not be as thin as might first appear.

In Harborough, different approaches could be taken. For example, there are a host of smaller sites across the villages. Together, these would total a significant portion of the requirement. However, the sensitivity of the villages would likely mean that negative effects are unavoidable. This would therefore lead to an erosion of the rural character of much of the countryside. An alternative approach would be to focus growth on a smaller number of large sites at settlements such as Kibworth and Broughton Astley. Whilst growth here would perhaps be more damaging to these settlements, much of the rest of the district would be unharmed. Either approach is likely to generate negative effects though given the historic nature of the settlements across Harborough, but a concentration on large less sensitive sites might be preferable in terms of cultural heritage.

In Charnwood, there are a range of settlements that could accommodate additional growth, but this would likely create negative effects given the nature of many of the settlements where further growth could be placed. In particular, it would be necessary to avoid the Charnwood Forest settlements that are highly sensitive, as are many of the settlements in countryside areas to the north east of the borough. Targeted additional growth at specific settlements that are less sensitive would help to accommodate a portion of this target for these options without generating significant effects. For example, site options in Shepshed, Barrow upon Soar, Rothley and Sileby might be less likely to bring about negative effects. Nevertheless, the potential for minor negative effects exists, even in these locations.

In Hinckley some of the higher order settlements contain medium to large scale sites that could accommodate the scale of growth involved either wholly or with one other site. Some of these sites are not particularly sensitive from a cultural heritage perspective, and therefore such a strategy could potentially be achieved without generating negative effects on specific assets (though the form of settlements would change – as discussed in the landscape section). An alternative approach that saw a more dispersed approach could see negative effects occurring at a number of the smaller settlements that are more sensitive to change.

In Melton, many of the identified settlements are sensitive to change (indeed many sites actually contain heritage assets), and even small amounts of growth could lead to negative effects on cultural heritage. An approach that dispersed development across such areas to achieve the targets would therefore be likely to have moderate negative effects. An alternative would be to focus growth on one or more of the larger sites in specific identified settlements. This would be more likely to have minor negative effects overall, but might be more damaging to one particular location.

In North West Leicestershire the scale of growth for other settlements is similar for options C1 and C2. It is likely that minor negative effects could arise as a result of dispersing growth to villages that are sensitive to change in terms of settlement character and the presence of heritage assets. This would be more of an issue if growth was concentrated more heavily onto one settlement than spread thinly.

Overall, both of these approaches are likely to have the same effects, given that they involve similar distribution of development amongst the authorities at the same amount of growth. A range of effects could occur though, depending upon the exact distribution between the identified and other settlements across each authority. In most cases, dispersing growth to many small settlements could lead to a piecemeal erosion of historic value across the entire Leicestershire area, which cumulatively, could lead to moderate negative effects. This issue is most prevalent for Harborough and Melton, but would also present issues in the other authorities. Should an approach be taken that focuses growth in larger amounts at fewer identified settlements, then the potential for effects in that location could possibly be higher, but the vast majority of other settlements would be protected from negative effects. There are also some larger sites that would not be expected to give rise to significant effects. That said, given that these options require very small utilisation of total available site capacities, uncertain minor negative effects are predicted overall.

Neutral effects are expected for options C3 and C4 as these do not allocate growth in the other identified settlements.

Overall effects

Growth scenario A - 15,900 dwellings (Current unmet housing needs)

However, for options A1, A2 and A5, which disperse growth, the effects are expected to be more negative overall, because moderate or minor negative effects are predicted in the market towns and other settlements (different locations are effected depending on the distributions involved). As such, moderate negative effects are predicted overall.

Option A3 involves development at strategic sites across a wider area, with moderate effects predicted in several locations. Cumulatively, this is a moderate negative effect

For Option A4 the effects are predicted to be minor, as a focus on the NLA ought to be possible to achieve without having significant effects on cultural heritage.

Growth scenario B – 20,000 dwellings (25% uplift on current unmet housing needs)

At a higher scale of growth, the corresponding options are predicted to be similar to those identified under Scenario A. The main difference is that the effects for B1 and B2 are predicted with greater certainty compared to A1 and A2. The potential effects of B3 are also major given that moderate negative effects are recorded in multiple

locations.

Growth Scenario C – 7950 dwellings (50% of current unmet housing needs)

At this scale of housing delivery, the effects are likely to be minor negatives for each of the options. The dispersed nature of Options C1 and C2 means that only neutral or minor negative effects are predicted in specific locations and cumulatively. Whilst option C3, which involves strategic sites could potentially have moderate negative effects in the NLA, from a Leicestershire perspective only minor negative effects are recorded. Likewise, the effects for Option C4 are only minor at the NLA, and neutral elsewhere.

| | | City | Near Leicester Area | Market towns | Other settlements | Overall effects |
|--|-----------|------|---------------------|--------------|-------------------|------------------|
| Option 1 Settlement tiers | A1 HENA | - | × | xx ? | xx? | xx? |
| | B1 Higher | - | × | xx | xx | xx |
| | C1 Lower | - | × | - | x ? | × |
| | A2 HENA | - | × | × | xx? | xx? |
| Option 2 | B2 Higher | - | × | × | xx | xx |
| Equal Share | C2 Lower | - | × | - | x ? | × |
| Option 3 Strategic Sites focus | A3 HENA | - | ××? | xx | x | xx |
| | B3 Higher | - | xx | xx | xx | xxx [?] |
| | C3 Lower | - | xx? | - | - | × |
| Option 4 <i>Near Leicester Area</i> | A4 HENA | - | × | - | - | × |
| | B4 Higher | - | xx | - | - | × |
| | C4 Lower | - | × | - | - | x ? |
| Option 5 HENA Distribution | A5 HENA | - | × | × | xx? | xx |
| | B5 Higher | - | × | × | xx | xx |

Appraisal findings: Water

The findings relating to the Sustainability Topic 'Water' are presented in the following tables.

Water

Water supply is generally good across Leicestershire, with some capacity to expand, but in some areas this is only at low flows. With regards to water resources, Severn Trent Water identifies that several areas are under moderate water stresses. In the longer term, Severn Trent Water recognises that future supply/demand pressures will lead to a need for additional water resources and treatment capacity. The whole of Leicestershire is designated as a nitrate vulnerable zone for surface water.

There is a history of flooding within Leicestershire, with significant events occurring in 2012 and 2013, as defined in the Leicestershire Local Flood Risk Strategy. The strategy has also identified that any settlement that has more 100 properties shown to be at risk of surface water flooding have been classed as a 'priority settlement'. There are forty areas that have been classed as a priority settlement across Leicestershire. This includes the following settlements in the 'top ten': Loughborough (as the most at risk), Blaby, Narborough and Whetstone, Market Harborough, Wigston, Melton Mowbray, Hinckley and Burbage and Oadby.

Climate change is likely to increase the risk of flooding within low-lying areas of Leicestershire and may also affect water availability during warm and dry periods. There is therefore a need to maintain and upgrade flood defences, especially in areas which are currently susceptible to flood events, and to adopt sustainable drainage systems into new developments.

City

Whilst no growth is proposed in the Leicester city area, higher levels of growth proposed under some options particularly under growth scenario B4 and A4 would require the substantial use of sites adjacent or in close proximity to the city boundary. The site options are not likely to increase fluvial or surface water flood risk in the city area, as sustainable drainage systems can be implemented to improve the rate of runoff and should also avoid development from causing adverse effects on water quality. However, the level of growth proposed would result in the loss of farmland which could have some improvements to water quality in the city area through potential reduced pollution from farming activities at higher catchment areas. The proposed growth in market towns and other identified settlements do not spatially relate to the Leicester city area and thus are not considered to have any direct effect on water quality or flood risk.

Overall, a neutral effect is predicted for the City for all of the options regardless of the scale of growth involved.

Near Leicester Area (NLA)

The majority of the NLA area falls within Flood Zone 1, though there are pockets to the south that sit within flood zones 2 & 3 and a larger stretch of land subject to flooding in the north surrounding the River Soar. There are flood plains particularly concentrated around the River Sence to the south of the NLA. Rothley Brook also has the potential for flood risk along the northern periphery, though to a lesser extent. The main length of the River Sence from Burton Brook to Countesthorpe Brook has moderate overall physical chemical quality (2009).

Growth scenario A - 15,900 dwellings (Current unmet housing needs)

For **Options A1 and A2**, it is considered that site options across the NLA areas that fall within Flood Zone 1 can be used, potentially avoiding any adverse effects of fluvial flooding. These scales will require the use of mainly greenfield but some brownfield sites. The broadly greenfield nature of site options should allow for green

infrastructure and sustainable drainage systems to be incorporated, which should help manage any increases in water run-off and help sustain its quality. Whilst development poses a risk to water quality of watercourses through potential pollution or increased effluents in run-off, these effects can be mitigated through suitable infrastructure. Furthermore, the change of use of greenfield sites in agricultural use should reduce the pollution resulting from farming activities, which should effectively offset pollution as a result of development and urbanisation (if adequately managed). The redevelopment of brownfield sites present opportunities for improvement to the rate and quality of run-off and to manage some of the effects of flooding through the use of SuDS. Although these effects are positive, cumulatively this is not considered to be significant as only a small proportion of growth (mainly in Charnwood and Blaby) can be accommodated on previously developed land where these effects can be realised. The higher scale of growth proposed in Oadby and Wigston under option A2 would reduce potential to incorporate green infrastructure, although some SuDS could be incorporated to help mitigate potential effects of urbanisation on surface water discharge rates. Overall, effects are predicted to be neutral.

The effects for **Option A3** involves the use of site options in Blaby, Hinckley and Oadby and Wigston, and the more comprehensive use of strategic sites in Harborough. Most of these sites include areas of Flood Zones 2 and 3, with sites in Blaby mostly adjacent to large areas but also partly falling within areas at risk of fluvial flooding. Sites elsewhere comprising small areas at risk of fluvial flooding that follow the course of minor streams. It is likely that growth can be planned without infringing onto land at risk of flooding given the strategic nature of sites. All site options consist of greenfield land and development has potential to increase surface water discharge. Some strategic locations in Harborough could exacerbate the risk of flooding in Leicester and adjacent settlements to the east and west of the city. Such effects can be avoided through the use of sustainable drainage systems, particularly if they mimic natural drainage.

In Harborough, development on greenfield sites at these scales should potentially allow for green infrastructure and the implementation of 'natural' SuDS, which should help address issues in relation to surface water flooding. This should also somewhat help mitigate potential adverse effects on the urbanisation of the strategic sites on water quality of watercourses and groundwater through pollution or increased effluents in run-off. The change of use of land from agricultural use should also avoid pollution resulting from existing farming activities which at these scales is likely to have some benefits. However, development in locations other than Harborough would require the utilisation of sites and therefore limit the opportunities for the integration of green infrastructure and SuDS. In Blaby where sites adjoin or include areas of flood risk, there is potential for this to exacerbate risk both in the immediate local area and further afield.

Overall, whilst some localised positive effects are likely, a <u>potential</u> <u>minor negative effect</u> is predicted due to the location of development on strategic sites that contain areas at risk of fluvial and surface water flooding. However, given the potential to avoid sensitive areas and to incorporate SUDs, the effects are not considered to be significant.

For **Option A4**, the scale of growth would require some use of site options that overlap or are adjacent to areas of Flood Zone 2 and 3 and areas known to be at risk of surface water flooding. The broadly greenfield nature of sites should allow for green infrastructure and sustainable drainage systems to be incorporated. This should help manage any increases in surface water run-off at a local level, particularly if natural / soft approaches to SUDs are prioritised. This scale of growth could also involve the use of brownfield sites mainly clustered in and around Thurmaston in Charnwood that are known to be susceptible to surface water flooding. Development on some of these sites provides opportunities to improve the rate of run-off through the use of SuDS; as otherwise changes are unlikely to be made. The use of sustainable

drainage systems should also help to manage some of the effects of flooding. However, such effects are predicted to be minor as these sites are not of a scale to be able to deliver significant natural drainage systems. There is also a risk in areas in Charnwood and Blaby which include a number of smaller site options, for cumulative development to slightly exacerbate flood risk where effective drainage and mitigation measures are addressed on an individual site basis.

This level of growth has potential to have adverse effects on the water quality of watercourses through potential pollution or increased effluents in run-off and waste water. However, given that much of the land available for development consists of farmland, it is possible that pollution resulting from existing farming activities would be reduced through a change in land use. This could offset the potential negative effects on water quality. Cumulative effects of growth that would likely cause adverse effects on water quality are predicted along the A46 corridor, M1 corridor and along the north west boundary of Harborough where significant amounts of committed and proposed development could occur in a relatively small spatial area.

Overall, a potential minor negative effect is predicted reflecting the issues discussed above.

For **Option A5**, it is considered that sites across the NLA area that fall within Flood Zone 1 can be used (avoiding FZ2/3). This scale of growth should further allow site options to utilise opportunities for sustainable urban drainage, mitigating potential adverse effects on the rate and quality of run-off and surface water flooding. In Blaby, effects are likely to be similar to those under growth scenario A4, at this scale a number of smaller site options will be required which could cumulatively exacerbate flood risk where drainage and mitigation measures are addressed on an individual site basis and it may be more difficult to introduce strategic improvements. Overall, a neutral effect is predicted.

Growth scenario B - 20,000 dwellings (25% uplift on current unmet housing need)

For **Option B1** it is considered that site options across the NLA areas that fall within or mostly comprising Flood Zone 1 can be used, potentially avoiding any adverse effects of fluvial flooding. The distribution proposed will require the use of mainly greenfield sites. The broadly greenfield nature of site options should allow for green infrastructure and sustainable drainage systems to be incorporated, which should help manage any increases in water run-off and help sustain its quality. Whilst development poses a risk to water quality of watercourses through potential pollution or increased effluents in run-off, these effects can be mitigated through suitable infrastructure. Furthermore, the change of use of greenfield sites in agricultural use should reduce the pollution resulting from farming activities, which should effectively offset pollution as a result of development and urbanisation (if adequately managed). Overall, a neutral effect is predicted in this respect.

For **Option B2** the scale of growth proposed is predicted to have similar effects for Charnwood, Harborough and Hinckley to those under growth scenario A1, and A2 for Blaby and Oadby and Wigston. Cumulatively, growth should be able to avoid areas at greatest risk of fluvial flooding but in some locations the higher scale of growth could add pressures to flood risk if surface-water is not effectively managed. The higher scale of growth in Blaby and Oadby and Wigston also presents opportunities for enhancements to water quality through the change of land from agricultural use. Overall, a **neutral effect** is predicted.

For Option B3 the effects are similar to that under option A3, therefore, potential minor negative effects are predicted.

For **Option B4** the scale and distribution of growth involved would require the use of sites in some locations which fall within Flood Zones 2 and 3. This is particularly the

case for Hinckley and Harborough where the majority of site options would need to be utilised. This scale of growth would also require the more comprehensive use of site options which could reduce the scope to integrate green infrastructure and SuDS. Such effects are likely to be exacerbated for site options adjacent or intersected by areas at risk of flooding, mainly in Charnwood and Blaby, where infrastructure is focused on fluvial flood risk mitigation ahead of a holistic approach to improve long term surface water discharge and enhance water quality. This growth scenario would also require the use of larger greenfield sites which could derive some positive effects on water quality from the change in agricultural use. Overall, <u>potential</u> <u>minor negative effects</u> are predicted.

For **Option B5,** in Blaby, the high scale of growth would make it more challenging to incorporate SuDS and green infrastructure to achieve improvements in water quality whilst avoiding site areas where development could exacerbate flood risk. In other locations, the lower scale of growth can be accommodated on site areas not at risk of fluvial flooding and where growth is not likely to exacerbate such effects. The site options and distribution should also allow for the integration of green infrastructure and SuDS. Overall, potential minor negative effects are predicted reflecting these issues.

Growth Scenario C – 7950 dwellings (50% of current unmet housing needs)

At this scale of growth, for Options C1 and C2 the level of growth in the NLA is lower than for Option C4, the effects therefore are also neutral.

Option C3 involves growth on strategic sites in the NLA. The effects would be very similar to Option A3, despite being slightly reduced in Harborough. As such, a <u>potential</u> <u>minor negative effect</u> is predicted due to the location of development on strategic sites that contain areas at risk of fluvial and surface water flooding. However, given the potential to avoid sensitive areas and to incorporate SUDs, the effects are not considered to be significant.

At this scale and distribution of growth, for **Option C4**, it is considered that site options across the NLA areas that fall within Flood Zone 1 can be used, potentially avoiding any adverse effects of fluvial flooding. This scale will require the use of mainly greenfield but some brownfield sites. The broadly greenfield nature of site options should allow for green infrastructure and sustainable drainage systems to be incorporated, which should help manage any increases in water run-off and help sustain water quality. Whilst development poses a risk to water quality of watercourses through potential pollution or increased effluents in run-off, these effects can be mitigated through suitable mitigation through construction and the use of green infrastructure throughout the site. Furthermore, the change of use of greenfield sites in agricultural use should reduce the pollution resulting from farming activities, which should effectively offset pollution as a result of development and urbanisation (if adequately managed). The redevelopment of brownfield sites present opportunities for improvement to the rate and quality of run-off and to manage some of the effects of flooding through the use of SuDS. Although these effects are positive, cumulatively this is not considered to be significant as only a small proportion of growth (mainly in Charnwood and Blaby) can be accommodated on previously developed land where these effects can be realised. Therefore, the overall effects are predicted to be neutral.

Market Towns

Hinckley

• Parts identified as a priority settlement for surface water flooding. There are areas of land designated within flood zone 2 and 3 running through the middle of

the town.

Coalville

• There is a small area lying to the south of the town that falls within flood zone 2/3, however it does not meet the criteria to be a priority settlement for surface water flooding.

Loughborough

• Identified in parts as a priority settlement for surface water flooding.

Lutterworth

• River Swift runs along south east of the Town with associated flood plains.

Melton

- Identified in parts a priority settlement for surface water flooding.
- Flood zones 2 and 3 cover approximately 60 ha of the borough, with areas running through Melton Mowbray itself.
- Groundwater Nitrate Vulnerable zones are also present in parts of Melton Mowbray.
- The River Wreake had very high levels of phosphates and nitrates (2009)

Market Harborough

- Identified in parts as a priority settlement for surface water flooding.
- The majority of land around the settlement of Market Harborough falls into Flood Zone 1.
- The Environment Agency data (2014) demonstrates that across the district there are only two watercourses with good ecological status, both of which are canals. 10 watercourses have a 'moderate' status, 9 'poor' and 7 'bad'.

Growth scenario A - 15,900 dwellings (Current unmet housing needs)

Under **Option A1**, the effects in Coalville, Loughborough and Hinckley are likely to be similar to growth scenario C1, as the site options required to deliver the additional growth are likely to be greenfield and in agricultural use, and therefore suitable for the implementation of SuDS and have potential to have both positive and adverse effects on water quality. Similar effects to that proposed under growth scenario C1 is also likely in Melton Mowbray, but the higher levels of growth will likely require the use of site options which fall directly adjacent to areas of higher flood risk, presenting some opportunities for improvements. In Harborough, this scale of growth would require some use of site options which fall adjacent or in close proximity to rivers and greenfield with some in agricultural use. Development on these sites with the incorporation of SuDS has potential to have positive localised effects on water quality and reduce the risk of fluvial flooding through the control of discharge which is currently likely to include some levels of pollution. However, the overall increase in growth would also be likely to put increased pressure on wastewater and drainage infrastructure. Overall, neutral effects are predicted.

For Option A2 this scale of growth is likely to have similar effects to that under growth scenario C1. However, the significantly higher level of growth proposed in Melton Mowbray and Coalville would require the intensive use of site options which could increase the impermeable surfaces on development sites. This could potentially increase run-off rates that could exacerbate the risk of flooding and increasing the likelihood of pollution in run-off, which can deteriorate water quality. However, these effects are uncertain as the scope for the implementation of SuDS and their effectiveness would highly be dependent on the design of development and how development on numerous site options cumulatively address surface water discharge. The change in land use from agricultural could also offset water quality issues to an extent by reducing polluting activities. Overall, an <u>uncertain minor negative effect</u> is predicted, as the growth scenario would require more intense development of sites in Melton Mowbray and Coalville which fall adjacent to areas at risk of fluvial flooding

Option A3 involves growth on strategic sites at market towns. In Coalville and Market Harborough, the strategic site options do not fall within or immediately adjacent to areas at risk of fluvial flooding. Strategic sites at other locations are adjacent and partly intersected by waterbodies, and therefore include areas of Flood Zones 2 and 3. However, the scale of growth involved could be accommodated without infringing onto land at risk of flooding. This scale of growth should also allow for green infrastructure and the integration of SuDS which has potential for positive effects on surface water discharge and water quality. The urbanisation of these sites could also support improvements to water quality through the use of sustainable urban drainage and change in land use from agriculture (providing that increased effluents are suitably managed). In Coalville and Loughborough, where a higher density of development is proposed, there is potential for development to increase surface water discharge rates which could subsequently increase flood risk. In Coalville, such effects can be realised through the urbanisation of a large greenfield site enclosed by urban areas. In Loughborough, the strategic site adjoins and is partly intersected by an area of flood risk along a watercourse, and an increase in run-off to the watercourse could exacerbate flood risk. These matters would need to be addressed at the detailed design stage, but it is presumed that as strategic sites, the effects would not be significantly negative. Nevertheless, potential minor negative effects are identified at this stage as a precaution. Alongside these, are potential minor positive effects (relating to good potential to incorporate natural SUDs) which could therefore offset the negative effects. Overall, <u>uncertain effects</u> are predicted in this respect.

No growth is proposed in the market towns under Option A4, and so neutral effects are predicted.

For **Option A5**, in Loughborough and Melton Mowbray, the scale of growth under this option is predicted to have similar effects to those under option A2. In Harborough, similar effects are envisaged to those under option A2. In Hinckley and Coalville, the higher scales of growth can be accommodated on site options not at risk of fluvial flooding.

This scale of growth would require the use of larger site options which are in current agricultural use. This presents some opportunities for improvements to water quality, although effects are balanced as improvements from the change of use from agriculture to housing has potential for pollution in run-off and effluents. The amount of growth involved at the Market Towns, mainly in Coalville, would also likely require the comprehensive use of site options, which could reduce the scope for the introduction of natural green infrastructure and SuDS. Overall, <u>potential</u> <u>minor negative effects</u> are predicted.

Growth scenario B - 20,000 dwellings (25% uplift on current unmet housing needs)

For Option B1 the scale of growth is likely to have similar effects to that under Option A1, despite the overall increase in development across the market towns. The

slight increase in development is likely to require the more comprehensive development of site options, which could potentially reduce the scope to incorporate green infrastructure and more comprehensive SuDS. In Melton Mowbray, this scale of growth would also likely require the comprehensive development of site options adjacent to areas at risk of fluvial flooding. Adverse effects on run-off rates could potentially be mitigated through incorporating SuDS, opportunities to incorporate further green infrastructure and sustainable drainage. Nevertheless a <u>potential minor negative effect</u> is predicted reflecting these issues.

In Loughborough, Harborough and Hinckley, the scale of growth under **Option B2** is likely to have similar effects to that under Option A1. In Melton Mowbray and Coalville, effects are likely to be similar to those under option A2 (i.e. minor negatives). However, the increase in growth in Melton Mowbray would require the more comprehensive use of site options including those in close proximity to watercourses and areas at risk of fluvial flooding. Comprehensive built development on sites in this location could result in an increase in run-off rates and potential pollution. Whilst there are opportunities to incorporate SuDS, at this scale of growth these is potential for cumulative effects to arise from development. Overall, a minor negative effect is predicted.

The effects for **Option B3** are similar to that under option A3, though there are approximately 200 additional dwellings involved in Coalville and 700 additional dwellings at Melton Mowbray, Market Harborough/Lutterworth and Hinckley on strategic sites. The additional growth in Coalville will require the comprehensive development of the strategic site, perhaps reducing opportunities for the integration of green infrastructure and SuDS and this could add pressures on the sustainable management of run-off. The additional growth in other locations can likely be accommodated whilst avoiding areas at risk of fluvial flooding and some integration of green infrastructure and SuDS should still be possible. Overall, <u>uncertain effects</u> are predicted as per Option A3. This is dependent upon the extent to which strategic sites can avoid areas at risk of flooding, and implement natural SUDs and waste water treatment.

For **Option B5**, in Loughborough, this scale of growth is likely to have similar effects to those under option C2 (i.e. neutral effects). In Harborough, growth is likely to have similar effects to those identified under option A5 (i.e. potential minor negative effects). In Melton, effects are similar to those under option A1 (i.e. neutral effects). In Hinckley, this higher scale of growth would require further site options in current agricultural use, and thus effects are predicted to be similar to option A5 (potential minor negative effects) although the high scale of change from agricultural use could derive minor positive effects, when supported with comprehensive SuDS and run-off safeguarding measures to protected water quality. Whilst some of these effects also apply to Coalville, this scale of growth would require the more comprehensive use of site options, potentially reducing the scope to incorporate green infrastructure and SuDS. Overall, <u>potential minor negative effects</u> are predicted.

Growth Scenario C – 7950 dwellings (50% of current unmet housing needs)

For **Options C1 and C2** development could be accommodated on a number of site options that fall within flood zone 1 across all of the market towns were growth would be directed. Under these growth scenarios some development can be accommodated on brownfield sites, which could possibly improve the rate of run-off on these sites through the use of SuDS. In Loughborough these effects are likely to be most positive as a number of brownfield site options fall adjacent or in close proximity to areas at risk of fluvial flooding and improvements in the rate of run-off could reduce the risk of flooding and the use of SuDS instead of potential discharge directly into waterbodies could result in a localised minor improvement in water quality. Cumulatively, most of the growth under these scenarios would require the use of greenfield sites in agricultural use. This is most prevalent in Coalville and Hinckley. The change of use of these site options from agricultural use could reduce the pollution resulting from farming activities, which has potential to have some minor positive effects on water quality. However, this is likely to be offset by any potential deterioration of water quality as a result of the urbanisation of these site options. Overall a neutral effect is predicted as these growth scenarios can be accommodated

on sites at low risk of fluvial flooding and it is presumed that water quality can be managed.

Option C3 and C4 involve no growth in the market towns themselves and are unlikely to have indirect cumulative effects given the fairly distant location of other site options from these locations. Therefore, **neutral effects** are predicted.

Other settlements

Growth scenario A - 15,900 dwellings (Current unmet housing needs)

For **Options A1 and A2** in Charnwood, this higher level of growth is likely to have similar effects to that proposed under the corresponding options under growth scenario C. However, to avoid growth on site options at risk of fluvial flooding, options either around smaller villages or higher densities on sites around larger villages would be required. This could somewhat undermine the delivery of new green infrastructure and sustainable drainage systems required to achieve improvements in rates of run-off and water quality. However, development is unlikely to be placed in areas at risk of flooding, and mitigation should ensure surface water run-off is managed.

In Harborough, Hinckley, Melton, NWL and Blaby, this scale of growth is likely to have similar effects to that proposed under Option C1 (i.e. neutral effects). The higher cumulative level of growth on greenfield sites in agricultural use could reduce pollution associated with farming activities, likely resulting in minor improvements in water quality. Conversely, the urbanisation of sites equally could cause pollution which could have adverse effects on water quality, although it is possible that the introduction of comprehensive sustainable urban drainage and green infrastructure could potentially safeguard water quality from such adverse effects.

On balance, despite the higher level of growth involved for options A1 and A2, the dispersed nature of development means that it should still be possible to avoid negative effects in terms of flooding and water quality. Therefore, neutral effects are predicted for both options A1 and A2.

Option A3 involves growth on strategic sites across 'other settlements' in Blaby and Charnwood. The scale of growth proposed under this scenario can be accommodated on strategic sites (including parts of sites) not at risk of fluvial flooding and can be supported with comprehensive green infrastructure and sustainable urban drainage to manage surface water run-off and improve water quality. However, cumulatively any improvements to water quality are not likely to be significant. Overall, a neutral effect is predicted.

For **Option A5**, In Blaby, this higher scale of growth can be accommodated across site options within flood zone 1. This scale of growth should also allow for the incorporation of green infrastructure and SuDS, which should help sustain run-off rates and could improve water quality.

Despite involving increased growth in the other settlements, the scale of growth proposed under Option A5 is predicted to have similar effects to those under Options A1 and A2 (I.E. neutral effects).

Growth scenario B - 20,000 dwellings (25% uplift on current unmet housing needs)

For **Options B1 and B2**, a higher scale of growth is involved (compared to options A1 and A2), but for most locations, there is still potential to avoid sensitive areas, and the dispersed nature of growth should ensure that impacts on water quality are minor. The exception is for Charnwood under Option B1, where development could potentially encroach upon areas containing flood zones 2 and 3. Overall, the potential for minor negative effects are identified for B1. For Option B2, neutral effects are predicted.

For **Option B3**, the higher level of growth proposed on strategic sites in Blaby and Charnwood under this option should still be able to avoid areas at risk of fluvial flooding and support green infrastructure and SuDS to manage surface water run-off and improve water quality. Therefore, effects are predicted to be similar to those under option A3. Likewise, growth at this scale in NWL should also be able to avoid areas at risk of fluvial flooding and support sustainable drainage measures. Overall, a neutral effect is predicted.

For Option B5, despite the increase in growth, it is expected that neutral effects would still occur given the dispersed nature of growth and the site choices available.

Growth Scenario C – 7950 dwellings (50% of current unmet housing needs)

For **Options C1 and C2**, the effects are mostly neutral or potentially minor positive.

In Charnwood, the scale of growth involved could utilise brownfield site options and a number of greenfield site options in Flood Zone 1 adjacent to villages. This provides opportunities for the integration of sustainable urban drainage which could help to manage run-off and reduce the risk of flooding. This is of particular interest around Barrow upon Soar, Sileby and Rothley where some site options fall in close proximity to the River Soar or Rothley Brook and areas at risk of fluvial flooding and where SuDS could reduce the run-off to these waterbodies.

In Harborough, this scale of growth can either be distributed on a number of smaller site options or parts of sites adjacent to most or all settlements or by focusing growth on a smaller number of large sites at settlements such as Kibworth and Broughton Astley. Growth under both distribution options could be accommodated on site options which fall in Flood Zone 1. The cumulative loss of greenfield land in agricultural use is not likely to be of the magnitude to lead to significant effects on water quality (through a reduction in agricultural pollution for example). Both growth distributions can also incorporate SuDS and green infrastructure, although distributing growth on a small number of larger sites should increase the potential to incorporate comprehensive sustainable urban drainage and green infrastructure.

Similar effects are also likely in Hinckley and Blaby, where this level of growth could also be accommodated on site options outside of areas at risk of fluvial flooding and site options are likely to be able to implement SuDS. However, some concentration of growth presents opportunities for intensive sustainable urban drainage and the potential for new green infrastructure.

In Melton, this scale of growth could either be accommodated across numerous site options or on a single large site in Flood Zone 1 areas. This scale of growth should also be able to accommodate sustainable urban drainage on site options and some potential for new green infrastructure depending on distribution. Cumulatively, the loss of greenfield land in agricultural use or urbanisation of site options is not likely to have any significant effects on water quality.

In NWL, growth at this scale would likely require the concentration of growth around settlements to the south and west of the district including to the south and west of Coalville and Ashby-de-la-Zouch. These areas include site options which fall adjacent or include small areas at risk of fluvial flooding. However, at this scale it should be possible for development to be directed away from areas at risk of flooding and for the integration of sustainable urban drainage and green infrastructure to help reduce the rate of run-off. There is also potential on some larger site options for some minor positive effects on water quality through the implementation of comprehensive SuDS and adequate measures to avoid pollution in water discharge as a result of urbanisation.

Cumulatively, an neutral effect is predicted as growth can be accommodated on a number of site options outside of areas at risk of fluvial flooding and sustainable urban drainage and some green infrastructure enhancements could be incorporated. It may also be possible to see positive effects in urban areas if new developments better manage drainage, but this is uncertain.

Options C3 and C4 involve no growth in the other identified settlements themselves. As such neutral effects are predicted in this respect.

Overall effects

Growth scenario A - 15,900 dwellings (Current unmet housing need)

At this scale of growth, all of the options with the exception of A1 are predicted to have <u>uncertain</u> <u>minor negative effects</u>. This relates primarily to some site options overlapping with areas at risk of fluvial flooding. The location of effects differs depending on the distribution of growth, but in the main, each option only has the potential for negative effects in specific locations (rather than multiple locations). The potential for effects on water quality are considered to be neutral; there could be some minor benefits associated with the implementation of SUDS, but conversely, urbanisation could lead to pollutants in run off and effluent. On balance, neutral effects are predicted given the dispersed nature of growth. Option A1 disperses growth in such a way as to fully avoid areas of flood risk, and therefore, <u>neutral effects</u> are predicted.

Growth scenario B - 20,000 dwellings (25% uplift on current unmet housing needs)

At this higher level of housing delivery, the effects are very similar to the corresponding options under growth scenario A. Despite an increase in growth, the effects are unlikely to be significantly different due to the dispersed nature of growth and potential to avoid or mitigate flood risk. Overall, minor negative effects are predicted for each option, with a degree of uncertainty for certain options.

Growth Scenario C - 7950 dwellings (50% of current unmet housing needs)

At this scale of growth, neutral effects are predicted for virtually all locations. This is because there is flexibility in the choice of sites so as to avoid areas of flood risk. With regards to water quality, the scale of growth and dispersal involved is likely to result in **neutral effects**. The exception is Option C3, which involves strategic sites, some of which overlap with flood zones 2 and 3. As such <u>potential minor negative effects</u> are predicted in this respect.

| | | City | Near Leicester Area | Market towns | Other settlements | Overall effects |
|--|-----------|------|---------------------|--------------|-------------------|-----------------|
| Option 1 Settlement tiers | A1 HENA | - | - | - | - | - |
| | B1 Higher | - | - | x ? | - | x ? |
| | C1 Lower | - | - | - | - | - |
| - · · · | A2 HENA | - | - | ×? | - | x ? |
| Option 2 | B2 Higher | - | - | × | - | × |
| Equal Share | C2 Lower | - | - | - | - | - |
| Option 3 Strategic Sites | A3 HENA | - | x ? | ? | - | x ? |
| | B3 Higher | - | x ? | ? | - | x ? |
| | C3 Lower | - | x ? | - | - | x ? |
| Option 4 <i>Near Leicester Area</i> | A4 HENA | - | x ? | - | - | x ? |
| | B4 Higher | - | × | - | - | × |
| | C4 Lower | - | - | - | - | - |
| Option 5 HENA Distribution | A5 HENA | - | - | x ? | - | x ? |
| | B5 Higher | - | x ? | x ? | - | x ? |

Appraisal findings: Minerals

The findings relating to the Sustainability Topic 'Minerals' are presented in the following tables.

Minerals

Leicestershire is a mineral rich County, and one of the principal producers of minerals within England, particularly with regards to igneous rock. Many of the active mineral extraction sites are located, or have previously been located, within the north-western areas of the County as governed by naturally occurring geology. There are also areas of active and previously active mineral sites in the south-west of Leicestershire. Igneous rocks are currently extensively worked in and around Charnwood Forest in Leicestershire, producing in excess of 10 million tonnes of aggregate each year. The quarry at Mountsorrel is one of the largest aggregate quarries in the UK. Rocks quarried also include intrusive igneous rocks and Charnian volcaniclastic sediments, much of which is then exported around England. Small quarries which extract Carboniferous Limestone are located in the north- west of Leicestershire at Breedon Hill and Cloud Hill. The Marlstone Rock Formation has been extensively quarried for Iron ore in the area surrounding Holwell, also north of the county. Concentrations of red and green mudstones, siltstones and sandstones are found in west Leicestershire, where associated brick quarrying takes place. There is a continuing demand for open-cast coal mining, although this has significantly declined since the 1990s. There are relatively few applications for deep-cast coal mining within the region.

City

Under all growth scenarios development is not likely to result in any impacts on mineral resources in the city, as no development is proposed in the city and the urbanised area is broadly unsuitable for the extraction of mineral resources and thus the availability of such resources in this area is less relevant.

Near Leicester Area (NLA)

Many areas within the NLA include Mineral Safeguarding Areas (MSAs). This includes extensive swathes of sand and gravel areas in Charnwood (also includes substantial Gypsum areas), Blaby, Harborough, and Hinckley. There are also Igneous MSAs in Hinckley and Charnwood. It should also be noted that the extraction of minerals involves a number of operations that are known to cause amenity issues and therefore much of the NLA area is unlikely to be an appropriate location for mineral extraction due to its proximity to highly populous areas including the city of Leicester. Therefore, sterilisation of resources in this area can be considered to be offset by the location of the resource not being particularly suitable for extraction in the first place. However, for certain minerals it may be possible to extract resources where feasible using methods such as strip mining and where any adverse effects of operations such as noise and dust can be effectively mitigated.

Growth scenario A - 15,900 dwellings (Current unmet housing needs)

Options A1 and A2 follow a similar pattern of growth distribution to A4 but with much lower growth and therefore significant effects are unlikely (neutral).

Option A3 directs the bulk of growth towards Harborough, where the large scale of growth would require utilising larger sites overlapping with sand and gravel MSAs. This is likely to result in some sterilisation of resources if these sites are developed without the prior extraction of resources. Similarly, the growth in Blaby would

require utilising sites that overlap sand and gravel MSAs outside the existing built up areas. The Oadby and Wigston developments would not overlap with MSAs and therefore no significant effects would be expected here. Overall minor negative effects are anticipated due to the overlap with MSAs in Harborough and Blaby under this option. Though there is an increased level of growth compared to Option C4, the significance of the effects are not considered likely to be greater, as only a very minor proportion of total potential mineral resources would be affected.

The scale of growth under **Option A4** would require more intensive use of site options across the NLA. In Charnwood and Blaby, growth is likely to include a number of small sites partly within or adjacent to built-up areas that fall within the sand and gravel MSA. However, whilst these sites include important mineral resources, their development is unlikely to result in negative sterilisation effects, as the site options are small in scale and unsuitably located (in regard to amenity and other adverse effects on population) for mineral extraction. This scale of growth would also require the use of site options outside near to / built-up areas including site options near Barkby in Charnwood, adjacent to settlements such Blaby and use of the larger sites in Harborough which are safeguarded for their sand and gravel resources. This is likely to result in some sterilisation of resources if these sites are developed without the prior extraction of resources (and indeed if the resources are economically feasible to extract).

Whilst the composition and quantity of materials required for any future development in this NLA is unknown at this stage, it is likely that growth would require the use of sand and gravel minerals for materials such as concrete and bricks. Growth on a number of larger sites that would need to be utilised under this growth scenario (such as in Harborough and Blaby) and contain sand and gravel minerals could unlock important minerals that can potentially be extracted sensitively to support development in the NLA and wider area, therefore, potentially avoiding some sterilisation of minerals in areas that are otherwise unlikely to have mineral extraction and supporting the efficient use of mineral resources.

Though no specific minerals sites are likely to be affected, and many of the areas affected may not be suitable for commercial scale extraction, thus <u>uncertain</u> minor <u>negative effects</u> are predicted due to the greater overlap and cumulative loss of land involved overall.

For **Option A5**, the level of growth in the Blaby NLA is comparable to that under Option A4 thus similar effects would be expected. That is to say, adverse effects would be less likely on sites adjacent to existing settlements and more likely in sites located away from current settlement boundaries and built up areas. The growth allocated in Charnwood (which has more extensive areas of MSAs) is around a 10% of that under option A4. Similarly, much lower levels of growth (compared to A4) are allocated in the Harborough and Hinckley NLA. Therefore, neutral effects would be expected at these locations. For Blaby, development may utilise existing mineral resources as discussed above though this uncertain at this stage. Overall, <u>uncertain</u> neutral to minor negative effects are forecast relating to development in Blaby.

Growth scenario B – 20,000 dwellings (25% uplift on current unmet housing needs)

The scale of growth involved for **Options B1 and B2** in the NLA would be much lower than that for B4 (Discussed below) but with a similar distribution. Therefore, the effects would be similar albeit at a lower magnitude and minor negative effects are predicted overall.

Option B3 involves the same distribution with slightly higher growth as in option A3 and therefore the same minor negative effects would be expected.

For **Option B4** the NLA site options would most likely need to be developed to capacity to fulfil the required growth. At Charnwood and Blaby similar effects are predicted as for option A4 but these would be magnified due to the greater level of growth particularly in more isolated site options such as at Barkby. In Harborough's NLA there could be some overlap with Gypsum and sand and gravel MSAs. This presents opportunities for utilising minerals in-situ but it is uncertain at this stage if extraction and utilisation would be commercially viable. Therefore, <u>uncertain</u> moderate negative effects are anticipated due to the larger growth at Blaby, Charnwood and Harborough and the larger extent of overlap with MSAs.

Option B5 directs the bulk of growth to Blaby (3,589 units) which would require utilising sites that overlap sand and gravel MSAs outside the existing built up areas. This is likely to result in some sterilisation of resources if these sites are developed without the prior extraction of resources. However, in the main, growth would be allocated to sites adjacent to existing built up areas where the extraction of minerals would likely be unattractive / impractical. In Charnwood the relatively small amount of development (445) should be possible to accommodate on sites that are less likely to lead to the sterilisation of mineral resources. For Harborough there would likely be an overlap with some Gypsum and Sand and Gravel MSA areas, but the growth proposed is around a third of that allocated under option A4, which provides greater scope for utilising plots that do not overlap MSAs and / or plots adjacent to existing urban areas where extraction of minerals would be unlikely. Overall, minor negative effects are predicted.

Growth Scenario C - 7950 dwellings (50% reduction in current unmet housing needs)

The level of growth involved in the NLA is lower for **Options C1 and C2** compared to C4 (discussed below). This means that the overlap of new development with MSAs is less likely. As such, neutral effects are predicted with greater certainty.

Option C3 Involves growth at strategic sites similar to Option A3. Overall, minor negative effects are predicted under this option due to the relatively high growth in Charnwood and Blaby which would encroach on MSAs. The effects are not considered likely to be significant given the magnitude of growth, and in the context of the wider mineral resources and workings across the County.

For **Option C4** in Charnwood, growth is likely to include a number of small sites partly within or adjacent to built-up areas that fall within the sand and gravel MSA. However, whilst these sites include important mineral resources, their development is unlikely to result in negative sterilisation effects, as the site options are small in scale and unsuitably located (in regard to amenity and other adverse effects on population) for mineral extraction.

In Charnwood, growth would also require the use of site options near Barkby in Charnwood which overlaps sand and gravel MSA, if other sites in and around Thurcaston and Anstey are avoided due to their sensitivity to other objectives. Similarly, this scale of growth in Harborough would require the part use of the large sites adjacent to the built-up area which fall within MSAs. Cumulatively, this is not considered to be significant, and development could present opportunities for the extraction of these resources if it can be undertaken sensitively without adverse effects on amenity and other issues.

In Blaby, site options which fall in sand and gravel MSA in the north east area can be avoided. Whilst this scale of growth may require the use of smaller site options adjacent to settlements which fall within the sand and gravel MSAs, these site options are considered to be less suitable / attractive for mineral extraction due to their scale and location. Therefore whilst their development may result in the sterilisation of these resources, this is not predicted to result in negative effects on the

objective.

Overall, a neutral effect is predicted as the cumulative loss of mineral resources is not considered to be likely or indeed significant.

Market Towns

Growth scenario A - 15,900 dwellings (25% uplift on current unmet housing needs)

For **Options A1** and **A2**, In Coalville (NWL), at this scale of growth site options to the south west can be avoided and thus land safeguarded for mineral resources would not necessarily be required.

In Market Harborough and Lutterworth (Harborough), this scale of growth would likely require the use of most site options within and adjacent to these towns including a small number of sites to the west of Market Harborough which fall within sand and gravel MSAs. Similarly, this scale of growth would require the use of most site options in Loughborough (Charnwood) including options to the south east of the town which fall within a sand and gravel MSA. However, cumulatively this is not considered to be significant.

For Hinkley and Burbage, there is potential for some overlap with sand and gravel minerals safeguarding areas.

The effects for Melton are similar to the conclusions reached above for options for C1 and C2.

Overall, a <u>potential</u> <u>minor negative</u> <u>effect</u> is predicted for these two options at the Market Towns.

Option A4 involves no growth in the market towns and therefore is unlikely to have indirect cumulative effects given the distant location of other site options from these locations. Therefore, neutral effects are predicted.

Option A3 includes growth within strategic sites in or around Market Towns. In Loughborough there would an overlap with Sand and Gravel MSA (e.g. site enclosed by Loughborough Rd. and Stanford La.). The site is not adjacent to existing built up areas and therefore more amenable to exploitation, but it is relatively small compared to the overall size of the MSA, therefore only minor negative effects would be expected. The strategic site in Market Harborough (Harborough) does not encroach on MSAs, and therefore neutral effects would be expected there. Minor negative effects are also likely at Hinckley and Burbage as growth would involve utilising strategic sites that overlap sand and gravel MSAs. In Melton Mowbray several larger strategic sites only partially overlap MSA (sand and gravel) with one site entirely within an MSA, therefore effects are likely avoidable here. Neutral effects are expected in Coalville as the strategic site options do not overlap and MSA. Overall, minor negative effects are predicted.

Option A5

Coalville would get the bulk of growth under this option, which would involve utilising some of the sites to south west of the town, an area comprising an extensive sand and gravel MSA. However, in the main, these sites are adjacent to built up areas where extraction may not be practical thus minor negative effects are more likely. Hinckley gets the next highest allocation where growth would require utilising large sites located within sand and gravel MSAs. Whilst sites to the north of Hinckley are smaller and adjacent to built up areas, a large site to the south east is entirely within an MSA and does not adjoin existing settlements, therefore minor negative effects are anticipated here also. Melton, Loughborough and Harborough receive relatively small allocations and neutral effects would be likely at these locations. Overall, potential moderate negative effects are anticipated as the Hinckley allocation would utilise a large strategic site entirely within an MSA, and there would be overlap with other MSAs across the County.

Growth scenario B – 20,000 dwellings (25% uplift on current unmet housing needs)

For Options B1 and B2, the higher growth allocated in Coalville (NWL) under option B2 could require utilising a large site to the south of the town where there is an extensive sand and gravel MSA leading to potentially minor negative effects.

In Melton Mowbray, one site is entirely within a sand and gravel MSAs but the rest do not overlap or only partially overlap MSAs, leaving scope for avoidance of adverse effects.

In Market Harborough and Lutterworth, this scale of growth would require the use of most site options within and adjacent to built-up areas where exploitation of mineral resources could be less attractive / impractical. Similarly, this scale of growth would require the use of most site options in Loughborough (Charnwood) including options to the south east of the town which fall within a sand and gravel MSA. However, as discussed for option A2 above, cumulatively this is not considered to be significant.

For Hinkley and Burbage, there is potential for some overlap with sand and gravel minerals safeguarding areas. These are potential minor negative effects.

Overall, a minor negative effect is predicted.

Option B3 involves similar distribution to A3 but with a higher total growth. In Loughborough there would be an overlap with sand and gravel MSA where due to the higher growth, more of the site options would be utilised, including a large site overlapping sand and gravel MSA. At Market Harborough, strategic sites do not encroach on MSAs therefore **neutral effects** would be expected. Negative effects are also likely at Hinckley and Burbage as growth would involve utilising a large strategic site within a sand and gravel MSAs. In Melton Mowbray several larger strategic sites only partially overlap MSA (sand and gravel) with one site entirely within an MSA, therefore minor negative effects are likely due to the higher growth (compared to A3). Neutral effects are expected in Coalville as the strategic site options do not overlap with any MSAs. Overall, potential **moderate negative effects** are predicted as the higher growth provides less scope for avoidance of sites on MSAs.

Option B4 involves no growth in the market towns and therefore unlikely to have indirect cumulative effects given the distant location of other site options from these locations. Therefore, **neutral effects** are predicted.

For option B5 adverse effects would most likely be avoidable in Loughborough, Lutterworth and Market Harborough due to the lower growth involved here. Similarly,

adverse effects would be avoidable in Melton Mowbray due to the lower growth and larger available capacities. Effects in Hinckley would be similar to those under option A5 but amplified due to 40% higher growth leading to potential moderate negative effects. Similarly, for Coalville effects would be similar to option A5 but with a higher magnitude due to the higher growth proposed.

Melton, Loughborough and Harborough receive relatively small allocations and neutral effects would be likely there.

Overall, moderate negative effects are predicted, due to the effects of higher growth on MSAs, particularly within Hinckley and Coalville.

Growth Scenario C – 7950 dwellings (50% of current unmet housing needs)

For **Options C1 and C2**, In Coalville (NWL), Harborough (Lutterworth and Market Harborough) and Charnwood (Loughborough), this scale of growth should be possible to accommodate on a number of site options that do not fall within MSAs.

Hinckley and Burbage are surrounded on most of the urban fringes with sand and gravel mineral safeguarding areas. At the scale of growth involved, there could be some sites outside of these areas, but it is likely that some development would overlap. These are <u>potential</u> <u>minor negative effects</u> for both options.

At Melton Mowbray, there are some sites falling within MSAs for sand and Gravel. There are other options that are not affected within the urban area. At higher scales of growth such as for C2, there would be a need to expand into the urban fringes beyond the towns. Some of the larger sites fall into MSAs for sand and gravel, whilst others do not. There is therefore potential for effects to be avoidable

Option C4 and C3 involve no growth in the market towns and are unlikely to have indirect cumulative effects given the distant location of other site options from these locations. Therefore, **neutral effects** are predicted.

Other settlements

In Melton, there is a large area of Limestone MSA, which encompasses Croxton Kerrial, Saltby and Waltham on the Wolds.

For Hinckley and Burbage several settlements fall within MSAs for sand and Gravel and a small handful within Igneous Rock MSAs.

For North West Leicestershire there are a range of settlements and villages that do not involve site options falling within MSAs. Some locations are affected more notably.

There are a range of MSAs for different minerals in Charnwood covering most of the site options that are available.

In Blaby, the predominant MSA is sand and Gravel, and this affects some areas but not others. There is also an area of igneous rock associated with Huncote / Croft (which involves an existing quarry).

For Harborough, MSAs are smaller and more sporadic and exclusively sand and gravel, meaning that many of the settlements are not affected.

Growth scenario A - 15,900 (Current unmet housing needs)

At higher scales of growth, the likelihood of mineral safeguarding areas being overlapped increases for **Options A1** and **A2**. There is no significant pressure on any one authority, and so it ought to be possible to limit effects to minor negative overall (through a sterilisation of land that may have potential for mineral resources).

Option A3 involves growth in Blaby and Harborough. In Blaby, strategic sites (outside the NLA boundary and Market Towns) do not overlap MSA, therefore neutral effects would be expected. In Harborough the limited scale of growth proposed is unlikely to lead to significant effects. Therefore, neutral effects are predicted overall.

Under **Option A5** Blaby is afforded the largest growth, where the majority of larger site options do not overlap MSAs but some of the smaller sites do, however, these are generally adjacent to built-up areas where exploitation of mineral resources would be unattractive / impractical. One of the sites partially overlaps an igneous rock MSA, where there is an existing quarry. If developed this site may lead to minor negative effects. The next largest amount of growth is directed to North West Leicestershire where it would be harder to avoid overlap with MSAs. Having said that, the amount of growth allocated represents a small proportion of total available capacity therefore, only minor effects would be likely as there would be scope for avoidance of sites that pose more significant threats to mineral resources in the MSAs. The remaining allocations are relatively small and likely to be accommodated with no significant effects. Overall, minor negative effects are likely. **Option A4** does not involve growth in Other Settlements, focussing growth within to locations within the NLA. Therefore, effects are neutral.

Growth scenario B - 20,000 (25% uplift on current unmet housing needs)

For **Options B1 and B2** similar effects would be expected to Options A1 and A2 and there would be some likelihood of mineral safeguarding areas being overlapped but potential effects would be limited to minor negative.

For **Option B3** effects are predicted to be the same as those under option A3 with neutral effects expected overall.

Option B4 focuses growth within the NLA and therefore **neutral effects** would be expected here.

For **Option B5** the effects would be broadly similar to A5 with Blaby receiving the largest amount of growth. Although the level of growth in Blaby is around double that in A5, the majority of larger site options do not overlap MSAs. Smaller sites, overlapping MSAs are generally adjacent to built up areas, where the MSAs are unlikely to be readily exploitable. As discussed for A5 one of the sites partially overlaps an igneous rock MSA (with an existing quarry) and potentially minor negative effects would be expected if this plot is developed. The remaining allocations are relatively small and likely to be accommodated with no significant effects. Therefore, overall, minor negative effects are likely.

Growth Scenario C – 7,950 dwellings (50% of current unmet housing needs)

At the scale of growth involved, it ought to be possible to avoid MSAs in most locations, but it would be likely that some would be affected. It is unlikely that any of the allocated sites in the Waste and Minerals Plan would be affected. Furthermore, it is possible that mitigation could be put into place if deemed necessary and for minerals to be extracted prior to development if feasible. Small development sites that are adjacent to small villages are unlikely to be suitable for mineral extraction, and therefore such sites could be brought forward with limited effects. Overall an uncertain / potential minor negative effect is predicted for options C1 and C2.

Options C3 and C4 do not involve growth within Other Settlements and therefore the effects are neutral.

Overall Effects

Growth scenario A - 15,900 dwellings (current unmet housing needs)

Compared to Option C, there is double the amount of growth for the options under Scenario A. Whilst this is likely to lead to greater overlap and potential loss of minerals, the effects are still considered to be minor overall for each of the options. Though the potential for moderate negative effects arises for Option A5, this is uncertain and limited to the market towns. Therefore, minor negative effects are predicted overall. In terms of distribution, each of the options could overlap with mineral resources, but the overall significance is considered to be low.

Growth scenario B – 20,000 dwellings (25% uplift on current unmet housing needs)

With additional land supply, the effects are likely to be more certain, as flexibility in site choice would reduce slightly. However, the effects would still broadly remain minor. The exception is for Option B3, which could give rise to moderate negative effects due to large scale strategic site development overlapping with MSAs for sand and gravel. Though not necessarily on strategic sites, the picture is similar for Option B5, which would lead to more pronounced overlaps with resources in the market towns in particular. These two options are therefore recorded as having potential moderate negative effects overall.

Growth Scenario C – 7,950 dwellings (50% of current unmet housing needs)

At a lower level of land release, the effects are limited, regardless of the distribution of housing. Given the widespread nature of MSAs across the County, there is overlap with many site options. However, at lower levels of growth there is more flexibility to avoid resources (particularly any that are considered to be valuable for mineral extraction). In the main, most of the identified development sites would be impractical for mineral extraction at the current time, and there would remain large amounts of alternative resource in any case. In terms of distribution, overlap with MSAs at this scale of growth is least for Option C4, with neutral effects predicted.

For options C1, C3 and C3, there is slightly greater overlap reflecting the presence of mineral resources near market towns and other smaller settlements and strategic

sites. Nevertheless, the likelihood of significant effects is low, and the magnitude of effects is small. Therefore, only <u>uncertain</u> <u>minor negative effects</u> are predicted for each of these options.

| | | City | Near Leicester Area | Market towns | Other settlements | Overall effects |
|---------------------------|-----------|------|---------------------|-----------------|-------------------|-----------------|
| Option 1 | A1 HENA | - | - | × | × | × |
| | B1 Higher | - | × | × | × | × |
| Settlement tiers | C1 Lower | - | - | x ? | x ? | x ? |
| Option 2 | A2 HENA | - | - | × | × | × |
| | B2 Higher | - | × | × | × | × |
| Equal Share | C2 Lower | - | - | x ? | x ? | x ? |
| Ontion 2 | A3 HENA | - | × | × | - | × |
| Option 3 | B3 Higher | - | × | ××? | - | xx? |
| Strategic Sites focus | C3 Lower | - | × | - | - | × |
| Oution 4 | A4 HENA | - | x ? | - | - | x ? |
| Option 4 | B4 Higher | - | xx? | - | - | × |
| Near Leicester Area focus | C4 Lower | - | - | - | - | - |
| Option 5 | A5 HENA | - | x ? | ×× [?] | × | × |
| HENA Distribution | B5 High | - | × | xx | × | ××? |

APPENDIX B: DETAILED APPRAISAL TABLES: EMPLOYMENT OPTIONS

Table of assumptions in relation to land release under each option

| | Scenario A Current | Scenario B Higher | Scenario C Lower |
|-------------------------------|--|--|---|
| 1. Local Plan Roll Forward | A1 3.3 ha for each local authority For the following authorities, there is sufficient oversupply to accommodate growth from committed sites: Charnwood and North West Leicestershire. Therefore, additional effects would be noted in Blaby, Harborough (additional 0.9ha required to meet the allocation of 3.3ha), Hinckley and Bosworth, Melton and Oadby and Wigston (additional 0.7ha required to meet the allocation of 3.3ha). | B1 6.6ha for each local authority For the following authorities, there is sufficient oversupply to accommodate growth from committed sites: Charnwood. Therefore, additional effects would be noted in Blaby, Harborough (additional 4.2ha required to meet the allocation of 6.6ha), Hinckley and Bosworth, Oadby and Wigston (additional 4ha required to meet the allocation of 6.6ha), Melton and North West Leicestershire (additional 1.9ha required to meet the allocation of 6.6ha). | C1 1.7ha for each local authority For the following authorities, there is sufficient oversupply to accommodate growth from committed sites: Charnwood Harborough, Oadby and Wigston, North West Leicestershire. Therefore, additional effects would only be noted in Blaby, Melton, and Hinckley and Bosworth. |
| 2. Strategic Sites | A2 11.5 ha for Blaby , which would need to be met on additional sites 11.5ha for Harborough , of which 2.4ha could be met through existing commitments with the remaining needing to be met on additional sites. | B2 23ha for Blaby , which would need to be met on additional sites 23ha for Harborough , of which 2.4ha could be met through existing commitments with the remaining needing to be met on additional sites. | C2 5.75ha for Blaby , which would need to be met on additional sites 5.75ha for Harborough , of which 2.4ha could be met through existing commitments with the remaining needing to be met on additional sites. |
| 3. Near Leicester Focus | A3 11.5 ha for Blaby , which would need to be met on additional sites 11.5ha for Charnwood that could be met through existing commitments | B3 23 ha for Blaby , which would need to be met on additional sites 23ha for Charnwood that could be met through existing commitments | C3 5.75 ha for Blaby , which would need to be met on additional sites 5.75ha for Charnwood that could be met through existing commitments |

| | | B4 | |
|---------------|--|--|---|
| 1)istribution | A4 | 46 ha for Charnwood , of which 31.1ha | C4 |
| | 23ha for Charnwood only that could be met | could be met through existing | 11.5ha for Charnwood that could be met |
| | through existing commitments | commitments with the remaining | through existing commitments |
| | | needing to be met on additional sites. | |

Biodiversity

Development of any kind has the ability to be disruptive and potentially fatal to the preservation of flora and fauna. Whilst mitigation schemes and the principal of net gain aim to ensure there is no overall loss of vital species and habitats, it is difficult to completely avoid damaging effects. Sites which play host to characteristics which support biodiversity are often protected under designations designed to protect sites. Non-designated sites can also be favourable to flora and fauna, though it is more difficult to assess the potential impacts on a site without detailed surveys. It should be noted that both greenfield and brownfield sites can offer well suited habitats for particular species. However, without specific details of individual sites, a lack of designation must be taken as a positive indication that there are not expected to be any protected species.

Option 1 - Dispersed

This approach would seek to distribute Leicester's unmet employment needs across the County, with equal shares of the employment land being delivered in each District.

A1: Current

This approach would deliver 3.3ha of employment land in each of the County's Districts outside of Leicester. Considering each District's availability and planned provision of employment land, Blaby and Hinckley and Bosworth would need to provide additional land. None of the site options in Hinckley and Bosworth are identified as sensitive in terms of their proximity to biodiversity designations, hence, the employment land need could be met through allocating any of the sites without leading to effects on biodiversity assets. In Blaby, though there are some sites with sensitivities, there is sufficient choice and the scale of growth involved is such that significant negative effects should be possible to avoid and / or mitigate. As such, neutral effects are predicted.

There would also be a need for additional growth in Hinckley and Bosworth, Harborough, Melton, and Oadby and Wigston. For Melton, the growth could potentially lead to negative effects due to pressures on the River Eye SSSI, but at the scale of growth involved, it ought to be able to avoid major effects. For Oadby and Wigston, no specific employment sites have been identified as opportunities, but there could be elements at strategic sites. At the scale of growth involved, effects would be likely to be neutral. For Hinckley and Bosworth, there is sufficient land opportunities for employment that are not in sensitive locations with regards to biodiversity. For Harborough, only a very small amount of development land would be required and therefore negative effects are considered unlikely. Overall, given the potential for effects is low for all authorities, neutral effects are predicted.

B1: Higher

This approach would deliver 6.6ha of employment land in each of the County's Districts outside of Leicester. Considering each District's availability and planned provision of employment land, all of the authorities with the exception of Charnwood would need to provide additional land (to varying degrees). The increased scale of growth may make it more difficult to avoid sensitivities in Blaby and Melton in particular, but effects would likely be minor. As such minor negative effects are predicted.

Biodiversity

C1: Lower

This approach would deliver 1.7ha of employment land in each of the County's Districts outside of Leicester. As such, only Hinckley and Bosworth, Blaby, and Melton would need to provide additional land. The scale involved and the number of sites potentially available mean that effects are likely to be much easier to avoid, so neutral effects are predicted.

Option 2- Strategic Sites:

This approach would deliver Leicester's unmet employment needs on strategic sites in Blaby and Harborough.

A2: Current

This option would allocate 11.5 ha of employment in Harborough, that could be met partly through existing commitments. There are several strategic sites where employment growth could be delivered, and the effects would vary according to which were involved. Though there are biodiversity features of local importance on strategic sites, broadly speaking, it ought to be possible to avoid significant effects through avoidance, mitigation and enhancement. In Blaby, there are a range of strategic site options. The effects would be dependent upon which sites were involved, the location and scale of growth. The sites at Stoney Stanton and Hinckley NRFI are close to nationally designated habitats, and coupled with housing growth here could lead to some negative effects. However, at Whetstone Pastures and North of Glenfield, the potential for effects is considered to be lower considering there are no nationally designated biodiversity habitats. The strategic nature of the sites ought to allow for enhancement to be incorporated though. On balance, these are neutral effects, as there is flexibility to avoid the more sensitive locations, and the scale of growth involved is a small proportion of strategic land capacity.

B2: Higher

This approach would focus growth in the same locations as referenced for option A2, however with a more substantial amount of land provided for employment purposes (23ha). As such, there would be a need for additional sites to be brought forward in Harborough alongside committed development. The strategic sites with capacity could potentially be developed whilst avoiding negative effects given the nature of the locations involved. However, the scale of growth in Blaby would also be doubled. This could possibly be accommodated on one or a number of strategic sites. Given the larger scale of growth involved, it is presumed that the potential for the more sensitive locations to be affected would increase. Therefore, potential minor negative effects are predicted in this respect.

C2: Lower

This option would involve less growth (5.75ha). For Harborough this is covered by committed development to an extent (2.4ha for Blaby), it means there would be increased flexibility in terms of avoidance and mitigation (compared to Options A2 and B2). Therefore, neutral effects are predicted.

Biodiversity

Option 3- Near Leicester Focus

A3: Current

This approach would involve growth of 11.5ha in Blaby and Charnwood. As Charnwood has an oversupply in employment land, it is presumed this would be met through existing commitments, and thus effects are neutral. As such, the only effects would be realised in areas of Blaby in close proximity to Leicester. This growth could be met through a number of sites across the NLA, none of which are particularly sensitive in terms of proximity to biodiversity assets and as such, effects are likely to be neutral. That said, where all of these sites are greenfield, species which have grassland, trees and hedgerows as their habitats may be harmed. However, as these areas are not protected or designated for the importance of their fauna or flora any effects would not be likely to be significant and could be mitigated where appropriate. Neutral effects are predicted.

B3: Higher

For Charnwood, this scale of growth would still be possible to accommodate through existing commitments with a surplus still remaining. Therefore, neutral effects are predicted. For Blaby, this approach would be expected to involve several sites within Blaby. However, the sites are not considered sensitive in terms of their biodiversity assets and as such, neutral effects are likely, both individually and cumulatively. Overall, neutral effects are predicted.

C: Lower

As per options A3 and B3 above, neutral effects are predicted.

Option 4: HENA Distribution

A4: Current

This approach would direct 23ha to Charnwood. Given that there is an oversupply in employment land, it is presumed this would be used to meet unmet needs from Leicester, and thus in terms of biodiversity, neutral effects are predicted.

B4: Higher

For Charnwood, an element of surplus could be used to meet some of the needs required. However, additional land would be required. Several sites could be utilised, and the effects would be dependent upon the combination of sites involved. There are no major constraints associated with the site options, though some are located along the Soar Valley and / or close to the Charnwood Forest, so there could be some disturbance to species. These are minor

Biodiversity

negative effects.

C4: Lower

As per option A4 above, neutral effects are predicted.

| Distribution | Growth | Overall Effects | Symbol |
|-------------------------------------|------------|--------------------------|------------|
| | A: Current | Neutral | - |
| Option 1: Dispersed | B: Higher | Minor negative | × |
| | C: Lower | Neutral | - |
| | A: Current | Neutral | - |
| Option 2: Strategic sites | B: Higher | Potential Minor negative | x ? |
| | C: Lower | Neutral | - |
| | A: Current | Neutral | - |
| Option 3: Near Leicester Area focus | B: Higher | Neutral | - |
| | C: Lower | Neutral | - |
| Option 4: HENA Distribution | A: Current | Neutral | - |
| | B: Higher | Minor negative | × |
| | C: Lower | Neutral | - |

Health and Wellbeing

Health and wellbeing can be affected by employment development in several ways. In one respect, there can be mental health benefits and a general improvement in quality of life which come alongside meaningful employment. Further to this, should employment land be provided in close proximity to residential areas, active commuting can help to improve mental and physical health outcomes. In addition, increased employment and development on land can help to regenerate areas; which can have particularly beneficial effects for deprived communities. Conversely, employment development could have negative effects in terms of amenity concerns for nearby communities.

Option 1 - Dispersed:

A1: Current

This approach would deliver 3.3ha of employment land in each of the local authorities outside of Leicester. Considering availability and planned provision of employment land, Blaby, Harborough (additional 0.9ha required to meet the allocation of 3.3ha), Hinckley and Bosworth, Melton and Oadby and Wigston (additional 0.7ha required to meet the allocation of 3.3ha) would need to provide additional land. The remaining areas would meet the employment land requirements through a current surplus of provision.

Each of those areas receiving additional growth could meet the 3.3ha of employment land through a variety of approaches. It is possible that this could be through a single site or several smaller sites. The location of development would determine which communities are more likely to benefit from access to jobs, but this could include some deprived communities in the authorities and, where land is allocated in accessible locations to Leicester, some areas of the city could also benefit. At this scale of growth, the magnitude of effects is likely to be fairly small and localised around the vicinity of areas receiving growth, and therefore overall, minor positive effects are predicted.

B1: Higher

This approach would deliver 6.6ha of employment land in each of the local authorities outside of Leicester. Considering availability and planned provision of employment land, Blaby, Harborough (additional 4.2ha), Hinckley and Bosworth, Oadby and Wigston (additional 4ha), Melton and North West Leicestershire (additional 1.9ha) would need to provide additional land. As such, the benefits would likely be spread over several authorities in terms of access to jobs (and the beneficial health outcomes). The overall scale of growth is higher, and therefore employment opportunities should be enhanced and benefits potentially felt across a marginally wider area than those seen under Option A1, but this would not necessarily be nearby to where employment needs are unmet or associated with strategic mixed-use sites. Effects would still be expected to be broadly localised around areas which see additional employment land provision. As such, only minor positive effects are predicted overall.

C1: Lower

The scale of growth involved for each authority would require very little additional land to be used for employment, with this being in Melton, Blaby and Hinckley and Bosworth. The effects are of a lesser scale compared to A1 and B1, and the small scale of growth is likely to lead to neutral effects in terms of health.

Option 2 - Strategic Sites:

This approach would seek to deliver Leicester's unmet employment needs on strategic sites in Blaby and Harborough.

A2: Current

This option would seek to allocate 11.5 ha of employment land at strategic sites (considering existing supply, Blaby would receive 11.5ha of additional land and Harborough 9.1ha), this growth would be likely to deliver similar effects in terms of health and wellbeing. Broadly speaking, the strategic sites are not within areas identified as deprived. However, it would be likely that strategic sites would provide some improvements in terms of health services, access to greenspace and ensuring the ability to move around the settlements by walking or cycling. The provision of employment land within these strategic sites will be beneficial in terms of providing local employment, which can boost mental health outcomes. The provisions around the site are likely to mean some employees can commute by active means and have access to green, open space; both of which will go some way towards improving mental and physical health outcomes. Minor positive effects are anticipated as a result of the employment land's increased levels of employment as well as connectivity to residential areas and greenspaces via active means. Potential moderate positive effects are predicted.

B2: Higher

This approach would involve additional growth on strategic sites, with 23ha in Blaby and (considering existing supply) 20.6ha in Harborough. This would increase the benefits associated with employment and health, as well as potentially supporting more significant infrastructure improvements, especially where employment land was focussed on one site. Where this growth could be met in areas which are broadly located in areas with good access to Leicester, further positive effects may be realised. Therefore, moderate positive effects are predicted with greater certainty.

C2: Lower

This option would involve less growth (5.75ha) of employment land at strategic sites (though Harborough would only need to deliver 3.35ha, due to existing supply). Given that the level of employment growth being delivered is lower than A2, only minor positive effects are predicted.

Option 3 - Near Leicester Area

This approach would focus employment land growth within areas in close proximity to the outskirts of Leicester. The approach proposes that the employment land would be allocated in the Districts of Blaby and Charnwood. Where Charnwood already has an oversupply of employment land of 31.1ha, no action would need to be taken as there is already sufficient employment land made up through committed and planned development. As such, additional growth and effects would be realised in Blaby.

A3: Current

This approach would involve growth of 11.5ha in Blaby and Charnwood. As Charnwood is projected to meet this demand through committed and planned developments, no effects are predicted for that area. As such, the only effects would be realised in areas of Blaby in close proximity to Leicester.

Being located in the NLA, development should be accessible to communities that reside in Leicester (this is especially beneficial as this is where the unmet need is located) and Blaby in particular. Whether this is by car or public transport would depend upon the exact sites chosen. There are communities experiencing deprivation that could possibly benefit from employment land, but this is uncertain / dependent upon the type of jobs and access to them. The effects would be concentrated within Blaby, and so from a county-wide perspective, the significance of effects is somewhat limited. Therefore, overall, uncertain minor positive effects are predicted.

B3: Higher

At this higher scale of growth, Charnwood would still be able to accommodate its unmet need apportionment from existing commitments, and there would still remain a degree of surplus. As such, neutral effects are predicted with regards to health and wellbeing in this respect. For Blaby, it is likely that larger site options would be required to deliver the increased level of growth, or multiple smaller sites. The increase in employment land is therefore likely to increase the likelihood of positive effects arising in terms of health and wellbeing for nearby communities in particular. Hence, a minor positive effect is predicted.

C3: Lower

At the lower scale of growth, as for other options, the effects in Charnwood would be neutral. For Blaby, the effects would be less pronounced compared to A3, and might be more suited to the use of smaller site options which may have fewer associated health benefits. Therefore, the effects are less certain and so <u>potential minor positive effects</u> are predicted.

Option 4 – HENA Distribution

A4: Current

This approach would direct 23ha to Charnwood. Given that there is an oversupply in employment land of 31.1ha, it is presumed this would be used to meet unmet needs from Leicester, and thus in terms of health and wellbeing, neutral effects are predicted.

B4: Higher

For Charnwood, a large amount of surplus could be used to meet the majority of needs required. However, an additional 14.9ha of land would be required. There is a range of sites which could deliver this growth. Their release for employment would be likely to have some minor benefits with regards to wellbeing, through the provision of jobs in locations accessible to deprived communities. In some respects the effects would be dependent upon how the growth was delivered, with the potential for more pronounced positive outcomes should growth be clustered together and in close proximity to higher density residential areas. These are <u>uncertain minor positive effects</u>.

C4: Lower

Neutral effects are predicted, given that the scale of growth is lower than both options A4 and B4.

| Distribution | Growth | Overall Effects | Symbol |
|-------------------------------------|------------|-----------------------------|------------|
| Option 1: Dispersed | A: Current | Potential minor positive | ? |
| | B: Higher | Minor positive | ✓ |
| • | C: Lower | Neutral | - |
| | A: Current | Potential Moderate positive | √ √? |
| Option 2: Strategic sites | B: Higher | Moderate positive | √ √ |
| | C: Lower | Minor positive | ✓ |
| | A: Current | Potential minor positive | √? |
| Option 3: Near Leicester Area focus | B: Higher | Minor positive | ✓ |
| • | C: Lower | Potential minor positive | √? |
| Option 4: HENA Distribution | A: Current | Neutral | - |
| | B: Higher | Potential minor positive | ₹. |
| | C: Lower | Neutral | - |

Housing

Housing is a topic which has some less well pronounced effects relating to the provisions and development of employment land. If the land is considered appropriate for housing, then allocating it for employment could be negative where it will stifle future housing delivery to some extent. The provision of employment land in close proximity to housing could have some further effects in terms of attractiveness. Increased employment could put pressures on the local housing market, potentially driving up prices where demand may increase.

Option 1 - Dispersed:

This approach would seek to distribute Leicester's unmet employment needs across the County, with equal shares of the employment land being delivered in each District.

A1: Current

This approach would deliver 3.3ha of employment land in each of the County's Districts outside of Leicester. Considering each District's availability and planned provision of employment land, only Blaby, Harborough (additional 0.9ha of employment land required to meet the need of 3.3ha), Melton, Oadby and Wigston and Hinckley and Bosworth would need to provide additional land. There are sufficient employment site options in these authorities to use sites that are less suited for housing. The distribution of growth is also unlikely to have major effects in terms of creating a concentration of jobs / increased demand for housing. Therefore, neutral effects are predicted overall in terms of housing.

B1: Higher

This approach would deliver 6.6ha of employment land in each of the County's Districts outside of Leicester. Considering each District's availability and planned provision of employment land; Blaby, Harborough (additional 4.2ha of employment land required to meet the need of 6.6ha), Melton, North West Leicestershire, Oadby and Wigston and Hinckley and Bosworth would need to provide additional land (to varying degrees).

Whilst this approach offers an increased level of employment land overall, it would still deliver a relatively small amount of employment land in each Local Authority mentioned above. In each location, there are sites available that would not affect the delivery of housing, nor would the increase in employment be likely to create a concentrated demand for housing. As such, neutral effects are predicted.

C1: Lower

The scale of growth involved for each authority would require very little additional land to be used for employment, with this being in Blaby, Melton and Hinckley and Bosworth. The effects are of a lesser scale compared to A1 and B1, and thus neutral effects are also predicted.

Housing

Option 2- Strategic Sites:

A2: Current

This option would involve 11.5 ha of employment land in Harborough (2.4ha of which could be met through existing commitments), the remaining 9.1ha would be met through additional allocations. In the case of Blaby, the growth of 11.5ha would be required to be met on additional allocations. In both areas the growth could be met on sites which are suitable for employment uses and as such, neutral effects are predicted. Employment land brought forward on strategic sites would be close to new housing in these locations, which is positive in terms of accessible jobs. The scale of employment land required would not be such that it would limit the amount of housing that could be delivered on strategic sites. As such, neutral effects are predicted overall.

B2: Higher

This approach would double the amount of growth required in Blaby on additional sites, whilst it would require Harborough to allocate 20.6ha to meet the target, considering existing supply. In Blaby, an increase in employment provision on strategic sites would not necessarily need to be in one location, but even if that was the case, the large scale nature of opportunities should allow this to be possible (providing infrastructure can be delivered). Likewise, for Harborough, there is sufficient land available to allow for employment land to be incorporated into strategic sites without unduly affecting the amount of housing that could be achieved. Given that strategic sites would likely involve both housing and employment, it is considered that demand for housing would be matched by employment growth and vice versa. Therefore, neutral effects are predicted.

C2: Lower

This option would involve less growth (5.75ha) of employment land, some of which could be accommodated in Harborough on committed development (leaving 3.35ha to be allocated), and within Blaby on one single strategic site without having a notable effect in terms of housing. As such, neutral effects are predicted.

Option 3- Near Leicester Area

This approach would focus employment land growth within areas in close proximity to the outskirts of Leicester. The approach proposes that the employment land would be allocated in the Districts of Blaby and Charnwood. Where Charnwood already has an oversupply of employment land of 21ha, for the most part no action would need to be taken as there is already sufficient employment land made up through committed and planned development.

A3: Current

Housing

This approach would involve growth of 11.5ha in Blaby and Charnwood. As Charnwood is projected to meet this demand through committed and planned developments, no effects are predicted for that area. As such, the only effects would be realised in areas of Blaby in close proximity to Leicester. The sites potentially available for employment growth are considered to be more suitable for employment uses, and so in this respect, no effects on housing delivery are predicted. The increase in employment land in Blaby at the NLA would potentially increase demand for housing in these locations or in Leicester City itself. Given that there are unmet needs for housing already. That said, the County's housing and employment needs are balanced, meaning that when looking at the bigger picture, this should not be a major problem. At this scale of growth, neutral effects are predicted.

B3: Higher

There would still be sufficient committed growth in Charnwood so that no further land would be required. In this respect, neutral effects are predicted.

However, there would be a requirement for further employment land in the NLA within Blaby. This is considered unlikely to have a major impact on the ability to deliver housing in the NLA. However, an overall increase in employment land could potentially increase demand for housing, which is a potential minor negative effect (given that unmet needs in the City is already an issue).

C3: Lower

As per Option A3 above, neutral effects are predicted as there would be an even more limited impact in terms of housing.

Option 4- HENA Distribution

A4: Current

This approach would direct 23ha to Charnwood. Given that there is an oversupply in employment land, it is presumed this would be used to meet unmet needs from Leicester, and thus in terms of housing, neutral effects are predicted.

B4: Higher

For Charnwood, a large amount of surplus could be used to meet the majority of needs required. However, an additional 14.9ha land would be required to be allocated. There is a range of sites, each of which are broadly more suitable for employment than housing. Their release for employment would be unlikely to significantly affect housing delivery. The scale of growth required would also be unlikely to create a concentrated demand for housing. Therefore, neutral effects are predicted.

C4: Lower

Neutral effects are predicted, given that the scale of growth is lower than both options A4 and B4.

| Distribution | Growth | Overall Effects | Symbol |
|--------------|--------|-----------------|--------|
| | | | - / |

| Housing | | | |
|-------------------------------------|------------|--------------------------|--------------|
| | A: Current | Neutral | - |
| Option 1: Dispersed | B: Higher | Neutral | - |
| | C: Lower | Neutral | - |
| Option 2: Strategic sites | A: Current | Neutral | - |
| | B: Higher | Neutral | - |
| | C: Lower | Neutral | <u>-</u> |
| | A: Current | Neutral | - |
| Option 3: Near Leicester Area focus | B: Higher | Potential minor negative | ×, |
| • | C: Lower | Neutral | - |
| Option 4: HENA Distribution | A: Current | Neutral | - |
| | B: Higher | Neutral | - |
| | C: Lower | Neutral | - |

Developing land in order to provide employment land is intrinsically linked to the SA topic of Economy and Employment. Provision of such land serves to provide additional jobs to an area, permits business to locate itself in strategically considered locations and helps to provide infrastructure to an area, often in the form of improved transportation. These infrastructure improvements can be a catalyst for growth if it makes an area a more attractive investment climate. The provision of employment land nearby to housing is beneficial in terms of providing employment nearby to a workforce, reducing the need to travel long distances. Larger, more strategic sites would be likely to attract large businesses to the land which have space intensive operations and large-scale employment opportunities. Smaller sites are better suited to smaller businesses, these are not as likely to provide as substantial levels of employment, however smaller local businesses are more likely to benefit from these sites, ensuring capital is better retained within the local economy.

Option 1 - Dispersed:

This approach would seek to distribute Leicester's unmet employment needs across the County, with equal shares of the employment land being delivered in each District.

A: Current

This approach would deliver 3.3ha of employment land in each of the County's Districts outside of Leicester. Considering each District's availability and planned provision of employment land, Blaby, Harborough (additional 0.9ha required to meet the allocation of 3.3ha), Melton, Oadby and Wigston (additional 0.7ha required to meet the allocation of 3.3ha) and Hinckley and Bosworth would need to provide additional land. The remaining two Districts would meet the employment land requirements through a current surplus of provision. For some authorities where the surplus is not significantly more than the apportionment, then this could reduce some of the flexibility in choice for meeting 'local needs'. For those authorities requiring land to be allocated, there is a range of sites and sufficient capacity on these sites where employment could be delivered, and the benefits would be dependent upon which are chosen. It is possible to say that there is a large enough pool of land to select sites on their merit, and therefore benefits are likely to arise in relation to the provision of employment land in suitable, attractive locations. This may not all be close to the NLA though, and so the benefits may not all be realised where needs are identified. That said, for Oadby, there is not currently a sufficient supply (beyond the 2.6ha of oversupply) or identified SHELA sites to accommodate the additional 0.7ha of employment growth needed, and therefore, it could lead to a limited amount of undersupply and needs not being met in full. Overall, considering the county as a whole, potential minor positive effects are predicted.

B: Higher

This approach would deliver 6.6ha of employment land in each of the County's Districts outside of Leicester. Considering each District's availability and planned provision of employment land, Blaby, Harborough (additional 4.2ha required to meet the allocation of 6.6ha), Hinckley and Bosworth, Oadby and Wigston (additional 4ha required to meet the allocation of 6.6ha), Melton and North West Leicestershire (additional 1.9ha required to meet the allocation of 6.6ha) would need to provide additional land (to varying degrees). There is a range of sites where employment could be delivered in each of these

authorities, and the benefits would be dependent upon which are chosen. For Blaby, Harborough and Hinckley, it is possible to say that there is a large enough pool of land to select sites on their merit, and therefore benefits are likely to arise in relation to the provision of employment land in suitable, attractive locations. This may not all be close to the NLA though, and so the benefits may not all be realised where needs are identified.

For Melton, the options are close to Melton Mowbray and in North West Leicestershire (which does not share a boundary with Leicester) options are spread around and therefore not necessarily well related to where they are arising in the City. For Oadby, there is not current sufficient supply or identified SHELA sites to accommodate this scale of growth, and therefore, it could lead to an undersupply position and needs not being met in full. Overall, although the total amount of growth is higher for this option, it directs it to locations that are not all well related to the City and may also not provide sufficient choice in sites. As such, only minor positive effects are predicted.

C: Lower

This approach would deliver 1.7ha of employment land in each of the County's Districts outside of Leicester. Considering each District's availability and planned provision of employment land, there would only be a need to release small amounts of additional land in Melton, Hinckley and Bosworth and Blaby. There would be limited additional extra employment in the other authorities, and thus overall, neutral effects are predicted as there would be a reliance on existing commitments for the most part. Though this scale of growth would not explicitly address the full current unmet needs from Leicester City, there would still remain an overall surplus in employment land. Therefore, negative effects are unlikely to arise.

Option 2 - Strategic Sites:

This approach would seek to deliver Leicester's unmet employment needs on strategic sites in Blaby and Harborough.

A2: Current

This option would seek to allocate 11.5 ha of employment land in Blaby and Harborough. Considering existing supply, Blaby would require allocation to meet the full 11.5ha, whereas Harborough would be required to allocate 9.1ha. In both locations, the scale of employment land focused on strategic sites should lend itself to larger, more strategic land uses which would be expected to provide local employment to the population who will occupy the strategic sites as well as potentially some small scale infrastructure improvements, mostly relating to local transport work, including junction improvements. Where these sites would be delivered in a master-planned approach, early design stages could help to cater for large scale employment land by providing design features which would benefit employment land both within the scheme and how it connects to the wider strategic road network. Both authorities have strategic opportunities within the NLA or nearby to it, meaning that there is the potential to deliver growth in locations which can be considered to be broadly functionally linked to the unmet need in Leicester. The strategic sites involved would provide additional growth to that identified in the current supply position, and therefore would increase flexibility in choice across Leicestershire somewhat, as such moderate positive effects are predicted overall.

B2: Higher

This approach would focus growth at the same locations as referenced under A2, however with a more substantial amount of land provided for employment purposes (23ha in each authority, though considering current oversupply in Harborough, this authority would be required to allocate just 20.6ha). This would magnify the above effects, with wider employment benefits for the residents of strategic sites and also within surrounding settlements.

It would also be more likely that a more substantial delivery of supporting infrastructure could be delivered across the development sites and into the wider areas. Under this approach, the employment land surplus would likely increase further, and therefore <u>potential</u> <u>major positive effects</u> are predicted overall.

C2: Lower

This option would involve less growth (5.75ha) of employment land at strategic sites in Blaby and Harborough. The effects would be similar to those identified for A2, but at a lower magnitude, and therefore minor positive effects are predicted.

Option 3 - Near Leicester Area:

This approach would focus employment land growth within areas in close proximity to the outskirts of Leicester. This would be well suited to meet Leicester's unmet employment land need in areas which are well connected to Leicester and where the need is arising.

A3: Current

This approach would involve growth of 11.5ha in Blaby and Charnwood. Charnwood is projected to meet this demand through committed and planned developments, and there would still be a surplus to provide an element of flexibility in meeting local needs and the unmet need apportioned from Leicester. As such, neutral effects are predicted. For Blaby, employment land would need to be found both to meet the undersupply position and the unmet need element being apportioned under this option. In the NLA, there are several sites available, and it is likely that they would need to be involved. The total amount of development is likely to bring positive effects in terms of increased employment provision. There could be some minor infrastructure improvements to the road network in the immediate vicinity of development locations, but more strategic, larger scale provisions would not be likely with this scale of employment land.

There are a mix of larger and smaller sites that could provide valuable land for some smaller-scale, local businesses which may provide some slight

employment benefits, but are better suited to local GVA and retaining profits to invest in the local economy. Overall, moderate positive effects would arise in the areas surrounding Blaby, nearby to Leicester with effects relating to some larger scale employment opportunities as well as potentially providing some small scale site opportunities for smaller business. For Leicestershire as a whole, these are minor positive effects, as unmet needs would be met close to where they are arising, and additional land would be involved (i.e. it would not simply be reliant on the current supply position).

B3: Higher

At this higher scale of growth, Charnwood would still be able to accommodate its unmet need apportionment from existing commitments, and there would still remain a degree of surplus. As such, neutral effects are predicted with regards to employment and economy. For Blaby, it is likely that larger site options would be required to deliver the increased level of growth. This would be likely to provide substantial levels of increased employment as well as some infrastructural improvements to the surrounding areas. Overall, <u>potential</u> <u>moderate positive effects</u> are predicted with regards to employment land as it is likely that Leicester's unmet needs would be delivered (in full) and this would be in addition to the current supply position, so additional benefits are likely to arise.

C3: Lower

At the lower scale of growth, the effects in Charnwood would be neutral. For Blaby, the effects would be less pronounced compared to A3 resulting from the reduced scale of growth, and might be more suited to the use of smaller site options. Therefore, the effects are less certain and so <u>potential minor positive effects</u> are predicted.

Option 4- HENA Distribution

A4: Current

This approach would direct 23ha to Charnwood. Given that there is an oversupply in employment land, it is presumed this would be used to meet unmet needs from Leicester, and thus in terms of employment, neutral effects are predicted. There would be no additional land identified, but overall, there would still be an oversupply position from a Charnwood and Leicestershire-wide perspective.

B4: Higher

For Charnwood, a large amount of surplus could be used to meet the majority of needs required. However, an additional 14.9ha of land would be required from other sites across the Borough if the full unmet needs from Leicester are to be met. The location of sites would be unlikely to be solely within the

NLA, although it would be expected that the need could be met in relatively close proximity to the NLA. Without further additional growth a reliance on Charnwood's surplus would also reduce some flexibility in terms of meeting 'local needs'. Taking this into consideration, and the additional employment land being involved, minor positive effects are predicted.

C4: Lower

Neutral effects are predicted, given that the scale of growth is lower than both options A4 and B4 and would be accommodated through existing committed development. Under this approach, the full unmet needs from the City would not be explicitly addressed, but the overall supply position across Leicestershire would still be a surplus.

| Distribution | Growth | Overall Effects | Symbol |
|-------------------------------------|------------|------------------------------------|--------------------|
| | A: Current | Potential minor positive effect | ₽. |
| Option 1: Dispersed | B: Higher | Minor positive effect | ✓ |
| | C: Lower | Neutral effect | - |
| | A: Current | Moderate positive effect | / / |
| Option 2: Strategic sites | B: Higher | Potential major positive effects | √ √ √ ₃ |
| | C: Lower | Minor positive effect | ✓ |
| | A: Current | Minor positive effect | ✓ |
| Option 3: Near Leicester Area focus | B: Higher | Potential moderate positive effect | √ √ [?] |
| • | C: Lower | Potential minor positive effect | √? |
| Option 4: HENA Distribution | A: Current | Neutral effect | - |
| | B: Higher | Minor positive effect | ✓ |
| | C: Lower | Neutral effect | - |

Developing land in order to provide employment space has some effects directly relating to transport. The increase in associated employment would be likely to increase road traffic in the vicinity of the employment land, potentially leading to increased congestion, especially at peak times. This congestion, amplified by the potential increase in heavy goods vehicles (HGV) can be detrimental to air quality. The employment could also increase the viability of public transport linking the employment land with areas of higher population density. Larger strategic employment sites may also help to contribute towards supporting infrastructure for employment land, which could provide improvements to the transport network, including junction improvements, better links to the strategic road network as well as potential new roads providing key transport links which help to avoid HGV congestion in residential areas.

Option 1 - Dispersed:

A1: Current

This approach would deliver 3.3ha of employment land in each of the local authorities outside of Leicester. Considering availability and planned provision of employment land, in Blaby, Harborough (additional 0.9ha required to meet the allocation of 3.3ha), Hinckley and Bosworth, Melton and Oadby and Wigston (additional 0.7ha required to meet the allocation of 3.3ha) would need to provide additional land. The remaining areas (Charnwood and North West Leicestershire) would meet the employment land requirements through a current surplus of provision. Any sites which are selected are likely to lead to some increased congestion nearby to the development, with issues particularly prevalent relating to peak journey times and HGVs. These effects could also lead to issues relating to air quality. In general, it is more appropriate to locate employment land nearby to the strategic road network; Blaby and Hinckley and Bosworth both offer sites which are well connected to the strategic road network and as such, congestion and associated air pollution may be less likely to effect residential roads. Site options identified in Melton (and to a lesser extent Harborough) are not as well connected to the strategic road network, potentially resulting in congestion on smaller roads. For Melton, site options are generally close to Melton Mowbray, potentially leading to congestion in built-up residential areas; though the relatively small scale of the additional growth would limit these effects to some extent. The small scale of the employment land would not be expected to significantly increase the viability of existing public transport services. However, locating the development in areas which are not isolated from residential areas may increase the viability of active commuting, helping to reduce congestion and air pollution. Overall, the delivery of employment land would be likely to lead to some small scale and localised potential issues relating to congestion and air pollution. That said, with the potential to locate developments nearby to strategic transport routes in Blaby and Hinckley and in areas well connected to housing, congestion could be minimised (however it is unlikely that the potential to commute via active means would outweigh the additional car and HGV journeys associated with employment land). Overall, potential minor negative effects are predicted, which would be broadly spread, though limited to locations in close proximity to allocated growth and at slightly further afield traffic pinch points which provide access to the strategic road network.

B1: Higher

This approach would deliver 6.6ha of employment land in each of the local authorities outside of Leicester. Considering availability and planned provision of employment land, Blaby, Harborough (additional 4.2ha required to meet the allocation of 6.6ha), Hinckley and Bosworth, Oadby and Wigston (additional 4ha required to meet the allocation of 6.6ha), Melton and North West Leicestershire (additional 1.9ha required to meet the allocation of 6.6ha) would need to provide additional land. The overall amount of growth required would likely generate more trips, though it would not be to a scale which would be expected to lead to significant infrastructure delivery to alleviate increased pressures on the road network. The higher growth could potentially reduce the opportunity to allocate sites which are well positioned in relation to the strategic road network; this would be more likely to be an issue in Melton and Harborough and considering the scale of growth effects would not be anticipated to be significant. As such, in terms of the opportunity for strategic infrastructure upgrades and congestion, minor negative effects are predicted.

C1: Lower

This approach would deliver 1.7ha of employment land in each of the local authorities outside of Leicester. Considering availability and planned provision of employment land, there would only be a need to release small amounts of additional land in Melton, Hinckley and Bosworth and Blaby. In line with the decreased level of employment land delivery, this approach would be likely to reduce the significance of effects outlined above under option A1; considering the county as a whole, neutral effects are predicted.

Option 2 - Strategic sites:

This approach would seek to deliver Leicester's unmet employment needs on strategic sites in Blaby and Harborough (11.5ha each).

A2: Current

Growth under this approach would be divided between Blaby (11.5ha) and Harborough (9.1ha, considering existing oversupply of 2.4ha). Concentrated employment land at a larger scale on a masterplanned mixed-use site could result in transport infrastructures being designed into the scheme from an early stage, with the viability of well-placed access routes, widened junctions and access to the strategic road network all being relevant considerations. The concentrations of land alongside housing should increase the viability of providing sustainable travel services and infrastructure which connect concentrations of people to employment land. The close proximity to dwellings would also potentially reduce the need of people to commute long distances as well as increasing the propensity for people to travel by active means. That said, there would still be some negative effects associated with the concentrated growth, it would be likely that congestion in the area would increase as a result of HGVs and people commuting to places of employment. Overall, potential moderately positive and moderately negative effects are likely to be seen on and around the employment sites, alongside neutral effects elsewhere.

B2: Higher

This approach would focus growth in the same locations as referenced under Option A2, however with a more substantial amount of land provided for employment purposes (23ha) in each authority (Harborough would only require 20.6ha of allocation due to an existing oversupply). This would magnify the above effects, though with the more significant positive effects partially offsetting any additional step up in magnitude of negative effects resulting in moderate positive and moderate negative effects.

C2: Lower

This option would involve less growth (5.75ha) of employment land in each authority (Harborough would only require 3.35ha of allocation due to an existing oversupply). The effects would be similar to those discussed for Options A2 and B2, but due to the lower scale of growth involved, the significance of effects are recorded as minor.

Option 3 – Near Leicester Area

A3: Current

This approach would involve growth of 11.5ha in Blaby and Charnwood. As Charnwood is projected to meet this demand through committed and planned developments, no effects are predicted for that area. As such, the only effects would be realised in areas of Blaby in close proximity to Leicester. This could be distributed between different sites, or could be accommodated on a single larger site. Either way, the proximity close to Leicester is likely to draw some traffic (commuting and HGVs) along orbital and linear routes. Offsetting the potential for increased traffic is the fact that the locations are close to Leicester itself and should present good links to the workforce, active and public forms of travel. Therefore, overall mixed effects are predicted, with both minor positive effects and minor negative effects identified.

B3: Higher

At this higher scale of growth, Charnwood would still be able to accommodate its unmet need apportionment from existing commitments, and there would still remain a degree of surplus. As such, neutral effects are predicted with regards to transport and travel in this respect. For Blaby the level of employment growth would be higher than A3 and therefore, the potential for effects is greater. If several individual sites are used, cumulatively, this could lead to a moderate negative effect in terms of traffic, but this carries <u>uncertainty</u>. In terms of locating employment close to workforce and reducing the length of trips, a minor positive effect remains.

C: Lower

At a lower level of growth, the effects would be anticipated to be less significant. Development would likely be limited to one site or several smaller sites,

and therefore the magnitude of effects is likely to be smaller. In this respect, it is considered that effects are neutral overall.

Option 4 - HENA Distribution

A4: Current

This approach would direct 23ha to Charnwood. Given that there is an oversupply in employment land, it is presumed this would be used to meet unmet needs from Leicester, and thus in terms of transport and travel, neutral effects are predicted.

B4: Higher

For Charnwood, a large amount of surplus could be used to meet the majority of needs required. However, 14.9ha of additional land would be required from other sites across the Borough if the full unmet needs from Leicester are to be met. There are a range of sites that could be utilised which are located within / at the edge of existing settlements. Access by sustainable modes of transport therefore ought to be a possibility and where sites are on the periphery of settlements, congestion in built-up areas may be able to be avoided. The length of trips and relationship to Leicester would be dependent upon the location of employment land, with some sites being better located than others. The scale of growth involved is not likely to have significant effects with regards to travel and transport, though there are likely to be effects surrounding the growth in Charnwood, alongside some uncertainty relating to the effects being partially dependent upon the specific location of growth. As such, uncertain minor negative / Minor positive effects are predicted on balance.

C4: Lower

Neutral effects are predicted, given that the scale of growth is lower than both options A4 and B4 and would be accommodated through existing committed development.

| Distribution | Growth | Overall Effects | Symbol |
|---------------------|------------|--------------------------|--------|
| Option 1: Dispersed | A: Current | Potential minor negative | ×, |

| | B: Higher | Minor negative | × |
|-------------------------------------|------------|---|-------------------------------|
| | C: Lower | Neutral effect | - |
| Option 2: Strategic sites | A: Current | Potential moderate negative / potential moderate positive | x x ? / / / ? ? |
| | B: Higher | Moderate negative / Moderate positive | x x / / / |
| | C: Lower | Minor negative / Minor positive | × |
| | A: Current | Minor negative / Minor positive | x / v |
| Option 3: Near Leicester Area focus | B: Higher | Moderate negative / Minor positive | xx / / |
| | C: Lower | Neutral effect | - |
| Option 4: HENA Distribution | A: Current | Neutral effect | - |
| | B: Higher | Potential minor negative / potential minor positive | x ? / v ? |
| | C: Lower | Neutral effect | - |

This topic relates to efforts being made to mitigate the severity of climate change by taking measures to reduce greenhouse gas (GHG) emissions. Energy efficiency and micro-generation can theoretically be delivered on any building and hence is not considered to be a factor in assessing preferential sites. However, larger-scale low carbon energy generation scheme potential is considered; larger sites are more likely to be able to deliver district heating schemes which help to reduce energy usage for example. Larger sites are also more likely to provide the economies of scale for the delivery of renewable

energy generation schemes, such as solar and air source heat pumps. Larger sites also offer the potential to provide tree planting and / or to avoid carbon sinks, helping with efforts to sequester CO2 from the atmosphere. Transport related emissions are also relevant, especially in the short to medium-term when GHG emitting vehicles are likely to be the dominant mode of transport. Employment sites can result in an increase in HGVs which emit large amounts of GHG emissions. Opportunities to promote sites which are accessible by sustainable means (active or public transport) or are nearby to residential areas are favourable in terms of attempting to reduce the number of people commuting to the sites by car. Because emissions are not tied to a specific area, the appraisal process should focus on the likely effects in relation to emissions for the County as a whole.

Option 1 - Dispersed:

This approach would seek to distribute Leicester's unmet employment needs across the County, with equal shares of the employment land being delivered in each authority area.

A1: Current

This approach would deliver 3.3ha of employment land in each of the local authorities outside of Leicester. Considering availability and planned provision of employment land, Blaby, Harborough (additional 0.9ha required to meet the allocation of 3.3ha), Hinckley and Bosworth, Melton and Oadby and Wigston (additional 0.7ha required to meet the allocation of 3.3ha) would need to provide additional land. The remaining two areas would meet the employment land requirements through a current surplus of provision. There are a range of sites that growth could be delivered on, so it is difficult to determine the effects in terms of emissions. Where this growth would be expected to be of a small scale across each authority, it is less likely that economies of scale could be achieved in terms of low carbon development and infrastructure improvements. There would also so be some increase in emissions expected from employment growth, particularly if the sites are further away from the Near Leicester Area. Overall, considering the spread of growth and consequential reduced ability to deliver emission saving schemes related to the clustering of sites and associated increased viability, <u>potential</u> <u>minor</u> negative effects are predicted.

B1: Higher

This approach would deliver 6.6ha of employment land in each of the local authorities outside of Leicester. Considering availability and planned provision of employment land, Blaby, Harborough (additional 4.2ha required to meet the allocation of 6.6ha), Hinckley and Bosworth, Oadby and Wigston (additional 4ha required to meet the allocation of 6.6ha), Melton and North West Leicestershire (additional 1.9ha required to meet the allocation of 6.6ha) would need to provide additional land. The increased scale of growth would equate to increased emissions from transport across the County, but is not likely to significantly increase opportunities for low carbon energy and other mitigation schemes as part of dispersed employment growth. As such, minor negative effects are predicted overall.

C1: Lower

This approach would deliver 1.7ha of employment land in each of the local authorities outside of Leicester. Considering availability and planned provision of employment land, there would only be a need to release small amounts of additional land in Melton, Hinckley and Bosworth and Blaby. In line with the decreased level of employment land delivery, this approach would be likely to reduce the significance of effects outlined above under option A1 to a negligible magnitude, and therefore neutral effects are predicted.

Option 2 - Strategic sites:

This approach would seek to deliver Leicester's unmet employment needs on strategic sites in Blaby and Harborough.

A2: Current

This option would seek to allocate 11.5 ha of employment land on strategic sites in Blaby and Harborough (although considering Harborough's existing supply, the area would be anticipated to be required to allocate 9.1ha), which are likely to be mixed use and in relatively close proximity to residential areas. This should mean that commuting by active means is a viable option for local employees. The large scale of residential development on strategic sites would be likely to lead to some substantial sustainable transport schemes connecting the settlement to the wider County, improving the potential for employees to commute by public transport. That said, the employment uses are likely to increase the number of HGV journeys in the county, leading to an increase in GHG emissions in the short to medium-term. The large-scale and mixed use nature of the strategic site would be expected to deliver better opportunities for low carbon energy generation schemes and green infrastructure schemes to help in terms of carbon sequestration. Overall, minor positive effects are predicted taking the above into considerations.

B2: Higher

This approach would focus growth in the same locations as referenced under Option A2, however with a more substantial amount of land provided for employment purposes (23ha in Blaby and 20.6ha in Harborough). This would magnify the above effects in terms of the potential for low carbon developments, but would also increase the emissions associated with transportation. This would be more likely should sites that are more isolated need to be utilised. Therefore, overall a <u>potential moderate positive effect</u> is predicted.

C2: Lower

This option would involve less growth (5.75ha) of employment land. There would be a requirement for land release in Blaby of 5.75ha and 3.35ha in Harborough; this would be likely to be at a scale where neutral effects are predicted.

Option 3 - Near Leicester Area:

A: Current

This approach would involve growth of 11.5ha in Blaby and Charnwood. As Charnwood is projected to meet this demand through committed and planned developments, no effects are predicted for that area. As such, the only effects would be realised in areas of Blaby in close proximity to Leicester. The available sites are fairly close to residential areas, meaning that commuting by active means is a viable option for local employees. That said, the employment uses are likely to increase the number of HGV journeys in the county, leading to an increase in GHG emissions in the short to medium-term. Whilst large sites are somewhat more likely to deliver on-site energy efficiency and generation schemes, the scale of the employment land on the larger site options in Blaby under this approach would not be considered of a scale large enough to increase the viability of such schemes. The schemes may however be likely to provide some onsite tree planting, retention and mitigation schemes. Overall, on balance, a neutral effect is predicted. GHG emissions would be likely to rise as a result of increased HGV and commuter journeys, but the length of trips would be more likely to be shorter given that employment land would be delivered in areas where an undersupply is identified.

B3: Higher

This approach would magnify the effects discussed for A3. The higher scale of growth in Blaby has potential to support low carbon energy generation, though this would still be uncertain, and it would be more likely that several sites would be involved, rather than one large site. GHG emissions would be likely to rise from the increase in HGV journeys and commuting by GHG emitting vehicles, but this would not be significant. Overall, neutral effects are predicted.

C3: Lower

This would emulate the effects identified under option A3, but at a lower scale, therefore, overall neutral effects are predicted.

Option 4 - HENA Distribution

A4: Current

This approach would direct 23ha to Charnwood. Given that there is an oversupply in employment land, it is presumed this would be used to meet unmet needs from Leicester, and thus in terms of climate change, neutral effects are predicted.

B4: Higher

For Charnwood, a large amount of surplus could be used to meet the majority of needs required. However, 14.9ha of additional land would be required

from other sites across the Borough if the full unmet needs from Leicester are to be met. There are a range of sites that could be utilised. Some of the smaller sites consist of previously developed land, and in terms of the efficient use of resources (and embodied carbon), this would be positive in terms of minimising carbon emissions. However, the scale of growth is low, and the location of sites is likely to increase transport emissions to an extent. As such, neutral effects are predicted on balance.

C4: Lower

Neutral effects are predicted, given that the scale of growth is lower than both options A4 and B4 and would be accommodated through existing committed development.

| Distribution | Growth | Overall Effects | Symbol |
|-------------------------------------|------------|-----------------------------|------------|
| Option 1: Dispersed | A: Current | Potential minor negative | x ; |
| | B: Higher | Minor negative | × |
| | C: Lower | Neutral effect | - |
| Option 2: Strategic sites | A: Current | Minor positive effect | √ |
| | B: Higher | Potential Moderate positive | √ √s |
| | C: Lower | Neutral effect | - |
| | A: Current | Neutral effect | - |
| Option 3: Near Leicester Area focus | B: Higher | Neutral effect | - |
| • | C: Lower | Neutral effect | - |
| Option 4: HENA Distribution | A: Current | Neutral effect | - |
| | B: Higher | Neutral effect | - |
| | C: Lower | Neutral effect | - |

Landscape and Land

Development can have a detrimental impact on local availability of agricultural land. Though it is dependent upon particular site specific conditions, the loss of land which could potentially be used for agricultural purposes could be considered to be negative. Site specific circumstances are important to consider, including current use of land, previous land uses and surrounding land use, however at this level of assessment, it may be difficult to ascertain a more granular level of understanding of a site's agricultural potential. Data which indicates the quality of land and soils for agricultural use was broadly true as of 1988, but there have been some significant changes in land use in some areas.

Impacts on landscape are dependent upon local landscape characteristics, coupled with the type of use, scale of development and design features. All things being equal, it is typical that larger scale developments will be more disruptive to landscapes (compared to small scale) and the same is true when developing on greenfield land compared to brownfield. Topography in the area and views also make a significant difference when it comes to assessing landscape impacts. Leicestershire is not identified as having nationally designated landscapes, however areas of open, natural countryside are locally important and help shape the character of settlements and the countryside.

Option 1 - Dispersed:

This approach would seek to distribute Leicester's unmet employment needs across the County, with equal shares of the employment land being delivered in each District.

A1: Current

This approach would deliver 3.3ha of employment land in each of the local authorities outside of Leicester. Considering availability and planned provision of employment land, Blaby, Harborough, Hinckley and Bosworth, Melton, and Oadby and Wigston would need to provide additional land (to varying extents). The remaining areas would meet the employment land requirements through a current surplus of provision.

For Blaby, Harborough, Hinckley and Bosworth and Oadby and Wigston, the site options are predominantly situated on land classified as Grade 3, meaning that it is potentially classed as valuable for agricultural purposes, although further work must be carried out to determine the true potential of the land. There are some sites containing Grade 2 land, including in Melton, but this would most likely be possible to avoid. Furthermore, the overall scale of loss is relatively low.

In terms of landscape, to minimise impact development should, as best possible, avoid removing open and natural areas of countryside. The small scale of required employment land in each District under this approach should limit the potential issues related to large sites which are disruptive to landscapes. The site options for Blaby and Hinckley and Bosworth offer opportunities to develop sites which are within, or adjacent to existing built-up areas, helping to minimise potential for more damaging effects on the County's landscape (both individually and cumulatively.

Overall, in relation to landscape, potential minor negative or neutral effects are predicted. When considering agricultural land as well, where the majority of sites are on Grade 3 agricultural land, some <u>uncertain</u> <u>minor negative</u> <u>effects</u> are predicted.

B1: Higher

This approach would deliver 6.6ha of employment land in each of the local authorities outside of Leicester. Considering availability and planned provision of employment land, all authorities except for Charnwood would need to provide additional land (to varying degrees). The increased scale of growth would equate to greater loss of agricultural land as well as greater potential for negative effects on landscape. Therefore, minor negative effects are predicted with greater certainty (compared to A1).

C1: Lower

This approach would deliver 1.7ha of employment land in each of the local authorities outside of Leicester. Considering availability and planned provision of employment land, there would only be a need to release small amounts of additional land in Hinckley and Bosworth, Melton and Blaby. Though there could be some loss of agricultural land and potential for negative effects on landscape, these would be very minor / possible to avoid / insignificant. Therefore, neutral effects are predicted overall.

Option 2 - Strategic sites:

This approach would seek to deliver Leicester's unmet employment needs on strategic sites in Blaby and Harborough; with a presumption that those with a strong connection to Leicester would be preferential.

A2: Current

For Blaby, there are several site options, each of which are large scale when considered as whole mixed-use sites (which is how the sites would likely be brought forward). The comprehensive development of these sites is likely to permanently alter the landscape in the location that growth occurs, and this could be significant depending upon the overall scale, layout and design. Whilst the employment element of development is only part of the picture, an 11.5ha development could lead to some negative effects, especially if it involves large scale units which can be visually intrusive and attract traffic. Given these issues, potential negative effects exist. These could range from minor through to moderate / major, but there ought to be flexibility to avoid and mitigate for the most significant effects. In terms of agricultural land, all of the site options would be likely to involve some best and most versatile agricultural land, which is negative.

The picture is similar for Harborough, where the sites contain agricultural land, which could possibly be best and most versatile. The development of strategic sites could lead to some significant negative effects in terms of landscape sensitivity. However, the employment element would only be a part of this, and at this scale of growth it ought to be possible to avoid the most sensitive locations and / or to implement mitigation and enhancement.

Overall, the potential for negative effects on landscape and agricultural land exists in both Blaby and Harborough. The scale of growth attributable to employment land is not substantial though, and there will be some potential to avoid major negative impacts. As such, a minor negative effect is predicted overall.

B2: Higher

This approach would focus growth in the same potential locations as referenced under option A2, however with a more substantial amount of land provided for employment purposes (23ha in each district). This would magnify the above effects, either by scaling up employment on one strategic site, or developing several sites. The overall loss of agricultural land would also be higher, and thus overall a moderate negative effect is predicted.

C2: Lower

This option would involve less growth (5.75ha) of employment land in each of Blaby and Harborough. The reduction in scale of employment land under this approach would make it easier to avoid the loss of the most valuable agricultural land and would minimise the loss of locally appreciated landscape assets / limit effects to just one site. As such, only uncertain minor negative effects are predicted.

Option 3 - Near Leicester Area:

A3: Current

This approach would involve growth of 11.5ha in Blaby and Charnwood. As Charnwood is projected to meet this demand through committed and planned developments, no effects are predicted for that area. As such, the only effects would be realised in areas of Blaby in close proximity to Leicester. There are several site options that could accommodate growth, some being relatively small scale, whilst others are part of strategic developments. All of the site options are classified as Grade 3 Agricultural Land. Whilst the precise quality of land is unknown, there is the potential to lose some higher quality land that is best and most versatile. All of the sites are greenfield; as such, whichever sites are selected will be expected to result in the same loss of potentially valuable agricultural land leading to minor negative effects in relation to land.

When focusing on impacts on the landscape, all of the developments are within or immediately adjacent to the existing built-up area on land which is not identified as highly sensitive in terms of its landscape characteristics. Therefore, significant effects ought to be possible to avoid. Overall, considering the above, this approach would be likely to lead to minor negative effects.

B3: Higher

This approach would require more substantial development in Blaby, but this would still be unlikely to involve highly sensitive locations. For Charnwood,

development could still be met through commitments. Therefore, overall minor negative effects remain.

C3: Lower

This approach would give rise to similar effects to A3, but at a lower magnitude, thus reducing the likelihood that negative effects would arise. Hence, <u>uncertain</u> minor negative effects are predicted.

Option 4 - HENA Distribution

A4: Current

This approach would direct 23ha to Charnwood. Given that there is an oversupply in employment land, it is presumed this would be used to meet unmet needs from Leicester, and thus in terms of landscape, neutral effects are predicted.

B4: Higher

For Charnwood, a large amount of surplus could be used to meet the majority of needs required. However, additional land would be required from other sites across the Borough if the full unmet needs from Leicester are to be met. There are a range of sites that could be utilised. Some of the smaller sites consist of previously developed land and / or are contained in locations that are not highly sensitive to change. There are larger site options that could potentially have negative effects with regards to agricultural land and landscape, but the scale of growth involved is not major and could lend itself to the avoidance /mitigation of effects. Therefore, minor negative effects are predicted.

C4: Lower

Neutral effects are predicted, given that the scale of growth is lower than both options A4 and B4 and would be accommodated through existing committed development.

| Landscape and Land | | | |
|-------------------------------------|------------|--------------------------|------------|
| Distribution | Growth | Overall Effects | Symbol |
| | A: Current | Potential minor negative | x ; |
| Option 1: Dispersed | B: Higher | Minor negative | × |
| | C: Lower | Neutral effect | - |
| Option 2: Strategic sites | A: Current | Minor negative | × |
| | B: Higher | Moderate negative | ×× |
| | C: Lower | Potential minor negative | x ? |
| | A: Current | Minor negative | × |
| Option 3: Near Leicester Area focus | B: Higher | Minor negative | × |
| • | C: Lower | Potential minor negative | x ? |
| Option 4: HENA Distribution | A: Current | Neutral effect | - |
| | B: Higher | Minor negative | × |
| | C: Lower | Neutral effect | - |

The effects on heritage assets in relation to development of land for employment are dependent upon the presence and nature of heritage assets, local character and the existing land use within proximity of the site and any identified heritage assets. Whilst development can serve to be detrimental to the setting of heritage assets and local character, sensitive design and locally appropriate screening can be effective in reducing any adverse effects. What is more difficult to mitigate is the secondary impacts of development. For employment land, the increase in commuter journeys and common increase in operational vehicles can increase congestion and noise pollution in areas surrounding development, leading to detrimental impacts on heritage assets' settings.

Option 1- Dispersed:

This approach would seek to distribute Leicester's unmet employment needs across the County, with equal shares of the employment land being delivered in each Local Authority.

A1: Current

This approach would deliver 3.3ha of employment land in each of the local authorities outside of Leicester. Considering availability and planned provision of employment land all authorities apart from Charnwood and North West Leicestershire would need to provide additional land (to varying degrees). The remaining areas would meet the employment land requirements through a current surplus of provision.

Hinckley and Bosworth and Blaby both have a number of potential site options which are not sensitive in terms of identified designated heritage assets. Where some sites have some nearby listed buildings, the small amount of employment land which is required under this approach should mean that an individual parcel should be able to be allocated within a larger site which helps to mitigate any potential issues. In Harborough, only a small amount of additional land would be required, and this could be accommodated on land that is relatively unconstrained in terms of heritage. In Melton there are several site options, of which some are relatively close to listed buildings. It is unlikely that any direct effects on heritage assets would arise, but the setting of assets could potentially be affected.

As such, strategic considerations which preferentially allocate sites which totally avoid heritage assets, or an approach which makes use of screening, design and avoiding areas of high sensitivity are likely to mean that this approach will be able to avoid detrimentally impacting the significance or settings of the majority of the County's heritage assets. In some locations, there is <u>potential</u> for <u>minor negative effects</u> though.

B1: Higher

This approach would deliver 6.6ha of employment land in each of the local authorities outside of Leicester. Considering availability and planned provision of employment land all authorities with the exception of Charnwood would need to provide additional land (to varying degrees).

This higher growth option only slightly increases the amount of employment land needed within each authority across the County. In this sense, Blaby and Hinckley and Bosworth are likely to see broadly similar effects to those outlined under Option A1. In Melton, the picture is similar, site options being adjacent to heritage assets. Overall, a minor negative effect is predicted.

C1: Lower

This approach would deliver 1.7ha of employment land in each of the local authorities outside of Leicester. Considering availability and planned provision of employment land, there would only be a need to release small amounts of additional land in Hinckley and Bosworth, Melton, and Blaby.

The very small amount of employment land required within each of the Districts under this approach are likely to mean that it is possible to avoid negative effects upon heritage. As such, neutral effects are predicted.

Option 2 - Strategic sites:

This approach would seek to deliver Leicester's unmet employment needs on strategic sites in Blaby and Harborough (11.5ha each). The preference would be for sites well connected to Leicester in the first instance.

A2: Current

For Blaby, there are several site options. The Whetstone pastures site contains a Grade II Listed Building (Whetstone Pastures Residential Home) with some concentrations of other listed buildings nearby in Countesthorpe, Cosby and Willoughby Waterleys. The presence of the listed building on the Whetstone Pastures site may lead to some minor effects, whilst the asset's setting is likely to be impacted, site screening should be likely to mitigate any more significant effects to the Grade II Listed Building. Further to this, the large size of anew settlement would allow early design and masterplanning stages of the scheme to further avoid adversely affecting the listed building and its significance. The relatively small amount of employment land within the context of a much larger settlement would also mean that there ought to be ample opportunity to locate employment land in a position within the site which better avoids negative effects. Other strategic sites in Blaby do not contain designated heritage assets in their perimeters, but are (broadly speaking) adjacent to assets such as listed buildings and / or conservation areas. The potential for effects to be significant is considered to be limited for Stoney Stanton and Hinckley NFRI, provided that layout and design takes account of the setting of assets. However, effects at the North of Glenfield site would be considered to be more significant given the presence of a conservation area and scheduled monument adjacent to the site.

For Harborough, the Stoughton Concept site does not contain any heritage assets, however it is in close proximity to a number of concentrations of heritage assets. The Stretton Magna deserted village Scheduled Monument is adjacent to the southern corner of the sites, as well as the concentrations of listed buildings in Stoughton, Thurnby and Houghton on the Hill being within close proximity.

The close proximity each of the strategic sites to concentrations of listed buildings and heritage assets within existing settlements might lead to some effects relating to the setting of said assets. The increase in vehicle journeys (cars and larger vehicles relating to the employment land uses) has the potential to negatively affect these heritage assets though potential congestion and noise pollution related issues. Whilst this is likely to occur, with some more minor negative effects upon local heritage assets, appropriate transport related mitigation measures alongside locating the employment land on the

site in a position which is well connected to the strategic transport network should help to minimise these effects. Overall, this approach would be expected to lead to lead to some adverse impacts upon nearby heritage assets. That said, flexibility over employment land location and the ability to minimise effects through a masterplanned approach should mean that only minor negative effects arise.

B2: Higher

This approach would focus growth in the same locations as referenced under option A2, however with a more substantial amount of land provided for employment purposes (23ha). This would effects in require heightened growth on a strategic site or the use of multiple sites. Despite the scale of growth being increased, the overall effects on these strategic sites is likely to be the same as there would still remain flexibility and choice in terms of sites and also layout. Minor negative effects are predicted.

C2: Lower

This option would involve less growth (5.75ha) of employment land at strategic sites. This approach would be likely to offer greater flexibility in relation to choice of sites and specific positioning of employment land within strategic sites, helping to avoid more negative effects relating to proximity to heritage assets (and traffic etc). The lower growth would also be expected to lead to a lower impact upon local area's in terms of congestion and noise pollution, most likely reducing the significance of the potentially negative effects outlined above. Whilst these effects are likely to be experienced at a reduced magnitude when compared to the higher growth options, <u>uncertain minor negative effects</u> are predicted.

Option 3- Near Leicester Area:

This approach would focus employment land growth within areas in close proximity to the outskirts of Leicester.

A3: Current

This approach would involve growth of 11.5ha in Blaby and Charnwood. As Charnwood is projected to meet this demand through committed and planned developments, no effects are predicted for that area. As such, the only effects would be realised in areas of Blaby in close proximity to Leicester. It would be expected that this growth would be met through one larger site or several smaller sites. In Blaby, several site options are in relatively close proximity to the Grade I listed Kirby Muxloe Castle, but it is presumed such sites would be avoided if possible given the potential for negative effects. Some of the other site options are close by to listed buildings and conservation areas. Sensitive development and the retention of the existing natural screening (trees and hedgerows) could minimise any potential effects, but the avoidance of effects cannot be assured at this strategic level.

Overall, there would be the option to allocate less sensitive sites under this approach, so only <u>uncertain</u> <u>minor negative</u> <u>effects</u> are recorded.

B3: Higher

This approach would not offer the same flexibility in choice for Blaby as outlined above for A3, but screening and sensitive design as well as the distance between sites and listed assets should mean that effects are minimised. . Overall, minor negative effects are predicted.

C3: Lower

The reduced scale of growth ought to make it easier to avoid negative effects in Blaby compared to Option A3, and as such neutral effects are predicted.

Option 4 - HENA Distribution

A4: Current

This approach would direct 23ha to Charnwood. Given that there is an oversupply in employment land, it is presumed this would be used to meet unmet needs from Leicester, and thus in terms of cultural heritage, neutral effects are predicted.

B4: Higher

For Charnwood, a large amount of surplus could be used to meet the unmet needs. However, additional land (14.9ha) would be required from other sites across the Borough if the full unmet needs from Leicester are to be met. There are a range of sites that could be utilised that are not sensitive in terms of cultural heritage (i.e. they contain no sensitive or important buildings and are distant from listed buildings, Conservation Areas and other features). As such, neutral effects are predicted.

C4: Lower

Neutral effects are predicted, given that the scale of growth is lower than both options A4 and B4 and would be accommodated through existing committed development.

| Distribution Growth Overall Effects Sym |
|---|
|---|

| Cultural Heritage | | | |
|-------------------------------------|------------|--------------------------|------------|
| | A: Current | Potential minor negative | x ? |
| Option 1: Dispersed | B: Higher | Minor negative | × |
| | C: Lower | Neutral effect | - |
| Option 2: Strategic sites | A: Current | minor negative | × |
| | B: Higher | minor negative | × |
| | C: Lower | Potential minor negative | x ? |
| | A: Current | Potential minor negative | x ; |
| Option 3: Near Leicester Area focus | B: Higher | minor negative | × |
| • | C: Lower | Neutral effect | - |
| Option 4: HENA Distribution | A: Current | Neutral effect | - |
| | B: Higher | Neutral effect | - |
| | C: Lower | Neutral effect | - |

Water

Developing on land which is nearby to water courses can lead to potential pollution during the construction phases of development (through surface water run off for example). During operational uses of employment land the specific use of the land would be the key determinant in potential pollution, and as such, effects cannot be predicted for operational effects. That said, developing land which could have been potentially used for agricultural purposes serves to reduce future risk of agricultural fertiliser nitrate pollution of water courses; though these effects are uncertain as it is difficult to ascertain the length of time that land would be likely to be used for agricultural purposes.

Flood risk from water courses is a key constraint for land use; flooding is likely to increase in occurrence and severity as a result of climate change and as such has to form a key consideration when shaping the built-environment. Generally it is best to avoid building on areas of land identified as at an elevated risk of flooding, however where only a small proportion of a site is at risk of flooding, this can often be accounted for in the design of a site in order to avoid any detrimental effects of flood events on businesses. Where brownfield sites that have already been built in areas of flood risk, the main focus should be on suitable uses and mitigation measures.

Option 1 - Dispersed:

This approach would seek to distribute Leicester's unmet employment needs across the County, with equal shares of the employment land being delivered in each District.

A1: Current

This approach would deliver 3.3ha of employment land in each of the local authorities outside of Leicester. Considering availability and planned provision of employment land, Blaby, Harborough (additional 0.9ha required to meet the allocation of 3.3ha), Hinckley and Bosworth, Melton and Oadby and Wigston (additional 0.7ha required to meet the allocation of 3.3ha) would need to provide additional land. The remaining areas would meet the employment land requirements through a current surplus of provision. Each authority receiving additional growth contains site options which avoid areas of potential flood risk, which are also relatively separated from watercourses, reducing the potential for operational or construction phase related contamination. The majority of the site options are greenfield sites with the potential (uncertainty associated with a lack of detailed site surveys) for agricultural use; as such, use of the land for employment purposes could serve to reduce any potential future nitrate pollution from agricultural uses, though this is uncertain. Should land be selected for allocation which is nearby to a watercourse, then whilst in the long-run it is difficult to predict potential polluting factors from operational causes, short-term construction related contamination of watercourses is possible, though uncertainty must be accepted where specific site allocations are not yet established. Whilst there is potential capacity on sites which are largely unconstrained by water (both flood risk and proximity to water sources), other factors may make it necessary to allocate employment land on more sensitive sites across the county, and therefore there is some potential for negative effects. Overall, a potential, uncertain minor negative effect is predicted.

Water

B1: Higher

This approach would deliver 6.6ha of employment land in each of the local authorities outside of Leicester. Considering availability and planned provision of employment land, Blaby, Harborough (additional 4.2ha required to meet the allocation of 6.6ha), Hinckley and Bosworth, Oadby and Wigston (additional 4ha required to meet the allocation of 6.6ha), Melton and North West Leicestershire (additional 1.9ha required to meet the allocation of 6.6ha) would need to provide additional land. This approach would be expected to broadly mimic the effects outlined above under A1, albeit with some reduced ability to selectively avoid land which is at risk of flooding and/or pollution. There are no identified employment sites in Oadby, and therefore, this element of supply would be limited. For other authorities, some sites are not at risk of flooding nor are they near to watercourses, whereas others are adjacent to flood zones or partially identified as at risk of flooding. Overall, despite there being some increase in potential for sites that are adjacent to or overlapped by watercourses / flooding the effects are predicted to be similar to Option A1, but with greater certainty(i.e._ minor negative effects).

C1: Lower

This approach would deliver 1.7ha of employment land in each of the local authorities outside of Leicester. Considering availability and planned provision of employment land, there would only be a need to release small amounts of additional land in Melton, Hinckley and Bosworth and Blaby. The very small amount of employment land required within each of the Districts under this approach are likely to mean that it is possible to avoid land which is at risk of flooding and pollution. As such, neutral effects are predicted.

Option 2 - Strategic sites:

This approach would seek to deliver Leicester's unmet employment needs on strategic sites in Blaby and Harborough.

A2: Current

This option would seek to allocate 11.5 ha of employment land on strategic sites; considering existing supply, Blaby would be required to deliver 11.5ha of additional land whereas Harborough would deliver 9.1ha of land. There are a range of sites to choose from, most of which are intersected to some degree by watercourses with associated flood risk and potential for pollution pathways. However, given the strategic nature of the sites, it would be likely that the scheme design could account for these areas of heightened sensitivity, meaning that negative effects are unlikely to occur as a result on the identified flood risk. The exception is North of Glenfield, where potential access to the site could be affected by the areas of flood risk. Where strategic growth in this instance would be expected to be largely on greenfield land, surface water flood risk may increase in areas which see permeability reduced (largely due to the widespread construction of impermeable surfaces/surfaces which do not facilitate infiltration to the same extent as greenfield land). Whilst mitigation measures may offset these effects, it would be unlikely all effects could be offset; though scheme design should be able to ensure that housing and

Water

businesses do not suffer increased vulnerabilities.

During the construction phases, it would be likely that some pollution of the onsite watercourses could occur, both individually as a result of the employment development, as well as the cumulative effects of the wider strategic sites being developed. In the longer term, where this land could have been used for agricultural purposes, alternative uses may serve to reduce the potential for nitrate-based pollution.

On balance, and considering the scale of employment land at strategic sites and good potential for avoidance and mitigation, neutral effects are predicted. There is some <u>uncertainty</u> though given that access issues relating to flooding would be more difficult to resolve on the North of Glenfield site. However, this location would not necessarily need to be utilised.

B2: Higher

This approach would focus growth in the same locations as referenced under the medium growth option, however with a more substantial amount of land provided for employment purposes (23ha in Blaby and 20.6ha in Harborough). This would magnify the above effects, potentially making it more difficult to avoid land which is at risk of flooding, but the likelihood is still considered to be fairly low. There could also be some increased potential construction related watercourse pollution. On balance, <u>potential</u> <u>minor negative</u> effects are likely.

C2: Lower

This option would involve less growth than options A2 and B2 and therefore, neutral effects are predicted where it would be more likely that sensitive land (in relation to potential contamination of watercourses as well as flood risk) could be avoided.

Option 3 - Near Leicester Area:

This approach would focus employment land growth within areas in close proximity to the outskirts of Leicester. The approach proposes that the employment land would be allocated between Blaby and Charnwood. Where Charnwood already has an oversupply of employment land, no action would need to be taken as there is already sufficient employment land made up through committed and planned development.

A3: Current

This approach would involve growth of 11.5ha in Blaby and Charnwood. As Charnwood is projected to meet this demand through committed and planned developments, no effects are predicted for that area. As such, the only effects would be realised in areas of Blaby in close proximity to Leicester. None of the sites involved are at significant risk of fluvial flooding, and hence in this respect, neutral effects are likely.

In relation to the potential to pollute water courses, several site options are relatively close to or intersect with brooks and streams, and there could

Water

possibly be pollution pathways. Issues relating to this may be more pronounced during construction phases when drainage has not been fully implemented and site uses are more likely to lead to contamination events. However, without detailed drainage assessments it is difficult to determine which of the sites would be more likely to contaminate local watercourses. Overall, neutral effects are predicted.

B3: Higher

Despite a higher scale of growth it should still be possible to avoid areas that are at risk of flooding and sensitive to water pollution in Blaby. The growth could still be accommodated in Charnwood through commitments, so neutral effects are predicted.

C3: Lower

As per options A1 and B1, neutral effects are predicted.

Option 4 - HENA Distribution

A4: Current

This approach would direct 23ha to Charnwood. Given that there is an oversupply in employment land, it is presumed this would be used to meet unmet needs from Leicester, and thus in terms of water, neutral effects are predicted.

B4: Higher

For Charnwood, a large amount of surplus could be used to meet the majority of needs required. However, 14.9ha of additional land would be required from other sites across the Borough if the full unmet needs from Leicester are to be met. There are a range of sites that could be utilised that do not intersect with areas at significant risk of flooding or pollution, and therefore neutral effects are expected.

C4: Lower

Neutral effects are predicted, given that the scale of growth is lower than both options A4 and B4 and would be accommodated through existing committed development.

| Distribution | Growth | Overall Effects | Symbol |
|--------------|--------|-----------------|--------|
| DISTIBUTION | Growth | Overall Effects | Symbol |

| Water | | | | | | | |
|-------------------------------------|------------|--------------------------|------------|--|--|--|--|
| | A: Current | Potential minor negative | x ; | | | | |
| Option 1: Dispersed | B: Higher | Minor negative | × | | | | |
| | C: Lower | Neutral effect | - | | | | |
| Option 2: Strategic sites | A: Current | Uncertain Neutral effect | <u>,</u> | | | | |
| | B: Higher | Potential minor negative | ×; | | | | |
| | C: Lower | Neutral effect | - | | | | |
| | A: Current | Neutral effect | - | | | | |
| Option 3: Near Leicester Area focus | B: Higher | Neutral effect | - | | | | |
| | C: Lower | Neutral effect | - | | | | |
| Option 4: HENA Distribution | A: Current | Neutral effect | - | | | | |
| | B: Higher | Neutral effect | - | | | | |
| | C: Lower | Neutral effect | - | | | | |

It is important to safeguard mineral deposits for future use, in order to ensure that supplies can meet demand over a long-term period. As such, land which is likely to be rich in minerals is safeguarded. Development on this land could lead to negative effects relating to potentially reducing the long-term capacity to extract sufficient minerals to meet demand.

Option 1 - Dispersed:

A1: Current

This approach would deliver 3.3ha of employment land in each of the local authorities outside of Leicester. Considering availability and planned provision of employment land, Blaby, Harborough (additional 0.9ha required to meet the allocation of 3.3ha), Hinckley and Bosworth, Melton and Oadby and Wigston (additional 0.7ha required to meet the allocation of 3.3ha) would need to provide additional land. The remaining two districts of Charnwood and North West Leicestershire would meet the employment land requirements through a current surplus of provision.

In Hinckley and Bosworth there is a large amount of land which is safeguarded for mineral, which if used for employment allocations would be expected to lead to some potentially negative effects. Whilst a lot of the site options contain MSAs, there is some choice of sites, or parcels of sites which would meet the allocated employment land requirement in the District without resulting in the loss of such safeguarded land. Should other factors mean that allocation of a site which does not overlap with land safeguarded for future mineral works is difficult, then the small size of the employment land requirements are not likely to lead to significant effects. Whilst a number of Blaby's site options are constrained by safeguarded land, there are a range which are not constrained and it is expected that 3.3ha could be allocated from these sites. Harborough and Melton ought to be able to accommodate this scale of employment land on sites (or on parts of sites) which are not safeguarded for mineral deposits. In any instance of allocating land to avoid safeguarded areas, as discussed above, other factors may result in this being challenging. Overall, <u>uncertain</u> minor negative effects are predicted.

B1: Higher

This approach would deliver 6.6ha of employment land in each of the local authorities outside of Leicester. Considering availability and planned provision of employment land, Blaby, Harborough (additional 4.2ha required to meet the apportionment of 6.6ha), Hinckley and Bosworth, Oadby and Wigston (additional 4ha required to meet the apportionment of 6.6ha), Melton and North West Leicestershire (additional 1.9ha required to meet the apportionment of 6.6ha) would need to provide additional land (to varying degrees). This approach would be expected to broadly mimic the effects outlined above under A1, albeit with some reduced ability to selectively avoid land which is within an MSA. Whilst more land is likely to be allocated, it is a relatively small increase, meaning that effects are not likely to be significantly different for each of the authorities. North West Leicestershire is considered to be relatively more constrained than other authorities with regards to mineral safeguarding areas, however there are sufficient site options which are not constrained to avoid this land. Overall, minor negative effects are likely.

C1: Lower

This approach would deliver 1.7ha of employment land in each of the local authorities outside of Leicester. Considering availability and planned provision of employment land, there would only be a need to release small amounts of additional land in Melton, Hinckley and Bosworth and Blaby. The very small amount of employment land required within each of the Districts under this approach are likely to mean that it is possible to avoid land which is safeguarded for mineral works. As such, neutral effects are predicted.

Option 2 - Strategic sites:

This approach would seek to deliver Leicester's unmet employment needs on strategic sites in Blaby and Harborough.

A2: Current

This option would seek to allocate 11.5 ha of employment land in Blaby and Harborough (Harborough's current supply position of 2.4ha mean that 9.1ha would be required to be allocated). There are a range of strategic sites, some of which are intersected by mineral safeguarded areas, others which are not. The magnitude of loss is unlikely to be significant, and could potentially be avoided through site choice and layout, which is considered to be more likely through strategic masterplanning. However, strategic sites would be likely to deliver a range of land uses and it might be challenging to totally avoid the safeguarded land. Therefore, potential minor negative effects are recorded.

B2: Higher

This approach would focus growth on the same locations as referenced under the medium growth option, however with a more substantial amount of land provided for employment purposes (23ha for both Blaby and Harborough (Harborough would require an allocation of 20.6ha)). This would magnify the above effects related to the potential loss of land safeguarded for minerals and reduce the potential to avoid developing potentially valuable land. Therefore, minor negative effects are predicted with greater certainty.

C2: Lower

This option would involve less growth (5.75ha for Blaby and 3.35ha for Harborough) of employment land on strategic sites. Though there could still be some overlap, the magnitude of effects would be lower, and therefore, neutral effects are predicted.

Option 3- Near Leicester Area:

This approach would focus employment land growth within areas in close proximity to the outskirts of Leicester. The approach proposes that the employment land would be directed to Blaby and Charnwood. Where Charnwood already has an oversupply of employment land of 31ha, for the most part no action would need to be taken as there is already sufficient employment land made up through committed and planned development.

A3: Current

This approach would involve growth of 11.5ha in Blaby and Charnwood. As Charnwood is projected to meet this demand through committed and planned developments, no effects are predicted for that area. As such, the only effects would be realised in areas of Blaby in close proximity to Leicester.

None of the site options are safeguarded for minerals, and so neutral effects are predicted.

B3: Higher

At a higher scale of growth, there would still be neutral effects in Charnwood as the supply position would accommodate the apportionment of needs. In Blaby, despite the need for increased growth, it is still unlikely that mineral deposits would be affected. Therefore, neutral effects are predicted.

C3: Lower

As per options A1 and B1, neutral effects are predicted.

Option 4 - HENA Distribution

A4: Current

This approach would direct 23ha to Charnwood. Given that there is an oversupply in employment land, it is presumed this would be used to meet unmet needs from Leicester, and thus in terms of minerals, neutral effects are predicted.

B4: Higher

For Charnwood, a large amount of surplus could be used to meet a substantial amount of needs. However, 14.9ha of additional land would be required from other sites across the Borough if the full unmet needs from Leicester are to be met. There are insufficient site options to deliver this scale of growth without allocating employment space on land safeguarded for mineral deposits. Negative effects would therefore be expected, though the magnitude of these could be scaled down by avoiding allocating on land which would be preferential for mineral extraction (considering topography, connectivity, landscape etc). The relatively small scale of growth should also help to reduce more negative effects. Minor negative effects are predicted.

C4: Lower

Neutral effects are predicted, given that the scale of growth is lower than both options A4 would be accommodated through existing committed development.

| Minerals | | | | | | |
|-------------------------------------|------------|--------------------------|------------|--|--|--|
| Distribution | Growth | Overall Effects | Symbol | | | |
| | A: Current | Potential minor negative | x ; | | | |
| Option 1: Dispersed | B: Higher | Minor negative | × | | | |
| | C: Lower | Neutral effect | - | | | |
| Option 2: Strategic sites | A: Current | Potential minor negative | ×; | | | |
| | B: Higher | Minor negative | × | | | |
| | C: Lower | Neutral effect | - | | | |
| | A: Current | Neutral effect | - | | | |
| Option 3: Near Leicester Area focus | B: Higher | Neutral effect | - | | | |
| | C: Lower | Neutral effect | - | | | |
| Option 4: HENA Distribution | A: Current | Neutral effect | - | | | |
| | B: Higher | Minor negative | × | | | |
| | C: Lower | Neutral effect | - | | | |

APPENDIX C: DETAILED APPRAISAL OF THE PREFERRED APPROACH (HOUSING)

Biodiversity

City

The preferred approach does not propose growth in the city area. However, there is growth involved in the NLA. The additional growth when taking commitments into account would be spread across Blaby, Harborough, Hinckley and Oadby. The level of additional housing would be greatest in Blaby, and would likely involve some loss of greenfield land on the urban periphery. This is unlikely to have effects in the City itself though.

Near Leicester Area (NLA)

The preferred approach would involve growth at Blaby, Harborough, Hinckley and Oadby.

In Oadby and Wigston the scale of growth would present potential for disturbance on a nearby SSSI, there is also potential for connectivity between habitats to be negatively affected.

For Hinckley and Bosworth and Harborough, the scale of growth in the NLA is relatively low and there are site options that are not strongly constrained by biodiversity. Therefore a neutral effect is predicted.

For Blaby, the scale of growth is higher and would require greenfield sites which are adjacent and outside built-up areas and sites which provide important green gaps between developed areas and habitats, such as the cluster of sites between the M1 and Kirby Muxloe. Under this growth scenario, cumulative pressures on the loss of green space will result in some loss of habitats and ecological connectivity in the NLA. This scale of growth might necessitate or allow for the use of strategic sites in the NLA, which would possibly result in potential for better opportunities to secure net gain / enhancements on site of a strategic nature, and these are minor positive effects.

Overall, a minor negative effect is predicted. Though the potential for effects is somewhat greater in Blaby, there is potential to avoid and mitigate impacts. Furthermore, the likelihood of negative effects in the other districts is relatively low given that the amount of housing involved could be accommodated on less sensitive sites. Cumulatively, no particular areas would likely be affected such that important wildlife corridors and stepping stone habitats were affected.

Market Towns

Taking into account committed growth, there would residual housing required in Hinckley and Coalville.

For Hinckley and Bosworth there are two strategic sites at the market towns that could be involved. With regards to biodiversity designations both sites are unconstrained. The sites are mostly agricultural land, but there are features that could be of local value such as trees and hedgerows. At strategic sites development ought to be possible to accommodate without affecting sensitive habitats, but nonetheless, minor negative effects are identified. Other sites that could be utilised are relatively unconstrained as well, and so only minor negative effects would be anticipated if non-strategic sites were selected too.

Biodiversity

For North West Leicestershire, after accounting for commitments, the remaining growth could potentially be accommodated on a strategic site in Coalville, and / or on a series of smaller sites. The site at Coalville is enclosed by residential development and perhaps less likely to encourage enhancement that is strategically connected to the wider green infrastructure network. In terms of non-strategic site options, there is potential for moderate negative effects in terms of disturbance and possible severance of ecological corridors / stepping stones. Conversely, there may be good opportunities to enhance biodiversity provision on larger sites should they be found to have a low ecological baseline.

Despite the large scale nature of growth at the strategic sites near to market towns, there is still some flexibility to avoid the most sensitive sites and to secure enhancements. As such only minor negative effects are predicted overall for the market towns.

Other Identified settlements

For Blaby additional development could be accommodated at strategic sites at Stoney Stanton and /or Elmesthorpe, the latter of which is in close proximity to a SSSI and other local wildlife designations bringing the potential for negative effects in terms of disturbance. Potential moderate negative effects are highlighted in this respect. Growth could also be accommodated on non-strategic sites at identified settlements, some of which are not constrained by biodiversity considerations. Though there are some sensitivities in particular settlements, there ought to be sufficient flexibility to avoid sensitive locations as there is a wide range of site options available. Therefore, overall, minor negative effects are predicted. In north west Leicestershire, development could involve sensitive sites near to Castle Donnington.

Overall effects

The effects will be dependent upon the sites chosen at local authority level. However, the relatively wide range of sites available that are unconstrained, and the potential to utilise strategic sites where enhancement is more likely, means that only minor negative effects are predicted overall. The effects are most likely to be felt in Blaby (given the scale of residual growth required in the NLA) and North West Leicester (given the requirement for growth in the other settlements, which could involve sensitive sites near to Donnington.

| | City | Near Leicester Area | Market towns | Other settlements | Overall effects |
|--------------------|------|------------------------|--------------|-------------------|-----------------|
| Summary of effects | - | × | × | × | × |

Health and Wellbeing

Health and Wellbeing

City

Though there is no additional growth in the City as such, growth directed to the NLA could have some knock on effects in the City through the provision of affordable housing, and (more likely with strategic sites) supporting shops, services, recreation and employment. On the flipside, an increase in traffic into the City could possibly have negative effects in terms of air quality and amenity. On balance, the positives are likely to outweigh the negatives, and so <u>potential</u> <u>minor positive</u> <u>effects</u> are predicted overall.

Near Leicester Area (NLA)

Additional growth on strategic sites could help to deliver new schools, health services and local shops (particularly at larger sites which can support growth beyond the plan period and where sites are in close proximity to one another). This is positive for those that would be living in these locations and reduces pressures on existing communities. Development at the non-strategic sites may also make a positive contribution in terms of housing and contributions to social infrastructure. However, there may also be potential for pressures on existing services, and for amenity and traffic concerns to arise in relation to new development.

Cumulatively, mixed effects are predicted including moderate positive effects from the delivery of affordable housing and social infrastructure and minor negative effects through the loss of access to green open space and impacts on amenity, noise and air quality for Blaby in particular.

Market Towns

Taking into account committed growth, there would be residual housing required in Hinckley and Bosworth (Hinckley) and North West Leicestershire (Coalville).

Growth at the scale proposed is likely to have positive effects on the health and wellbeing for some communities through delivery of affordable housing in a handful of market towns. With strategic sites, there should be ability to support new on-site social and health infrastructure potentially including new schools, health services and local shops. This should help reduce potential reliance on existing provision, although the new provision might not substantially improve provision and access for existing communities. Therefore, positive effects are predicted in this respect.

In Coalville and Hinckley, the provision of housing and services could potentially be beneficial for communities that are suffering from multiple deprivation, which further enhances the benefits. Conversely, additional development could potentially create localised amenity and health issues in the market towns (particularly if sites are small scale and new facilities and open space are not secured). For example, increased development could lead to air quality issues and could result in a loss of access to greenspace and countryside.

Overall, the effects across the market towns are mixed. Cumulatively, <u>potential</u> <u>moderate positive effects</u> are likely to arise as a result of affordable housing provision and contributions to social infrastructure. However, <u>minor negative effects</u> are also recorded given that there would be amenity issues, and a loss of green space

Health and Wellbeing

(particularly in Coalville).

Other settlements

This could involve additional development on strategic sites close to 'other settlements' in Blaby and North West Leicestershire (to a lesser extent). Development at the scale proposed in Blaby is likely to have positive effects on the health and wellbeing for some communities through the delivery of affordable housing in proximity to existing settlements. The strategic scale of sites should also further be able to support a new school on-site and potential other social and health infrastructure. Growth on non-strategic sites would be more likely to rely on existing provision in a nearby settlement(s). This could reduce access and add pressures to social and health infrastructure for existing communities.

In NWL, the scale of growth could potentially be met through a series of non-strategic sites, which could have mixed effects on communities. On one hand, positive effects could arise by supporting existing facilities. However, on the other hand, it could put pressure on existing services, result in a loss of greenspace or lead to amenity concerns. If strategic site options are used, the potential to deliver a new community is greater, but this would likely be a longer term effect.

Overall, a minor negative effect is predicted mainly due to the growth in Blaby and the potential for these to have impacts on amenity and service provision for existing and new residents. Minor positive effects are also predicted mainly due to new provision of affordable housing for some groups (though these might not be the most deprived communities).

Overall effects

The delivery of new homes is likely to have positive effects in several settlements in relation to affordable homes, support for services and employment. Particular benefits are likely to arise in Blaby which could involve substantial growth in the NLA and have spill over effects for the City. Several areas that suffer from multiple deprivation could possibly benefit from growth, and the vitality of some smaller settlements could be boosted. Overall, these are moderate positive effects. It is also important to note that minor negative effects could arise in relation to amenity concerns, loss of greenspace, and possibly short term pressure on existing services. However, only minor negative effects are predicted, as they would not be widespread and would not necessarily be permanent.

| Summary of effects | City | Near Leicester Area | Market towns | Other settlements | Overall effects |
|--------------------|------|---------------------|--------------------------|-------------------|-----------------|
| | √? | √ | √√ [?] x | √ x | √√ x |

Housing

Housing

Leicester City and the Near Leicester Area (NLA)

The proposed approach directs a substantial portion of housing to the NLA, with residual growth occurring in Blaby Harborough, Hinckley and Oadby. Development could be delivered on a range of sites, with a higher scale of growth in Blaby in particular supporting the need for strategic sites.

This approach would deliver a portion of identified housing need in areas in close proximity to where the need is required. It is noted that this scale of growth would be likely to involve some strategic growth sites within the areas which surround Leicester; these may deliver additional benefits relating to improved infrastructure to make housing more desirable. Overall, moderate positive effects are predicted for the NLA, with spill over minor positive effects in the City.

Market Towns

Though there is a substantial apportionment of growth to the market towns, this is addressed fully by existing commitments in several authorities, and so additional growth is limited. The exception is at Hinckley and Bosworth (Hinckley) and North West Leicestershire (Coalville). In these locations, growth could be accommodated on strategic sites and / or smaller site options, providing increased choice for residents in these areas. There are some connections to the City, especially Hinckley, which has train links. However, broadly speaking, some of the locations are somewhat detached from the NLA / City and would not directly address needs were they are arising. Nevertheless, minor positive effects are predicted.

Other settlements

Much of the housing apportioned to other identified settlements would be met through existing commitments. Therefore, residual / additional growth would be focused in North West Leicestershire and Blaby. There are some settlements within the NLA in Blaby that could have a connection to the City, and likewise, there could be strategic sites involved that offer a good mix of housing and supporting infrastructure. In North West Leicestershire, growth in other settlements might be less well connected to the City itself, but nonetheless would offer some increased housing choice. Overall, these are minor positive effects.

Overall effects

Overall, the proposed approach disperses housing in a way that ought to mean that unmet needs from Leicester are met through a combination of committed development and residual / additional homes. In the main, much of this additional growth should have a good connection to the City and help to meet needs close to where they arise. The benefits overall could potentially be major positives. However, it will be important to ensure that where commitments are relied upon to address Leicester City's unmet need that consideration is given to flexibility / buffers in meeting needs for each authority. This is something that would be picked up by individual local authorities, and so a degree of <u>uncertainty</u> is recorded in relation to the effects being <u>major positives</u>.

| | City | Near Leicester Area | Market towns | Other settlements | Overall effects |
|--------------------|------|---------------------|--------------|-------------------|----------------------------------|
| Summary of effects | ✓ | ✓ ✓ | ✓ | ✓ | $\checkmark\checkmark\checkmark$ |

Employment and Economy

City

Whilst none of the additional housing would be within Leicester, development nearby to the city would have some beneficial effects of delivering housing to meet the city's identified need, which would support economic growth in the City. It would be likely that the increase in population would provide an increase in footfall within the city centre, as well as within the service centres nearby to growth, especially nearby to larger strategic growth locations. Construction related employment and economic activity is likely to be beneficial for contractors and suppliers within Leicester. Whilst these effects are positive, the lack of growth within the city itself means that the effects are diluted somewhat. Overall, minor positive effects are predicted for Leicester.

Near Leicester Area (NLA)

Additional growth would be focused at Blaby, Harborough, Hinckley and Oadby. This could be on strategic sites or other smaller sites. The level of growth involved at strategic sites could help to create longer term benefits in terms of creating new local shops, services and construction related employment. There could also be local employment sites integrated into sites. Other dispersed growth could add to these benefits by supporting the vitality of existing settlements, creating jobs and providing accommodation for workers. Overall, the scale of growth is considered to have minor positive effects, as some of the benefits might not be fully realised in the short to medium term, and the scale of additional growth is relatively low.

Market Towns

Though there is a substantial apportionment of growth to the market towns, this is addressed fully by existing commitments in several authorities, and so additional growth is somewhat limited. The exception is at Hinckley and Bosworth (Hinckley) and North West Leicestershire (Coalville). In these locations, development could help to benefit employment and GVA from the market towns, and if strategic sites are involved could serve to deliver an increase in local shops and services. As such, minor positive effects are predicted overall.

Other settlements

Much of the housing apportioned to other identified settlements would be met through existing commitments. Therefore, residual / additional growth would be focused in North West Leicestershire and Blaby. A dispersed approach to growth could bring benefits in terms of support for the vitality of existing settlements, whilst a strategic site approach could create new settlements that generate GVA. Some of the housing might not be best place to provide accommodation for jobs in the City, but nonetheless, <u>potential minor positive effects</u> are predicted overall.

Employment and Economy

Overall effects

Additional housing development is predicted to have positive effects in terms of employment and economy. The effects are predicted to be minor in most locations, but cumulatively, <u>potential</u> <u>moderate</u> <u>positive</u> <u>effects</u> are predicted.

| | City | Near Leicester Area | Market towns | Other settlements | Overall effects |
|--------------------|------|---------------------|--------------|-------------------|-----------------|
| Summary of effects | ✓ | ✓ | ✓ | √? | √√ ? |

Transport and Travel

City and NLA

Additional growth would be focused at Blaby, Harborough, Hinckley and Oadby. This could be at strategic sites, or dispersed on other site options. The overall scale of growth spread across these locations is considered unlikely to have major implications in terms of congestion (in the NLA and City itself), but there could be localised increased in traffic where larger amounts of growth are concentrated. This is most likely for Blaby, which involves the highest level of additional growth, and also where strategic sites are utilised that involve large amounts of new development (albeit some of this would be beyond the period of time covered by the SOCG). Potential minor negative effects are predicted in this respect. However, on the flip side, the potential concentration of growth would be likely to increase the viability of sustainable transport infrastructure providing access into Leicester from the sites. This could include new public transport services as well as segregated active travel routes, helping to reduce car dependency for those accessing Leicester from the sites, as well as for those who live in Leicester and are in close proximity to the potential new sustainable transport routes. These are minor positive effects in terms of modal shift.

Market Towns

Though there is a substantial apportionment of growth to the market towns, this is addressed fully by existing commitments in several authorities, and so additional growth is somewhat limited at the market towns. For North West Leicestershire, some of the other settlements are not ideally located in terms of access to Leicester itself, but do have a degree of local facilities. Development could potentially be located some distance from Leicester and other higher order settlements, which is not ideal with regards to sustainable travel. However, the likelihood of congestion on busier routes close to the City would be reduced. The exception is at Hinckley and North West Leicestershire (Coalville). The market towns are relatively well serviced by public transport to surrounding settlements and also provide access to jobs and services. In this respect, the residual growth in these locations ought to encourage sustainable patterns of travel. However, the relationship to Leicester varies between market towns. Hinckley has a closer relationship with Leicester having an hourly train service, and bus links. However, it is still likely to result in a degree of car usage within Hinckley and on trips to the City itself. Coalville has no train station, and is less well connected to Leicester itself. Overall, some growth is likely to encourage /enable sustainable transport and travel, whilst others less so, so the overall effect in this respect is neutral. In terms of traffic and congestion Hinckley and North west Leicestershire could see some minor negative effects depending on how housing is delivered.

Other settlements

Much of the housing apportioned to other identified settlements would be met through existing commitments. Therefore, residual / additional growth would be focused in North West Leicestershire and Blaby. The nature of effects will depend upon the extent to which strategic sites are used and the dispersal of sites. However, broadly speaking, it is likely that in Blaby growth could have some links. Overall, it is considered that there is <u>potential</u> for <u>minor negative effects</u>.

Transport and Travel

Overall effects

Overall, mixed effects are predicted. On one hand, some of the new growth would be located in areas that enable sustainable travel and shorter trips to access jobs and services. These are minor positive effects. However, concentrated growth in the NLA could lead to increased pressure on road networks, whilst development in other locations might be more likely to encourage car travel. These are potential minor negative effects.

| | City | Near Leicester Area | Market towns | Other settlements | Overall effects |
|--------------------|---------------|---------------------|----------------------|-------------------|-----------------|
| Summary of effects | √/ × ? | √/ × ? | - / <mark>×</mark> ? | x ? | √/ × ? |

Climate Change Mitigation

Climate change is a cross cutting strategic topic, and therefore has been considered in the whole, rather than for individual aspects of the settlement hierarchy.

The additional growth involved is directed mostly to the NLA and market towns, which are relatively well served by public transport and have access to services and employment. This ought to help reduce the length and number of car trips associated with new development. The growth in some locations is unlikely to create the economies of scale to support significant improvements to sustainable transport services or secure low carbon energy generation schemes. However, growth at strategic sites could be more likely to present opportunities to implement measures to help reduce emissions from the built environment and transport. It could also help to support carbon sequestration measures such as tree planting.

A proportion of new development could be located in less accessible locations, which could therefore lead to increased car trips and emissions. However, overall the positives are thought to outweigh the negatives marginally. Overall, a <u>potential</u> <u>minor positive effect</u> is predicted given that growth ought to be located in broadly accessible locations, and through strategic sites could promote sustainably designed new communities.

| | City | Near Leicester Area | Market towns | Other settlements | Overall effects |
|--------------------|------|---------------------|--------------|-------------------|-----------------|
| Summary of effects | / | / | / | / | √, |

Landscape and Land

City

Growth in areas outside of the city is not likely to have any adverse effects on land resources in the city. In regard to landscape impact, accommodating growth outside the city should avoid the further intensification of the city area that could otherwise result in the loss of open and green spaces and require higher densities which would undermine the character of the built area.

Near Leicester Area (NLA)

If growth is directed to strategic sites, it is likely that there would be some loss of agricultural land, mostly classified as Grade 3. Whilst it is unclear if this is amongst the best and most versatile classification. However, there would be a loss of agricultural land resource nonetheless.

Development on site options in Harborough, Blaby and Oadby and Wigston will extend unrestricted into open countryside and in some locations could cause coalescence between the main urban area and independent settlements currently in open countryside (though only in the longer term as strategic sites are built out). At the scales of growth involved, it may also be possible to avoid the use of large scale sites, particularly in Harborough and Hinckley where the residual housing development is fairly low. The effects would likely be most prominent in Blaby and Oadby, where there could be some moderate negative effects on landscape by affecting the setting of settlements and / or appearing as an intrusion into the countryside. Though the effects are likely to be of a lesser extent in Harborough and Hinckley, minor negative effects could still arise. Overall, moderate negative effects are predicted.

Market Towns

Though there is a substantial apportionment of growth to the market towns, this is addressed fully by existing commitments in several authorities, and so additional growth is somewhat limited. The exception is at Hinckley and Bosworth (Hinckley) and North West Leicestershire (Coalville).

In Coalville, the growth proposed could involve development of strategic sites which could possibly result in coalescence between Coalville and the surrounding built up areas including Whitwick. Though this might only occur in the longer term, it would significantly alter the built character of the settlement. Likewise, if growth occurs on non strategic sites, there could still be a negative effect on landscape character if sensitive sites are involved. In terms of soil resources there is also likely to be a loss of agricultural land.

In Hinckley, growth involving strategic sites could potentially lead to negative effects by extending the settlement either to the south or the north. However, there is potential for the comprehensive introduction of new green space and landscape features to define the built development and avoid a sense of urban sprawl. If non strategic sites are proposed, some use of less sensitive site options could be achieved, but soil resources would be negative affected regardless.

Cumulatively, a potential moderate negative effect is predicted due to the loss of important agricultural land resources and from the possible effects on landscape

Landscape and Land

character and coalescence between settlements. However, there ought to be some potential to avoid major negative effects and to implement mitigation and enhancement, so the effects could possibly be less significant.

Other settlements

Much of the housing apportioned to other identified settlements would be met through existing commitments. Therefore, residual / additional growth would be focused in North West Leicestershire and Blaby. The nature of effects will depend upon the extent to which strategic sites are used and the dispersal of sites.

In Blaby, development on the strategic sites would result in the loss of Grade 3 agricultural land, although it is unclear if this is amongst the best and most versatile. Comprehensive development to the east of the M69 could cause harm to the openness of the landscape character surrounding Stoney Stanton and Sapcote, which is intrinsic to the built character of these settlements. Development could also further increase a sense of coalescence between the settlements and with Hinckley to the west. In North West Leicestershire, strategic sites would likely result in the loss of soil resources and have negative effects on landscape character. With all of the strategic sites, there should be potential to include green infrastructure and mitigation measures to help reduce the severity of effects.

In Blaby and NWL, should non-strategic sites be utilised, there could be effects in terms of landscape character and land. There could be a need to release some Grade 2 agricultural land (mainly in NWL) alongside Grade 3 land. In the smaller settlements, smaller scale changes would be required, but these are relatively sensitive locations and thus negative effects here would still be likely.

Cumulatively, a <u>potential</u> moderate negative effect is predicted due to the loss of agricultural land and likely effects on landscape character. Although, at a localised scale the severity of effects could be greater.

Overall effects

The residual housing growth involved would likely have negative effects in terms of soil resources and landscape character in the NLA, market towns and other settlements. The effects would vary dependent upon whether strategic sites were utilised or a more dispersed spread of growth. However, some degree of negative effect would be likely given the sensitivity of smaller settlements, or the large scale intrusions that strategic sites could involve. The authorities most likely to experience negative effects are Blaby and North West Leicestershire, which involve higher residual growth. Despite the range of choice in sites being fairly wide, and the potential for mitigation (particularly on strategic sites), potential moderate negative effects are predicted overall.

| | City | Near Leicester Area | Market towns | Other settlements | Overall effects |
|--------------------|------|---------------------|--------------|-------------------|-----------------|
| Summary of effects | - | xx | xx? | xx? | ×x [?] |

Cultural Heritage

Leicester City

The City contains a range of heritage assets across the area, with particular concentrations within the central parts of the City. These are unlikely to be affected by growth in the NLA or further afield. There are some sites on the urban fringes where development could possibly change the setting of specific heritage assets, as well as changing the interface between the urban edge and surrounding authorities. There are unlikely to be significant effects overall though, particularly for lower levels of growth in the NLA.

Growth in areas other than the NLA is unlikely to have indirect cumulative effects given the distant location of the site options from the city.

Near Leicester Area (NLA)

Additional growth would be focused in Blaby, Harborough, Hinckley and Oadby. This could be on strategic sites or other smaller sites.

In Blaby, there are several strategic sites. One lies around 600m away from the boundary of the Blaby Conservation Area, separated by fields (Highfields Farm). This site is also very close (25m) to the South Wigston Conservation Area. Therefore, developing this site would have potentially adverse effects on the setting of the conservation areas, particularly as the site would need to be fully utilised to accommodate proposed growth. Potential sensitivities to development exist at Kirby Muxloe, however one strategic site nearby is 1.75km away. The north of Glenfield site is closer, and could cause harm. At the Whetstone Pastures site, there is a listed building on site, and development would be likely to have negative effects on its setting. As such, moderate negative effects possible in this respect. On non-strategic sites, there are sensitivities for some locations and less for others. For example, the historic centre of Glenfield is close to some site options, and includes a Scheduled Monument (Moated site and garden enclosure at Glenfield) and several listed buildings. Development nearby would likely alter the setting of the proposed Conservation Area and the heritage assets. However, there is a range of other site options that could potentially be utilised that are less sensitive. Taking all the potential sites into consideration (strategic and otherwise) potential moderate negative effects are predicted.

In Harborough, there are strategic sites, but the scale of residual growth would not require comprehensive development of these (at least in the plan period). Though there are sensitivities associated with settlements such as Little Stretton, Great Stretton, Stoughton and the Houghton on the Hill it is likely that effects could be avoided or mitigated to an extent given that the level of residual growth is relatively low. Potential minor negative effects are predicted.

In Hinckley, the strategic site in the NLA is distant from designated heritage assets and significant effects are therefore unlikely. The scale of growth could also potentially be accommodated on smaller site options, of which there are a range which are not significantly constrained by heritage assets. Therefore, neutral effects are predicted.

At Oadby and Wigston, development could potentially impact the Grand Union Canal Conservation Area and Oadby Hill Top and Meadowcourt Conservation Area. The latter is around 300m from one of the proposed sites and therefore negative effects are possible.

Cultural Heritage

Overall, a mix of effects are possible across the different authorities, with potential moderate impacts in Blaby and minor negative effects in Harborough, Hinckley and Oadby. There is uncertainty involved though as some sites are less sensitive than others and a degree of choice exists. Therefore, overall minor negative effects are predicted.

Market Towns

Though there is a substantial apportionment of growth to the market towns, this is addressed fully by existing commitments in several authorities, and so additional growth is somewhat limited. The exception is at Hinckley and Bosworth (Hinckley) and North West Leicestershire (Coalville).

In Coalville (North West Leicestershire) developing strategic sites could lead to coalescence with Whitwick and other surrounding settlements, which could affect the character of the town. In terms of heritage assets, there are a range of non-strategic sites that are not as sensitive. The effects could therefore vary widely. Taking these factors into account a minor negative effect is predicted. The smaller non-strategic sites are less sensitive, but nonetheless could give rise to minor negative effects.

In Hinckley, the strategic sites either contain or are adjacent to listed buildings, so depending on the choice of site and the layout / design, it is possible that negative effects on the setting of such assets would occur. The non-strategic sites in and around Hinckley and Burbage display a range of sensitivities. There are several sites available that are less sensitive, and so negative effects could potentially be avoided. Overall, minor negative effects are predicted taking these factors into account.

For the market towns as a whole, minor negative effects are predicted. Despite there being potentially moderate negative effects in some locations, other sites are less sensitive, and there ought to be choice and potential for avoidance / mitigation.

Other settlements

Much of the housing apportioned to other identified settlements would be met through existing commitments. Therefore, residual / additional growth would be focused in North West Leicestershire and Blaby. The nature of effects will depend upon the extent to which strategic sites are used and the dispersal of sites.

The Blaby strategic site options are not particularly sensitive with regards to heritage assets, but large scale growth could potentially affect the character of nearby settlements such as Stoney Stanton, Sapcote and Elmesthorpe. Therefore, potential minor negative effects are identified. In terms of smaller site options, there is a fairly wide choice of sites, and many do not contain heritage assets. The effects are therefore most likely to related to settlement character and form. Overall, it ought to be possible to avoid significant harm, and so only potential minor negative effects are predicted. The picture is similar for North West Leicestershire, with potential sensitivities in terms of harming the rural character of smaller settlements. Likewise, there are several strategic sites that are adjacent to heritage assets where the setting could be negatively affected. . In

, the development of the strategic site would be likely to have significant negative effects on the setting of heritage assets.

Overall, minor negative effects are predicted. Whilst there are some sensitive locations, it ought to be possible to avoid these and / or implement mitigation.

Cultural Heritage

Overall effects

Overall, minor negative effects are predicted. Whether strategic or non-strategic sites are utilised, it is possible that the character of settlements could be affected negatively, and / or the setting of heritage assets could be negatively affected. This is the case in the NLA, market towns and other settlements, but cumulatively, the effects are still considered to be minor. There need not be any significant concentration of growth in any particular location, and the extent of effects across the County should be limited to a handful of settlements. In addition, housing would be met by commitments for several authorities, so effects would be limited in this respect. Though a direct loss of heritage assets is a possibility, it is considered unlikely given the nature of sites and the degree of choice.

| | City | Near Leicester Area | Market towns | Other settlements | Overall effects |
|--------------------|------|---------------------|--------------|-------------------|-----------------|
| Summary of effects | _ | × | × | × | × |

Water

City

Whilst no growth is proposed in the Leicester city area, growth in the NLA and wider catchment could increase fluvial or surface water flood risk in the city. However, sustainable drainage systems can be implemented to improve the rate of runoff and should also help avoid development from causing adverse effects on water quality. Overall, a neutral effect is predicted for the City.

Near Leicester Area (NLA)

Additional housing (beyond commitments) would be directed towards several authorities, but the majority would be in Blaby.

Strategic sites in Blaby include some small areas of Flood Zones 2 and 3 or are adjacent to more significant areas of fluvial flood risk. It is likely that growth can be planned on strategic sites without infringing onto land at risk of flooding. In Blaby, where sites adjoin or include areas of flood risk, there is potential for this to exacerbate risk both in the immediate local area and further afield. However, such effects can be avoided through the use of sustainable drainage systems, particularly if they mimic natural drainage. There are also non-strategic sites that are within Flood Zone 1, but some site options overlap with areas at risk of flooding. This level of growth has potential to have adverse effects on the water quality of watercourses through potential pollution or increased effluents in run-off and waste water. However, given that much of the land available for development consists of farmland, it is possible that pollution resulting from existing farming activities would be reduced through a change in land use. This could offset the potential negative effects on water quality

For Harborough and Hinckley the scale of growth is relatively low and therefore it ought to be possible to avoid areas at risk of flooding, especially if delivered as additional sites to strategic ones. Therefore, neutral effects are considered likely.

Oadby involves growth that would likely be on a strategic site and other site options, none of which are at particular risk of flooding. Therefore, neutral effects are predicted.

Overall, a <u>potential</u> minor negative effect is predicted due to the location of development on strategic sites and smaller sites (mainly within Blaby) that contain areas at risk of fluvial and surface water flooding. However, given the potential to avoid sensitive areas and to incorporate SUDs, the effects are not considered to be significant.

Market Towns

The majority of additional housing would be directed to Hinckley and Bosworth (Hinckley) and North West Leicestershire (Coalville). In both locations, strategic sites could be involved that are mostly within Flood Zone 1. In this respect, it ought to be possible to avoid and manage flood risk issues, especially if the use of natural SUDs

Water

are promoted.

Where urban intensification could occur in Coalville and Hinckley, the potential to increase surface water run off could increase, potentially affecting pluvial flooding and having effects on water quality. However, these effects are uncertain as the scope for the implementation of SuDS and their effectiveness would highly be dependent on the design of development and how development on numerous site options cumulatively address surface water discharge. The change in land use from agricultural could also offset water quality issues to an extent by reducing polluting activities. Overall, an <u>uncertain</u> minor negative effect is predicted.

Other settlements

The majority of additional housing growth is directed to Blaby, which could be accommodated on strategic sites and / or a mix of smaller site options. This could be delivered in locations that are either in flood zone 1 or only partially affected by flooding. SUDs would need to be secured, and on the strategic sites in particular, it may be more likely to achieve comprehensive green infrastructure and sustainable urban drainage to manage surface water run-off and improve water quality. However, overall, the effects are considered to be neutral.

Additional housing would also be necessary in North West Leicestershire. However, the dispersed nature of development means that it should still be possible to avoid negative effects in terms of flooding and water quality (given the site options available). There could however, be a need to avoid further growth in the Mease catchment, which could be constrained in terms of water quality. As such, potential minor negative effects are predicted.

Overall, neutral effects are predicted, but there is some <u>uncertainty</u> (providing that a proportion of growth is on strategic sites and not significant growth within the Mease catchment.

Overall effects

It should be possible to avoid areas at risk of flooding in the main, and therefore significant effects with regards to new development being at risk of flooding are unlikely. The cumulative effect of growth could potentially lead to some minor negative effects in terms of infiltration / surface water run off and pollution from effluence and construction. However, the use of SUDs and conversion of land that could already be contributing to diffuse pollution should offset these effects somewhat. Overall, only a minor negative effect is predicted, but with uncertainty as it ought to be possible to achieve neutral effects with site selection and mitigation.

| | City | Near Leicester Area | Market towns | Other settlements | Overall effects |
|--------------------|------|---------------------|--------------|-------------------|-----------------|
| Summary of effects | - | ×, | x ? | -5 | x ² |

City

The proposed approach will have no effects on mineral resources in the city, as no development is proposed in the city and the urbanised area is broadly unsuitable for the extraction of mineral resources and thus the availability of such resources in this area is less relevant.

Near Leicester Area (NLA)

The residual / additional growth involved in Harborough and Hinckley is relatively low, and could be accommodated on sites that do not overlap with mineral safeguarded areas. The nature of site options being close to or within existing settlements is also likely to make commercial mineral extraction unattractive. In this sense, neutral effects are predicted for these authorities. A higher amount of additional growth is directed to Blaby, which could overlap with some sand and gravel mineral resources if strategic sites are involved, which are potential minor negative effects.

The Oadby and Wigston developments would not overlap with MSAs and therefore no significant effects would be expected here.

Overall, potential minor negative effects are predicted, which is largely attributable to development in Blaby.

Market Towns

The majority of additional housing growth (aside from that covered by commitments) would be picked up in Hinckley and North West Leicestershire. The effects in the other authorities are therefore neutral. With regards to Coalville, the scale of growth involved could involve a mix of strategic sites or smaller site options. There ought to be potential to avoid MSAs though given that the strategic sites do not overlap, and there are other site options that do not overlap also.

For Hinckley, there is potential for some overlap with sand and gravel minerals safeguarding areas given that the strategic sites overlaps with a sand and gravel MSA and other larger site options (non-strategic) on the periphery of Hinckley also overlap with sand and gravel resources. Overall, <u>potential</u> <u>minor negative effects</u> are predicted (effects are uncertain because it is possible that resources might not be economically viable or could be extracted prior to development).

Other settlements

The majority of residual / additional housing is directed to Blaby. The strategic sites (outside the NLA boundary and Market Towns) do not overlap MSA, therefore neutral effects would be expected in this regard. Likewise, where the majority non-strategic site options do not overlap MSAs, and those that do are generally adjacent to built-up areas where exploitation of mineral resources would be unattractive / impractical. One of the sites partially overlaps an igneous rock MSA, where there is an existing quarry. If developed this site may lead to minor negative effects.

The next largest amount of additional growth is directed to North West Leicestershire, where it would be harder to avoid overlap with MSAs. Having said that, the amount of growth allocated represents a small proportion of total available capacity therefore, only minor effects would be likely as there would be scope for avoidance of sites that pose more significant threats to mineral resources in the MSAs. The remaining allocations are relatively small and likely to be accommodated with no significant effects. Overall, <u>potential</u> <u>minor negative effects</u> are likely.

Overall Effects

Though there could be some small overlaps with Mineral Safeguarded Areas (mainly sand and gravel), it ought to be possible to avoid resources on most site options. Furthermore, the magnitude of effects would be small and effects would not necessarily arise if the sites are not deemed suitable for mineral extraction in any case. As such overall, uncertain minor negative effects are predicted for the NLA, market towns and other settlements. Cumulatively, these effects remain minor.

| | ı | | | | |
|--------------------|------|---------------------|----------------|-------------------|-----------------|
| | City | Near Leicester Area | Market towns | Other settlements | Overall effects |
| Summary of effects | - | x ? | × [?] | ×, | x ? |

APPENDIX D: SCHEDULE OF COMPLIANCE

| Schedule 2 requirements | Evidence |
|--|---|
| An outline of the contents and main objectives of the plan or programme, and of its relationship with other relevant plans and programmes. | Presented in full within the Scoping Report and summarised in this report. Section 1.5 presents the area affected by the SOCG. |
| The relevant aspects of the current state of the environment and the likely evolution thereof without implementation of the plan or programme. | Presented in full within the Scoping Report and summarised in this report. Summarised within the appraisal tables in Appendix A, Appendix B and Appendix C |
| The environmental characteristics of areas likely to be significantly affected. | Presented in full within the Scoping Report and summarised in this report. Summarised within the appraisal tables in Appendix A, Appendix B and Appendix C |
| Any existing environmental problems which are relevant to the plan or programme including, in particular, those relating to any areas of a particular environmental importance, such as areas designated pursuant to Council Directive 79/409/EEC on the conservation of wild birds(a) and the Habitats Directive. | Presented in full within the Scoping Report and summarised in this report. Summarised within the appraisal tables in Appendix A, Appendix B and Appendix C |

| Schedule 2 requirements | Evidence | |
|--|--|--|
| The environmental protection objectives, established at international, Community or Member State level, which are relevant to the plan or programme and the way those objectives and any environmental considerations have been taken into account during its preparation. | Presented in full within the Scoping Report and summarised in this report. | |
| The likely significant effects on the environment, including short, medium and long-term effects, permanent and temporary effects, positive and negative effects, and secondary, cumulative and synergistic effects. | The effects associated with the reasonable alternatives are presented in Appendix A and Appendix B. The effects associated with the 'draft Plan' are presented in Section 7, including cumulative effects. In the context of the SOCG, the draft Plan is the proposed approach to meeting unmet housing and employment needs. | |
| The measures envisaged to prevent, reduce and as fully as possible offset any significant adverse effects on the environment of implementing the plan or programme. | Recommendations are presented for each sustainability topic within Section 5.5 | |
| An outline of the reasons for selecting the alternatives dealt with, and a description of how the assessment was undertaken including any difficulties (such as technical deficiencies or lack of know-how) encountered in compiling the required information. | Section 3 sets out the rationale for selecting housing and employment options Section 4 sets out the appraisal methodologies including difficulties. Sections 5.6 and 6.2 present the outline reasons for the selection of the preferred approach in light of reasonable alternatives. | |
| A description of the measures envisaged concerning monitoring in accordance with regulation 17. | Table 8.1 | |

| Schedule 2 requirements | Evidence |
|--|--|
| A non-technical summary of the information provided under paragraphs 1 to 9. | Separate document prepared for final report. |

Sustainability Appraisal for the Leicester and Leicestershire Statement of Common Ground

























Non-Technical **Summary**

June 2022









Page 714 of 1014

Contents



| Introduction | 1 |
|-------------------------------------|----|
| Scoping Summary | 2 |
| Spatial Strategy: Housing | 6 |
| Appraisal Findings | 12 |
| Spatial Strategy: Employment | 15 |
| Appraisal of the Preferred Approach | 18 |
| Mitigation and Monitoring | 19 |



Sustainability Appraisal

Introduction



The Leicester and Leicestershire authorities have undertaken work to inform a Statement of Common Ground with regards to unmet housing and employment needs arising from Leicester City.

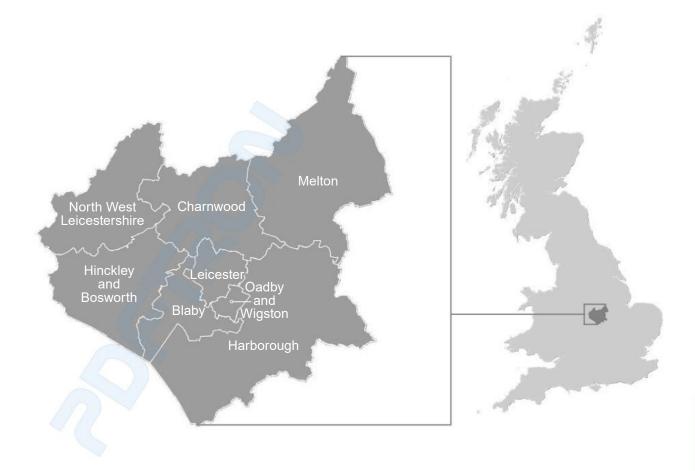
The authorities considered that it would be useful to undertake a sustainability appraisal to explore the different ways that these unmet needs could reasonably be distributed and what the effects of this would be in terms of sustainability.

This is a non-technical summary of the sustainability appraisal report, which sets out the process and findings.

The map to the right shows the area covered by the Statement of Common Ground, including its constituent Local Planning Authorities.

Leicestershire is within the East Midlands, England. The county is comprised of the Local Planning Authorities of Melton, Oadby and Wigston, Harborough, Blaby, Hinckley and Bosworth, North West Leicestershire and Charnwood. Whilst Leicester is functionally connected and centred in the middle of the county, administratively it is not within the county of Leicestershire. The area borders Nottinghamshire to the north,

Lincolnshire to the north-east, Rutland to the east, Northamptonshire to the south-east, Warwickshire to the south-west, Staffordshire to the west and Derbyshire to the north-west.





Sustainability Appraisal

Scoping Summary



A scoping exercise was carried out in order to establish the key sustainability issues and objectives for the area. The cross-cutting topics reflect broad areas of sustainability which could be significantly affected by the Statement of Common Ground.

The below diagram shows the sustainability topics which have been 'scoped in' for consideration within this Sustainability Appraisal, and the themes which are included within each topic.

Biodiversity and Geodiversity Health and Wellbeing

Housing

Employment and Economy

Transport and Travel

Climate Change

Landscape and Land

Cultural Heritage

Water

Waste and Minerals





ustainability Appraisal

Scoping Key Issues and Sustainability Appraisal Objectives



Biodiversity and Geodiversity



The Statement of Common Ground area has a relatively low level of designated biodiversity sites. However, these are in a mostly favourable or recovering position.

The quality of water could affect a range of biodiversity habitats and species across the Plan area, making strategic river networks an important feature to protect, maintain and enhance.

Opportunities to strengthen ecological networks should therefore be taken advantage of.

Objective: Create new, protect, maintain and enhance habitats, species and ecological networks.

Health and Wellbeing



The population is aging, with impacts likely for the delivery of health services. Another key issue due to a rising ageing population is the provision of sufficient and appropriate housing within the housing market area / districts.

Objective: Maintain and improve levels of health, whilst reducing health inequalities.

Housing



There is a need to meet needs for housing. In some local authorities it may be difficult to meet full needs 'locally' (i.e. within the district it arises). This could necessitate housing needs for some districts being met in other parts of the housing market area.

Housing affordability is an issue across the housing market area and there is an increasing need to provide housing suitable for an ageing population.

Objective: Secure the delivery of high quality, market and affordable homes, to meet Objectively Assessed Need.

Employment and Economy



The Statement of Common Ground area is well positioned for growth in the strategic distribution sector; though there is a need to identify the appropriate distribution of growth opportunities. Unemployment rates are falling across the housing market area, though remain the highest within the city.

Objective: Support the continued growth and diversification of the economy.



Transport and Travel





There may be constraints to the amount of development that can be accommodated on the edge or near the Leicester urban area in light of congestion along parts of the orbital road network.

Accessibility to services, facilities and jobs is poor in rural areas. Access to strategic employment sites by public transport is also poor. Though generally good, air pollution presents an issue in some parts of the Plan area, typically within areas that suffer from higher levels of

traffic and congestion.

Objective: Improve accessibility to services, jobs and facilities by reducing the need to travel, promoting sustainable modes of transport and securing strategic infrastructure improvements.

Minimise exposure to poor air quality, whilst managing contributing sources.

Climate Change



There are opportunities to increase the amount of low carbon and renewable sources of energy above the relatively low baseline position.

Objective: Contribute to a reduction in greenhouse gas emissions and an increase in the use of low carbon energy.

Landscape and Land



There are parcels of high quality agricultural land throughout the Statement of Common Ground area that should be protected given the relatively low amount of Grade 1 and 2 lands present.

No nationally designated landscapes are present, but there are a variety of important landscapes which are important to the character of the countryside, preventing urban sprawl and supporting the natural

environment. Whilst these are in relatively good condition, there are increasing pressures from development that need to be managed.

Objective: Protect, maintain and enhance landscapes whilst promoting their value to sustainable growth.

Protect high quality agricultural land from permanent development.

Historic Environment and Heritage



There is a wealth and variety of heritage features, many of which are designated for their heritage value. It will be important to protect the condition and setting of these assets.

Though the number of 'at risk' heritage assets has decreased slightly

from 2015-2017, the majority of heritage assets that remain on the 'at risk' register are declining in condition.

Objective: Conserve and enhance the historic environment, heritage assets and their settings.



Water Quality and Resources

The quality of many water resources across the Plan area is in need of improvement, yet could come under increased pressure from new development.

SUDs should be encouraged to support the natural and sustainable management of water resources.

There are locations across the Plan area sensitive to and at risk of flooding (which could be exacerbated by climate change). There is a need to ensure that future development does not put more people at risk of flooding whilst ensuring that overall levels of flooding do not increase. This could/should constrain development in some areas, such as the flood plains of the River Soar and watercourses leading to and through Leicester City.

Objective: Steer development away from the areas at the greatest risk of flooding, whilst supporting schemes that reduce the risk and impacts of flooding.

Protect, maintain and enhance the quality of water resources.

Waste and Minerals



Growth in housing and employment is likely to generate more waste in terms of the overall volume. However, improved efficiency and continued drives to reduce the amount of waste sent to landfill should help to reduce the amount of waste generated per capita.

There are mineral resources across the Statement of Common Ground area, some of which could be sterilised by development. It is important to protect such reserves from sterilisation.

Objective: Protect mineral resources from sterilisation, and support their sustainable extraction.

(Waste: scoped out)





Sustainability Appraisal

Spatial Strategy: Housing





Reasonable Alternatives

A key element of the SA process is to explore different ways in which the objectives of the plan (in this case the statement of common ground) can be met. In this case, several options were explored looking at the amount and distribution of unmet housing and employment needs.

The starting point for identifying reasonable alternatives was the June 2021 Statement of Common Ground, which highlighted a working assumption of unmet need of 15,900 dwellings (rounded). For the purposes of the sustainability appraisal, this is referred to as **Growth Scenario A**.

In addressing the potential for unmet need to increase, the authorities considered that a 25% uplift on identified unmet needs was a reasonable alternative (i.e. 20,000 dwellings). For the purposes of the sustainability appraisal, this is referred to as **Growth Scenario B**.

In addressing the potential for unmet needs to decrease, the authorities considered that a 50% reduction on unmet needs was a reasonable alternative (i.e. 7950 dwellings). For the purposes of the sustainability appraisal, this is referred to as **Growth Scenario C**.

No other growth alternatives were considered to be reasonable.



Growth Scenario A: 15,900 🏠 🏠

Growth Scenario B: 20,000 🏤 🏤 🏤

Growth Scenario C: 7,950 🕋

In terms of distribution, the Council identified five options.

- 1. Roll forward of local plan settlement patterns
- 2. Equal share of needs between each authority
- 3. Focus on strategic sites
- 4. Focus on growth near to the Leicester urban area
- 5. HENA distribution

The distribution options were tested at each scale of growth. The graphics on the following pages visualise each of the distribution options with corresponding charts showing the split of growth across different settlement and area types across Leicestershire.

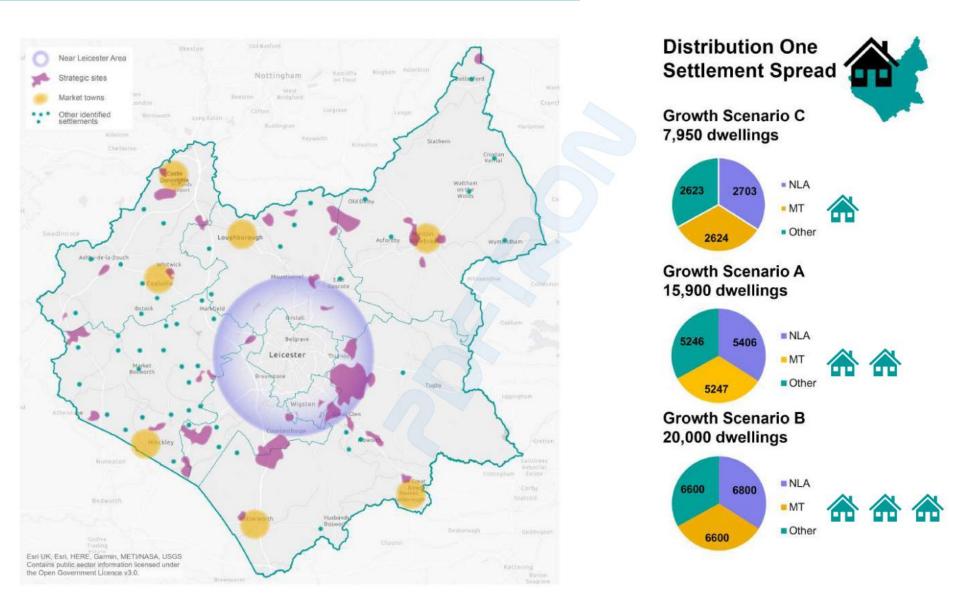
'NLA' refers to Near Leicester Area (within 10km from the centre of Leicester).



Options Maps: Distribution One

Local Plan Roll Forward: Leicester's unmet need is distributed to the NLA, Market Towns and Other Identified Settlements, with a third of growth allocated to each settlement type.



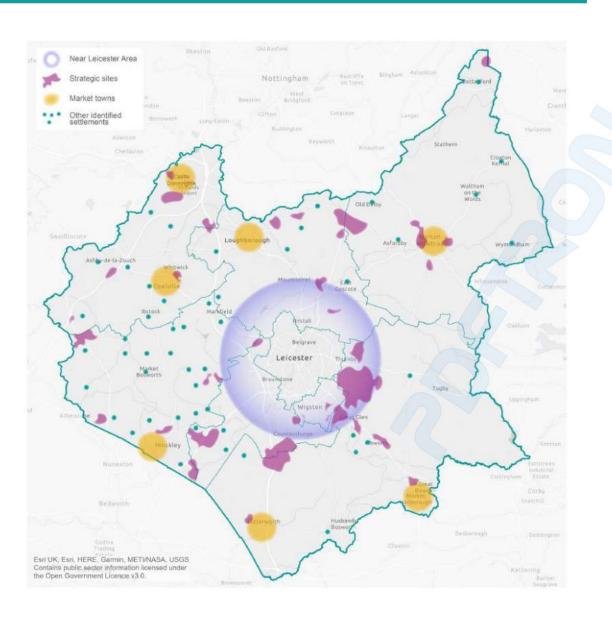




Options Maps: Distribution Two



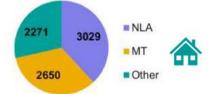
Spread (equal share): Leicester's unmet need is distributed 'equally' between the Local Planning Authorities with potential capacity. The split is not based upon area size or population size.



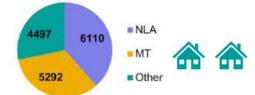
Distribution Two Equal Share



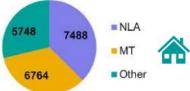
Growth Scenario C 7,950 dwellings



Growth Scenario A 15,900 dwellings



Growth Scenario B 20,000 dwellings







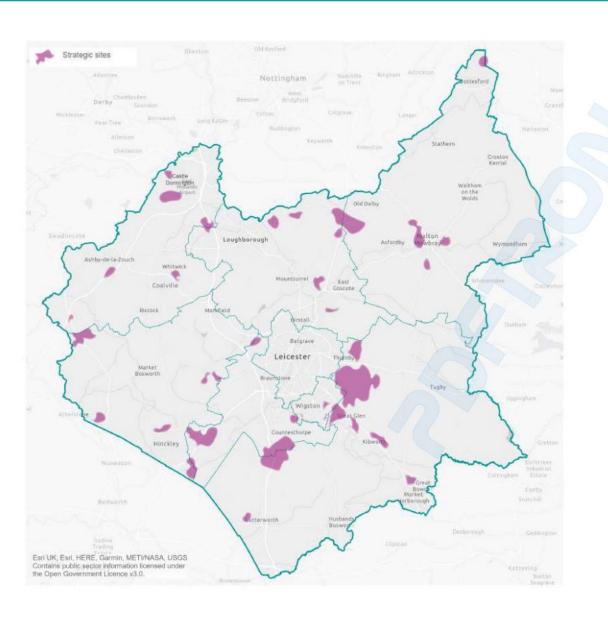


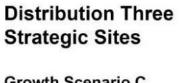


Options Maps: Distribution Three

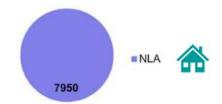
Strategic Sites: Leicester's unmet need is directed to Strategic Sites. The preference is to locate Leicester's unmet need to Strategic Sites within or close to the NLA in the first instance.

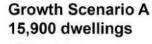


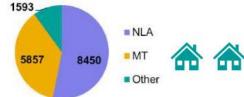












Growth Scenario B 20,000 dwellings

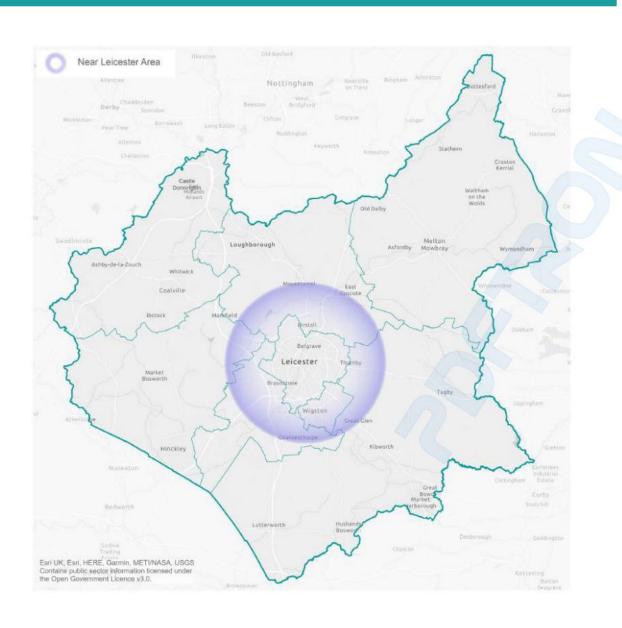




Options Maps: Distribution Four

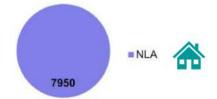
Near Leicester Area: 100% of Leicester's unmet need is distributed in the Near Leicester Area.











Growth Scenario A 15,900 dwellings



Growth Scenario B 20,000 dwellings



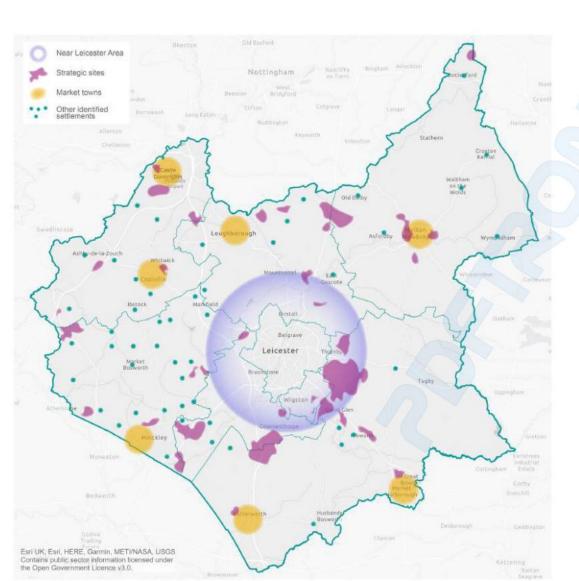


Sustainability Appraisal

Options Maps: Distribution Five



HENA Distribution: Leicester's unmet need is distributed according to the HENA evidence base for specific needs relating to jobs growth, functional connectivity with Leicester, deliverability and market capacity.



Distribution Five HENA Distribution



Growth Scenario A 15,900 dwellings



Growth Scenario B 20,000 dwellings





ustainability Appraisal

Appraisal Findings



✓✓✓ Major positive
 ✓✓ Moderately positive
 ✓✓ Minor negative
 ✓✓ Moderately negative
 Neutral
 ✓
 ✓
 Minor negative
 Major negative

The below table shows the scores recorded for the reasonable alternatives (all distribution options, across three scales of growth).

| | Growth Scenario | Option | Biodiversity | Health & wellbeing | Housing | Economy & employment | Transport & travel | Climate change | Landscape and land | Cultural heritage | Water | Minerals |
|---------------------|--------------------|--------|-------------------|---|-------------|----------------------|--------------------|----------------|-----------------------|----------------------|------------|------------|
| Settlement tiers | | A1 | × | xx?/ | 1117 | 1117 | √√/xx | ~ | xxx? | xx? | - | x |
| Equal Share | | A2 | × | xx?/ / / | 1443 | 1113 | √√/×× | 1 | xxx? | xx? | x ? | × |
| Strategic Sites | A (15,900) | A3 | x/ < | x/ VV? | 1113 | 111 | √√/× | 11 | xxx? | xx | x ? | × |
| Near Leicester Area | (13,300) | A4 | × | x/ V | 111 | 111 | √√√?/x | 1 | xx? | × | X ? | X ? |
| HENA distribution | | A5 | × | xx/VV | 111 | 111 | √√/×× | 113 | xx | xx | x ? | × |
| Settlement tiers | | B1 | × | xx/ </td <td>111</td> <td>111</td> <td>√√/××</td> <td>1</td> <td>xxx</td> <td>xx</td> <td>x?</td> <td>×</td> | 111 | 111 | √√/×× | 1 | xxx | xx | x ? | × |
| Equal Share | | B2 | xx? | xx/ < | 111 | 111 | √√/xx | 1 | xxx | xx | × | × |
| Strategic Sites | B (20,000) | В3 | *x [?] / | ***/ | 111 | 111 | √√/xx? | 11 | xxx | xxx? | ×? | xx? |
| Near Leicester Area | (20,000) | B4 | xx | xx/ < < | 111 | 111 | √√√/xx x | 113 | xx | × | x | × |
| HENA distribution | | B5 | xx | **/ // | 111 | 111 | √√/×× | 113 | xxx | xx | x ? | xx? |
| Settlement tiers | | C1 | - | x /√ | √√/xx x? | √/× | √/× | √? | xx? | × | - | X ? |
| Equal Share | C (7,950) | C2 | • | x /√ | √√/xx x? | √/x | √/× | √? | x x ? | × | - | x ? |
| Strategic Sites | | C3 | x/ V | x/ / /? | √√/×× | √√/× | √√/× | 113 | xx? | × | X ? | × |
| Near Leicester Area | | C4 | - | ✓ | √√/xx | √√/x | √√/xx | ✓ | × | ×, | - | |

The following page will summarise the key effects across the distribution options and scales of growth.



Sustainability Appraisal

Appraisal Findings





Growth Scenario A (15,900 dwellings)

The options at this scale of growth are largely aligned and not expected to have major effects aside from the following sustainability themes. Significant positive effects are likely for housing and economy and employment outcomes across all distribution options. Negative effects are likely across all options for biodiversity (albeit mixed for Option A3), landscape and land, cultural heritage, water and mineral outcomes, with more pronounced negative effects seen for landscape and land outcomes (Options A1, A2 and A3 are expected to see major negative effects, albeit with a degree of uncertainty).

Mixed effects are anticipated for transport and travel as well as health and wellbeing outcomes; though in these cases the positive effects are largely anticipated to be more pronounced than the negatives. Within these mixed effects are some predicted major positive outcomes, including for health and wellbeing outcomes under Option A3 and transport and travel under Option A4. Conversely, some uncertain major negative outcomes could arise under Option A4 for transport and travel, linked to increased pressure on the road network.

Growth Scenario B (20,000 dwellings)

As could be expected, the uplift in housing delivery under this approach generally results in effects of a greater magnitude than those seen under Scenario A. However, as a result of the potential for mitigation as well as

some potential to spread growth across a large number of sites, not all sustainability themes would see this anticipated exaggeration of effects. Positive effects upon health and wellbeing, transport, housing and economy are predicted with more certainty. There are, however, some options where the significance of effects increases due to an uplift in growth. For example, the effects upon mineral resources are likely to increase from minor to moderate for options B3 and B5, which reflects a reduced ability to avoid constraints at a higher scale of growth for these distributions. Likewise, the potential for negative effects in terms of transport could increase for concentrated growth at strategic sites.

Growth Scenario C (7,950 dwellings)

This reduced scale of growth offers some more distinctive effects than seen under higher growth scenarios. In terms of housing and economy, the positive effects are only moderate alongside potential major negative effects arise given that there could be a shortage of homes. This is offset to an extent by those options (C3 and C4) that focus more growth into the near Leicester area. This scale of growth is likely to largely avoid significant effects (aside from potential negatives associated with a housing shortfall). Generally more negative effects are anticipated across landscape and land, cultural heritage, water and mineral outcomes, though to a reduced magnitude of significance. Biodiversity outcomes are likely to be neutral, aside from some potential mixed effects for Option C3.



Rationale for the preferred Option





The authorities preferred approach was to plan for needs identified in the Housing and Economic Needs Assessment and according to the proposed distribution of needs across the authorities. Relatively speaking, the Housing and Economic Needs Assessment distribution option performs as well or better than the alternatives for most sustainability topics. The Housing and Economic Needs Assessment option is supported by robust evidence taking into account the authority's

functional relationship with Leicester, economic and commuting factors, and deliverability. This serves to provide confidence to the authorities that following the recommendations of the Housing and Economic Needs Assessment would be an appropriate approach to take to meeting unmet housing needs from Leicester (and there are no clear indications that suggest a different approach should be taken in the statement of common ground).





Spatial Strategy: Employment



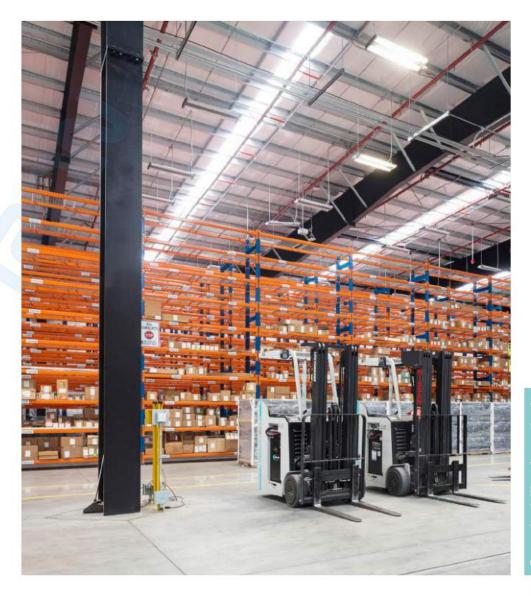


Employment Options

The appraisal of employment options focuses on the provision of additional employment land (beyond that identified in the existing supply position), and looks to address the type of employment land required (I.e. B2/B8) to meet Leicester's unmet needs.

Combining a low, medium and high growth scenario with four distribution options led to the identification of the following reasonable alternatives.

| | Scenario A Current | Scenario B Higher | Scenario C Lower |
|-------------------------------|---|---|--|
| 1. Local Plan Roll Forward | A1 3.3 ha for each local authority | B1 6.6ha foreach local authority | C1 1.7ha for each local authority |
| 2. Strategic Sites | A2 11.5 ha for Blaby and Harborough only | B2 23ha for Blaby and Harborough only | C2 5.75ha for Blaby and Harborough only |
| 3. Near Leicester Focus | A3 11.5 ha for Blaby and Charnwood only | B3 23 ha for Blaby and Charnwood only | C3 5.75 ha for Blaby and Charnwood only |
| 4 HENA Distribution | A4 23ha for Charnwood only | B4 46 ha for Charnwood only | C4 11.5 ha for Charnwood only |





Appraisal Findings



The below table shows the scores recorded for the reasonable alternatives (all distribution options, across three scales of growth). It is important to note that, considering existing need and supply elements in each authority, appraisals focused on effects relating to additional growth. Where an authority had an existing oversupply, the area of proposed allocation was offset against the surplus.

| / | Major positive | × | Minor negative |
|---|----------------|---|----------------|
|---|----------------|---|----------------|

| $\checkmark\checkmark$ | Moderately positive | ХX | Moderately negative |
|------------------------|---------------------|----|---------------------|
|------------------------|---------------------|----|---------------------|

✓ Minor positive

xxx Major negative

? Uncertain

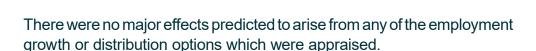
| | | | Biodiversity | Health & wellbeing | Housing | Economy & employment | Transport & travel | Climate change | Landscape and land | Cultural heritage | Water | Minerals |
|----|----------------------|----|--------------|--------------------|------------|----------------------|-----------------------|----------------|-----------------------|----------------------|----------------|------------|
| | | A1 | -: | 1 | - | 1 | x ? | x ? | x ? | x ? | x ? | x ? |
| 1. | Dispersed | B1 | × | ~ | - | ~ | × | × | × | × | × | × |
| | | C1 | - | 1 | - | - 🔏 | | - | - | - | - | - |
| | | A2 | - | 12 | _ | 11 | xx; | ~ | × | × | _3 | x ? |
| 2. | Strategic sites | B2 | x ? | 11 | - | 111 | ××/ | 10 | xx | × | x ? | × |
| | | C2 | = | 1 | - | | × | 14 | x ? | x ? | 14 | - |
| 3. | Near | А3 | - | ~? | - / | 17/ | *// | - | × | x ? | - | - |
| ٥. | Leicester Area | В3 | - | / | x ? | VN | xx / | - | × | × | 1* | |
| | | СЗ | - | ~? | - | 1 | - | - | x ? | | | - |
| | | Α4 | - | | | 1 | | - | - | | r - | |
| | HENA distribution | В4 | × | ~? | HE! | / | x? / ~? | .= | × | - | - | × |
| | | C4 | •0 | - | = | 4 | i i | (<u>a</u> | 2 | - | - | 120 |

The following page will summarise the key effects across the distribution options and scales of growth.



Appraisal Findings





Growth Scenario A (current growth)

Effects under this scale of growth are similar for each distribution option in terms of positive effects (although Option A2 would see the most pronounced benefits), with each bringing benefits for health and wellbeing and the economy. That said, the strategic growth (A2) may also see the most pronounced negative effects. The housing and economic needs assessment distribution (A4) largely results in neutral effects or more minor effects.

Growth Scenario B (higher growth)

When increasing the scale of unmet needs to be delivered under this scenario, the effects for each distribution option become slightly more pronounced. This generally removes uncertainties or implicates a wider range of SA topics. For example, for a dispersal approach (B1), the positive effects for health and the economy remain minor, but are more certain. However, minor negative effects arise for biodiversity that were not identified under A1, and the likelihood of negative effects for other topics becomes more certain. Likewise, for the strategic site focus (B2), the potential for positive effects increases with regards to the economy, but the effects on landscape and land would be more prominent. For the housing and economic needs assessment distribution (B4), the effects remain largely neutral, but there would be increased potential for health and wellbeing and economic benefits at this higher scale of growth. Conversely minor negative effects could arise for landscape, land, transport, water and biodiversity (that do not exist under A4).

Growth Scenario C (lower growth)

At the lower level of development (Scenario C), the effects of dispersal (C1 and C4) are mostly neutral, given that the majority of growth could be met through existing commitments. There would be some more notable effects for the focus on strategic sites and Near Leicester Area approaches (C2 and C3), given that both would involve greater amounts of new land provision. However, the effects would be minor and uncertain.

Rationale for the preferred option

The authorities have come to a decision on a preferred approach to the apportionment of unmet employment needs from Leicester City. The approach is to rely upon the suggestions within the housing and economic needs assessment, which distributes employment according to evidence relating to; accessibility to the City, associated labour supply and connectivity to the strategic road network (amongst other things). The findings of the options appraisal are broadly supportive of this approach, demonstrating that there would be limited negative effects, whilst still bringing potential positive effects on the economy and housing topic areas.



Appraisal of the Preferred Approach



Following the appraisal of strategic options for housing and employment growth, the authorities have determined that the preferred approach to addressing unmet needs should follow the suggested distribution in the housing and economic needs assessment.

At options stage, some assumptions were made about the amount and distribution of housing in the housing and economic needs assessment. Once the needs assessment was finalised, there were some slight differences. Therefore, further appraisal of the preferred approach was undertaken to understand the effects. These are summarised in the table below.

The proposed approach is predicted to have a range of effects. It is broadly positive from a socio-economic perspective, particularly with regards to the delivery of housing, much of which would be in close proximity to where needs are arising in Leicester. There are knock on benefits for the economy in terms of supporting local centres, providing accommodation for workers and increasing gross value added.

New development is also likely to help support new services and infrastructure, which should help to improve health and wellbeing, and potentially sustainable transport infrastructure.

The distribution of housing should mean that most new homes are accessible to services and jobs and public transport, but there could possibly be increased congestion and traffic, especially in areas that are already busy and where substantial additional housing is proposed (for example in the near Leicester area). These are only predicted to be potential minor negative effects though.

In terms of environmental receptors, the choice of sites should mean that significant negative effects are avoidable. Therefore, only minor negative effects are predicted for biodiversity, heritage, water and minerals. For landscape and land, the effects are potentially of greater significance, because there are lots of locations that are sensitive to change, whether this be a large scale development or the cumulative effects of multiple smaller scale developments in smaller settlements. There would also be loss of agricultural land regardless.

With mitigation and enhancement, the negative effects for most topics could perhaps be reduced or avoided, but this would need to be explored through individual local plans.

| Biodiversity | Health & wellbeing | Housing | Economy | Transport | Climate change | Landscape and land | Heritage | Water | Minerals |
|--------------|--------------------|---------|---------|---------------|-------------------|-----------------------|----------|-------|------------|
| × | √√/ x | 1113 | 11? | √/ x ? | √? | xx? | x | x? | x ? |



Sustainability Appraisal

Mitigation and Monitoring



Mitigation

Where appropriate, recommendations have been made as part of the appraisal of the SOCG options. These are summarised below.

- Under a dispersed approach, larger site options in less sensitive locations might be preferable (in terms of landscape and heritage impacts) to many smaller-medium sites in more sensitive settlements.
- A strategic approach is recommended to planning biodiversity recovery and net gain.
- It would be beneficial to focus some growth in the Near Leicester Area given that it gives rise to the most positive effects in terms of housing. However, there are also clear benefits to strategic sites and dispersal to the market towns and other settlements. A hybrid approach could provide a suitable balance between effects.
- There are sufficient sites that do not fall within flood zone 2/3 so as to ensure that no development is required in these locations under any approach.
- There are several benefits recorded with regards to the development of brownfield land. Given that these needs are presumed to be met in the later stages of the plan periods, it would be beneficial to maximise growth in these areas

- Given the potential for significant negative effects occurring in a range of settlements at higher levels of growth (for landscape and land in particular), it would be beneficial to continue to maximise the reuse and repurposing of land and buildings. Consideration of higher densities will also be important in this respect.
- In order to help address climate change, there is a need to promote a pattern of growth that concentrates development into the urban areas at higher densities. Likewise, strategic sites could provide opportunities for comprehensive sustainability packages (particularly the larger sites).

It is important to remember that the Statement of Common Ground is not a detailed policy document, rather it sets an agreement on housing and employment distribution of unmet needs. Therefore, it is expected that more detailed work would be undertaken through local plans.

At this stage, the focus of recommendations is on how negative effects could be avoided and positives maximised by influencing how unmet needs are distributed at a strategic level. These can be taken into consideration by individual authorities in due course, but can also be used to 'sense check' and tweak the preferred approach to the Statement of Common Ground if deemed necessary.





Monitoring

At this stage there is a requirement to outline the measures envisaged to monitor the predicted effects of a Plan. In particular, there is a need to focus on the significant effects that are identified. It is important to track predicted effects to ensure that positive effects are actually being realised and to identify any unforeseen negative effects that may occur.

These factors would typically be addressed through monitoring frameworks for each individual Local Authority. Given that the Statement of Common Ground is not a statutory plan as such, the effects can be better monitored through a review of Local Plans and subsequent SA Reports. However, for completeness, some suggested monitoring measures are outlined below (these mirror those set out for the strategic growth plan as far as possible for consistency).

The details below set out monitoring measures under each SA topic which are intended to monitor any significant effects as well as tracking the baseline position more generally. At this stage the monitoring measures have not been finalised. This occurs once a Plan is approved, when an SA Statement needs to be prepared that explains how the SA has influenced the Plan's development. Appraisal of an Statement of Common Ground is not a statutory requirement, but a similar statement will be prepared once the Local Authorities have finalised these matters in the Statement of Common Ground (thereby discharging Duty to Cooperate requirements).



Biodiversity:

- Net loss/gain in designated habitats (ha).
- Ecological enhancement schemes delivered at strategic sites.
- Ecological water quality.
- Establishment of a green infrastructure strategy.



Health and wellbeing:

- Net change in open space provision.
- · Number of new health care facilities delivered.
- Access to local green space.
- Change in levels of deprivation in the top 20% areas.
- Achievement of air quality objectives.
- Health impact assessments undertaken.



Housing:

- Rates of housing delivery.
- Percentage of affordable housing delivered.
- Availability of land for strategic development opportunities in the key locations.



Economy and employment:

- · Gross Added Value Leicester and Leicestershire.
- Unemployment rate.
- · Retention of working age population.
- · Changes in the levels of deprivation.
- Change in numbers of people employed by sector.



Sustainability Appraisal

Monitoring continued...





Transport and travel:

- Number and proportion of homes within walking distance of key public services, recreational opportunities and public transport services.
- New / expanded public transport services secured through strategic development.
- Average annual traffic flows. Average trip length to access employment.



Cultural heritage:

- Loss of or change in the significance of designated heritage assets.
- Townscape and landscape character assessments completed.
- Amount of derelict land restored (ha).
- Heritage assets removed or added from the 'at risk' register.
- Net loss/gain of open space in Leicester City.



Climate change:

• Change in the amount of carbon emissions generated from transport and the built environment (per capita).



Water:

- Percentage of new development within flood zones 2 and 3.
- SUDs schemes incorporated into new developments.
- Development in nutrient sensitive zones.



Landscape and land:

- Amount of best and most versatile agricultural land lost to development by grade.
- Number of allotments established at strategic development sites.
- Landscape character assessments undertaken to identify sensitive parcels of land at key growth areas.



Minerals:

- Amount of development within Minerals Safeguarding Areas (ha).
- Potential sterilisation of minerals at strategic development sites.







© 2022 AECOM Limited. All Rights Reserved. This document has been prepared by AECOM Limited ("AECOM") for sole use of our client ("Leicester and Leicestershire Authorities") in accordance with generally accepted consultancy principles, the budget for fees and the terms of reference agreed between AECOM and the Client. Any information provided by third parties and referred to herein has not been checked or verified by AECOM, unless otherwise expressly stated in the document. No third party may rely upon this document without the prior and express written agreement of AECOM.

Spatial data in maps presented in this document contains Ordnance Survey data © Crown copyright and database right 2021. Contains public sector information licensed under the Open Government Licence



v3.0.





Frequently Asked Questions about:

The Local Plan and the Statement of Common Ground

Summary: Should we sign the Statement of Common Ground now?

Yes. There is no reason not to sign or to delay. We need it now:

- To avoid losing control of development and missing our own policy deadlines for the new local plan;
- We can't adopt a new plan without it;
- The content and timing of future planning reform is uncertain and that is no reason to delay;
- The evidence underpinning the distribution of unmet need is considered robust and has been independently tested;
- 7 of the 9 L&L Authority's have already signed it;
- The City's capacity is considered robust and would need to change substantially to have any significant impact;
- Not signing it harms Harborough District far more than the City or any of the other Authorities;
- It's not set in stone and if unmet need changes significantly it will be updated;
- More houses are already being built each year across Harborough District than the Statement of Common Ground requires

1. What is a 'Local Plan'?

The development plan is at the heart of the planning system with a requirement in law that planning decisions must be taken in line with it other than in exceptional circumstances. As such it is essential that plans are in place and kept up to date.

The development plan for Harborough District comprises:

- The Harborough Local Plan 2011-2031 (adopted 30th April 2019);
- The Leicestershire Minerals and Waste Local Plan to 2031 (adopted September 2019);
- made Neighbourhood Plans.

2. Who uses a Local Plan?

A local plan has multiple audiences including:

- council services:
- communities;
- developers;
- agents;
- infrastructure and service providers.

It is a technical document for the purposes of decision making but also needs to be more than that. This creates unique challenges in producing plans that are clear, effective and that reflect community aspirations – and requires a focus on problem solving both in the process of preparing the plan – and within the plan itself.

3. Why do we need to make a decision on the Statement of Common Ground now?

The sooner we sign the Statement of Common Ground, the sooner we can make progress on preparing the next local plan and the earlier we will have the next plan in place to provide certainty and control over future development.

In January 2023 Policy IMR1 of our Local Plan was triggered by the publication of Leicester City's draft Local Plan for public consultation. Local Plan policy IMR1 relates to the monitoring and review of the Local Plan itself. It sets out that we must publish a public consultation on the next Local Plan within 6 months of either:

- signing the Statement of Common Ground; or
- if there is no signed Statement of Common Ground, within 12 months of Leicester City publishing their draft Local Plan, provided any unmet need is appropriately evidenced.

The latter trigger has now been met as Leicester City consulted on their draft Local Plan in January 2023 and identified an unmet housing need which must be planned for in neighbouring authorities' plans. Allowing for up to 18 months (as set out in Policy IMR1) means that we must publish a consultation on our Local Plan update by July 2024. As our plan now has a very limited shelf-life, we have to meet the deadlines for producing a new plan set out in our policy to avoid losing control of development.

Our Policy IMR1 requires us to publish a new Local Plan consultation by July 2024 but we are aiming for January 2024 in order to make progress with Local Plan preparation. Local Plan submission to Government for Examination would need to be within 30 months of the date of publication of our consultation. These deadlines are tight and we need an approved Statement of Common Ground now to meet them.

Not approving the Statement of Common Ground now, carries a genuine risk to our ability to meet the deadlines set out in policy IMR1 and get a new local plan in place. There is no flexibility in the deadlines and changing them can only be done through a Local Plan review.

4. Why can't we just review Local Plan policy IMR1 and change our own deadlines?

Policies can be amended but still require an evidence base for the decision. Given how far through our current plan we are, and the substantial work undertaken to date on the next plan, it would be inappropriate to do a focused local plan review simply to amend this policy. It would be a very expensive and long process and prevent progress being made on preparing the complete new Local Plan. This would not be in the interests of the District.

5. Why do we have to have a Statement of Common Ground?

Government requires us to meet certain legislative and policy rules to get a Local Plan in place. We have to demonstrate that we've met the Duty to Cooperate **and** the Tests of Soundness.

Where there's an unmet housing need like the situation we have in the City, this means we have to demonstrate to an independent Inspector that:

 We have engaged constructively, actively and on an ongoing basis in relation to the unmet need and therefore met our duty to cooperate;

- That our new plan is informed by agreements (such as the Statement of Common Ground), so <u>unmet need is accommodated</u> where practical and sustainable to do so; and
- That our new plan is based on effective joint working on cross-boundary matters (like Leicester's unmet need) that have been <u>dealt with rather than deferred</u>, as evidenced by a statement of common ground.

Our new plan therefore needs to deal with Leicester's unmet need, we can't defer dealing with it. This is why we need the Statement of Common Ground now. Not approving it carries substantial risk to Harborough's ability to get a new local plan in place with all the reputational, financial, economic, social and environmental impacts that losing control of development comes with.

6. When has the Council had briefings and meetings on the Statement of Common Ground?

- 25 May 2022 Informal Cabinet Briefing
- 6 October 2022 All Member Briefing
- 13 October 2022 Communities Scrutiny Panel
- 8 December 2022 All Member Briefing on Leicester City Council's work to identify housing supply The recording can be found at:

<u>The Intranet - All Member Briefings - All Documents (sharepoint.com)</u> (3rd link down)

- 5 June 2023 Informal Cabinet Briefing
- 21 June 2023 All Member Briefing

7. Can we delay the decision?

The decision must be taken in September 2023 at the absolute latest if the Council wants to preserve long term control over housing development in Harborough district.

Not approving the Statement of Common Ground at the earliest opportunity will add unnecessary uncertainty and delay to already an already challenging Local Plan preparation timescale. Even a delay from July to September increases risk to the five year supply of housing land, means that Local Plan preparation is done 'at risk' and means we can not meet our published timescales. These risks can be managed, but any further delay would be extremely high risk to the current Local Plan and must be avoided.

Delaying the decision past September 2023 means we won't meet our deadlines for producing a new plan set out in our Local Plan Policy IMR1. This is a key policy which helps protect our current plan from becoming out-of-date, provided we do a new plan dealing with Leicester's unmet need to the deadlines it sets. If we don't there is a genuine risk our current plan becomes out-of-date and we lose control of development.

The Issues and Options consultation public consultation on the Local Plan must be published by July 2024 at the latest. This will ensure we meet our deadlines and protect the current Local Plan. Hitting this deadline relies on a decision on the Statement of Common Ground being taken by September 2023 at the absolute latest.

The Issues and Options consultation must clearly set out the number of new homes to be planned for in the next local plan. It will seek views on where best to provide those homes, together with the jobs, open space and shops etc which go with new homes. Being able to start

planning for all these needs relies upon a Council decision on the Statement of Common Ground.

Delaying a decision on the Statement of Common Ground beyond September 2023 will delay the local plan. This risks the local plan becoming out-of-date, which in turn will affect planning decision making and ultimately our control over development. These effects are cumulative and ultimately result in significant harm to the district from speculative unplanned housing growth.

8. What are the risks of not approving the Statement of Common Ground?

There is no technical or legal reason to delay or not approve the Statement of Common Ground. It's underpinned by joint evidence commissioned by all Leicester & Leicestershire authorities. It has been independently tested at Charnwood's Local Plan Examination (<u>EXAM 55 - Inspectors' Letter Unmet Need Post Hearing Session November 2022.pdf (charnwood.gov.uk)</u>) and approved by 7 of the 9 Leicester & Leicestershire authorities (including those making much bigger contributions to Leicester's unmet need than Harborough).

Not approving the Statement of Common Ground at all carries the same risks as delaying (i.e. not having an up-to-date plan in place and therefore losing control over development), but also includes substantial reputational and financial risks.

The reputation of the Council would be significantly harmed by not signing the Statement of Common Ground. It could be interpreted as an inability to engage in constructive partnership working for the benefit of Harborough and wider Leicestershire residents.

Government sets the rules we have to follow to get a new plan in place and we can't meet the rules without a Statement of Common Ground. Not approving the Statement of Common Ground means we will be spending many hundreds of thousands of pounds preparing a new plan and doing many years of work, only to be told we've got to go back and start again. While we go back and start again, we will not have an up-to-date plan and will find it a lot harder to resist planning applications for new homes in unsuitable places.

Not approving the Statement of Common Ground does not impact other Authorities' ability to get their local plans in place, including the City. It will however, have a substantial and direct impact on our ability to prepare a new plan and retain control of development.

9. Should we wait for Planning Reform?

No. We don't know exactly what the Government will put in place to replace the Duty to Cooperate or when or what the transitional arrangements may be. Any changes are not expected until at least Autumn 2024. Until then, the Duty to Cooperate must be met if we want to give ourselves the best chance of having our plan approved by the inspector.

We can only work within the system as it currently stands and our own Policy IMR1 requires us to do a new plan now regardless of any changes at the national level. Planning reforms are therefore not a reason to delay the Statement of Common Ground.

If there are significant changes in future, the Statement of Common Ground will be updated to reflect them or may be used as evidence to support any new requirement.

10. What about Infrastructure?

The only way to answer the question of what infrastructure we need is to do a new Local Plan. This is what plans are for (i.e. to plan for the amount homes required <u>and</u> the infrastructure needed to support them).

It is important to keep a sense of perspective on the scale of Harborough's unmet need contribution which is 123 homes per year. Our current Local Plan made provision for a total of 557 homes per year. Our housing need is now slightly lower than when the plan was prepared which is why the evidence unpinning the Statement of Common Ground shows we should plan for 657 homes per year in total (this includes our contribution to Leicester's unmet need) – i.e. we need to plan for 100 more than our current plan. The overwhelming majority of development that we need to deliver is therefore Harborough's own need, not the City's.

Given the scale of our contribution towards Leicester's unmet need, it is unlikely there will be 'showstopping' infrastructure constraints preventing the District from delivering this amount of growth. We have been delivering around 1,000 homes per year over the last 3 years which is significantly higher than the 657 we need to plan for under the Statement of Common Ground.

11. What is the situation with Leicester's unmet need?

Leicester City have a substantial unmet housing need caused by the fact they have built up to their boundary. This situation is exacerbated by government changes to the standard method for calculating housing need which gave them a further 35% uplift. In reality the built-up area of Leicester goes well beyond their boundaries into neighbouring Districts. It is not uncommon for cities like Leicester to have unmet needs as they run out of land to develop.

Although the City is heavily constrained, they are still planning to build 21,000 homes to 2036, which is significantly more than any of the Districts including Harborough. They are doing this by:

- Building on Brownfield sites
- Building at high density (including building-up where they can)
- Developing greenfield sites, including some of their public open space

Their evidence shows they have done everything they can to accommodate as much growth as possible. It is important to bear in mind that Leicester will be submitting their Local plan for independent examination soon. Examinations are a lengthy and very forensic process. To pass the examination they have to demonstrate they have left no stone unturned when it comes to finding sites for development. The City know this and have therefore done a substantial amount of evidence over many years. Whatever the outcome of the examination, Harborough District Council retains responsibility under the Duty to Cooperate and through the Tests of Soundness to contribute towards meeting unmet need.

We are therefore as confident as we can be that Leicester's unmet need figure is correct and there is no reason to delay or not approve the Statement of Common Ground on this basis.

12. What if Leicester's unmet need changes?

A small change to Leicester's unmet is unlikely to significantly change the position for Harborough. For example, if Leicester's unmet need dropped by 1,600 homes, it would reduce Harborough's unmet need contribution by some 10 homes per year. Any change in the City's capacity would therefore have to be substantial for it to significantly impact the amount of homes we have to accommodate.

If the City's unmet need changed significantly through their Local Plan Examination, the Statement of Common Ground will simply be updated to reflect this, as set out in the Statement of Common Ground itself.

Officers consider the work done by the City to be as robust as it can be and unevidenced speculation about the scale of the City's unmet need is not a reason to delay the Statement of Common Ground.

13. Why is the City building Student Accommodation instead of homes for other people?

All types of homes are being built in the City. However, there has been a strong market for purpose-built student accommodation in recent years. This accommodation tends to be built to high density in multistorey blocks and therefore makes a significant contribution towards meeting Leicester's housing target. This is because it frees up homes previously occupied by students for families and other people to use.

14. Does the Statement of Common Ground relate to the Strategic Growth Plan?

No. It is based on the methodology set out the HENA Housing Distribution Paper which is not in any way based on the Strategic Growth Plan.

15. What are the financial impacts on the Council if the Statement of Common Ground is not signed?

The Council would suffer the financial cost of abortive work to prepare the local plan. This is likely to be in the multiple hundreds of thousands of pounds. This is because preparing a local plan relies on expensive specialist consultancy work over a number of years. Without the Statement of Common Ground, the next local plan is likely to fail the Duty to Cooperate and therefore could not be adopted. In this scenario, the Council would need to restart the work and prepare a new local plan and given the passage of time, would likely need to re-do significant amounts of the expensive consultative evidence gathering, resulting in very significant additional expenditure.

Glossary:

Duty to Cooperate:

Local authorities have a duty to collaborate to address strategic planning matters. The Duty to Cooperate ("the Duty") is the mechanism for ensuring that this happens. The Duty requires ongoing constructive engagement on the preparation of development plan documents and other activities in relation to the sustainable development and use of land.

Statements of Common Ground:

Statements of Common Ground are a means of demonstrating the Duty to Cooperate is met, as evidence of effective ongoing collaboration and engagement between partner authorities. A SoCG is a written record of the progress made by strategic plan-making authorities during the process of planning for strategic cross-boundary matters and:

- documents where effective co-operation is and is not happening through the plan-making process;
- demonstrates at plan examination in public that plans are deliverable and based on effective joint working across local authority boundaries;
- forms part of the evidence required to demonstrate that councils have complied with the duty to cooperate;
- is a living document.

Tests of Soundness:

Once the Local Planning Authority has finished preparing and consulting on a local plan it must be submitted to the Secretary of State who will appoint an Inspector to carry out an independent examination. This process is dealt with by the Planning Inspectorate.

The examination will assess whether the plan has been prepared in accordance with legal and procedural requirements and if it is sound. The four tests of soundness are set out in the National Planning Policy Framework (NPPF). Plans are 'sound' if they are:

- a) Positively prepared providing a strategy which, as a minimum, seeks to meet the area's objectively assessed needs; and is informed by agreements with other authorities, so that unmet need from neighbouring areas is accommodated where it is practical to do so and is consistent with achieving sustainable development;
- b) Justified an appropriate strategy, taking into account the reasonable alternatives, and based on proportionate evidence;
- c) Effective deliverable over the plan period, and based on effective joint working on cross-boundary strategic matters that have been dealt with rather than deferred, as evidenced by the statement of common ground; and
- d) Consistent with national policy enabling the delivery of sustainable development in accordance with the policies in this Framework and other statements of national planning policy, where relevant

HARBOROUGH DISTRICT COUNCIL

MINUTES OF THE MEETING OF THE COMMUNITIES SCRUTINY PANEL

held at

The Council Chamber

Symington Building, Adam & Eve Street, Market Harborough, LE16 7AG

on 13th October 2022

Commencing at 6.30pm.

Present:

Councillor Nunn, Chairman

Councillors: Bilbie, Mrs Ackerley, James, Hollick, Johnson, Mrs Robinson, Mrs Page (ex officio)

Apologies: Councillor Mrs Simpson (Substituted by Councillor Whitmore)

Officers: T. Nelson, D. Atkinson, S. Baldwin, C. Pattinson (remote)

Guest: Councillors King & Bateman

Guest remote: Mr D Campbell-Kelly

- 1. APOLOGIES FOR ABSENCE AND NOTIFICATION OF SUBSTITUTIONS
 Apologies were received from Councillor Mrs Simpson who was substituted by
 Councillor Whitmore.
- <u>2.</u> <u>DECLARATIONS OF MEMBERS' INTERESTS</u> There were none.
 - 3. MINUTES

RESOLVED that the Minutes of the Meeting of the Communities Scrutiny Panel held on the 1st September 2022 be signed by the Chairman as a true record.

4. <u>LEICESTER AND LEICESTERSHIRE STATEMENT OF COMMON GROUND</u> RELATING TO HOUSING AND EMPLOYMENT NEEDS

The Strategic and Local Planning Manager presented the report to the Panel with a recommendation to review and comment on the Statement of Common Ground ("the Statement") prior to a recommendation to Cabinet and a decision at Council in late January 2023. She explained that the Statement addresses the issue of unmet housing and employment needs across Leicestershire. It flows from the previous statement dated June 2021. She explained that signing the statement will help demonstrate that the Council has met its 'Duty to Cooperate' which is an essential pre-requisite to adopting a new local plan for the district.

The Panel was directed to key evidence studies which relate to the apportionment of housing need across Leicestershire:

- A: Leicester and Leicestershire Statement of Common Ground relating to housing and employment needs, June 2022
- B: Leicester and Leicestershire Housing and Economic Needs Assessment, June 2022
- C: Leicester and Leicestershire Housing and Economic Needs Assessment: Executive Summary, June 2022
- D: Leicester and Leicestershire Housing and Economic Needs Assessment: Housing Distribution Paper, June 2022
- E: Leicester and Leicestershire Housing and Economic Needs Assessment: Employment Distribution Paper, June 2022
- F: Leicester and Leicestershire Statement of Common Ground: Sustainability Appraisal Report, June 2022
- G: Leicester and Leicestershire Statement of Common Ground: Sustainability Appraisal: Non-Technical Summary, June 2022
- H: Leicester and Leicestershire Statement of Common Ground relating to housing and employment needs FAQs, June 2022
- The previous Statement of Common Ground referenced the Strategic Transport Assessment & Strategic Growth Opportunities and Constraints Study – these look to guide strategic planning in 2050 and are not currently available.

The Chair thanked the Strategic and Local Planning Manager for her introduction and explanation of the report and invited the Director, Planning and Regeneration to speak.

The Director, Planning and Regeneration, explained the context of the Statement. He emphasised the importance of signing the Statement in developing the next Local Plan, highlighting the difficulty in proving that the Council had met the 'Duty to Cooperate' if it was not signed, putting the Local Plan at risk.

The Chair invited Councillor King, as Portfolio Holder for Strategy, to address the Panel on the Statement.

Councillor King reinforced the importance of demonstrating the Council is meeting its 'Duty to Cooperate'. He welcomed the Panel's opportunity to scrutinise the Statement before it is put to Cabinet and Council.

The Chair presented a supplementary question to the panel from Mr Campbell-Kelly.

Question:

"There was no mention at the time of the approval of the 2021 SoGC that the missing evidence was not needed for the unmet need allocation. What has changed?"

The Strategic and Local Planning Manager answered as follows:

"The 2021 Statement of Common Ground sets out the HENA (Housing Economic Needs Assessment) and the Sustainability Appraisal which cover the unmet housing and employment distribution up until 2036, The Strategic Transport Assessment and The Strategic Growth Opportunities and Constraints Mapping cover the period from 2031 to 2051.

At the time we prepared the Statement of Common Ground, we were of the view that all those studies would be complete and would be relevant to inform the Statement of Common Ground. As work continued it became clear that the Strategic Transport Assessment and the Strategic Growth Opportunities and Constraints would not be available but are also less pertinent to the current issue at hand because of the timescales. There is a very long lead-in period on strategic sites and strategic transport infrastructure, so these studies relate to the period during the 2030's and 2040's. Therefore, those studies have little impact on the issue we are currently looking at, which is how we are going to deal with this unmet need that occurs during the period to 2036.

Although it was originally envisaged that the four would come together as a package, it has become clear that the bigger, longer-term projects have taken longer to deliver, but their significance and relevance is considerably less. For this reason, we were able to proceed with the completion of the HENA, the completion of the Employment Distribution paper, the Housing Distribution paper and the Sustainability Appraisal of the unmet need to 2036 and it is that suite of evidence that has informed the current statement of common ground and those longer-term studies will inform a later consideration of strategic planning to come."

The Chair thanked the Strategic and Local Planning Manager for her answer and invited the Panel to consider the Ideas for Points for Discussion on page 12 of the report. She advised the Panel that any views and opinions would be passed to Cabinet.

The Panel had the opportunity to ask questions of officers and the portfolio holder in respect of the report. It discussed the proposed distribution of unmet housing needs between different authorities and expressed concern on information it felt was missing. It noted in particular that most other authorities in Leicester and Leicestershire have signed the statement. The Panel expressed concern about the availability of information about Leicester City Council's housing capacity but recognised that there would be other problems to address should the Council not sign the Statement. Some

members of the Panel recalled the experience of being without a local plan in previous years, and did not want to see this position repeated.

The Director, Planning and Regeneration and the Strategic and Local Planning Manager responded to queries from the Panel, commenting that while other authorities may appear to have land that could be developed, this could be impacted by a lack of effective infrastructure available to make it possible. Officers assured the Panel that the work done by Leicester City Council has been thorough.

Councillor Johnson moved a motion that Harborough District Council does not sign the Statement.

Councillor King informed the Panel that only one of the eight councils had not signed the Statement and that all other authorities have already signed. He updated the Panel on the upcoming Local Plan Inspection in Charnwood, how this impacts this Statement and other information to provide the context of what is happening around this. He reminded the Panel that its role was not to make a decision, but to provide advice and thoughts about the process. The Director, Planning and Regeneration also confirmed an independent review was undertaken of the work done by the City Council on the levels of growth they can accommodate within its boundary.

The Chair then reminded Councillor Johnson that as this is not a decision-making panel, a motion cannot be moved.

The Interim Deputy Chief Executive advised the Panel that there would be a negative financial impact to the Council if the Statement of Common Ground was not agreed and signed.

Officers highlighted that the recently published SHELAA (Strategic Housing Economic Land Availability Assessment) has been carried out to assess the potential land available in the District. The additional 123 dwellings which the Council was asked to contribute is a good deal for the District, easily achievable given past housing delivery performance, and is relatively small in relation to the numbers being met in other authorities.

In reference to the question from a member of the public, the Strategic and Local Planning Manager responded that the pieces of work referenced (Strategic Transport Assessment and Strategic Growth Options and Constraints Study) have not yet been completed and that when available will be relevant in the longer term to guide future planning decisions in the years 2031 - 2050.

The Director, Planning and Regeneration reminded the Panel that the information they have to scrutinise is in the period to 2036 and stated that they are seeking the Council to sign the Statement of Common Ground to give the Officers the confidence to commission the work to test the apportionment figures for the Local Plan. He stated that Members agreement to this was needed.

Councillor King referred the Panel to the Strategic Growth Plan adopted by the Council and commented on the work that has not yet been completed. He discussed the plan formulated by Leicester City Council and further inspections to take place in the future that may change the distribution of unmet needs. He stated that it is up to the Panel to determine if they need further information.

The Director, Planning and Regeneration commented on the need to start the Local Plan and the need to sign the Statement of Common Ground in order to do this. He discussed the risks of not having a Local Plan.

The Chair invited Panel members to sum up their overall view of the Statement. The Panel highlighted the need to ensure the Council has clear views from each scrutiny Panel to pass on to decision makers.

The Panel referred to the "Points for Discussion, is the policy background to the Statement Clear?" on page 12 of the report. It concluded that the policy background is clear once it is established how the unmet need is apportioned across different authorities. The Panel remain unclear as to how Leicester City are justifying their figure of their unmet need. However, it recognised the consequences of not agreeing the Statement are also clear, and that the Council may in reality have little choice but to sign the Statement. The Panel acknowledged that there may be extra information coming forward in the future, and this may influence the Panel's view however it could only comment on the information before it.

The Panel felt very strongly about the duty to rural residents and reflected on its displeasure at being asked to accommodate unmet need from other authorities as a condition to being able to progress its next Local Plan. The Strategic and Local Planning Manager reminded the Panel that infrastructure is key when considering accommodating growth, and summarised possible changes that could trigger a review of the Statement of Common Ground in the event that detailed testing through the Local Plan indicates this scale of growth can not be delivered. She reminded the Panel of its responsibility to the current and future residents of the District as well as the risks of not signing the Statement, which could impact on the Council's ability to adopt a Local Plan and therefore maintain a five-year housing land supply. The consequences of this were clearly explained.. The impact of not signing the Statement could result in a lack of control over future housing growth in the medium and long term and therefore required careful consideration.

The Chair thanked everyone for their views and input. Following the discussion it was;

RESOLVED, That the minutes of the meeting should be provided to decision making bodies as evidence of the Panel's thorough and thoughtful exploration of the issues surrounding the proposal that Harborough District Council agree to the proposed Statement of Common Ground in respect of the Leicester and Leicestershire Housing Market Area.

5. URGENT BUSINESS

There was none.

The meeting finished at 8.25 pm



Department for Levelling Up, Housing & Communities

Cllr Phil Knowles
Harborough District Council
The Symington Building
Adam and Eve Street
Market Harborough
Leicestershire
LE16 7AG

Rachel Maclean MP

Minister of State for Housing and Planning 2 Marsham Street London SW1P 4DF

Our reference: 30689454

8 September 2023

Dear Phil,

Thank you for your letter of 18 August to the Rt Hon Michael Gove MP. I have been asked to reply as the Minister of State for Housing and Planning.

Due to the Secretary of State's quasi-judicial functions in the planning system, I am unable to provide advice on the production of a specific local plan. However, I am happy to provide more general comments on the duty to cooperate and on the proposed legislative and policy changes to the planning system.

The duty to cooperate will be formally abolished after the Levelling Up and Regeneration Bill receives royal assent. However, the Government has confirmed that plan makers will have until 30 June 2025 to submit their local plans for independent examination under the existing legal framework. This will mean that existing legal requirements and duties, including the duty to cooperate, will still apply. An authority that submits its plan after 30 June 2025 would not have to meet the requirements of the duty to cooperate.

Plan-makers are expected to provide for the objectively assessed needs for housing in their area unless the policy constraints of doing so or the adverse impacts of doing so would outweigh the benefits. There is no formula imposed by the Government through which housing need for an area or unmet need must be transferred from one area to another. This is a matter for local planning authorities to agree to, through the duty to cooperate and the production of statements of common ground.

Authorities which are seeking to have their unmet need met by other local planning authorities will have to satisfy an inspector that they have met as much of their need as they can through the process of producing their local plan.

Thank you again for your letter.

Yours sincerely.

RACHEL MACLEAN MP

Minister of State for Housing and Planning

Please ask for: Sir Peter Soulsby Direct Line: 0116 454 0001

Our Ref: 2023/September/PK/PS/MH

Date: 12th September 2023



Via email: p.knowles@harborough.gov.uk

Cllr Phil Knowles Leader Harborough District Council The Symington Building Adam and Eve Street Market Harborough Leicestershire LE16 7AG

Dear Phil,

Leicester Local Plan Submission — Leicester and Leicestershire Statement of Common Ground Housing and Employment Need.

Thank you for you inviting me to your offices recently to discuss the Housing and Employment Statement of Common Ground (SoCG). It was very good to meet you and colleagues.

As discussed, the city intends to submit its Local Plan to Government by mid-September. This follows many years of preparation, supported by excellent work with yourselves and other council partners to establish and maintain a ground-breaking, robust, strategic planning framework for Leicester and Leicestershire through very challenging political territory. It would of course be very helpful if there were a full set of SOCGs on submission of our Local Plan to help inform the appointed inspector/s of our agreed position, and to this end I was very pleased to note your Cabinet support of the report recommending approval of the SoCG to your Council meeting on the $18^{\rm th}$ September.

I agreed to provide you with more details as to how we have looked at all our options for maximising housing growth within the city's very tightly drawn boundaries.

Leading Delivery

We see housing delivery as a top priority for the council and share the desire to prioritise Brownfield land delivery as far as possible. Last November our Council declared a Housing Crisis <u>City council declares housing crisis (leicester.gov.uk)</u> We also see new and denser housing development on brownfield land in and around our city

centre as an absolutely key component of our plans to strengthen the centre in the face of ongoing challenges seen by all centres across the country. The Local Plan provides a critical plank upon which many further sites will be unlocked for us to promote delivery.

I am particularly proud of our positive and proactive intervention in the delivery of good quality development, particularly the extensive Waterside regeneration programme delivering a combination of student flats, apartments to buy and rent and family homes.

This area required diligent intervention and we pursued an extremely extensive (and expensive) Compulsory Purchase Order to acquire dozens of underused land interests and to secure a complex regeneration funding pack which I am pleased to say is well on the way to successful completion. More details on this exemplar project can be found via these links - Transforming the Waterside (leicester.gov.uk)

Waterside | New Build Homes Near Leicester | Keepmoat

I would very much welcome the opportunity to show you and your members around the area and share lessons learnt in the 10 years or so we have been promoting the scheme with our partner developer Keepmoat.

Ashton Green is another area where the Council is successfully acting as master developer and promoter. We are into the third phase of this very substantial scheme and our experience in development promotion allows us fully to understand the costs and challenges of delivery.

These areas have required proactive support and funding from the Government, Homes England, the LLEP and other sources. We continue to meet Homes England, in particular, to seek such funding opportunities and to explore further regeneration and CPO possibilities.

This has shown us how important is an ambitious local plan to unlocking further development opportunities to deliver much needed housing and I remain committed to pushing the scope for both council led and private sector delivery through the current Local Plan.

Local Plan

Officers have given two previous presentations to your members in November 2020 and December 2022, both of which went into some detail about the keys issues we faced and the process we followed in formulating our plan. However, I appreciate that these were given prior to the local elections in May. I have attached a copy of these presentations so that they can be read in conjunction with this letter. We would be very pleased to meet with them again on any occasion when you think it would be useful.

As part of the process of adopting a new plan in Leicester, four consultation exercises have been carried out. At each consultation stage we ran a 'Call for Sites' seeking submission of deliverable sites for inclusion in the plan. Due to the built-up nature of the City, few unconstrained sites are available, and these exhaustive exercises have not resulted in a significant number of new site submissions. This situation is not

uncommon in tightly bounded city contexts and contrasts strongly with rural district contexts where very many developers will be competing to promote allocations on land where they own or hold options for development. It also contrasts with the situation of those urban areas that, as metropolitan districts, saw significant boundary extensions in the early 1970s.

Initial options were consulted on in 2014, before a further consultation in 2017 looked at possible sites in the city that could be allocated for future development. A consultation in 2020 set out draft policies and recommended sites that could be developed to seek to meet Government targets, which have increased considerably over the course of preparing for a new Local Plan. That exercise showed us that an unmet need of almost 8,000 houses was unavoidable in the context of our evidence base and analysis.

As you are aware, whilst we have been developing the Plan, through the 'Urban Uplift' the Government increased our housing need by 35%, adding a further 9,712 homes to our need between 2020 and 2036. In March 2022, it then published more new data which increased housing need in the city by a further 2,800 homes. This has been very challenging indeed.

It means that the overall 'housing need' for Leicester between 2021 and 2036 is 39,424 homes in total. Our supply includes existing planning permissions and other commitments. Of the new local plan allocations, 6,668 (71%) homes are proposed on brownfield sites in the city, with 2,686 (29%) planned on greenfield sites.

Having been designated in 1972/3 as a non-metropolitan district, Leicester is a city with very tight boundaries, so there is simply not enough space for the amount of homes and employment land the Government says we must provide. Despite this, we have left no stone unturned to make best use of the land we do have – for example by utilising brownfield sites where we can, providing more homes in the central development area and revisiting our policy on tall buildings and densities.

We have an excellent record of housing delivery in the city, having delivered an average of 1168 homes per year over the last 10 years. We have worked to strike a balance between providing the homes and jobs needed for Leicester to continue to thrive, and protecting our important heritage, biodiversity and green spaces.

The Urban Uplift expects us to deliver almost 2,500 homes very year. In the context of the above track record of actual delivery, we believe this to be plainly impossible to achieve – even if the sites were available and being promoted as deliverable.

Graphics in the attached presentations confirm we are not starting from a blank piece of paper. The city centre residential population has grown by 45% between 2011 and 2021 – this has been secured through successful development of easier and less constrained sites and building conversions. Our Local Plan supply already includes unimplemented permissions on most of the currently vacant sites. Those few remaining substantial brownfield sites are highly constrained, especially by flood risk, contamination and viability. We have and will continue to pursue active dialogue with Homes England and the Environment Agency on these sites, but no easy options are available to overcome the constraints.

Central Development Area

Substantial investment (over £100 million) in the Central Development Area (CDA) through the 'Connecting Leicester' project has also contributed to making the city centre area more attractive for housing. In addition, there has also been significant investment in the Highcross shopping centre, the Curve & Phoenix Arts Centre and St Margaret's Bus station, with further planned investment around the Railway Station and Market areas. We plan to continue investment in the central area, particularly in the face of the challenges facing city centre retailing following the impact of Covid – the acceleration of on-line shopping trends and less office workers in the city centre due to increased home working. Housing delivery is a fundamental component to bring footfall and activity to help address these challenges.

The aim of Central Development Area is to enable the city council to direct, optimise and encourage investment whilst managing development appropriately within a local context. High quality design will be used to help create certainty and developer confidence whilst maximising development on brownfield land. It will the focus of major housing development and has been informed by detailed assessments which provide realistic future patterns of development and predicted housing numbers. These assessments looked at maximising the amount of residential development, and as a result we have increased minimum density targets within this area from 50 dwellings per hectare to 75 dwellings per hectare.

The detailed supporting evidence for the CDA has been checked and validated by independent planning consultants PlanIT IE. These studies have looked at sites, (as per requirements in the NPPF) that have a reasonable chance of coming forward during the plan period noting that the housing targets for the CDA are only minimums not maximums. The council therefore expects that additional sites will come forward now and in future local plans which have yet to be identified but these are accounted for in our proposed windfall calculations. This could include additional city centre brownfield sites which are not currently available for development or additional conversions i.e. above city centre shops. However, the council needs to balance this with ensuring that the city centre has a wide range of uses such as shops, offices, and leisure activities to protect its vitality as well as make sure projections for windfall are evidenced appropriately.

The plan also allows for tall development, although we do have significant constraints where harm will be caused to the city's important historical character. This will be subject of future supplementary planning guidance following the adoption of the plan which will be consulted on separately.

We have increased the projected supply in the CDA from 4,905 to over 6,280 on the latest plan (this is over and above existing planning consents in the supply). We would like to pursue more but it is important to recognise that this element of the plan supply is not backed up by individual promoters and therefore those seeking to undermine our plan (and with an intention to increase pressure on requirements to be met by districts) will closely scrutinise and challenge us on the evidence of viability/deliverability of this supply. It is therefore in all our interests not to over-estimate the potential of the city centre on the basis of assertions about delivery of development not backed up by evidence.

Wider City allocations

Outside the Central Development Area, the Plan site allocations have been allocated for development across the city following a rigorous analysis of around 1056 sites in Leicester. The identification of these were sourced from both internal and external sources, including extensive 'call for sites' exercises since 2014; responses to local plan consultations; and land identified as potentially suitable from our own Estates Department.

These sites however include many which were subject to significant constraints.

The starting point of our site analysis utilised the Leicester and Leicestershire joint SHELAA methodology to assess the suitability, availability, and achievability of all 1056 sites.

A smaller pool of 433 sites were then identified as potentially suitable following this exercise, before more extensive work followed with internal and external specialists to further explore the potential of each site and provide a range of constraints impacting on these sites. Our final site allocation decisions have been made taking into account the identified constraints, all consultation comments (including those representations from Harborough) at each stage of plan preparation and the overall strategic housing need.

This selection process has maximised the available land in the city, including both brownfield and greenfield land, including a range of parks and open spaces. Our approach has ensured that we have optimised housing development whilst also maintaining a fair and proportionate approach across the city.

The council has had to make some difficult decisions to arrive at the final list of around 60 site allocations. These are predominantly located on council owned land with a small handful of sites being promoted through private ownership due to the lack of available third party owned site despite the repeated Call for Sites exercises. Our planning, development and specialist officers have worked closely together to ensure that the sites can be delivered within the timeframe of the plan, an approach which has equally been applied to the relatively few external landowners promoting sites.

The inclusion of a number these sites has led to considerable criticism and opposition.

More details of the process that we have gone through to allocate sites are contained in a housing topic paper and site allocation documents that will be published alongside the local plan when it is submitted later this month.

Other Matters

In terms of other cross boundary issues you mentioned, it is acknowledged that there will be significant pressures from new growth in Leicestershire on roads and other important infrastructure such as schools and open spaces, green wedges and sports facilities.

Our plan acknowledges this and commits the council to collaborate with our neighbouring authorities on the provision of required cross boundary infrastructure needed to support future growth. Obviously the as yet undefined 'Alignment Policy' which may eventually replace the Duty to Co-operate could be an important mechanism for us to work through in our ongoing Leicester and Leicestershire Partnership and I fully recognise the City will need to recognise that the unmet need taken across the County will need to receive its fair share of this funding through a properly undertaken strategic planning process – we are best placed to do this together.

I hope this provides more clarity as requested. I note that we have a Members Advisory Group meeting on 14th September where we will be updating on progress in respect of the proposed submission of the Local Plan and on SOCGs.

I sincerely welcome your ongoing support in this matter and look forward to working in constructive partnership with Harborough. If you would like to discuss this further, now, or at any time, please do not hesitate to contact me.

As I have said, we are also more than happy to discuss issues again and answer further questions for your members more generally.

Yours sincerely,

Peter Soulsby City Mayor



Cllr Phil Knowles Leader Harborough District Council

Sent via email.

14th September 2023

Dear Cllr Knowles,

As the three Members of Parliament representing the Harborough District, we call on you to abandon plans to sign up to the Statement of Common Ground next Monday 18th September.

If you decide to sign up to this huge, one-quarter increase in the number of homes to be built here, it will not be possible to reverse this decision later, and Harborough will be locked into higher housebuilding for years to come.

This decision is being rushed through with minimal debate and no proper consultation with local people.

It is not necessary to sign up to this increase. As made clear in a letter from the housing minister; "There is no formula imposed by the government through which housing need for an area or unmet need must be transferred from one area to another."

You claim you are required to sign up because of the duty to cooperate. But this has never created any obligation on Harborough to take any amount of Leicester's overspill housing. The Housing Minister has also explicitly pointed out to you that the Duty is being abolished anyway.

Harborough's current local plan was recently adopted in 2019 and runs until 2031. According to the House of Commons Library only around 40% of local authorities have an up-to-date local plan and are in as good a position. Looking at the review criteria set out in the current local plan, there is no reason why Harborough's next local plan must be submitted by June 2025 at which point the Duty will no longer exist.

Your proposed increase is not fair. Under the plan Harborough would be building about twice as many homes per person as Leicester. You have never explained why you regard this specific increase as fair.

It is bad for the environment. Shifting this overspill housing from the city to Harborough means more commuting, more pollution, higher energy use and more traffic jams.

We think you are rushing through a mistaken decision which will have negative consequences for the District for years to come.

When a housing development of 2,000 homes was mooted in 2021 you said it would be "catastrophic" because our infrastructure is "bursting at the seams". Yet you are now proposing to voluntarily sign up to take around 2,000 extra homes.

When the population statistics came out last summer you stated that "the entire Harborough district is close to breaking point" because "we've got so many new housing developments going ahead". You complained that "our own District Council have got to think of the needs of the people who already live here as well as the people moving here."

You are now the Leader of the Council – it is your direct responsibility to put forward proposals that benefit all of Harborough's residents. As the MPs for our local area, we strongly urge you to listen to our constituents. As this is a local authority planning matter, MPs do not have any role in this decision-making process. It is your decision and that of your councillor colleagues now running Harborough District.

We call on you not to sign up to this unfair, unnecessary, un-green statement.

Yours sincerely,

Alberto Costa MP,
Alicia Kearns MP,
Neil O'Brien MP



Advisory Note for Harborough District Council

The Duty to Co-operate and the Statement of Common Ground between Leicester City Council, the seven Leicestershire Local Planning Authorities and Leicestershire County Council relating to Housing and Employment Land Needs

An Advisory Note prepared for Harborough District Council by: Derek Stebbing BA (Hons) DipEP MRTPI

Date: 31 August 2023

Contents

| Ex | ecutive Summary | 3 |
|----|---|------|
| | Introduction | |
| | The Duty to Co-operate | 5 |
| | Statutory Requirements and National Policy Guidance | 5 |
| | Proposed Planning Reforms | 9 |
| 3. | The Leicester and Leicestershire Statement of Common Ground relating to Housing and Employment Land Needs (June 2022) | |
| 4. | Potential Risks and Benefits to the Council | 12 |
| | Potential Risks | 12 |
| | Potential Benefits | 14 |
| 5. | Conclusions and Advice | 15 |
| Со | Conclusions | |
| Δd | vice | . 16 |

Executive Summary

- This Advisory Note has been prepared for the Officers and Councillors of Harborough District Council (the Council) and provides an independent assessment of the current situation regarding:
 - the Duty to Co-operate (and related national policy and guidance);
 - a draft Statement of Common Ground between the Leicester & Leicestershire Authorities dated June 2022 (the L&L SoCG); and
 - the emerging Review of the current adopted Harborough Local Plan 2011-2031.
- It sets out at Section 2 the relevant statutory requirements and national policy guidance concerning the Duty to Co-operate, including the clear expectation that it will include work with other authorities in the Housing Market Area on how housing need will be met by the authorities concerned. It emphasises that, at the present time, the Council continues to be subject to the legal requirement to comply with the Duty to Co-operate.
- The Advisory Note describes the Government's current proposed planning reforms relating to the replacement of the Duty to Co-operate with an Alignment Policy and the intended transitional arrangements for the preparation of new Local Plans from 2025 onwards. Under this new system, it notes that there will be a possible delay to the Council being able to commence work on a new Local Plan until probably 2026, or possibly even 2027, under the proposed reforms for the preparation of Local Plans.
- Section 3 of the Note provides a brief overview of the L&L SoCG, and its related technical evidence. It demonstrates that the Council has undertaken significant Duty to Co-operate work on the key strategic matters of meeting housing and employment needs within the Housing Market Area (HMA) since 2017.
- Section 4 of the Note sets our assessment of the potential risks to the Council, and particularly to the preparation of the new Local Plan, that would follow a decision not to sign the L&L SoCG. It then sets out the potential benefits that would arise from a decision to sign the L&L SoCG.
- Section 5 sets out the principal **Conclusions**, arising from the assessment set out above, which are:
 - The L&L SoCG represents a clear outcome of the Council's Duty to Co-operate work with the authorities in the L&L HMA on the key strategic cross-boundary matters of meeting housing and employment needs.

- The L&L SoCG, if signed by the Council, provides much greater certainty for the preparation of the Council's new Local Plan and its future examination.
- It will support the Council in seeking to submit the new Local Plan for examination by 30 June 2025 and, therefore, will allow the Plan to be examined under the present planning legislation and guidance. This should mean that the Council will have a new Local Plan in place by the end of 2026.
- If the L&L SoCG is not signed by the Council, a statement supporting that decision will need to set out the reasons why the Council is not in agreement with the contents of that SoCG and will need to demonstrate the exceptional circumstances that justify Harborough as being a district which is not able to accept the outcomes of the SoCG.
- o It is likely that the Council will need to commission new or updated evidence to support its position, if it chooses not to sign the L&L SoCG, and then undertake a new round of Duty to Co-operate work to seek agreement with other authorities in the HMA. It is unlikely that such agreement will be forthcoming, and the Council's position at a future Local Plan examination may be weakened.
- The Government's proposed planning reforms, whilst including a commitment to replace the Duty to Co-operate with an Alignment Policy, are not yet agreed by Parliament, and on the basis of the current available information will lead to a delay in preparing the new Local Plan until 2026 or possibly even 2027.
- A significant delay in preparing the new Local Plan will increase the risk of speculative planning applications for residential development, and particularly if the Council's five-year supply of housing land is reduced in the intervening period.
- The overarching advice is that the benefits of signing the L&L SoCG at this time <u>very significantly outweigh</u> the potential risks that would arise from a decision not to sign the L&L SoCG.

1. Introduction

- 1.1 This Advisory Note has been prepared for the Officers and Councillors of Harborough District Council (the Council) and provides an independent assessment of the current situation (at August/September 2023) regarding:
 - the statutory Duty to Co-operate (and related national policy and guidance);
 - a draft Statement of Common Ground between the Leicester & Leicestershire Authorities dated June 2022 (the L&L SoCG); and
 - the emerging Review of the current adopted Harborough Local Plan 2011-2031 (adopted April 2019).
- 1.2 This Note has been prepared by Derek Stebbing, a consultant employed by Intelligent Plans and Examinations (IPE) Ltd. He is a chartered town planner, with over 45 years of experience in planning. He has worked in both the public and private sectors, including as a Planning Inspector for the Planning Inspectorate. He has substantial experience of examining both local plans and neighbourhood plans. He was also appointed to serve on a Government working group (the Local Plan Expert Group LPEG) considering measures to improve the local plan system, and has undertaken peer reviews on behalf of the Planning Advisory Service. He therefore has the appropriate qualifications and experience to undertake this commission.
- 1.3 It is emphasised that he is independent of the District Council and does not have an interest in any of the matters discussed in this Note.
- 1.4 He will be attending a Briefing for Councillors to be held on Thursday, 7 September at 6.30 pm and will be able to answer any questions that Officers or Councillors may have on this Note.

2. The Duty to Co-operate

Statutory Requirements and National Policy Guidance

- 2.1 The Duty to Co-operate (DtC/the Duty) is covered by the following legislative requirements, together with the related national policy and guidance:
 - i. The Localism Act 2011 introduced the DtC.
 - ii. Section 33A of the Planning and Compulsory Purchase Act 2004¹ establishes the DtC in Planning law.

¹ https://www.legislation.gov.uk/ukpga/2004/5/section/33A/2011-11-15
Intelligent Plans and Examinations (IPE) Ltd, 3 Princes Street, Bath BA1 1HL

iii. National Planning Policy Framework (NPPF) (July 2021), including:

- Paragraph 11(b) sets out the requirement to meet the objectively assessed needs for housing and other uses, as well as any needs that cannot be met within neighbouring areas via Statements of Common Ground (SoCGs).
- Paragraphs 24-27 of the NPPF set out the requirements of 'Maintaining Effective Cooperation'.

iv. Planning Practice Guidance (PPG), including:

- there is a legal duty on local planning authorities (LPAs)² to engage constructively, actively and on an ongoing basis to maximise the effectiveness of local plan preparation in the context of strategic cross boundary matters.³
- the PPG⁴ provides guidance on how effective cooperation in relation to plan making should be undertaken. A SoCG is anticipated which should represent a written record of the progress made by a strategic policy making authority on strategic cross boundary matters. For local planning authorities it is part of the evidence required to demonstrate compliance with the Duty.
- the PPG makes clear that a local plan examination will first assess whether a LPA has complied with the DtC and other legal requirements. The Inspector will use all available evidence in this regard, including SoCGs and any Authority Monitoring Report (AMR). Failures in relation to DtC cannot be rectified postsubmission. The level of co-operation is expected to be proportionate to the tasks and should not unduly delay any plan review.
- the PPG indicates that Local Enterprise Partnerships (LEPS) and Local Nature Partnerships (LNPs) are not subject to the requirements of the Duty, but regard must be had to their activities where relevant to plan making.⁵

PPG Platt Making

² See also Regulation 4 <u>The Town and Country Planning (Local Planning) (England)</u> Regulations 2012 (legislation.gov.uk)

³ See PPG Reference ID: 61-029-20190315.

⁴ PPG Plan Making

⁵ PPG Reference ID: 61-030-20190315.

v. The Planning Inspectorate's Procedure Guide for Local Plan Examinations⁶:

- emphasises that 'particular attention should be given to the duty to co-operate' and that a statement of compliance should be prepared with applicable SoCGs.
- the Inspectorate's internal guidance affirms that it is the purpose of the examination to determine whether or not the local planning authority complied with the DtC in preparing the plan and that there is no requirement to determine whether any other body met the duty.
- 2.2 The PPG emphasises the following points which are of relevance to the District Council's current considerations:

"Strategic policy-making authorities are required to cooperate with each other, and other bodies, when preparing, or supporting the preparation of policies which address strategic matters. This includes those policies contained in local plans (including minerals and waste plans), spatial development strategies, and marine plans."

"The National Planning Policy Framework sets out that these authorities should produce, maintain, and update one or more statement(s) of common ground, throughout the plan-making process." ⁷

SoCGs are a key output of the DtC process, and the PPG states that:

"A statement of common ground is a written record of the progress made by strategic policy-making authorities during the process of planning for strategic cross-boundary matters. It documents where effective cooperation is and is not happening throughout the plan-making process, and is a way of demonstrating at examination that plans are deliverable over the plan period, and based on effective joint working across local authority boundaries. In the case of local planning authorities, it also forms part of the evidence required to demonstrate that they have complied with the duty to cooperate." ⁸

"A statement of common ground is expected to contain the following:

- a) short written description and map showing the location and administrative areas covered by the statement, and a brief justification for these area(s);
 - b) the key strategic matters being addressed by the statement, for

⁸ PPG Reference ID: 61-010-20190315.

Intelligent Plans and Examinations (IPE) Ltd, 3 Princes Street, Bath BA1 1HL

⁶ https://www.gov.uk/government/publications/examining-local-plans-procedural-practice/procedure-quide-for-local-plan-examinations#introduction

⁷ PPG Reference ID: 61-009-20190315.

example meeting the housing need for the area, air quality etc.;

- c) the plan-making authorities responsible for joint working detailed in the statement, and list of any additional signatories (including crossreferencing the matters to which each is a signatory;
- d) governance arrangements for the cooperation process, including how the statement will be maintained and kept up to date;
- e) if applicable, the housing requirements in any adopted and (if known) emerging strategic policies relevant to housing within the area covered by the statement;
- f) distribution of needs in the area as agreed through the plan-making process, or the process for agreeing the distribution of need (including unmet need) across the area;..." 9
- 2.3 The DtC is the first matter that the Planning Inspectorate (PINS) will look at before considering whether a local plan is 'sound'. 10 PINS will need to see sufficient evidence to demonstrate that the DtC has been undertaken appropriately for the plan being examined. Whilst there is no fixed format for how this evidence should be presented, nor what it should comprise, the most effective method of presenting the necessary evidence is through a DtC Compliance Statement, which will comprise one of the supporting documents at the submission of the plan for examination. This should:
 - set out the issues that have been addressed jointly, with a very clear expectation that this will include how housing need will be met across the relevant Housing Market Area (HMA);
 - highlight the practical policy outcomes that have resulted from the joint work, including SoCGs and other jointly prepared policy statements for example on cross-boundary infrastructure requirements; and
 - be succinct, using weblinks to the evidence where possible.

If it is found that the DtC has not been undertaken satisfactorily, it is usually the case that a recommendation will be made to the LPA to withdraw the plan, as DtC work cannot be addressed retrospectively. This has occurred on 14 occasions since the introduction of the DtC, for example at Wealden District Council, Sevenoaks District Council and St. Albans City & District Council (twice).

⁹ PPG Reference ID: 61-011-20190315.

¹⁰ NPPF, paragraph 35, sets out the requirements of a 'sound' plan, which are that it is Positively prepared; Justified; Effective; and is Consistent with national policy.

Proposed Planning Reforms

2.4 Reforms to the planning system are underway¹¹ and include the removal of the statutory DtC requirement in plan making. Details of alternative arrangements are currently unclear albeit reference is made to the need for Councils to ensure alignment in their strategic policies, which is particularly relevant to those areas subject to the urban uplift for housing, which include Leicester City:

"The Bill will remove the Duty to Co-operate, although it will remain in place until those provisions come into effect. To secure appropriate engagement between authorities where strategic planning considerations cut across boundaries, we propose to introduce an "alignment policy" as part of a future revised Framework. Further consultation on what should constitute the alignment policy will be undertaken." (Note: this consultation is yet to emerge and its timing is presently unknown).

The current position is set out very clearly in the following letter, dated 20 June 2023, from the Minister of State for Housing and Planning to the Chair of the Levelling Up, Housing & Communities Select Committee.

[See next page]

¹¹ https://www.gov.uk/government/consultations/levelling-up-and-regeneration-bill-reforms-to-national-planning-policy et al.

¹² Ibid (Chapter 4 Paragraph 15).



Department for Levelling Up, Housing & Communities

Minister of State for Housing and Planning 2 Marsham Street London SW1P 4DF

www.gov.uk/dluhc

Our reference: 28186968

Clive Betts MP
Chair, Levelling Up, Housing & Communities
Committee
House of Commons
London
SW1A 0AA

20 June 2023

Dear Clive.

Thank you for your letter of 12 June 2023, seeking clarification of the Government's position with regard to the proposed "Alignment Policy".

We will be carrying out a consultation on the Alignment Policy as part of future changes to the National Planning Policy Framework (NPPF). That consultation is still being developed and Ministers have not taken final decisions on the content.

The Duty to Co-operate will continue to apply to plans brought forward under the current system. Local Plans brought forward under the new system will not be subject to the Duty to Cooperate but will be covered by the alignment policy.

We will make any further announcements in the usual way in due course.

Thank you again for your letter.

Yours sincerely.

RACHEL MACLEAN MP
Minister of State for Housing and Planning

- 2.5 The Government has indicated that there will be a deadline of **30 June**2025 for plan makers to submit their local plans, neighbourhood plans, minerals and waste plans, and spatial development strategies for independent examination under the existing legal framework. All independent examinations of local plans, minerals and waste plans and spatial development strategies will need to be concluded, with plans adopted by **31 December 2026**, in order to be examined under existing legislation.
- 2.6 There will be a requirement for local authorities to start work on new plans within five years following the adoption of their previous plan, and to adopt the new plan within 30 months. Where local authorities fail to meet the 30 June 2025 submission deadline for 'old-style' plans (as referenced above) they will need to prepare plans under the new plan-making system. Plans that become five years old or more during the first 30 months of the new system will continue to be considered 'up-to-date' for decision-making purposes for a period of 30 months from the date the new system starts. The transition arrangements for LPAs to commence work on new plans are likely to be phased with authorities with the oldest

Intelligent Plans and Examinations (IPE) Ltd, 3 Princes Street, Bath BA1 1HL

plans in place at 30 June 2025 being advised to commence work on a new plan initially, followed by further tranches of LPAs over the subsequent two years. This is to avoid potential 'congestion' of ongoing local plan examinations for PINS. In that scenario, with the current Harborough Local Plan 2011-2031 having been adopted in April 2019, this is likely to mean that Harborough District Council would be part of one of the later tranches probably during 2026, and possibly not until 2027.

2.7 On the basis of the Council's intention to submit the new Local Plan for examination by 30 June 2025, it is absolutely clear that the Council continues to be subject to the legal requirement to comply with the DtC as part of its preparation of the new Local Plan.

3. Leicester and Leicestershire Statement of Common Ground relating to Housing and Employment Land Needs (June 2022)

- 3.1 As part of the work undertaken to prepare this Advisory Note, we have reviewed the Leicester and Leicestershire SoCG. The SoCG is the outcome of work undertaken since the agreement of a Joint Statement of Cooperation in November 2017 between the eight Leicestershire LPAs and the two Highways authorities (Leicester City Council and Leicestershire County Council) relating to the Objectively Assessed Need for Housing (OAHN). The Joint Statement states that "it is intended to provide evidence of effective co-operation on planning for issues with cross-boundary impacts."
- 3.2 Three Joint Position Statements were agreed in November 2017, March 2018 and September 2020, addressing OAHN for the period 2011-2036, Housing and Employment Land Supply 2011-2031 and Leicester's Housing and Employment Land Needs respectively, which serve to demonstrate the Council's DtC work and involvement on joint strategic planning issues over the past six years.
- 3.3 The L&L SoCG is underpinned by a substantial body of technical evidence, which is up to date, and which is contained at Appendices B-G to the forthcoming report to the Council's Cabinet on 4 September 2023. Key documents are the Leicestershire and Leicestershire Housing and Economic Needs Assessment (HENA) (Appendix B) and the Housing and Employment Distribution Papers (Appendices D and E) all dated June 2022.
- 3.4 The principal impact upon Harborough District Council of the proposed L&L SoCG housing distribution for the period 2020-2036 is an increase of 123 dwellings per annum above the assessed Local Housing Need for the district of 534 dwellings (i.e. to 657 dwellings) over that period. The 123 dwellings constitutes that part of the unmet need for the Leicester City Council area proposed to be re-distributed to Harborough, amounting to 10.5% of that unmet need. The employment land needs for Harborough

- are assessed to be 46.1 hectares over the period 2021-2036, and does not include any unmet need from other authorities.
- 3.5 For the matters which are the subject of this SoCG, it is, in our assessment, a clear and comprehensive statement reflecting the outcome of some significant DtC work between the Leicestershire authorities on the key strategic planning topics of housing and employment needs. Importantly, it is based upon up to date and robust evidence in the form of the HENA and an accompanying Sustainability Appraisal (which is at Appendices F and G to the above-mentioned report to the Council's Cabinet).
- 3.6 It is our understanding that, at the present time, seven of the L&L authorities have signed the SoCG, and that Harborough District Council and Hinckley & Bosworth Borough Council have not yet signed the document. Of the seven completed signatories to the SoCG, Charnwood Borough Council's 'Charnwood Local Plan 2021-2037' is presently now being examined by PINS with the L&L SoCG and its supporting evidence forming part of the Council's suite of examination documents. In a letter to the Borough Council dated 18 November 2022, the Inspectors undertaking the Examination commented that "the factors that have informed the proposed distribution of the unmet need set out in the Housing Distribution Paper appear to be a logical and reasonable starting point for the apportionment of Leicester City's unmet housing need between the HMA authorities."
- 3.7 The next section of this Note sets out our assessment of the potential risks to the Council that would arise from a decision not to sign the SoCG. This is followed by an assessment of the benefits likely to be secured by signing the SoCG.

4. Potential Risks and Benefits to the Council

4.1 A decision by the Council not to sign the L&L SoCG will generate a series of potential risks for the Council's ongoing preparation and future submission and examination of its new Local Plan. These risks are assessed on the basis that the Council would still intend to prepare its new Local Plan for the period up to 2036 and beyond on the basis of a timetable which seeks to enable the submission of the Plan for examination by 30 June 2025 (c.f. paragraphs 2.5 and 2.6 above).

Potential Risks

- 4.2 A decision not to sign the L&L SoCG will lead to the following issues:
 - The decision would need to be supported by a statement setting out why that decision has been taken. Having clearly worked collaboratively under the DtC since 2017 on the strategic crossboundary issues of meeting Housing and Employment Needs, it

Intelligent Plans and Examinations (IPE) Ltd, 3 Princes Street, Bath BA1 1HL

Registered in England and Wales. Company Reg. No. 10100118. VAT Reg. No. 237 7641 84

would seem that the Council's decision will need to be based on factors concerning the most recent evidence on these matters, which comprises the HENA and its accompanying Housing and Employment Distribution Papers (at Appendices B, D and E to the report to the Council's Cabinet on 4 September 2023).

- A decision to challenge or disagree with parts of that supporting evidence would then generate a need to prepare updated or new evidence that underpins the Council's new position, and which would then replace or partly replace the HENA within the Council's own evidence base. The difficulty here is that Harborough is one part of the wider Leicester & Leicestershire HMA, and the updated or new evidence relating to Harborough would then need to be the subject of renewed DtC work in order to seek agreement with the other L&L authorities. In our assessment, that agreement is most unlikely to be secured. It is probably the case that further external consultancy work will be required, which would need to be sourced as a matter of urgency. This has both budgetary and timetable consequences for the Council. In terms of timetable, the production of new or updated evidence and the necessary DtC work will add in the region of 6-9 months to the current Local Plan programme. (This element alone is likely to mean that the Council will not be able to meet its planned submission of the new Local Plan for examination by 30 June 2025).
- The afore-mentioned statement will likely need to set out the exceptional circumstances that exist in Harborough to justify departing from the outcomes of the current HENA evidence. In our assessment, this can only be based on the proposed uplift to Harborough's housing requirement arising from the apportionment of an additional 123 dwellings per annum to meet Leicester City Council's unmet housing need and how that creates such exceptional circumstances in Harborough. (The 'base' housing requirement of 534 dwellings per annum is established by the Standard Method for calculating housing need, and a strategy of seeking to justify a housing requirement below that figure would require very clear and substantial evidence of the exceptional circumstances that exist in Harborough in order for a local plan to be 'sound').
- Although the Council can presently demonstrate a five-year supply of housing land (5YHLS), that position may be eroded relatively quickly should there be a delay in the preparation of the new Local Plan. This may result in speculative planning applications for residential development, leading to further pressures for the Council in seeking to defend its position at any subsequent planning appeals.
- 4.3 Each of the above issues constitutes a potential risk to the progress of the new Local Plan in accordance with the Council's published

timetable for its preparation. However, there is also a wider risk that potentially affects the emerging new Local Plan as a whole. That concerns a changing position of 'certainty' moving towards 'less certainty'. Unless the Council can demonstrate robust and cogent reasons for now seeking to depart from the L&L SoCG and its outcomes, and with agreement that presently extends over most of Leicestershire, the Council's new Local Plan, and in particular its housing strategy, will be exposed to far more intensive scrutiny (and potentially significant challenges from the development industry) at a forthcoming Local Plan examination. The risk of an Inspector finding that key element of the Local Plan to be 'unsound' is undoubtedly increased.

Potential Benefits

- 4.4 A decision in the coming weeks to sign the L&L SoCG will have some significant benefits for the Council. These can be summarised as below:
 - It will support the Council in seeking to submit the new Local Plan for examination by 30 June 2025 and, therefore, will allow the Plan to be examined under the present planning legislation and guidance. This should mean that the Council will have a new Local Plan in place by the end of 2026. Conversely, if the Council now awaits the implementation of the Government's proposed planning reforms, it is possible that the Council will not be able to commence work on a new Local Plan until 2026 or even possibly 2027. Furthermore, at the present time, none of the proposed planning reforms are yet finally agreed by Parliament, and some, e.g. details of the new Alignment Policy which will replace the DtC, have yet to be the subject of consultation (c.f. paragraph 2.4 above). The outcome of the next General Election, which could be held during 2024, may also affect the Government's current programme.
 - The L&L SoCG provides a position of certainty on the key strategic matters of meeting Housing and Employment Needs in Harborough and will enable Officers to prepare a Draft Local Plan and the accompanying consultation material without the need to commission any new or updated evidence on those matters.
 - Any risk that the Council cannot demonstrate that it has complied with the DtC is removed, in so far as it relates to the matters covered by the SoCG. Indeed, the SoCG demonstrates a strong track record of the Council's work in that area since 2017.
 - The threat of speculative planning applications, whilst not being totally removed, will be reduced as the Council will be able to demonstrate that it is preparing a new Local Plan to meet the district's future housing and employment needs up to 2036 and beyond.

5. Conclusions and Advice

5.1 This Note is based upon an independent review of the Council's current position with regard to the DtC and the draft L&L SoCG, and the implications for the Council's emerging new Local Plan. This section sets out our conclusions and advice to the Council.

Conclusions

- 5.2 The key conclusions are as follows:
 - a) The L&L SoCG represents a clear outcome of the Council's DtC work with the authorities in the L&L HMA on the key strategic cross-boundary matters of meeting housing and employment needs.
 - b) The SoCG, if signed by the Council, provides much greater certainty for the preparation of the Council's new Local Plan and its future examination.
 - c) It will support the Council in seeking to submit the new Local Plan for examination by 30 June 2025 and, therefore, will allow the Plan to be examined under the present planning legislation and guidance. This should mean that the Council will have a new Local Plan in place by the end of 2026.
 - d) If the SoCG is not signed by the Council, a statement supporting that decision will need to set out the reasons why the Council is not in agreement with the contents of that SoCG and will need to demonstrate the exceptional circumstances that justify Harborough as being a district which is not able to accept the outcomes of the SoCG.
 - e) It is likely that the Council will need to commission new or updated evidence to support its position, if it chooses not to sign the SoCG, and then undertake a new round of DtC work to seek agreement with other authorities in the HMA. It is unlikely that such agreement will be forthcoming, and the Council's position at a future Local Plan examination may be weakened.
 - f) The Government's proposed planning reforms, whilst including a commitment to replace the DtC with an Alignment Policy, are not yet agreed by Parliament, and on the basis of the current available information will lead to a delay in preparing the new Local Plan until 2026 or possibly even 2027.
 - g) A significant delay in preparing the new Local Plan will increase the risk of speculative planning applications for residential development, and particularly if the Council's 5YHLS is reduced in the intervening period.

Advice

5.3 Our advice to the Council, based on the assessments contained in this Advisory Note, is that the benefits of signing the L&L SoCG at this time very significantly outweigh the potential risks that would arise from a decision not to sign the SoCG. It will provide the Council with much greater certainty in the short-term for the ongoing preparation of its new Local Plan. A decision not to sign the SoCG will likely make the Council's position increasingly fragile, with regard to its new Local Plan and the threat of speculative planning applications.

Derek Stebbing

Consultant Intelligent Plans and Examinations (IPE) Ltd. 31 August 2023



Advisory Note for Harborough District Council

Further Advice following letter from the Minister of State for Housing and Planning

An Advisory Note prepared for Harborough District Council by: Derek Stebbing BA (Hons) DipEP MRTPI

Date: 15 September 2023

Summary

- This Advisory Note provides Further Advice to the Officers and Councillors of Harborough District Council (the Council) and provides an assessment of the letter dated 8 September 2023 from the Minister of State for Housing and Planning (Rachel Maclean MP) to the Leader of the Council.
- The letter confirms that plan makers (which includes the Leicestershire authorities) will have until 30 June 2025 to submit their local plans for independent examination under the existing legal framework, and that existing legal requirements and duties including the Duty to Co-operate (DtC) will still apply.
- The letter states correctly that there is no formula imposed by the Government through which housing need for an area or unmet need must be transferred from one area to another and that this is a matter for local planning authorities to agree, through the DtC and the production of Statements of Common Ground (SoCG).
- The Leicester & Leicestershire Authorities SoCG (L&L SoCG) represents, in our view, a clear and comprehensive example of authorities working together under the DtC to address the key strategic issue of meeting Leicester City Council's unmet housing and employment land needs, in order to be able to progress their respective Local Plans with the certainty of their housing and employment land requirements up to 2036.
- Nothing in the Minister of State's letter changes any of our previous advice to the Council, as set out in the Advisory Note dated 31 August 2023.
- The letter serves to reinforce our overarching advice to the Council that the benefits of signing the L&L SoCG at this time very significantly outweigh the potential risks that would arise from a decision not to sign it.

1. Introduction

- 1.1 This Further Advice Note has been prepared for the Officers and Councillors of Harborough District Council (the Council) following receipt of the letter dated 8 September 2023 from the Minister of State for Housing and Planning (Rachel Maclean MP) to the Leader of the Council.
- 1.2 The letter is reproduced below, for ease of reference.



Clir Phil Knowles Harborough District Council The Symington Building Adam and Eve Street Market Harborough Leicestershire LE16 7AG Rachel Maclean MP Minister of State for Housing and Planning 2 Marsham Street London SW1P 4DF

Our reference: 30689454

8 September 2023

Dear Phil,

Thank you for your letter of 18 August to the Rt Hon Michael Gove MP. I have been asked to reply as the Minister of State for Housing and Planning.

Due to the Secretary of State's quasi-judicial functions in the planning system, I am unable to provide advice on the production of a specific local plan. However, I am happy to provide more general comments on the duty to cooperate and on the proposed legislative and policy changes to the planning system.

The duty to cooperate will be formally abolished after the Levelling Up and Regeneration Bill receives royal assent. However, the Government has confirmed that plan makers will have until 30 June 2025 to submit their local plans for independent examination under the existing legal framework. This will mean that existing legal requirements and duties, including the duty to cooperate, will still apply. An authority that submits its plan after 30 June 2025 would not have to meet the requirements of the duty to cooperate.

Plan-makers are expected to provide for the objectively assessed needs for housing in their area unless the policy constraints of doing so or the adverse impacts of doing so would outweigh the benefits. There is no formula imposed by the Government through which housing need for an area or unmet need must be transferred from one area to another. This is a matter for local planning authorities to agree to, through the duty to cooperate and the production of statements of common ground.

Authorities which are seeking to have their unmet need met by other local planning authorities will have to satisfy an inspector that they have met as much of their need as they can through the process of producing their local plan.

Thank you again for your letter.

Yours sincerely,

RACHEL MACLEAN MP Minister of State for Housing and Planning

- 1.3 This Further Advice Note has been prepared by Derek Stebbing, a Consultant employed by Intelligent Plans and Examinations (IPE) Ltd, and follows the preparation of the previous Advisory Note to the Council dated 31 August 2023.
- 1.4 This Note assesses whether the letter from the Minister of State has any additional or revised implications for the Council's present consideration of the draft Statement of Common Ground between the Leicester & Leicestershire Authorities (L&L SoCG) dated June 2022, beyond those set out in the previous Advisory Note and discussed at the Members' Briefing held on 7 September 2023.

2. The Duty to Co-operate

Proposed Abolition of the Duty to Co-operate

- 2.1 The first point to note is that the letter confirms that the Duty to Cooperate (DtC) will be abolished after the Levelling Up and Regeneration Bill receives Royal Assent. It goes on to state that plan makers (which includes the Leicestershire authorities) will have until 30 June 2025 to submit their local plans for independent examination under the existing legal framework, and that existing legal requirements and duties including the DtC will still apply.
- 2.2 This is entirely consistent with the advice previously given to the Council as it affects the preparation of the Council's new Local Plan for the period up to 2036 and beyond.

3. Meeting Housing Need

- 3.1 The National Planning Policy Framework (NPPF) sets out how Local Planning Authorities (LPAs) in England should create their Local Plans and includes a Standard Method to assess housing need. LPAs must follow the Standard Method when developing their Local Plan, unless 'exceptional circumstances' apply. The housing need figure generated by the Standard Method should be a starting point in the planning process, rather than a housing target. LPAs are also expected to factor in constraints such as how much land is available, when preparing Local Plans. (The Standard Method is sometimes described as a formula, but for clarification it is not the 'formula' or absence thereof being described in the fourth paragraph of the Minister of State's letter).
- 3.2 The L&L SoCG confirms that the housing requirement for each of the Leicestershire authorities has been calculated for the period up to 2036 using the Standard Method. The principal factor that leads to 'unmet need' for Leicester City Council during that period has been the 35% uplift for the twenty major cities in England, including Leicester, and known as the 'cities and urban centre uplift', that was introduced by the

Intelligent Plans and Examinations (IPE) Ltd, 3 Princes Street, Bath BA1 1HL

Registered in England and Wales. Company Reg. No. 10100118. VAT Reg. No. 237 7641 84

Government in 2020. It formed part of the measures to boost housing supply towards an annual target of 300,000 new homes per annum. The 35% uplift is simply applied as an addition to the housing need figure generated by the Standard Method.

- 3.3 Clearly, the LPAs subject to the 35% uplift are expected, as far as they can, to meet their full housing requirement (i.e. 100% + 35%) within their boundaries, and to that end the LPAs involved undertake rigorous and exhaustive urban capacity studies to maximise the housing potential of previously developed or 'brownfield' land, vacant sites, redundant buildings, etc. However, in most cases, and Leicester is no exception, there is a level of unmet need which cannot be met within the LPA's boundaries simply because suitable sites cannot be identified. The L&L SoCG is based upon a calculated assessment of an unmet need of 18,700 dwellings and 23 hectares of employment land that cannot be met within the Leicester City Council area during 2021-2036. There is no unmet housing or employment need for any of the other Leicestershire LPAs.
- 3.4 It has been reported (at the Members Briefing held on 7 September 2023) that Leicester City Council consider that they have undertaken the most exhaustive studies of potential housing and employment sites within the City's boundaries during the past six years in order to seek to reduce their level of unmet need. This has been set out in further detail in a letter of 12 September 2023 from Leicester City Mayor, Sir Peter Soulsby, to the Leader of Harborough District Council, Cllr. Phil Knowles. It is also understood that their new Local Plan will be submitted for independent examination shortly on the basis of the housing and employment needs distribution set out in the L&L SoCG and, as also noted in the previous Advisory Note, the Charnwood Local Plan is already being examined on the same basis.
- 3.5 The Minister of State is correct in stating that "There is no formula imposed by the Government through which housing need for an area or unmet need must be transferred from one area to another".

 Notwithstanding this, and critically, she then goes on to reinforce that "This is a matter for local planning authorities to agree to, through the duty to co-operate and the production of statements of common ground".

 In other words, there is no national policy requirement (or formula), apart from the DtC, for determining how authorities will work together to address unmet housing and employment needs.
- 3.6 The L&L SoCG therefore represents a good example of authorities working together under the DtC for the past six years to address the key strategic issue of meeting Leicester City Council's unmet housing and employment land needs, in order to be able to progress their respective Local Plans with the certainty of their housing and employment land requirements up to 2036.
- 3.7 As outlined in the earlier Advisory Note, on the basis of the Council's intention to submit its new Local Plan for examination by 30 June 2025, it

is clear that the Council continues to be subject to the legal requirement to comply with the DtC as part of its preparation of the new Local Plan. The L&L SoCG is a key outcome of the Council's DtC.

4. Conclusion and Advice

4.1 There is nothing contained within the Minister of State's letter that serves to change any of our earlier advice to the Council. Indeed, in our assessment, it reinforces that advice, the key element of which is that the benefits of progressing the Council's new Local Plan under current planning legislation, prior to 30 June 2025, very significantly outweigh the risks and disadvantages of awaiting new legislation, which may well serve to stall work on the new Local Plan until early 2027. Any delay is likely to expose Harborough to the highly increased risk of speculative developments across the district. A decision by the Council to sign the L&L SoCG remains the next key step in being able to progress the new Local Plan.

Derek Stebbing

Consultant Intelligent Plans and Examinations (IPE) Ltd 15 September 2023



Department for Levelling Up, Housing & Communities

Rachel Maclean MP
Minister of State for Housing and Planning
2 Marsham Street
London
SW1P 4DF

Our reference: MC2023/01150

Neil O'Brien MP House of Commons London SW1A 0AA

27 October 2023

Dear Neil,

Thank you for your emails of 13 October regarding Harborough's Local Plan.

I appreciate how important this matter is to local authorities, and I am grateful to you for getting in touch with your questions.

While we encourage local authorities to have up-to-date local plans, depending on where they are in the plan-making cycle some local authorities will not be required to submit their next local plan into the new system until after summer 2025. There is no requirement that all local authorities must submit a new local plan before summer 2025.

You also asked about 'pathfinder' local authorities. The Government recently consulted on providing an enhanced support package for "front runner" authorities preparing the first local or joint local plans, minerals and waste plans or joint minerals and waste plan under the new system. This will ensure there is a strong foundation of learning for other planning authorities to draw upon and drive more successful plan delivery in the first cohort.

However, we are yet to develop detailed proposals around how this would be implemented. This may, for example, involve an element of financial support, which might necessitate a competitive selection process. Should the Government decide to progress these proposals, we would consider Harborough along with any other local planning authority that wishes to put themselves forward.

Thank you again for writing on these matters.

Yours sincerely,

RACHEL MACLEAN MP
Minister of State for Housing and Planning



Rachel Maclean MP

Minister of State for Housing and Planning 2 Marsham Street London SW1P 4DF

Our reference: MC2023/01150

Neil O'Brien MP House of Commons London SW1A 0AA

3 November 2023

Dear Neil,

Thank you for your follow-up email of 27 October regarding the roll out of reforms to plan-making.

Government has confirmed its intention that the latest date for plan-makers to submit local plans for examination under the current system will be 30 June 2025 and that those plans will, in general, need to be adopted by 31 December 2026. These dates are contingent upon Parliamentary approval of the relevant regulations.

We have also confirmed our intention to have in place the regulations, policy and guidance by autumn 2024 to enable the preparation of the first new-style local plans, again, contingent upon Parliamentary approval of the relevant regulations.

However, we are yet to confirm the detail for roll-out of the new system. We want to ensure that the transition is as smooth as possible, and recently sought views on these matters in our July 2023 Levelling-up and Regeneration Bill: consultation on implementation of plan-making reforms.

The consultation, which closed on 18 October 2023, set out a range of roll-out options, from a more prescribed approach, where authorities take forward plan making in waves, to a much more flexible roll-out where authorities can choose when to start preparing their first new-style plan. If Government were to proceed with the proposals in the consultation to give groups of authorities specific windows within which plan-making should start, this would require regulations, contingent upon Parliamentary approval.

The consultation also set out proposals to provide protections from speculative development for authorities during the transitional period, and on the implications for plans with early update requirements, which could apply to places such as Harborough District.

The consultation stated that we also intend to set out that plans that will become more than 5 years old during the first 30 months of the new system (i.e. while the local planning authority is preparing their new plan), will continue to be considered 'up-to-date' for decision-making purposes for 30 months after the new system starts.

Additionally, where a plan has been found sound subject to an early update requirement, and the Inspector has given a deadline to submit an updated plan within the first 30 months of the new system going live, this deadline will be extended to 30 months after the new system goes live. This will ensure that local planning authorities are protected from the risk of speculative development while preparing their new plan."

The consultation also set out our proposals to ensure that if we do choose to create waves, then local planning authorities do not face adverse consequences from being placed into a wave which would mean them beginning plan-making later than they otherwise would do.

The consultation stated that should we go ahead with one of the roll-out options set out above, we intend to extend this transitional protection from speculative development. Once the new planmaking system is commenced, after their most recently adopted plan is five years old, for 30 months after the point at which they are required to start making their new-style local plan, authorities would be protected from speculative development (i.e. their plans would be considered up to date for decision making purposes). This is intended to ensure that local planning authorities do not face adverse consequences from being placed into a wave which would mean them beginning plan-making later than they otherwise would do.

The purpose of the consultation was to hear views and inform a final position. To be clear, I am considering the way forward in light of the consultation, no decisions have yet been taken.

I hope this provides some further clarity on where we are in the process of bringing forward the new plan-making system and the transition from the current system.

Yours sincerely,

RACHEL MACLEAN MP

Minister of State for Housing and Planning



05 December 2022

Dear Colleague,

THE LEVELLING UP AND REGENERATION BILL: PLANNING AND LOCAL CONTROL IN ENGLAND

Since returning to the Department for Levelling Up, Housing, and Communities, I have listened to the powerful representations made by colleagues about the ways the current planning system is not working and must be improved. I recognise that at the heart of concerns is a principled desire to make the system work better for our local communities and constituents. I fully agree and share this goal.

Whatever we do at a national level, politics is always local and there is no area that demonstrates this more than planning. Through reforms made by Conservative-led governments since 2010, we have a locally-led planning system - for instance, by scrapping policies like top-down regional targets that built nothing but resentment - and introducing neighbourhood planning. These reforms have delivered a record of which Conservatives can be proud. I also do not need to remind you that under the last Labour government, housebuilding reached its lowest rate since the 1920s.

But there is much more to do to ensure we can build enough of the right homes in the right places with the right infrastructure, and to ensure that local representatives can decide where and where not - to place new development. As Conservatives, we recognise both the fundamental importance of home ownership and that we can only deliver the homes we need if we bring the communities we represent with us. These are the promises on which we stood in our manifesto and ones that I and the Prime Minister are determined to deliver.

I am therefore writing to set out the further changes I will be making to the planning system, alongside the Levelling Up and Regeneration Bill, which address many colleagues' concerns. They will place local communities at the heart of the planning system.

As you know I share the views of many colleagues about the current system. That it does not provide the right homes in the right places, and at its worst risks imposing ever more stretching housing targets that are out of touch with reality — leading to developers taking advantage through planning by appeal and speculative development. Communities feel that they are under siege, and I am clear that this approach will *never* be right or sustainable if we want to build the homes that our communities want and need. This is why I am committed to changing it. Accordingly, I will set out the following approach in the upcoming National Planning Policy Framework prospectus, which will be put out for consultation by Christmas.

COMMUNITY CONTROL

Too often I hear from communities that they are not getting a proper say in protecting the landscapes and natural environment they cherish, nor can they build the homes they want, in the places that are most suitable, with the right access to public services. To address these concerns, including those raised by members signing amendments NC21 and NC24 relating to housing targets, 5-year land supply, and the presumption in favour of sustainable development, I will consult on the following.

First, while I will retain a method for calculating local housing need figures, I will consult on changes. I recognise that there is no truly 'objective' way of calculating how many homes are needed in an area, but I do believe that the plan-making process for housing has to *start* with a number. **This number should, however, be an advisory starting point, a guide that is not mandatory.** It will be up to local authorities, working with their communities, to determine how many homes can actually be built, taking into account what should be protected in each area - be that our precious Green Belt or national parks, the character or an area, or heritage assets. It will also be up to them to increase the proportion of affordable housing if they wish.

My changes will instruct the Planning Inspectorate that they should no longer override sensible local decision making, which is sensitive to and reflects local constraints and concerns. Overall this amounts to a rebalancing of the relationship between local councils and the Planning Inspectorate, and will give local communities a greater say in what is built in their neighbourhood. For example, when assessing a local plan, the following will have to be taken into account:

- Genuine constraints: local planning authorities will be able to plan for fewer houses if building is constrained by important factors such as national parks, heritage restrictions, and areas of high flood risk.
- Green Belt: further clarifying our approach to date in the National Planning Policy Framework and the Localism Act, we will be clear that local planning authorities are not expected to review the Green Belt to deliver housing. This is in line with commitments made by the Prime Minister in the Summer.
- Character: local authorities will not be expected to build developments at densities that would be wholly out of character with existing areas or which would lead to a significant change of character, for example, new blocks of high-rise flats which are entirely inappropriate in a low-rise neighbourhood. While more homes are needed in many existing urban areas, we must pursue 'gentle densities' as championed by the Building Better, Building Beautiful Commission. The Bill's provisions for mandatory design codes, which will have the same legal force as the local plan, will give authorities a powerful tool to guide the forms of development that communities wish to see.

We are committed to ensuring that the planning system creates more beautiful and sustainable buildings. Through the Bill we are seeking to introduce a duty for all local councils to produce a design code covering the same area as the local plan, which will set simple clear minimum standards on development in that area – such as height, form and density. This measure will empower communities, working with local councils, to have a say on what their area will look like by setting clear standards for new development. I will announce more details shortly about how the Office for Place – which will be established to champion beautiful, popular and enduring design – will support local authorities and communities in this important work. The input of colleagues in further developing this approach will be most welcome.

As the Prime Minister committed in the Summer, I will also review how the 'soundness' test for reviewing plans at examination is operated by the Planning Inspectorate. I will ensure that plans no longer have to be 'justified', meaning that there will be a lower bar for assessment, and authorities will no longer have to provide disproportionate amounts of evidence to argue their case.

The effect of these changes will be to make absolutely clear that Local Housing Need should always be a starting point – but no more than that – and importantly, that areas will not be expected to meet this need where they are subject to genuine constraints. Inspectors will therefore be required to take a more reasonable approach to authorities that have come forward with plans that take account of the concerns of the local community, by taking a more pragmatic approach at examination which fully reflects this updated policy. For those areas that would like to bring forward their own method for assessing housing needs, I will be clear on the exceptional circumstances under which they may do so, for example where a case can be made for unusual demographic and geographic factors. This will be made clear in an updated National Planning Policy Framework and guidance to the Planning Inspector.

LOCAL PLANS

I want to change the system on the rolling five-year land supply. We will end the obligation on local authorities to maintain a rolling five-year supply of land for housing where their plans are up-to-date. Therefore for authorities with a local plan, or where authorities are benefitting from transitional arrangements, the presumption in favour of sustainable development and the 'tilted balance' will typically not apply in relation to issues affecting land supply. I also want to consult on dropping the requirement for a 20% buffer to be added for both plan making and decision making – which otherwise effectively means that local authorities need to identify six years of supply rather than five. In addition, I want to recognise that some areas have historically overdelivered on housing - but they are not rewarded for this. My plan will therefore allow local planning authorities to take this into account when preparing a new local plan, lowering the number of houses they need to plan for.

Places with existing plans will benefit from the changes above, as they will be free of five-year land supply obligations provided that plan is up to date. However, I am aware that those with local plans at an advanced stage of preparation will not benefit from these changes so I will also put in place transitional arrangements. Where authorities are well-advanced in producing a new plan, but the constraints which I have outlined mean that the amount of land to be released needs to be reassessed, I will give those places a two year period to revise their plan against the changes we propose and to get it adopted. And while they are doing this, we will also make sure that these places are less at risk from speculative development, by reducing the amount of land which they need to show is available on a rolling basis (from the current five years to four).

Communities will therefore have a much more powerful incentive to get involved in drawing up local plans. Only four-in-ten local authorities have up to date local plans and I am determined to change this. They can protect the important landscapes they cherish, direct homes to the places they want, and adopt design codes to secure the houses they want to see. Once a plan is in place, these changes mean that they will no longer be exposed to speculative developments on which they have less of a say. To give further assurance to colleagues who have signed amendment NC27 on community appeals, I will increase community protections afforded by a neighbourhood plan against developer appeals – increasing those protections from two years to five years. The power of local and neighbourhood plans will be enhanced by

the Bill; and this will be underpinned further through this commitment. Adopting a plan will be the best form of community action - and protection. Furthermore, we will clarify and consult on what areas we propose to be in scope of the new National Development Management Policies, and we will consult on each new Policy before it is brought forward by the Government. National Development Management Policies will also not constrain the ability of local areas to set policies on specific local issues.

To support the delivery of these, and other planning changes, we must ensure that planning departments are properly resourced through a national fee increase. We have announced our intention to increase fees, including doubling fees for retrospective application where breaches of planning have occurred, and we intend to consult on the detailed proposals for such increases in planning fees as soon as possible. In addition to increasing fees we intend to also consult on a new planning performance framework that will monitor local performance across a broader set of measures of planning service delivery, including planning enforcement.

BUILD OUT

I strongly agree with the intent of amendments NC 28, 29, and 30 that seek to ensure developers build out the developments for which they already have planning permission. We need to hold developers to account so that desperately needed new homes are built, and I already have a significant package of measures in the Bill to do this, including public reporting and declining new planning applications on a site if developers are failing to build out. I will consult on two further measures:

- i) on allowing local planning authorities to refuse planning applications from developers who have built slowly in the past; and
- ii) on making sure that local authorities who permission land are not punished under the housing delivery test when it is developers who are not building.

To make sure we are doing all we can to address this important issue, I will also consult on a new approach to accelerating the speed at which permissions are built out, specifically on a new financial penalty. In the summer, the Prime Minister correctly highlighted the importance of tackling this issue. I believe this new package will do so.

CHARACTER OF A DEVELOPER

I have heard and seen examples of how the planning system is undermined by irresponsible developers and landowners who persistently ignore planning rules and fail to deliver their legal commitments to the community. That is wrong, and to make it worse, this behaviour is then ignored if they seek planning permission again. I therefore support what amendment NC25 is seeking to achieve, and support letting local authorities say no to developers who have acted badly in the past. But I am concerned that the amendment will not fix this problem, not least as planning permission runs with the land (so developers could game the system by selling permissions on), and decision making must legally consider a range of matters. I therefore propose to consult on the best way of addressing this issue, including looking at a similar approach to tackling the slow build out of permissions, where we will give local authorities the power to stop developers getting permissions.

BROWNFIELD FIRST

The Government is investing to incentivise and enable brownfield development. Homes England, our housing delivery arm, is spending millions on acquiring sites in urban areas to regenerate for new housing.

We are also allocating over £800m to mayoral and local authorities to unlock over 60,000 new homes on brownfield land, as part of our wider brownfield and infrastructure funding package.

We have already tilted the playing field in favour of brownfield and cities through our urban uplift and scrapped the 80/20 funding rule that focused investment in Greater London. This means we are instead investing more homes in the North and Midlands to relieve pressure on the South East.

We know urban regeneration is working. City centres that were depopulating in the 1990s are now seeing their populations rise. Manchester city centre, for example, has transformed with new homes and commercial spaces. We will continue to seek further development in towns and cities through our permitted development rights, which allow change from commercial to residential use. This route has provided over 82,000 housing units in the last six years.

But I know we need to do more, and we will do that.

The new Infrastructure Levy will be set locally by local planning authorities. They will be able to set different Levy rates in different areas, for example lower rates on brownfield over greenfield to increase the potential for brownfield development. That will allow them to reflect national policy, which delivers our brownfield first pledge by giving substantial weight to the value of using brownfield land.

As the Prime Minister committed to in the summer, we will also continue to get cities building more new houses, and stop them offloading their responsibilities to provide new housing onto neighbouring green fields by ending the so-called 'duty to co-operate' which has made it easier for urban authorities to impose their housing on suburban and rural communities. The Bill also enables gentle densification through Street Votes and design codes, allowing communities to consent to add storeys to existing dwellings with the increase in value going to local people.

In response to amendment NC12, I will consult to see what more we can do in national policy to support development on small sites particularly with respect to affordable housing and I will launch a review into identifying further measures that would prioritise the use of brownfield land. To help make the most of empty premises including those above shops, I am reducing the period after which a council tax premium can be charged so that we can make the most of the space we already have. I will also provide further protection in national policy for our important agricultural land used for food production, making it harder for developers to build on it.

THE HOUSING MARKET

Housing plays a key role in the lives of all our constituents and buying a home is one of the most important decisions a family takes – but too many new homes are bought by overseas investors speculating on the housing market, who leave them empty or flip them to holiday rentals.

The Bill takes steps to address that, with council tax measures on empty homes, and we already have additional stamp duty rates on non-resident buyers.

Specifically, I intend to table an amendment at Commons Report to enable a registration scheme for short term lets in England, which would be discretionary for local authorities. The details of how the scheme would be administered will be consulted on before summer recess, with a view to the scheme being up and running as soon as possible thereafter.

I will also consult on going further still and reviewing the Use Classes Order so that it enables places such as Devon, Cornwall, and the Lake District to better control changes of use to short term lets if they wish.

I recognise that colleagues who signed amendment NC33 are concerned about the conduct and efficiency of the wider housebuilding industry and market. It is vital that the housebuilding sector delivers the homes that people need. I have listened to representations from colleagues on this matter and have asked the Competition and Markets Authority to consider undertaking a market study. I believe the case is clear for them to take this forward, but respect their independence as they come to a decision.

No planning reforms will ever be perfect, but I judge that the Bill, alongside the broader policy changes that I am proposing above, will leave us with a significantly improved planning system than the status quo. These reforms will help to deliver enough of the right homes in the right places and will do that by promoting development that is beautiful, that comes with the right infrastructure, that is done democratically with local communities rather than to them, that protects and improves our environment, and that leaves us with better neighbourhoods than before.

A Written Ministerial Statement regarding all of these changes will be made in Parliament tomorrow.

I look forward to further discussions with you ahead of the next stage of the Bill.

With every good wish,

Michael Love

Rt Hon Michael Gove MP

Secretary of State for Levelling Up, Housing & Communities Minister for Intergovernmental Relations

| BRIEF TO COUNSEL |
|------------------|
| |

IN THE MATTER OF HARBOROUGH DISTRICT COUNCIL AGREEING TO THE LEICESTER AND LEICESTERSHIRE STATEMENT OF COMMON GROUND RELATING TO HOUSING AND EMPLOYMENT LAND NEEDS

HARBOROUGH DISTRICT COUNCIL

Julie Young
Head of Legal Services (& Deputy Monitoring Officer)
Harborough District Council
Adam and Eve Street
Market Harborough
Leicestershire
LE16 7AG

- 1. Counsel has herewith the following documents:
 - Leicester and Leicestershire Authorities Statement of Common Ground relating to housing and employment land needs (June 2022) (Document 1).
 - Advisory notice dated 31 August 2023 prepared for Harborough District
 Council ("HDC") by Intelligent Plans and Examinations (IPE) in relation to
 the Duty to Co-operate and the Statement of Common Ground between
 Leicester City Council, the seven Leicestershire Local Planning Authorities
 and Leicestershire County Council relating to Housing and Employment
 Needs (Document 2).
 - Advisory notice dated 15 September 2023 prepared for Harborough
 District Council by Intelligent Plans and Examinations in relation to further
 advice following letter from the Minister of State for Housing and Planning
 (Document 3).
 - Draft Report to Harborough District Council's Council meeting on 6
 November 2023 in respect of the Harborough Local Plan Leicester and Leicestershire Statement of Common Ground relating to housing and employment land needs (Document 4) (excluding appendices)

Counsel has not been provided with the appendices to the report (other than Document 2 and 3) as advice on the supporting documents is not required. However, the documents are in the public domain and published on the Council's website – www.harborough.gov.uk

- Counsel's instructing solicitor is Julie Young, Head of Legal Services (& Deputy Monitoring Officer) for Harborough District Council, The Symington Building, Adam and Eve Street, Market Harborough, LE16 7AG.
- 3. Counsel will note from Document 4 that HDC's existing local plan was adopted in April 2019 and contains implementation, monitoring and review provisions which have been triggered. Failing to update the existing local plan will put the Council in breach of its own planning policy (IMR1). HDC has reviewed the existing local

plan and concluded that a new plan is also desirable to allocate development in sustainable locations and protect important natural spaces and built heritage in the district. Accordingly, work has commenced on the development of a new local plan.

- 4. Counsel will be familiar with the current legislative requirements on local planning authorities when preparing local development plans, and the need to demonstrate that the tests of soundness have been met. The Council therefore needs to ensure its plan makes adequate provision for local housing and employment needs and helps to ensure that any unmet needs from neighbouring areas are also met.
- 5. HDC is considering becoming a signatory to the Leicester and Leicestershire Statement of Common Ground relating to housing and employment land needs, June 2022 ("SoCG HEN") (Document 1). The SoCG HEN has been signed by 7 of the 9 authorities in Leicester and Leicestershire and is considered by HDC to be the best evidence by which it can demonstrate that it has discharged its duty to cooperate with other authorities in the Housing Market Area and the Functional Economic Market Area.
- 6. At the next meeting of HDC's full Council on 6 November 2023, Councillors will receive a report from officers with a recommendation that HDC continues to progress the preparation of the new local plan by signing the SoCG HEN. Officers have sought agreement of the signing of the SoCG HEN in accordance with the Local Development Scheme adopted by HDC in June 2022. However, for a variety of reasons, largely connected with local political issues rather than planning principles, a decision on whether to accept the SoCG HEN has not been forthcoming to date it is anticipated at the meeting on 6 November 2023.
- 7. The situation for the Council was further complicated by the local government elections in May 2023, which saw the long term administration ousted by the former opposition, by the formation of a coalition. The current opposition is of the same political party as the 3 members of parliament for the district and the new coalition administration is understandably inexperienced in making contentious

decisions. The opposition are exploiting public resentment at the thought of the district being 'required' to accept unmet housing need from the district of Leicester City. This has been exacerbated by the Government's confirmation of the proposed abolition of the Duty to Cooperate, both in respect of the impact this may have upon the need to meet unmet needs arising from neighbouring authority areas, and the potential costs of accelerating plan submission under the current regime to meet the Government's 30 June 2025 deadline in connection with the proposed implementation of the Levelling Up and Regeneration Bill.

- 8. To assist Councillors and provide them with independent assurance on the proposal recommended by officers, independent advice was sought from specialist advisors at Intelligent Plans and Examinations (Documents 2 and 3). In summary, the advice confirms HDC's ongoing responsibilities in relation to both demonstrating compliance with the Duty to Cooperate and meeting the tests of soundness. Further, the Minister of State for Levelling Up, Communities and Housing ("MLUCH") was contacted for clarification as to the impact of the Levelling Up and Regeneration Bill upon the duty to co-operate. Further advice was provided by IPE once the response was received from MLUCH (see Document 3).
- 9. Officers of HDC consider, and have advised, that:
 - Signing the SoCG is the best evidence that the Council has met its duty to co-operate;
 - b. There is no realistic prospect of successfully challenging the basis upon which the calculations for the unmet housing have been conducted;
 - c. It is not necessary for the council to consider the strategic transport assessment and strategic growth options reports before determining whether to endorse the SoCG
 - d. The local plan examination process will ultimately determine the soundness of HDCs plan;
 - e. Although the duty to co-operate will be removed by the LURB, there will still be an as yet unknown obligation to work with regional and sub-

- regional colleagues to address issues in the Housing Market Area, and evidence the same, such as through a Statement of Common Ground;
- f. Accelerating the development of the new local plan to ensure submission for examination by the government deadline of 25 June 2025 ensures the work done on the plan to date is not abortive and that the Council can maximise its influence on the development of the local plan for the benefit of the district as a whole without delay.
- 10. The Council now seeks Counsel's opinion in respect of the Council's legal position regarding the acceptance of the SoCG HEN and particularly:
 - 10.1 whether the advice provided by IPE to the Council is correct, and if not why not;
 - 10.2 the merits of the Council signing / not signing the SoCG HEN.
- 11. The Council wishes to publicise the advice received from Counsel and therefore requests either that the advice is suitable for public dissemination in its entirety, or alternatively, that a summary of the advice is provided which can be shared with Councillors and at public meetings.

If Counsel requires any further information then please contract Julie Young on 01858 821371 or email j.young@harborough.gov.uk.

Julie Young
Head of Legal Services (& Deputy Monitoring Officer)
Harborough District Council

THE LEICESTER & LEICESTERSHIRE AUTHORITIES STATEMENT OF COMMON GROUND RELATING TO HOUSING AND EMPLOYMENT LAND NEEDS

| ADVICE | |
|--------|--|
| | |

- 1. At its meeting on 6 November 2023 Harborough District Council ("the Council") is to consider a report from the Head of Strategic and Local Planning which recommends that the Council signs the Leicester and Leicestershire Authorities Statement of Common Ground ("the SOCG") relation to Housing and Employment Needs as a formal step in the preparation of the Council's next local plan.
- 2. The Council has received advice in the form of Advisory Notes dated 31 August 2023 and 15 September 2023 prepared by Derek Stebbing BA (Hons) (DipEP) MRTPI of Intelligent Plans and Examination ("the Advisory Notes"). These provide advice on the benefits of entering into the SOCG and the potential consequences and risks to the Council in declining to do so and conclude that the benefits of signing the SOCG at this time very significantly outweigh the potential risks would arise from a decision not to sign the SoCG. In summary, the advice received is that signing:

- "...will provide the Council with much greater certainty in the short-term for the ongoing preparation of its new Local Plan. A decision not to sign the SOCG will likely make the Council's position increasingly fragile, with regard to its new Local Plan and the threat of speculative applications".
- 3. My advice is sought on whether the advice provided by Intelligent Plans and Examination ("IPE") is correct and on the merits of the Council signing and not signing the SOCG.

Summary of Advice

- 4. I have reviewed the IPE Advisory Notes and I am satisfied that they accurately summarise both the current statutory requirements under which the Council must prepare its new local plan and the arrangements under the recently enacted Levelling Up and Regeneration Act the relevant provisions of which have yet to be brought into force. It also correctly identifies the principal advantages of entering into the SOCG and the disadvantages of not doing so, both in relation to the preparation of the Council's new local plan and within the development management context. I can see no legal error in the advice which the Council has received from IPE. In particular, the conclusion reached is a reasoned and balanced one.
- 5. Having reviewed the advantages and disadvantages of the Council entering into the SOCG, I would also advise the Council that, having regard to the terms of the SOCG, there are no obvious disadvantages of entering into the SOCG at this point of time and considerable advantages in doing so. Indeed, given that the wording of the SOCG, on the basis of the material before me, the

balance of advantage is so great that it would at least be arguably irrational to refuse to do so.

The Planning Issue – Leicester's unmet Needs

- 6. The eight local planning authorities responsible for plan making in Leicestershire have cooperated on the preparation of a joint evidence base to support their plan making. The work undertaken to date includes, importantly, the Housing & Economic Needs Assessment 2022 ("the HENA"). This is a critical part of the evidence base for any local plan. Its purpose is to identify the Housing Market Area and the Functional Economic Area for the purposes of assessing both the extent of the need for housing and employment land and where additional provision should be made within the defined areas.
- 7. The HENA concludes that Leicestershire is a largely self-contained Housing Market Area and, applying the Government's Standard Methodology for the setting of a housing requirement figure for local plans, for the 8 plan areas, there is presently a requirement for 91,408 dwellings for the period 2020-2036 (5,713 dpa). This is the Local Housing Need within the Housing Market Area. For the Council's administrative area, the housing requirement for this period is 8,544 dwellings (53 dpa).
- 8. Whilst it is correct as a matter of policy that the National Planning Policy Framework ("NPPF") neither dictates use of the Standard Methodology nor that the identified housing need for a given administrative area must be met, it makes it very clear that recourse to an alternative methodology will rarely be justified:

"To determine the minimum number of homes needed, strategic policies should be informed by a local housing need assessment, conducted using the standard method in national planning guidance — unless exceptional circumstances justify an alternative approach which also reflects current and future demographic trends and market signals."

(para.61)

9. The NPPF also addresses the issue of unmet needs from other local planning authorities' areas:

"In addition to the local housing need figure, any needs that cannot be met within neighbouring areas should also be taken into account in establishing the amount of housing to be planned for".

(para.61)

10. The requirement extends beyond simply considering the amount of unmet need that there may be. There is a specific policy requirement that:

"Strategic policy-making authorities should establish a housing requirement figure for their whole area, which shows the extent to which their identified housing need (and any needs that cannot be met within the neighbouring areas) can be met over the plan period".

(para.66)

11. This requirement is reinforced by paragraph 11(b) of the NPPF which contains the presumption in favour of sustainable development which, for plan-making means that:

"strategic policies should, as a minimum provide for objectively assessed housing need for housing and other uses, as well as any needs that cannot be met within neighbouring areas, unless:

- the application of policies in this Framework that protect areas or assets of particular importance provides a strong reason for restricting the overall scale, type or distribution of development in the plan area; or
- ii. any adverse impacts of doing so would significantly and demonstrably outweigh the benefits when assessed against the policies in this Framework as a whole"
- 12. The areas or assets of "particular importance" referred to in paragraphs 11(b)(i) are ecological sites the subject of the highest level of legal and policy protection (existing and candidate Special Protection Areas, Special Areas of Conservation, Ramsar Sites or SSSIs), land designated as Green Belt, Local Green Space, an Areas of Outstanding Natural Beauty, a National Park, a Heritage Coast, irreplaceable habitats (e.g. Ancient Woodland and Veteran Trees), designated heritage assets and areas at risk of flooding. (see footnote 7 to the NPPF). The approach of the NPPF is therefore, unless there is a strong planning reason to the contrary, housing and other needs arising within a given plan area, together with any unmet needs from those areas unable to fully meet their own objectively assessed needs, should be met in full.
- 13. Other than in cases involving the a shortage of developable land and/or a significant effect of housing and other growth on one or more of the nationally important assets referred to in footnote 7 to the NPPF, I am not aware of any Inspector examining a Local Plan concluding that a local plan which failed to meet the full objectively assessed need and any relevant unmet need, would be sound and could be adopted.
- 14. Whilst therefore there are some who seek to contend that the NPPF is purely advisory and leaves it to local planning authorities to decide whether to plan for

growth and, if so, how much growth to be provided in the plan area, when the NPPF is read as a whole, the reality is very different. In the absence of a clearly evidenced and very weighty land use planning reason why the identified needs should be met, any plan which fails to make adequate provision for housing and other needs, will almost inevitably be found unsound unless it is modified to allocate additional land.

Harborough District

- 15. None of the available evidence would support the Council seeking to argue that the planning constraints in its area are such that it should plan both to meet all its own objectively identified need together with an appropriate amount of unmet need from elsewhere if it is asked to do so. For example, the Council's own assessment of the availability of housing land in its plan area, shows housing completions since 2020 and commitments at 1st April 2023 total 10,427 dwellings and the Strategic Housing Land Availability Assessment identifies theoretical capacity within the District for an additional 12,246 dwellings over the next 10 years or so. This may be compared with the assessed Local Housing Need using the Standard Methodology of 8,544. Whilst not all of this capacity will prove to be realisable in practice, the evidence shows that the planning constraints in the District do not justify an attempt not to meet the Local Housing Need and any unmet need from elsewhere.
- 16. This conclusion is reinforced by the record of actual delivery being achieved within the District. The annualised LHN requirement for the District is 534 dwellings per annum over the period 2020 to 2036. That number of new homes delivered in the District has exceeded 534 in each of the last five years, with an

average of 850 dpa. This is not indicative of a district with overriding constraints to new housing delivery.

- 17. In contrast to Harborough District, the evidence shows that Leicester City Council is unable to meet all of its Local Housing Need within its administrative boundaries. Its Standard Methodology requirement is 39,424 dwellings for the period 2020-2036 which equates to an average of 2,464 dpa. Leicester City Council's work in the preparation of its emerging Local Plan has identified that it has capacity for just 20,721 dwellings of the 39,424 required i.e. there is an unmet need of 18,703 dwellings.
- 18. There is nothing unusual in cities such as Leicester which are tightly constrained by administrative boundaries not being able to meet their Local Housing Need within their areas and requesting assistance from neighbouring and nearby authorities to help it to do so. As I understand the position, the Council sought clarification from the City Council as to the rigour to which it had explored the potential to make greater provision within the City and this elicited a response dated 12 September 2023 from the City's Mayor which outlined that its average delivery over the last 10 years had been just 1,168 dpa and that the majority of proposed allocations in its emerging Local Plan are on Council owned land due to the lack of available third party owned land being put forward, despite repeated Calls for Sites.
- 19. It is perfectly reasonable for those authorities asked to make provision for the City's unmet needs to require a robust demonstration that no greater provision can be made within the City's boundaries and to ensure that the balance being struck between the delivery of homes and jobs and protecting important

heritage, biodiversity and greenspaces is a sound one. However, there is no evidence which I have seen which would support any contention that the City Council is materially underestimating its available capacity to meet the required needs and I understand that no objections to its merging Local Plan have been made on this basis. The identified level of unmet need is very significant and meeting the Local Housing Need would require the annual rate of delivery to more than double from the existing rate which is a good indication of the problems which the City Council faces.

20. In these circumstances, Leicester City Council's request for assistance to meet its Local Housing Need is both evidenced and reasonable.

The Duty to Cooperate and Unmet Need

- 21. Under the present statutory arrangements for the preparation of Local Plans, for a Local Plan to be submitted for examination it must be sound and its preparation must have complied with all relevant legal requirements (section 20 of the Planning and Compulsory Purchase Act 2004). The NPPF advises (paragraph 35) that local plans are sound where they are:
 - (a) Positively prepared providing a strategy which, as a minimum, seeks to meet the area's objectively assessed need; and is informed by agreements with other authorities, so that unmet need from neighbouring areas is accommodated where it is practical to do so and is consistent with sustainable development;
 - (b) Justified an appropriate strategy, taking into account the reasonable alternatives, and based on proportionate evidence;

- (c) Effective deliverable over the plan period, and based on effective joint working on cross-boundary strategic matters that have been dealt with rather than deferred, as evidenced by the statement of common ground; and
- (d) Consistent with national policy -enabling the delivery of sustainable development in accordance with the policies in this Framework and other statements of national policy, where relevant.
- 22. Both the "positively prepared " and "effective" soundness tests require effective engagement, evidenced by agreements and a statement of common ground, so that it is clear that identified needs are met. That expressly incudes the meeting of unmet needs from neighbouring areas. The aim is that strategic issues such as the provision of housing across administrative boundaries should be grappled with at an early stage of plan making, rather than being deferred or not addressed at all.
- 23. To ensure that strategic issues such as unmet need are properly grappled with, the Duty to Cooperate was introduced into the Planning and Compulsory Purchase Act 2004 ("the 2004 Act" by means of section 33A. Section 33A(2) requires that a local planning authority which is preparing a local plan must engage constructively, actively and on an ongoing basis on strategic matters including the sustainable development or use of land that has or would have a significant impact on at least two planning areas. This includes constructive, active and ongoing cooperation with neighbouring authorities on meeting the unmet needs of another authority. The statutory object of the duty to cooperate is to "maximise effectiveness" and whilst it is not a duty to agree, the expectation

is that the discharge of the duty to cooperate will lead to outcomes such as appropriate provision being made by one planning authority to meet the unmet needs of a neighbouring authority.

- 24. The Duty to Cooperate must be discharged during the preparation of the relevant local plan i.e. there must be evidence that it has been met at the point of submission of the local plan for examination. Any breach of the Duty is irremediable and will inevitably lead to the Inspector conducting the examination into the plan to conclude that it must be withdrawn with the consequent reputational damage and waste of resources. Compliance with the Duty to Cooperate is therefore an important statutory obligation and the earlier compliance with it can be evidenced, the less risk to the subsequent plan making process.
- 25. Because a failure to show that the Duty to Cooperate has been discharged is a "show stopper" in terms of the examination of a local plan, it is the first matter which the appointed Inspector will consider. There will need to be sufficient evidence of the discharge of the Duty for the examination to progress and the Statement of Common Ground expressly referred to by the NPPF, is a key component of the evidence required. It is not unusual for a Statement of Common Ground to be a "living document" which revised and updated as a local plan progresses through its various stages of preparation in order to reflect the most recent evidence and any changes of circumstance. It is, therefore, important for a draft Statement of Common Ground to be expressed in terms which allow for appropriate flexibility.

- 26. I note in this context that the SOCG here expressly recognises that the apportionment figures in relation to the unmet housing and employment need for Leicester set out in Tables 3 and 4 respectively, are "subject to testing through each individual Local Planning Authority's plan making" (see SOCG paras.3.23 and 3.25). In addition paragraphs 5.4 and 5.5 of the SOCG provide that:
 - "5.4 The authorities agree the Duty to Cooperate is an ongoing process, and should the amount of unmet need change significantly, the apportionment of unmet need will be jointly reviewed to assess whether it needs updating. The process for updating and maintaining this statement will be managed through ongoing joint work between the authorities.
 - 5.5 The above apportionment (Table 3 and 4 above) is intended to be implemented through individual local plans. These figures will therefore need to be tested through each authority's Local Plan process. The authorities agree that is an authority's local plan process identifies that it is not able to provide for their own objectively assessed needs as well as any unmet need apportioned in this statement (as set out in paragraph 11b of the NPPF), the apportionment of unmet need will need to be jointly reviewed and updated as necessary. The process used for this review will be proportionate to the scale of the issue and should not cause undue deal to the preparation of Local Plans."
- 27. There is, therefore, appropriate flexibility built into the SOCG which provides for reconsideration of the extent to which any of the neighbouring authorities are required to meet the needs of the City of Leicester, in the event that there are any material changes of circumstance.

The SOCG and Leicester's unmet need

28. Furthermore, the SOCG complies with the requirements for a Statement of Common Ground as set out in the Planning Practice Guidance ("PPG"):

- "A statement of common ground is expected to contain the following:
- a) a short written description and map showing the location and administrative areas covered by the statement, and a brief justification for these area(s);
- b) the key strategic matters being addressed by the statement, for example meeting the housing need for the area, air quality etc.;
- c) the plan-making authorities responsible for joint working detailed in the statement, and list of any additional signatories (including cross-referencing the matters to which each is a signatory);
- d) governance arrangements for the cooperation process, including how the statement will be maintained and kept up to date;
- e) if applicable, the housing requirements in any adopted and (if known) emerging strategic policies relevant to housing within the area covered by the statement;
- f) distribution of needs in the area as agreed through the planmaking process, or the process for agreeing the distribution of need (including unmet need) across the area".

(PPG ID: 61-011-20190315)

29. The SOCG does all of these things and therefore is fully compliant with the PPG. In particular, it addresses the apportionment of the unmet City of Leicester housing and employment need across the administrative areas of the seven other authorities. For the Council there is no apportioned employment land requirement, but the SOCG sets an apportioned figure for Harborough District to plan for of 123 dpa over the period 2020 to 2036 which equates to an overall requirement of 1968 dwellings. The overall annual delivery requirement for Harborough District would therefore be increased from 534 dpa to 657 dpa and the overall requirement to 10,512. The resultant annual delivery rate of 657 dpa should be seen in the context of the recently achieved annual delivery rates in the District of in excess of 800 dpa. The overall requirement sits within the

context of the SHLAA's assessment that there is potential capacity within the District for in excess of 20,000 dwellings.

30. There is no statutory or planning formula for the apportionment of unmet housing need across a Housing Market Area, however, the apportionment must be undertaken on a sound basis and be applied consistently. The approach here, as explained by the SOCG, is logical and has been consistently applied:

"The work considers housing provision across the HMA as a whole having regard to a range of factors including, the functional relationship of each District/Borough with Leicester City, the balance of jobs and homes in each district/borough, and deliverability of the distribution of development. When all of these factors are brought together, they address the unmet need and result in a redistributed housing provision that differs from the standard method starting point"

- 31. I see nothing unreasonable or erroneous in the approach taken to apportionment. Whilst no doubt other approaches might have been taken, I have seen nothing to suggest that they would have resulted in a materially different or a reduced apportionment for Harborough.
- 32. On the basis of the information before me, were the Council not to sign the SOCG and to progress a local plan under the current statutory plan making requirements which did not make the appropriate provision for meeting the identified unmet needs of the City of Leicester it will be found to have failed the duty to cooperate and be required to withdraw the submitted plan from examination. For the purposes of its proposed new local plan, if it is to be progressed under the existing statutory arrangements, it is therefore essential that the Council commits to both the principle of meeting a share of the unmet

need and to the level of that need albeit on the basis that the level of need may change as its plan making process and those of its neighbour's progress.

The Implications of the Levelling Up and Regeneration Act 2023

- 33. I understand that those opposed to the Council signing the SOCG at this time and in its current form argue that the Duty to Cooperate has been or is due to be repealed and replaced and that it is premature to commit to meet any of the City of Leicester's unmet needs now. It is implicit in this argument that the replacement of the Duty to Cooperate with the proposed new Duty of Alignment contained in policy either will or might obviate the need for the Council to make any provision in its area for the unmet needs of Leicester.
- 34. There a number of weaknesses in this line of argument. Firstly, whilst the Levelling Up and Regeneration Act 2023 (LURA 2023) received Royal Assent on 26 October 2023 and will in due course replace the plan making part of the Planning and Compulsory Purchase Act 2004 with new provisions and the Duty to Cooperate is not part of the new provisions, the relevant provisions will come into force only when commenced and the Government has only very recently (18 October 2023) finished consulting on the proposed implementation and transitional provisions. Whilst the Government's intention as stated in the recently closed consultation was that it intends the regulations, policy and guidance to support the new plan making system to be in place by Autumn 2024, that is subject to approval of the regulations by Parliament. The precise timetable is unknown.

- 35. Irrespective of the precise timetable, there is no intention that the process of local plan making should cease pending the implementation of the new provisions. It is intended that the existing plan making provisions under the 2004 Act, including the requirement to discharge the Duty to Cooperate will remain in place for those local planning authorities who either are progressing or see the benefit of progressing local plan preparation under the existing statutory provisions, rather than wait for the new arrangements to be put in place and be available to them.
- 36. I say "be available to them" as the Government's proposal is that the preparation of local plans under the new arrangements should be phased in tranches. This phasing is intended to regulate the burden on the Planning Inspectorate and the examination system by avoiding the submission of too many plans at the same time. So even when the new provisions are in force, the ability to rely on them will initially be rationed. The current suggestion is that, other than for a handful of selected front runners, local planning authorities will be ranked by reference to the date they most recently adopted a local plan. Once ranked, they will then grouped together in cohorts of 25 for the purpose of being allowed to proceed through the new shortened plan preparation It is therefore not possible to predict with any certainty when process. Harborough is likely to be permitted to prepare a new local plan under the new arrangements, but the initial focus is proposed to be on local planning authorities with older plans, and therefore it may not be until 2026 or 2027. I will return to the development management implications of this potential delay below.

- 37. The alternative approach is for the Council to make use of the intended transitional arrangements and to proceed with the preparation of a new local plan now. The Government has stated that the intention is that any plan being prepared under the existing arrangements will need to be submitted by 30 June 2025 with subsequent adoption by 2026. However, as with the other timescales these are presently not certain dates. It is intended that this option will cease to be available to a local planning authority when the new provisions are commenced where it has a plan which is more than five years old <u>and</u> it is not proactively working to the submission of a new plan by 30 June 2025. The Council therefore only has a short window to begin making progress on a local plan to avoid the risk of being made to wait for some period of time before being allowed to prepare a new plan under LURA 2023.
- 38. The principal weakness in the argument that there would be some advantage in the Council surrendering control of the timetable for the progress of its local plan, this avoiding the need to comply with the Duty to Cooperate, is that it misunderstands the effect of the Government's reforms. Whilst the statutory duty will be replaced in due course, there has been no change to the statutory requirement that local plans may be adopted only where they are found sound. Whilst the Government consulted in December 2022 on a change to the tests of soundness by the removal of the "justified" test and removal of the express reference to meeting unmet needs from neighbouring areas from the "positively prepared" test, no change was proposed to the "effective" test, in so far as it requires effective joint working on cross boundary strategic matters. These are required to be dealt with and not deferred. In its recent consultation on the implementation arrangements for LURA 2023, the Government has indicated

that it may change the wording of the "effective" test to make it less demanding in relation to the deliverability of longer term developments, but there are *no* proposals that the "effective" test should otherwise be changed. There will therefore remain a national policy requirement that to be sound, a local plan must deal appropriately with strategic cross border issues, such as unmet housing need from neighbouring areas.

- 39. Rather than this requirement being secured through the requiring discharge of the *statutory* Duty to Cooperate, it will instead be addressed through a new "Alignment Policy". The Government has yet to consult on the wording proposed for this as part of future changes to the NPPF required to support the new local plan arrangements, but there is nothing which has been published by the Government which indicates that its commitment to meeting Local Housing Need as calculated by the Standard Methodology has lessened or that it intends to absolve local planning authorities from contributing towards meeting the identified needs of their neighbours where it is shown that there are sound planning reasons to require that.
- 40. The suggestion therefore that it would be advantageous to the Council to delay committing to the preparation of a local plan including provision for meeting the unmet needs of Leicester until after the new plan making arrangements are in place and the Duty to Cooperate removed, finds little support in the changes to the NPPF which the Government has to date consulted upon. The removal the statutory duty to cooperate simply means that one of the *legal* tests which a local plan must satisfy before it is found sound has been replaced instead by a *policy* test. There is nothing to indicate that the substantive requirements of

that policy test in terms of meeting housing needs will be materially different to those of the statutory test.

Letter of 27 October 2023 from the Minister of State for Housing and Planning

- 41. I have been provided with a copy of a letter dated 27 October 2023 from the Minister of State for Housing and Planning to Mr Neil O'Brien MP which it is claimed "demolishes the council's argument" in terms of signing the SOCG. However, the letter in fact confirms what I have set out in my advice above. There is not a statutory requirement that the Council submit a local plan before summer 2025. Rather, it is a matter of discretion for the Council. In exercising that discretion it must have regard to the balance of advantage and disadvantage of submitting a new plan for examination under the current statutory arrangements when compared to making use of the new provisions when they are in force. That balance must be based on a correct identification of law and policy both as it exists and as it is likely to exist in the future.
- 42. The Minister's letter confirms that there is no certainty as to which authorities might be allowed to make use of the proposed "front runner" status, even if that option is progressed. It therefore confirms my view that there is a risk that, if the Council does not make use of the current statutory provisions, it may be 2026 or 2027 before it is allowed to do so.
- 43. I note that the Minister's letter is silent on the practical implications of the replacement of the statutory Duty to Cooperate with the policy of the Duty of Alignment, and therefore, it does not materially assist the Council in actually

undertaking the balance it is required to undertake in deciding whether to progress a new plan under the existing or the proposed new arrangements.

Balance of Advantage and Disadvantage

- 44. Within the context that I have outlined above, I turn to consider the balance of advantage and disadvantage in relation to a decision not to enter into the SOCG.
- 45. I can see no obvious advantage in not signing the SOCG. As I have said, the claimed advantage which might be gained by relying on the replacement of the Duty to Cooperate with the Policy of Alignment is likely to be more illusory than real. The continued direction of Government policy is that local housing needs should continue to be met, if necessary, through effective joint working and assistance from neighbouring authorities.
- 46. It also follows from this that there is no relevant advantage in delaying signing the SOCG or in delaying preparation of the new Local Plan in order to rely on the LURA 2023 plan making provisions.
- 47. There are, however, significant disadvantages in not signing the SOCG at this point of time. Failing to do so will mean that an invaluable baseline for the preparation of the Local Plan (an agreed apportionment of unmet housing need) is not set at the outset of plan preparation. That will make the preparation process harder and, unless the draft plan when submitted makes adequate provision for Leicester's unmet need, it is very likely that the Council will be unable to demonstrate compliance with the Duty to Cooperate.

- 48. In consequence, the logical step to take if the SOCG is not signed is to defer preparation of the new Local Plan until after the Autumn of 2024 in order to rely on the new LURA 2023 plan making arrangements. However, there is a strong prospect that, by adopting this course, the Council would not have a new local plan in place until potentially 2029 or 2030. However, this timescale would not be consistent with the requirement of policy IMR 1 of the Local Plan which, following the consultation by Leicester City Council on its draft plan showing it has unmet housing needs (which has now been submitted for examination) requires the Council to commence a full or partial review by 16 July 2024. Furthermore, the Council's housing land supply trajectory shows that, without a new local plan being put in place before 2026, its ability to demonstrate a five year land supply will materially weaken.
- 49. These factors increase the prospect of the Council's existing local plan becoming "out of date" for the purposes of paragraph 11 of the NPPF with the result that speculative planning applications will be encouraged and the Council will find it harder to control how much development occurs within the District and where. Whilst the Government is proposing transitional arrangements which would have the effect of deeming up to date plans which become more than five years old *during* the first 30 months of the new system, those will not protect the Council's local plan which was adopted on 30 April 2019 and will become five years old before it is anticipated the new arrangements will be put in place. It will therefore remain out of date until replaced by a new local plan potentially as late as 2029/30. That is likely to be seriously disadvantageous to the Council's interest.

- 50. In contrast, signing the SOCG now which will facilitate the submission of the new local plan by the deadline of 30 June 2025 avoids this very obvious disadvantage. As a step, it also has no obvious disadvantage. The terms of the SOCG are sufficiently flexible for any changes of circumstances which might bear on the level and apportionment of the City of Leicester's unmet need to be reconsidered as the local plan goes through preparation prior to 2025. This enables the balance of advantage and disadvantage to be kept under review.
- 51. I therefore agree with the advice which the Council has received both from IPE and its officers that the balance of advantage and disadvantage having regard to the interests of the Council as local planning authority are overwhelmingly in favour of signing the SOCG.

Conclusion

52. I have reviewed the IPE Advisory Notes and I am satisfied that they accurately summarise both the current statutory requirements under which the Council must prepare its new local plan and the arrangements under the Levelling Up and Regeneration Act 2023 as now enacted. It also correctly identifies the principal advantages of entering into the SOCG and the disadvantages of not doing so both in relation to the preparation of the Council's new local plan and within the development management context. I can see no legal error in the advice which the Council has received from IPE. In particular, the conclusion reached is a reasoned and balanced one.

53. Having reviewed the advantages and disadvantages of the Council entering into the SOCG, I would also advise the Council that, having regard to the terms of the SOCG, there are no obvious disadvantages of entering into the SOCG at this point of time and considerable advantages in doing so. Indeed, given that the wording of the SOCG, on the basis of the material before me, the balance of advantage is so great that it would at least be arguably irrational to refuse to do so.

SIMON BIRD KC 1 November 2023

Francis Taylor Building Inner Temple London EC4Y 7BY

DX 402 4DE

HARBOROUGH DISTRICT COUNCIL

THE LEICESTER &
LEICESTERSHIRE AUTHORITIES
STATEMENT OF COMMON GROUND
RELATING TO HOUSING AND
EMPLOYMENT LAND NEEDS

ADVICE

Copy of email to Counsel's clerk dated 06.11.2023







Pack of documents Letter from 231103 Minister provided at public nSecretary of State MMaclean to Neil OBr

Dear Harry,

I refer to the above. Further to our conservation, please see attached the pack of documents which was provided at a public meeting in Market Harborough on Friday 3rd November 2023 and hosted by the three MP's for this area.

In summary, the pack of documents contain the following:

- Pages 1 and 2 letters dated 8 September 2023 and 27 October 2023 from the Minister of State for Housing and Planning. These are not new letters, and have been reviewed as part of the advice provided.
- Pages 3, 4 and 5 of the pack contain an excerpt of a letter from Michael Gove. We
 have since obtained the complete letter so that we have the full context. The letter
 in full is attached as a separate attachment, the letter is 5th December 2022.
- Pages 6 and 7 letter dated 3rd November 2023 from the Minister of State for Housing and Planning. The letter in full is attached as a separate document, as the document in the pack at pages 6 and 7 contains handwritten text at the bottom of page 1.

The Council now seeks Counsel's opinion in respect of the attached documents regarding its legal position and particularly:

- whether the attached documents, in particular the letter dated 3rd
 November 2023, impact and / or change any of the advice Counsel provided in his advice dated 1st November 2023, and if not why not;
- 2. could Counsel expand on his advice in relation to the risks of challenge in relation to irrationality.

I would be grateful if you could kindly confirm timescales.

Kind regards

Julie Young (she / her / hers)

Head of Legal Services and Deputy Monitoring Officer

j.young@harborough.gov.uk

01858 821371

07590 863752

Harborough District Council

The Symington Building Adam & Eve Street

Market Harborough, Leicestershire, LE16 7AG

www.harborough.gov.uk

THE LEICESTER & LEICESTERSHIRE AUTHORITIES STATEMENT OF COMMON GROUND RELATING TO HOUSING AND EMPLOYMENT LAND NEEDS

FURTHER A D V I C E

- 1. I have been provided with a pack of documents which I understand was circulated at a public meeting relating to the proposed signing of the SOCG and which contains the following documents:
 - (i) Letter dated 5 December 2022 from the Secretary of State for Levelling
 Up, Housing and Communities explaining the changes to the planning
 system proposed in the then Levelling Up and Regeneration Bill and
 through changes to the NPPF;
 - (ii) Letter dated 8 September 2023 from the Minister for Housing and Planning to Neil O'Brien MP setting out the proposals to remove the Duty to Cooperate but also stressing that plan makers are expected to meet objectively assessed housing needs;
 - (iii) Letter dated 27 October 2023 from the Minister of State for Housing and Planning to Neil O'Brien MP stating that there is no requirement on local planning authorities to submit a new local plan before the summer of 2025; and

- (iv) Letter dated 3 November 2023 from the Minister of State for Housing and Planning to Neil O'Brien MP which summaries the recently consulted upon proposals for implementing the new plan making arrangements under the now enacted, but not yet commenced provisions of LURA.
- I am asked whether any of these documents affect the content of my advice. I
 can confirm that they do not.
- 3. The Secretary of State's letter of 5 December 2022 sets out the proposals for legislative and positive change proposed at that time, and my advice has taken into account the provisions of LURA and also the proposed changes to the NPPF (see paras.38 & 39).
- My advice accurately reflects the substance of the letters from the Minister of State for Housing and Planning dated 8 September and 27 October 2023 (see paras.33 to 43).
- 5. The letter of Minister of State's letter of 3 November 2023 simply rehearses the content of the recent consultation paper on the proposals for implementation of the new plan making arrangements which, to the extent relevant here, I have faithfully reflected in my advice. As the Mininster has done, I have pointed out in my advice that these remain proposals and the final decision on the arrangements will be a matter to be dealt with through the required Regulations (para.34).

6. None of the content of these letters affect the substance or conclusions of my advice, their content already being reflected in it. In particular, none of the letters bears on the essential problem facing the Council that, whatever the precise arrangements for the implementation of the new plan making arrangements under LURA, it will, unless it makes progress on a new local plan now, face the prospect of its existing local plan being found out of date, which will expose the District to the pressure of speculative housing proposals.

SIMON BIRD KC

6 November 2023

Francis Taylor Building Inner Temple London EC4Y 7BY

DX 402 4DE

HARBOROUGH DISTRICT COUNCIL

THE LEICESTER &
LEICESTERSHIRE AUTHORITIES
STATEMENT OF COMMON GROUND
RELATING TO HOUSING AND
EMPLOYMENT LAND NEEDS

ADVICE

Supplementary Advice from Intelligent Plans and Examinations received 6th November 2023

I have reviewed all the documents that you have supplied and have discussed this reply to you with Lee Armitage of Intelligent Plans and Examinations.

Most importantly, there is nothing in any of the documents that changes the nature of the advice previously given to you and your members.

We have seen the letters dated 8 September and 27 October from Rachel Maclean MP, Minister of State for Housing and Planning before, and they do not add anything more.

The letter from Michael Gove, Secretary of State dated December 2022 is an update to MPs on the Government's intentions at that time and does not add anything new.

The only letter that adds any further information is that of 3 November. It does add rather more information about the nature of the transition arrangements that will come into force for authorities wishing to wait for the new plan-making system to come into force. However, you will note that none of the transitional arrangements are yet confirmed and remain as Government intentions. That includes the "protections from speculative development" that are mentioned, which some Councillors may find attractive. In my judgement, how such "protections" could be applied (in some authorities and not in others) is likely to be difficult, as there is presently nothing in law to stop a planning application being submitted at any time, with a right of appeal against its non-determination.

The upshot of the letter (3 November) is that the Council has a choice to make tonight — whether or not to proceed with a Local Plan and seek to meet the deadline of 30 June 2025 under the current system, or await the details of the new system (much of which still remains unknown, including the 'Alignment Policy', and will be dependent upon secondary legislation and regulations that are yet to be published in any form).

My advice to the Council remains unchanged, which is that <u>it is in best interests of</u> Harborough DC to sign the Leicester & Leicestershire SoCG and proceed as quickly as possible to a Reg. 19 Draft Plan.

May I say that this advice is entirely consistent with that being given to other authorities facing similar issues, as part of our work with the Planning Advisory Service (PAS).

I trust that this assists you.

Derek Stebbing IPE

Harborough District Council



Report to Council Meeting of 11 December 2023

| Title: | New Local Plan – Issues and Options Consultation |
|-------------------|---|
| Status: | Public |
| Key Decision: | Yes |
| Report Author: | Tess Nelson, Head of Strategic and Local Planning |
| Portfolio Holder: | Planning Portfolio, Cllr Simon Galton |
| Appendices: | A. Issues and Options Consultation document B. Comments from Communities Scrutiny Panel 16 November 2023 |

Summary

- i. The report seeks approval for the Issues and Options document (Appendix A) to be published for public consultation.
- ii. Approval is also sought for delegation to be given to the Director of Planning in consultation with the Portfolio Holder for Planning for factual updates, minor changes and the insertion of additional diagrams and other visual aids to enable the finalisation of the document and its publications for consultation purposes.
- iii. The planning system is plan-led. This means that planning applications must be considered and determined in accordance with the development plan unless material considerations indicate otherwise. This means the development plan must be kept up to date.
- iv. The current Harborough Local Plan was adopted in 2019, and although it remains up to date, a new local plan is being prepared to ensure the development plan remains up to date, in line with Government guidance.
- v. Issues and Options is the first public consultation in the preparation of the new local plan. Its purpose is to start a public conversation about the future of the district and about what the new local plan should contain.
- vi. The consultation document focuses on a number of key planning issues, including homes, jobs, heritage, town centres, climate change, biodiversity and protection of important open spaces. Each issue is introduced, explained, and feedback sought via a number of consultation questions.
- vii. It is intended for the consultation to run during January 2024 February 2024. A dedicated webpage will be set up to host the consultation document and enable

comment through a consultation portal. Responses received will be used to inform the next stage of preparing the new local plan.

Recommendations

It is recommended that:

- 1. Council approves the New Local Plan Issues and Options Consultation document (Appendix A) for public consultation.
- Authority to make any factual corrections and minor changes to finalise the
 consultation document and facilitate the requirements of setting up consultation
 material as well as to make any changes agreed at Council be delegated to the
 Director of Planning, in consultation with the Portfolio Holder with responsibility
 for Planning.

Reasons for Recommendations

- i. A new local plan is beneficial to provide long term certainty, allocate development in sustainable locations and protect important natural spaces and built heritage. Whilst the current local plan is up to date, it is important for work on the new plan to progress in line with the local plan timetable (set out in the Local Development Scheme, elsewhere on this agenda) in order to guide the development of the district in accordance with the Council's policy and priorities.
- ii. The Levelling-up and Regeneration Act 2023 introduced a revised statutory framework for the 'making of local plans. The legislation provides for a period of transition and the transition period is currently expected to end by 30 June 2025. Plans must be submitted by this date or await the introduction of the new planning system, which is expected to place a considerable delay on progress being made on the new local plan for the Harborough District. As such it is important that progress is made on the new local plan, to support achieving the deadline of submission by 30 June 2025.
- iii. The Issues and Options consultation is an important first public stage in preparing the new local plan. It seeks feedback on significant issues, which will inform future stages of preparation of the local plan. Approval from Council is required in order to begin the public consultation.
- iv. Approval is also sought for factual and other minor incidental changes to be made to the Issues and Options document prior to consultation. This includes the additional of graphical and other visual material to aid understanding and encourage engagement. This delegated authority will enable such changes to be made and the document to be published with any necessary corrections / updates.

1. Purpose of Report

1.1. This report seeks approval for public consultation to be undertaken on the new Local Plan "Issues and Options" document. The proposed document for consultation is appended to this report (Appendix A).
Page 832 of 1014

1.2. This report seeks approval for delegation to be given for factual corrections and minor changes to be made to finalise the consultation document, where those changes do not alter the intent of the consultation document, by the Director of Planning in consultation with the Portfolio Holder with responsibility for Planning.

2. Background

- 2.1 In England there is a 'plan-led' approach to the regulation of land and development which places local plans at the heart of the town and country planning system. A local plan forms part of the statutory 'development plan' for an area and is the starting point for the determination of all planning applications in the area unless material considerations indicate otherwise.
- 2.2 The Planning and Compulsory Purchase Act 2004 places a duty on local authorities to carry out plan-making with the "objective of contributing to the achievement of sustainable development" while the Planning Act 2008 puts an additional obligation on plan-making authorities to ensure their development plan documents (taken as a whole) include policies that are "...designed to secure that the development and use of land in the local planning authority's area contribute to the mitigation of, and adaptation to, climate change."
- 2.3 Chapter 3 of the National Planning Policy Framework ('NPPF') sets out the requirements that planning authorities are expected to comply with when preparing a local plan, stating at paragraph 16 specifically that plans should:
 - a. be prepared with the objective of contributing to the achievement of sustainable development;
 - b. be prepared positively, in a way that is aspirational but deliverable;
 - c. be shaped by early, proportionate and effective engagement between plan-makers and communities, local organisations, businesses, infrastructure providers and operators and statutory consultees;
 - d. contain policies that are clearly written and unambiguous, so it is evident how a decision maker should react to development proposals;
 - e. be accessible through the use of digital tools to assist public involvement and policy presentation; and
 - f. serve a clear purpose, avoiding unnecessary duplication of policies that apply to a particular area (including policies in this Framework, where relevant).
- 2.4 The Harborough Local Plan was prepared and subsequently adopted in April 2019. It replaced the previous Harborough District Core Strategy adopted in 2011. The adopted plan provides at Policy IMR1 that:
 - "2. A full or partial update of the Local Plan will be commenced (defined as the publication of an invitation to make representations in accordance with Regulation 18 of The Town and Country Planning (Local Planning) (England) Regulations 2012) within 6 months of the following:

- a. the adoption by the Council of a Memorandum of Understanding (MOU) or Statement of Common Ground (SoCG) which proposes a quantity of housing or employment development to 2031 that is significantly greater than the housing requirement or employment need identified in this Local Plan; or
- b. in the absence of an adopted MOU or SoCG, 12 months from the date of publication of a Local Plan for Leicester City (defined as publication of an invitation to make representations in accordance with Regulation 19 of the Town and Country (Local Planning) (England) Regulations 2012) ('a Regulation 19') that includes satisfactory evidence of an unmet local housing need; or
- c. conclusion of a review in response to specific trigger points as set out in the monitoring framework, including identification of significant and persistent shortfalls in the delivery or supply of housing against the housing requirement.
- 3. Any full or partial update of the Local Plan triggered by 2. above will be submitted for examination within 30 months from the date it commenced."
- 2.5 Whilst the current local plan remains up to date, the trigger set out at paragraph 2.4, 2.b. above has been activated as a consequence of Leicester City Council publishing a Regulation 19 on 16 January 2023. This means that the Council must commence a full or partial update of its local plan in accordance with the Regulation 18 provisions. This accords with a decision by Cabinet in July 2021 to begin the preparation of a new local plan. A new local plan is beneficial to provide long term certainty, allocate development in sustainable locations and protect important natural spaces and built heritage.

3. Details

- 3.1 The Issues and Options consultation is the first formal public consultation on the new local plan. Its purpose is to begin a public conversation about what the local plan should contain and the kind of place we want Harborough to be in the future. The consultation will be aimed at residents of Harborough, as well as visitors, people who work and do business in the district, as well as wider stakeholders including Parish Councils, resident groups, interest groups, infrastructure and utility providers, developers and those with an interest in the district and neighbouring authorities and other public bodies.
- 3.2 With a wide audience, it is important that the consultation document is accessible and as easy to engage with as possible. At the same time, the consultation needs to provide enough context and detail to enable responses to inform future, more technical stages of the Local Plan.
- 3.3 The consultation document is being designed to be as visually engaging as possible, with diagrams and flowcharts to explain key processes and information. Further diagrams will be added to aid understanding prior to publication. The document will be available online through a dedicated consultation portal and a summary leaflet of its content will be available to act as a guide and to sign post to further sources of help, should that be necessary to enable access.
- 3.4 The Issues and Options consultation document seeks views on a number of planning issues and proposed options for the future development of the district. Each key planning issue is introduced with relevant background information and policy explained before a

proposed approach or set of proposed options outlined. Comments and feedback is sought through a number of detailed questions relating to each key issue. The issues for inclusion have been identified through engagement with the Local Plan Member Advisory Panel, through a review of national planning policy and also address the key objectives of the Council and include:

- Homes (including affordable homes and specialist homes and accommodation types);
- Jobs;
- Protection of green spaces;
- Good design;
- Climate change;
- Flood risk;
- Water supply and waste management;
- Biodiversity and geodiversity;
- Heritage;
- Healthy communities;
- Natural spaces;
- Open spaces, sport and recreation;
- Town centres
- Tourism
- 3.5 This is an important stage in preparing the new local plan and the consultation document seeks feedback on the broad policy areas outlined above, as well as more technical aspects of plan preparation, including:
 - The overarching vision for the district, based on the Council's Corporate Plan;
 - Objectives for the new local plan;
 - Strategic matters:
 - The scale and location of housing growth;
 - The plan period;
 - The settlement hierarchy
 - The scale and location of employment growth; and
 - The proposed methodology for assessing potential sites for allocation for specific uses (such as for housing or employment use).
- 3.6 The new local Plan is proposed to cover the period from 2020 to 2041. This is to ensure the local plan meets the requirement of national planning policy to cover a period of at least 15 years from the time the plan is adopted (currently scheduled for 2026) to the end of the plan period. Comments and feedback are welcomed as part of the consultation.
- 3.7 Accompanying the consultation will be an invitation to submit sites for consideration for allocation for housing, employment and other uses through the local plan. A similar exercise was undertaken in 2021 and generated c250 sites. A further invitation (known as a 'Call for Sites') will be issued alongside the consultation. This serves to ensure that all potential sites are fully considered through the local plan preparation process.
- 3.8 A number of additional documents will be published alongside the consultation document. These include: a summary and glossary to aid understanding and engagement and to signpost readers to sources of further information and support; evidence documents; an emerging Duty to Cooperate Statement; an emerging Sustainability Appraisal, and an emerging Equality Impact Assessment.

 Page 835 of 1014

3.9 Consultation responses will inform the next version of the local plan, which will include more detail, including draft policies and proposals relating to specific areas of land. The draft local plan will be the subject of further public consultation before being submitted to the Secretary of State for public examination by the Planning Inspectorate. The examination stage will test whether the plan has been prepared in accordance with the relevant legislation and whether it meets the Tests of Soundness. One of the legal tests it must pass, is that the plan has been prepared in accordance with the Town and Country Planning (Local Planning) (England) Regulations 2012), which require public consultation; the first of which is the current consultation, in accordance with Regulation 18.

4. Implications of Decisions

Corporate Priorities

- 4.1. Publication and consultation on the Issues and Options consultation document is an important stage in preparation of the new local plan. This will aid delivery of the following corporate priorities:
 - CO1: There will be an adequate supply of housing to meet local needs across all tenures and price ranges, and reducing the potential for homelessness
 - CO2: Our local plan will ensure growth in the area is balanced with employment opportunities and transport and infrastructure needs are met
 - CO3: The rural nature of the district will be recognised, and our heritage and cultural assets are preserved
 - CO4: Our local communities, the voluntary and charitable sector are more engaged and actively managing their own localities and shaping their own places
 - CO5: The district will be shaped through good design, that addresses local needs and promotes healthier life choices.

Consultation

- 4.2. Consultation is expected to be undertaken during January 2024 to February 2024. A dedicated web page will be established to host the consultation document and to encourage and enable feedback via a specialist planning consultation portal.
- 4.3. Consultation will be undertaken in accordance with the relevant regulations and in accordance with the consultation principles established through the Statement of Community Involvement (SCI).
- 4.4. Stakeholders will be notified of the start of the consultation and provided with details of where the consultation document can be accessed, how responses can be made and where further support and advice is available, should it be required, in order to engage with the consultation and provide their feedback.
- 4.5. Parish Councils will be provided an additional 4 weeks' notice of the start of the consultation, to enable further time for consideration of the consultation material and the establishment of further meetings, as required.
- 4.6. A dedicated telephone number and email address will be provided to enable support and advice to be provided to anyone who requires support to engage with the consultation.

4.7. Communities Scrutiny Panel considered a report on both the Local Plan Issues and Options consultation and the Local Development Scheme at its meeting on 16th November 2023. Key issues discussed were the costings of the Local Plan Regulation 18 process, the planning department resourcing to deliver the plan to the timeline provided, and the consultation that would take place with the public and key significant stakeholders. The panel members commented on the proposed updated Local Development Scheme, and on the scope of the first public consultation on the new local plan. Panel meetings sought clarification around a risk assessment for the local plan. This is now attached to the Local Plan Resources report, elsewhere on this agenda. Comments from the panel meeting are available at Appendix B.

Financial

4.8. No additional resources are required to enable the publication of the Issues and Options document for consultation. Elsewhere on the agenda Council will receive a report which sets out the details of additional resources needed in order to progress preparation of the local plan and submission by 30 June 2025.

Legal

- 4.9. Consultation will take place in accordance with Regulation 18 of The Town and Country Planning (Local Planning) (England) Regulations 2012.
- 4.9 The Planning and Compulsory Purchase Act 2004 places a duty on local authorities to carry out plan-making. The process of making a plan involves four main stages:



4.10 The Issues and Options consultation forms an important part of the 'Evidence gathering and early consultation' stage of preparing a local plan.

Environmental Implications

4.11 Publication of the Issues and Options document for consultation will support delivery of the Local Plan. The new Local Plan will have implications in relation to the spatial planning of the district. The wider environmental implications of the scale and distribution of development and associated supporting infrastructure will be assessed through the Sustainability Appraisal of the Local Plan, which incorporates the requirements of the SEA Directive.

Risk Management

4.12 Publication of the Issues and Options document for consultation will support delivery of the Local Plan in accordance with the timetable set out in the draft Local Development

- Scheme (elsewhere on this agenda). In so doing, this serves to ensure the local plan remains up to date and manage risks associated with not having an up-to-date local plan.
- 4.13 Failure to approve the Issues and Options document for public consultation risks a delay to the start of the consultation period. This is an important and statutory part of plan making. Any delay would have a knock-on effect on the work programme for preparation of the local plan and would make achieving the 30 June 2025 deadline impossible. Due to the incredibly tight deadline imposed by Government, there is no room for delay. Any delay to this or subsequent stages will prevent the deadline being achieved.
- 4.14 Not meeting the Government deadline to submit the new local plan by 30 June 2025 would mean that preparation of the new local plan would suffer a hiatus whilst the Government introduces the new planning system. This would impose a significant delay on plan making. It is anticipated that under the new planning system, work on the new local plan would be delayed until a start in 2027, resulting in a very significant delay in adoption until 2030. This would result in the district not having an up-to-date local plan for a number of years and place the district at considerable risk of speculative, unplanned development.
- 4.15 The Government is proposing transitional arrangements to enable up to date plans which become more than five years old during the first 30 months of the new system to be protected from speculative development. This will not protect the Council's current local plan which was adopted on 30 April 2019 and will become five years old before new arrangements are expected to be in place. The current local plan will therefore remain out of date until replaced by a new local plan. If the 30 June 2025 deadline is not met, this could potentially be as late as 2029 or 2030. That would place the district at considerable risk of speculative development over a period of several years and is not recommended.

Equalities Impact

4.16 An Equalities Impact Assessment (EIA) for the Local Plan will be prepared and regularly reviewed as part of the Local Plan making process. In addition, an EIA will be prepared for each public consultation stage.

Data Protection

4.17 Any consultation on the Local Plan will be carried out in compliance with the provisions of the UK GDPR and the Data Protection Act 2018.

5. Alternative Options Considered

- 5.1 Option 1: Council approves publication of the Issues and Options document for consultation. This is recommended.
- 5.2 Option 2: Council does not approve publication of the Issues and options document for consultation. This is not recommended since it will delay the start of the Issues and Options consultation and will significantly increase the risk of the Council being unable to achieve submission of the new local plan by the Government-imposed deadline of 30 June 2025. The consequence of missing this deadline is needing to await the establishment of the new planning system and the likely delays that will incur. Due to the proposed way in which the new planning system is being introduced, local plan preparation is likely to be significantly delayed, with the start of plan preparation expected in 2027, meaning adoption not until, at least, 2030.

6. Recommendation

6.1 It is recommended that:

- 1. Council approves the New Local Plan Issues and Options Consultation document (Appendix A) for public consultation.
- 2. Authority to make any factual corrections and minor changes to finalise the consultation document and facilitate the requirements of setting up consultation material as well as to make any changes agreed at Council be delegated to the Director of Planning, in consultation with the Portfolio Holder with responsibility for Planning.

7. Background papers

Statement of Community Involvement (SCI)

Cabinet decision to prepare a new Local Plan June 2021 available at the following link:

Meetings and Events (harborough.gov.uk)

APPENDIX A



Harborough District Council New Local Plan

Issues and Options Consultation January 2024

Contents

| | Introduction | 3 |
|-----|---|----|
| 1. | Overview | 3 |
| 2. | Background | 4 |
| 3. | Vision & Objectives | 7 |
| | Strategic Policies: Spatial Strategy | 11 |
| 4. | Strategic Context | 11 |
| 5. | Amount and Location of Housing Growth | 14 |
| 6. | Amount and Location of Employment Growth | 32 |
| 7. | Small and Medium Housing Sites Requirement | 39 |
| 8. | Call for Sites | 39 |
| 9. | Site Selection Methodology | 41 |
| 10. | Strategic Green Designations | 42 |
| 11. | Design Quality | 43 |
| | Environment and Sustainability Policies | 45 |
| 12. | Mitigating and Adapting to Climate Change | 45 |
| 13. | Flood Risk | 47 |
| 14. | Water Supply and Wastewater Management | 48 |
| 15. | Biodiversity and Geodiversity | 49 |
| 16. | Heritage Assets and the Historic Environment | 50 |
| | Health and Well-being policies | 52 |
| 17. | Healthy communities | 52 |
| 18. | Blue-Green Infrastructure | 53 |
| 19. | Open Space, Sport and Recreation | 54 |
| 20. | Local Green Spaces | 55 |
| | Housing Needs Policies | 57 |
| 21. | Affordable Housing | 57 |
| 22. | Mix of Housing | 58 |
| 23. | Older Person and Specialist Housing | 59 |
| 24. | Space Standards | 60 |
| 25. | Accommodation for Gypsies and Travellers | 60 |
| 26. | Self-build and Custom Housebuilding | 61 |
| | Town Centres, Retailing, Leisure and Tourism Policies | 64 |
| 27. | Town Centres, Retailing and Leisure | 64 |

| 28. | Tourism | 65 |
|-----|---|----|
| | Transport, Local Services and Infrastructure Policies | 67 |
| 29. | Transport | 67 |
| 30. | Local Services and Infrastructure | 68 |

Introduction

1. Overview

- 1.1. Harborough District Council is preparing a new Local Plan and is holding a six-week public consultation on what it should contain. Consultation runs from January to February 2024.
- 1.2. This is the first stage of public consultation on the preparation of the new Harborough Local Plan. It seeks views on a range of planning issues and potential options for the future development of the District. Details on how to respond are available on the Harborough District Council website [link to be inserted].
- 1.3. Your consultation responses and further work will inform the next version of the Local Plan, which will contain more detail. The next version will also be subject to further public consultation.
- 1.4. Alongside this consultation the Council is carrying out a 'Call for Sites' [link to be inserted] which is an opportunity for landowners and site promoters to put forward potential development sites for consideration during preparation of the new Local Plan.
- 1.5. We have also published a Sustainability Appraisal of this Issues and Options consultation document. This is the first stage of the sustainability appraisal of our new plan and will be updated at each stage as the Local Plan progresses to ensure the potential social, environmental and economic effects of the plan are appropriately considered and inform the Local Plan. It is not a decision-making document.

What is a Local Plan?

- 1.6. Local planning authorities are required to prepare a local plan to deliver sustainable development in their area. The Local Plan will set out the strategy for the amount, location and design of new built development (such as homes, schools, employment, retail etc.) whilst helping to protect the countryside, important green spaces and our built and natural heritage from inappropriate development.
- 1.7. Preparation of the new Local Plan provides an opportunity for local people and other interested parties to help shape what the District will look like over at least the next 15 years.
- 1.8. Once adopted the new Local Plan will be used to make development decisions and determine planning applications.

Why are we doing a new Local Plan?

1.9. The Council needs to ensure its Local Plan remains up to date so it can positively manage built development and protect areas from inappropriate

development. The current <u>Local Plan</u> was adopted in April 2019. Although it is considered to be up to date, it takes a number of years to prepare and adopt a new Local Plan so the Council is preparing a new one to ensure it remains up to date in future.

1.10. The Local Plan 2019 also contains policies requiring it to be updated in certain circumstances. One of these is linked to the publication of the <u>Leicester City Local Plan</u> which was published in January 2023. This means we must update the Local Plan to set timescales. A new local plan is beneficial to provide long term certainty, allocate development in sustainable locations and protect important natural spaces and built heritage.

What is the timetable for preparing the Local Plan?

1.11. The Council's timetable for Local Plan preparation is set out in its <u>Local</u>

<u>Development Scheme</u>. The timetable is as set out below. For clarity, this current consultation is the 'Issues and Options Consultation (Regulation 18)' the timetable and is the first public consultation on the preparation of the new Local Plan.

Local Development Scheme (November 2023): New Local Plan preparation timetable

| | | 20 | 23 | | | | | | | 2 | 02 | 4 | | | | | | | | | | 2 | 025 | 5 | | | | | | | | | | 20 | 26 | | | | | |
|--|---|----|----|---|---|---|---|-----|---|----|----|---|---|---|---|-----|---|-----|---|----|---|----|-----|---|---|---|---|---|---|---|---|---|---|----|----|---|---|---|---|---|
| Stage | s | 0 | Ν | D | J | F | N | I A | N | ۱J | ΙJ | Α | S | 0 | N | ı D | J | l F | N | ΙΑ | N | ΙJ | J | Α | s | 0 | N | D | J | F | М | Α | М | J | J | Α | s | 0 | N | D |
| Issues and Options consultation (Regulation 18) | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Proposed Submission Consultation (Regulation 19) | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Submission for Examination | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Local Plan Adoption* | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |

1.12. The timetable may be updated and published on the Council's website as Local Plan preparation is progressed to reflect the latest position.

2. Background

2.1. Local plans are not prepared in isolation, they need to take into account a range of national, regional and local policies and strategies.

National Planning Policy and Guidance

2.2. The Local Plan must take into account the <u>National Planning Policy</u>

<u>Framework</u> (NPPF) and <u>Planning Practice Guidance</u> (PPG). This requires local plans to set out an overall strategy for the pattern, scale and quality of

development, and make sufficient provision for: Housing (including affordable housing), employment, retail, leisure and other commercial development; Infrastructure for transport, telecommunications, security, waste management, water supply, wastewater, flood risk and coastal management, and the provision of materials and energy (including heat); Community facilities (such as health, education and cultural infrastructure); and Conservation and enhancement of the natural, built and historic environment, including landscapes and green infrastructure, and planning measures to address climate change mitigation and adaptation.

- 2.3. Government has made clear its intention to reform the planning system through the Levelling Up and Regeneration Act which sets out parameters for the process and content of new-style local plans. To this end Government has set a deadline for local plans produced under the current system to be submitted for examination by June 2025.
- 2.4. Plans submitted after this deadline will need to follow the new system. Under the new system plans take 30 months to prepare from start to finish and Government intends to have in place regulations, policy and guidance by autumn 2024 to enable the preparation of the first new-style local plans to start.
- 2.5. To ensure a smooth transition to the new system, Government has sought views on options for a phased roll out. The Harborough Local Plan was adopted in 2019 so we are unlikely to be in an early phase which means it will take several years to get a new plan in place under the new system (taking into account potential start dates for the new system and the 30-month timescale for plan preparation).
- 2.6. This Issues and Options consultation has been prepared in the context of the current legislation, policy and guidance which provides the legal basis for plan making. In progressing the preparation of the Local Plan, the Council will carefully follow national developments and ensure any new national requirements are incorporated into the Plan making process as appropriate. All the proposed options in this document must therefore be accompanied by a clear caveat that they are proposed in the context of the current situation and may need to be amended as the new Local Plan progresses.

Strategic Growth Plan

2.7. The <u>Leicester & Leicestershire Strategic Growth Plan</u> was prepared by the 9 local authorities in Leicester & Leicestershire and published in 2018. It is a non-statutory strategic plan that provides a framework to help guide individual local plans. It focuses on four key matters: delivering new housing, supporting the economy, identifying essential infrastructure, and protecting the environment and built heritage.

2.8. The Strategic Growth Plan recognises that significant new development cannot be accommodated within Leicester and Leicestershire without significant investment in infrastructure and services.

2.9. It proposes:

- Focusing growth in areas close to existing employment clusters and opportunities and new infrastructure proposals
- Focusing growth in major strategic locations and reducing the amount that takes place in existing towns, villages and rural areas
- Five key growth areas are identified. Those relevant to Harborough District are Leicester Our Central City, the A46 Priority Growth Corridor and the A5 Improvement Corridor
- Delivery of the strategic growth areas will be as 21st century garden towns, villages and suburbs. New housing and employment will be planned together with new and improved roads, public transport, schools, health services, local shops and open space.

Neighbourhood Plans

- 2.10. Neighbourhood planning gives communities direct power to develop a shared vision for their neighbourhood and shape the development and growth of their local area. It provides tools for local people to plan for the types of development to meet their community's needs.
- 2.11. All Neighbourhood Plans need to be produced in broad conformity with the strategic policies set out within the District Council's Local Plan.
- 2.12. There are currently 29 made Neighbourhood Plans in the District and a significant number being prepared or updated.
- 2.13. Neighbourhood plans should be kept up to date if circumstances change and some may need updating to align with strategic policies in the new Local Plan. This is because Government policy requires neighbourhood plans to support the delivery of strategic policies in local plans.
- 2.14. We are required to set out a housing requirement for neighbourhood areas which reflects the overall strategy for the pattern and scale of development in the new Local Plan. The current Local Plan (2019) does this for the plan period to 2031 and the new Local Plan is likely to do it for the period up to 2041 (to meet Government requirements for plans to cover a 15-year period from the date of adoption).
- 2.15. Some neighbourhood areas currently working on new plans or updating existing plans have been given indicative requirements to 2036 as required by Government policy to enable them to progress. These figures may need to be updated as the new Local Plan progresses.

3. Vision & Objectives

- 3.1. A key element of the new Local Plan will be a clear Vision and Objectives for achieving that vision. Together they set a framework for the policies and proposals of the plan. The Vision and Objectives will be developed alongside consideration of key issues and options for the new Local Plan, other relevant plans and strategies, and the views of the local community.
- 3.2. The <u>Harborough Corporate Plan 2022-2031</u> is the Council's overarching strategic document which prioritises a clear set of commitments and actions, including the preparation of the new Local Plan. It sets out a clear vision for the District:
 - "Working with our communities, we will build a future for the people of Harborough district that gives them the best life chances and opportunities through:
 - Community leadership to create a sense of pride in our place
 - Promoting health and wellbeing and encouraging healthy life choices
 - Creating a sustainable environment to protect future generations
 - Supporting businesses and residents to deliver a prosperous local economy".
- 3.3. The new Local Plan will be an important element (along with other policies and strategies) to help achieve the Corporate Plan. It will set out a spatial strategy helping to achieve the spatial elements of the Corporate Plan. We would therefore welcome your views on what the Vision for the new Local Plan should say.

Local Plan Vision

Question 1: Should the Corporate plan be used as a basis for preparing a Vision for the new Local Plan?

Question 2: What should the Local Plan Vision say?

Emerging Objectives

3.4. The following set of objectives have been drafted for the new Local Plan for public consultation:

Objective 1: Delivering the right amount and type of housing to meet need

- Establishing need and ensuring housing choice (size, tenure, type) and location to meet the needs of the population. This includes:
 - Affordable housing across all tenures
 - Accessible and adaptable housing to support people throughout all the stages of life
 - Sheltered accommodation for people with additional needs
 - Care homes
 - Self-build and custom build plots
 - Gypsy and Traveller needs
 - Travelling Show-people
 - First Homes.
- Making an appropriate contribution to meeting the justified unmet housing needs of other authorities within the Leicester and Leicestershire housing market area.

Objective 2: Protecting and delivering enough business and employment land to meet need and support economic aspirations for growth

- Resisting the loss of existing employment land and supporting the delivery of new employment land to encourage inward investment, increased employment diversity and the growth of existing businesses.
- Supporting the continued use and re-use as well as intensification, where appropriate, of our existing employment land.
- Ensuring support of existing industries within the District while also supporting emerging sectors.
- Acknowledging the high level of rural business within the District, their different needs and supporting rural diversification.
- Supporting our tourism and hospitality offers both within our centres
 and in more rural locations across the District. Specialising in local and
 sustainable tourism focused on the attractive countryside and
 settlements across the District. Developing new and expanded markets
 for this type of tourism.

Objective 3: Ensuring a spatial strategy which supports sustainable development

- Maintaining and enhancing the quality of life offered in Harborough District which attracts people to live, work and play here.
- Ensuring new employment and housing are located in sustainable locations

Objective 4: Protecting and enhancing our villages and towns as centres of the communities they serve

 Maintaining and improving the resilience, vitality and viability of our centres, acknowledging the ever evolving and changing role of town and other urban, sub-urban and rural centres. Supporting all our different scales of centres by protecting sustainable local services as well as encouraging the provision of additional sustainable local services and facilities where possible and appropriate.

Objective 5: Securing sustainable, high-quality places through designled development

- Ensuring a strong emphasis on quality urban design, physical placemaking and shaping across all scales of development to positively respond to the new Office for Place and the Government's 'Building Beautiful' initiative.
- Ensuring that all new development is high quality, sustainable and enhances the character of the District.
- Using design to ensure new development is integrated and connected to the wider place.
- Securing excellent design at all scales of development from initial concept and master planning to detailed design of individual schemes.
- Ensuring increased emphasis on context and place-making/shaping
 when planning new developments through the Local Plan and policies
 that support and enable their delivery. Place increased emphasis on
 local Design Coding and site-specific development briefs and master
 plans to ensure local effect is given to District wide design coding.
- Supporting the development of new spaces that are safe, social and inclusive for all ages, life stages and accessibility levels.
- Using design to support health, well-being and active lifestyles as well as to prevent anti-social behaviour.

Objective 6: Supporting the Council's climate emergency agenda

- Supporting an improvement in air quality across the District through encouraging and making provision for sustainable travel choices to reduce reliance on the private car.
- Requiring new development to minimise carbon emissions through building design and fabric as well as renewable technologies.
- Encouraging waste minimisation and waste prevention through the reuse (and recycling) of building materials.
- Supporting the delivery of charging points for electric modes of transport and emerging/alternative technologies.
- Supporting and encouraging retrofitting of existing buildings with renewable technologies and other appropriate interventions to help support the zero-carbon target.
- Supporting the provision of renewable energy in appropriate locations.
- Addressing the risk of flooding from all sources to both new development and established communities through the location of new development and ensuring green infrastructure includes sustainable drainage systems (SuDS) that are appropriate to the scale and location of each development.

Objective 7: The continued protection and enhancement of our heritage assets

- Ensuring the protection and enhancement of the District's conservation areas, listed buildings, parks and gardens and locally listed heritage assets.
- Ensuring new development within our conservation areas are of a high standard to reflect their distinct character as well as preserving and enhancing the wider heritage assets.
- Supporting the continued use and re-use of our heritage assets to ensure their protection for this and future generations.

Objective 8: Improving open space and biodiversity

- Maximising and enhancing our open space to help tackle climate change, create flood risk resilience, reverse biodiversity decline and provide health and wellbeing for the immediate and wider community.
- Incorporating amenity greenspace, natural and semi-natural greenspace and parks and gardens into all scales of new development as appropriate.
- Ensuring all new green space is multi-functional with a range of habitats, rewilding some open spaces where appropriate and linkages to established habitats for tackling the biodiversity deficit in the District.
- Incorporating play space for all ages and abilities of children into all scales of new development as appropriate.

Objective 9: Developing options for sustainable infrastructure within the District

- Improving walking and cycling accessibility across the District where
 possible through provision of all-weather cycle and pedestrian links as
 part of new development and town centre improvements making places
 accessible and easy to move around places.
- Mitigating the highways and transportation impact of new development.
- Supporting the County Council in delivering sustainable public transport options to support new development.

Objective 10: Monitoring delivery and review of the Local Plan

- Ensuring that delivery of the Local Plan is effectively monitored and used to inform any future review of the Local Plan.
- 3.5. The objectives will form the framework for the plan, and the policies and proposals of the Local Plan should all contribute to achieving them in a balanced way. This consultation seeks views on the potential objectives above.

Local Plan Strategic Objectives

Question 3: Do you agree with the proposed objectives for the new Local Plan?

Question 4: Are there any additional suggestions that should be included in the proposed objectives?

Strategic Policies: Spatial Strategy

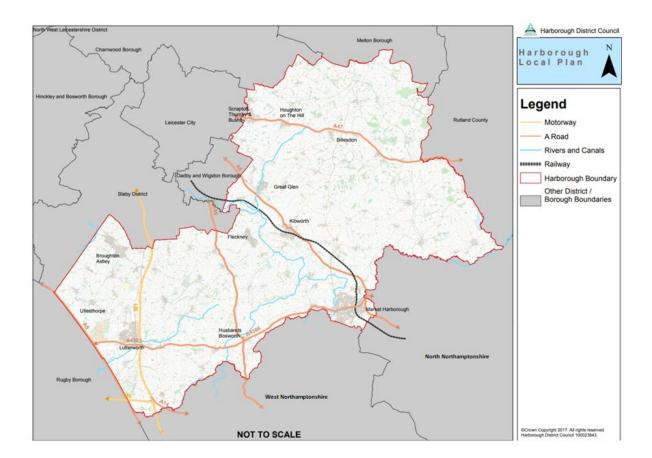
4. Strategic Context

The Duty to Cooperate and Cross-Boundary Matters

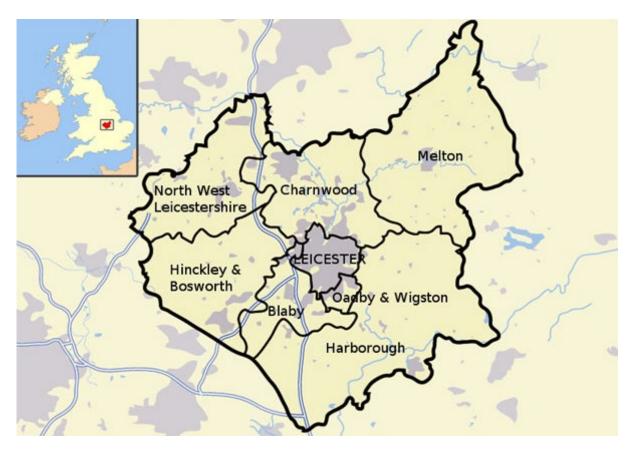
- 4.1. The Duty to Cooperate was established through the Localism Act 2011. It places a legal duty on local planning authorities, county councils and other public bodies to engage constructively, actively and on an ongoing basis to ensure matters that affect more than one local authority area are addressed adequately within plans. Alongside the statutory Duty, Government policy also sets certain requirements on joint working which we need to follow, including:
 - Joint working between local authorities and relevant bodies is integral to the production of local plans
 - We should collaborate to identify the relevant strategic matters which
 we need to address through the new Local Plan and engage with local
 communities and relevant bodies
 - Joint working should help determine where additional infrastructure is necessary, and whether development needs that cannot be met wholly within a neighbouring authority's area could be met elsewhere
 - Authorities are required to prepare and maintain one or more statements of common ground, documenting the cross-boundary matters being addressed and progress in cooperating to address them. These should be produced using the approach set out in national planning guidance.

How does Harborough District relate to neighbouring places?

4.2. Given Government's requirement for joint working and the geography of the area, Harborough District cannot be viewed in isolation from neighbouring areas. The map below shows the local authorities which neighbour Harborough District. Harborough has a particularly strong relationship with Leicester and the rest of Leicestershire. It is dependent on the Leicester urban area not only for the significant amount of employment located there, but also for higher order health, retail and cultural facilities and services. Therefore, the regeneration and economic well-being of the Leicester urban area is an important consideration in any future strategy for the District.



4.3. The District lies within the Leicester and Leicestershire Housing Market Area (HMA) and Functional Economic Market Area (FEMA), which both cover the whole of Leicester and Leicestershire. These have been defined in recognition of the central economic role of Leicester and the fact that people generally travel to work and move house across local authority boundaries within this area. The Leicester and Leicestershire HMA and FEMA are shown in the map below:



- 4.4. Taking into account the above statutory and Government policy requirements for joint working as well as how the District relates to neighbouring places, the Council has published a Summary of Duty to Cooperate Engagement [link to be inserted] setting out collaboration carried out so far, ongoing joint work and potential future areas for joint working. Strategic Planning Matters identified to date which require cooperation with partners include the following:
 - Housing requirements and distribution (including unmet need issues)
 - Affordable housing, housing mix, homes for older persons and others with specialist needs
 - Gypsies, Travellers and Travelling Showpeople
 - Economy and employment requirements and distribution including strategic warehousing (strategic B8)
 - · Retail, leisure and other commercial development
 - Highways and transport
 - Water issues (supply, wastewater, water quality, flood risk);
 - Other infrastructure including telecommunications, security, waste management, minerals and energy
 - Community facilities (health, education, cultural infrastructure)
 - Conservation of the natural environment including biodiversity net gain/local nature recovery strategy/landscape/green and blue infrastructure
 - Conservation of the built and historic environment, including quality and character

- Climate change mitigation and adaptation including renewable energy
- Green wedges
- Cross boundary sites/impact of potential strategic sites.
- 4.5. As the new Local Plan is at a relatively early stage, cooperation on strategic matters has primarily involved the Leicester and Leicestershire authorities. The authorities have a long history of joint working and evidence gathering. As work progresses on the new Local Plan, further cooperation and dialogue with neighbouring authorities and other prescribed bodies will be needed.

Duty to Cooperate and Effective Joint Working

Question 5: Do you agree with the strategic matters identified by the Council and are there any changes or additions you consider should be made at this stage?

5. Amount and Location of Housing Growth

- 5.1. Government policy requires plans to be an appropriate strategy taking into account 'reasonable alternatives' and based on proportionate evidence. Regulations also require us to assess 'reasonable alternatives' when producing spatial strategies such as the new Local Plan.
- 5.2. This consultation therefore contains alternatives/options for the scale and location of growth across the District over the proposed new Local Plan period 2020 to 2041.
- 5.3. This stage of the process is about the overall strategy, not specific development sites. The outcomes of this consultation and further evidence will then inform the Council's Preferred Strategy. It is possible that alternative or additional options could emerge, and the Preferred Strategy may be a hybrid containing elements from different options.

Housing Requirement

- 5.4. The starting point for determining the amount of housing we should plan for is to calculate our Local Housing Need using the Government's standard method, unless exceptional circumstances justify an alternative approach. Analysis undertaken in the Housing and Economic Needs Assessment (2022) does not point to any exceptional circumstances to depart from the standard method starting point for Harborough District.
- 5.5. Government policy says that, in addition to the local housing need figure, any needs that cannot be met within neighbouring areas (referred to as unmet need) should also be taken into account in establishing the amount of housing to be planned for.

- 5.6. Neighbouring Leicester City Council has an unmet housing need because it doesn't have sufficient land available in its area to meet its own housing need in full. In September 2020 the City published a Draft Local Plan for public consultation which indicated a potential unmet housing need of about 8,000 homes. Immediately after the consultation closed, Government increased the number of homes by 35% for the 20 biggest cities (including Leicester) to meet its national target to build 300,000 homes per year by the mid-2020s and help regenerate cities. This added a further 10,000 homes to Leicester's housing need between 2020 and 2036.
- 5.7. Providing for this number of additional homes in the City would have required more than a doubling of the housing allocations set out in their Draft Local Plan consultation. The City's evidence shows it will not be possible to meet their housing need and other Government policy obligations of a sound and deliverable plan. The latest version of the <u>City's Local Plan</u> indicates an unmet need of 18,700 homes to 2036. In this context, it is necessary to seek to agree a Statement of Common Ground to deal with this matter.
- 5.8. Government policy requires Harborough District to work with neighbouring authorities. To get a new Local Plan in place we have to demonstrate that our plan is, amongst other things:
 - Informed by agreements, so <u>unmet need is accommodated</u> where practical to do so and consistent with achieving sustainable development;
 - Based on effective joint working on cross-boundary matters (like the City's unmet need) that have been <u>dealt with rather than deferred</u>, as evidenced by a statement of common ground.
- 5.9. To meet Government requirements, the Leicester and Leicestershire authorities jointly commissioned independent consultants to prepare a Housing Distribution Paper setting out an evidence-led approach to apportioning Leicester's unmet housing need to neighbouring authorities including Harborough. This evidence informed a Leicester & Leicestershire Statement of Common Ground (SoCG) apportioning Leicester's unmet housing and employment needs to the surrounding Districts/Boroughs from 2020 to 2036.
- 5.10. The starting point for this work was each authority's Local Housing Need figure which for Harbough was 534 homes per year. Taking into account various factors, including the District's functional relationship with Leicester (migration and commuting) and the alignment of the number of jobs and homes, this evidence suggests Harborough's housing requirement should be increased by 123 homes per year to 657 homes per year to help meet Leicester's housing need.

5.11. Taking the above into account, three alternative options for the scale of housing requirement have been considered at this stage:

| Option | Scale of Growth | Potential Housing Requirement (Homes Per Year) | Justification |
|--------|-----------------|--|---|
| A | Low | 534 | Local Housing Need - Calculated using Governments Standard Method. |
| В | Medium | 657 | Local Housing Need plus a contribution of 123 homes per year towards meeting Leicester's unmet need |
| С | High | 780 | Local Housing Need plus 246 homes per year |

Note: The Local Housing Need (LHN) for the District in the Housing Distribution Paper and Statement of Common Ground is 534 homes per year based on Governments standard method for calculating housing need and data published in 2022. Although more recent 2023 data has been published this does not significantly impact LHN for the District. The LHN figures used in the Housing Distribution Paper and Statement of Common Ground have therefore been used for consistency.

Housing Supply

- 5.12. To ensure the housing requirement is met the new Local Plan will need to identify a supply of housing land to achieve this target. This means identifying a supply of homes greater than the requirement (known as a supply buffer or contingency) to ensure the housing requirement in the Plan is met in the event something unexpected slows build rates over the next 15 years or so, such as economic factors or site-specific issues.
- 5.13. A decision on the scale of any supply contingency will depend on a number of factors and will be informed by the outcome of this consultation and further evidence. We are therefore interested in people's views on this. Examples nationally range significantly, but housing supply contingencies generally range between 5% and 25% above the housing requirement. At the time of its adoption in 2019, the current Local Plan contained a housing supply contingency of about 16%.

Scale of Housing Growth

Question 6: What should the housing requirement be in the new Local Plan?

Question 7: What level of housing supply contingency should we plan for?

Plan Period

5.14. A base date of 2020 for the plan period has been chosen for this consultation because it aligns with the Housing and Economic Needs Assessment (2022) and associated Housing and Employment Distribution Papers. An end date of 2041 is chosen because Government policy requires us to plan at least 15 years ahead from the date we adopt the new Local Plan which is currently scheduled for 2026 as per the timetable above.

Plan Period

Question 8: Do you agree the start of the plan period should be 2020 and an end date of 2041?

Amount of Homes Remaining to be Planned

- 5.15. The amount of homes that need to be identified or planned for through the new Local Plan will largely be determined by the scale of annual housing requirement, the length of the plan period and the size of any housing supply contingency.
- 5.16. However, we already have a supply of homes that we can count towards meeting the amount we need to plan for in the new Local Plan. Our monitoring data shows we have a pipeline of 10,427 homes that have been built since 2020 or are already committed with planning permission/allocated in a plan.
- 5.17. To give some context of the scale of housing growth we may need to plan for, if we take the medium housing requirement of 657 per year (2020 2041) and include a supply contingency of 20% we would need to identify a total supply of 16,556 homes between 2020 and 2041. Assuming the pipeline of 10,427 homes are built before 2041 (including the two Strategic Development Areas at Scraptoft North and Lutterworth East allocated in the current Local Plan 2019) we would need to plan for a further 6,129 homes i.e. 6,129 homes on top of the 10,427 home pipeline.

Options for the Location of Housing Growth

Settlement Hierarchy

- 5.18. The Council has published a new Settlement Hierarchy Assessment [link to be inserted] to understand which settlements are the most sustainable in the District. The settlement hierarchy does not set the level or distribution of development. Appropriate levels of development for settlements will be informed by the outcome of this consultation and further evidence which will feed into the next version of the Local Plan.
- 5.19. Government policy requires local plans to promote a sustainable pattern of development and play an active role in guiding development towards sustainable solutions, while taking local circumstances into account to reflect the character, needs and opportunities of each area.
- 5.20. As a large rural district, Harborough has approximately 100 settlements ranging from those adjoining the urban area of Leicester, market towns to very small villages and hamlets. The classification of towns, villages and rural settlements is therefore important.
- 5.21. Settlements in higher tiers of the hierarchy will often be more sustainable locations for new development due to residents being able to access a wider range of services and facilities more easily. Settlements work by providing a range of services for their residents and for a wider area. Typically, larger settlements have more services and serve a wider area.
- 5.22. The settlement hierarchy is being updated to form part of the evidence base for the new Local Plan. The current settlement hierarchy is set out in the Local Plan 2011-2031 (2019). The new assessment has allowed for a new approach to be taken in terms of the range of services and facilities audited and the categorisation of settlements so that they can continue to benefit and serve residents in both urban and rural areas.
- 5.23. The proposed Settlement Hierarchy is set out below:

| Settlement Hierarchy Tier | Settlement |
|-----------------------------------|---|
| Adjoining Leicester Urban Area | Scraptoft/Thurnby/Bushby |
| Market Towns | Lutterworth Market Harborough |
| Large Villages | Broughton Astley Fleckney Great Glen The Kibworths |

| Settlement Hierarchy Tier | Settlement |
|---------------------------|---|
| Medium Villages | Billesdon Great Bowden Houghton on the Hill Husbands Bosworth Ullesthorpe |
| Small Villages | Arnesby Bitteswell Church Langton Claybrooke Magna Dunton Bassett Foxton Gilmorton Great Easton Hallaton Leire Lubenham Medbourne North Kilworth South Kilworth Swinford Tilton on the Hill Tugby Walcote |
| Other village/hamlet | Other settlements |

Settlement Hierarchy

Question 9: Do you agree the proposed settlement hierarchy is appropriate. If not, how should it be changed?

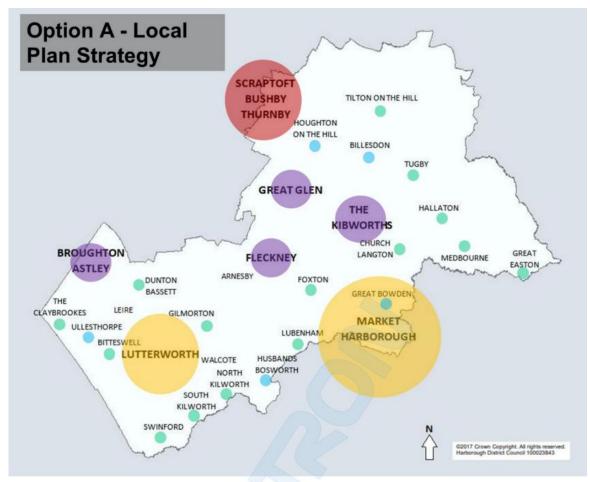
Spatial Options for the Location of Housing

- 5.24. Taking into account the Settlement Hierarchy, six broad spatial options for delivering the three different scales of growth (Low, Medium, High) between 2020 and 2041 have been identified:
 - Option A: Local Plan Strategy
 - Option B: Proportional Growth
 - Option C: Urban Area Focus
 - Option D: Strategic Sites Focus
 - Option E: Market Town Focus
 - Option F: Large Village Focus

- 5.25. These options have been assessed through the Sustainability Appraisal [link to be inserted].
- 5.26. For each option an indicative map has been produced below, to give a broad visual illustration of where new housing will be focussed under each spatial option between 2020 and 2041 large circles indicate more housing growth and small circles indicate less. The size of the circle reflects the relevant housing requirement over the entire plan period. (Note: due to the scale of growth in medium and small villages the size of circle used for these settlements is the same).
- 5.27. To give an indication of the potential amount of housing that each option generates for each tier of the settlement hierarchy, a table shows the potential housing requirement 2020-2041 for each tier based on the medium scale of growth above (657 homes per year) with a 20% housing supply contingency added. Alongside this the current pipeline of housing completions and commitments for each tier and the remaining amount of housing to be planned is also included.
- 5.28. The colour of each circle on the map reflects the colour of each tier of the settlement hierarchy in the table.

Option A: Local Plan Strategy

5.29. This option is based on a continuation of the strategy in the currently adopted Local Plan 2019. It focuses significant growth towards the Market Towns in line with the current Local Plan strategy. Settlements adjoining the Leicester Urban Area and Large Villages accommodate a broadly similar level of housing growth overall, but due to the relatively low number of commitments in the Large Villages, the amount of additional homes to be planned/allocated in the new Local Plan would be higher than in the settlements adjoining Leicester.



| Settlement Hierarchy Tier | Housing Requirement 2020-2041 (Option A) | Current Housing Completions/ Commitments | Housing Remaining to be Planned |
|-----------------------------------|---|--|---------------------------------------|
| Adjoining Leicester Urban Area | 2,627 | 1,668 | 959 |
| Market Towns | 8,124 | 6,176 | 1,948 |
| Large Villages | 3,241 | 1,320 | 1,921 |
| Medium Villages | 865 | 355 | 510 |
| Small Villages | 1,110 | 703 | 407 |
| Other | 590 | 205 | 385 |
| Total | 16,556 | 10,427 | 6,129 |

Strengths

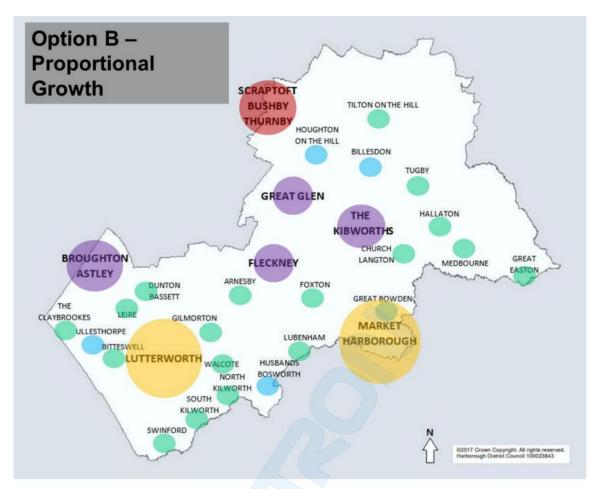
- Overall development would be directed to sustainable locations.
- It is less likely to be dependent on delivery of new strategic infrastructure (which could delay delivery) compared to some other potential options.
- The approach may present opportunities to improve existing infrastructure capacity.
- Services, facilities and businesses in existing sustainable settlements, including town and village centres, would be supported.

Weaknesses

- Sticking with the existing strategy may not respond to development capacity in all larger settlements or opportunities presented by strategic sites.
- This strategy may not make the best use of available land as it focuses on where growth has already been planned, meaning that the most appropriate sites may already be delivering, have planning permission or be allocated.
- The amount of new development close to Leicester is lower than the District's contribution to Leicester's unmet housing need.
- It may constrain the ability to respect or orientate growth to existing settlement form, delivering growth further and further away from town and village centres with potentially a strong reliance on car usage.
- The strategy may impact on existing Green Wedge and Area of Separation designations.
- The approach is based on whole plan figures which included a large amount of speculative development. Where certain settlements experienced high levels of speculative development prior to the Local Plan's adoption, this would be perpetuated.

Option B: Proportional growth (Census 2021 household numbers)

- 5.30. This option is based on proportional growth. It spreads development according to the number of households in each settlement.
- 5.31. This option reduces the amount of growth in settlements at the top end of the hierarchy and increases growth at the lower end, particularly in the Medium Villages, Small Villages and Other settlements which see their highest levels of growth under this option compared to the other options. The key differences compared to Option A: Local Plan Strategy is a significantly reduced role for settlements adjoining the Leicester Urban Area; a reduced role of Market Towns; and greater amounts of growth for the Large, Medium, Small and Other Villages/Settlements.



| Settlement Hierarchy Tier | Housing Requirement 2020-2041 (Option B) | Current Housing Completions/ Commitments | Housing Remaining to be Planned |
|-----------------------------------|---|--|---------------------------------------|
| Adjoining Leicester Urban Area | 1,668 | 1,668 | 0 |
| OTDATI / II GA | 1,000 | 1,000 | |
| Market Towns | 7,026 | 6,176 | 850 |
| Large Villages | 3,862 | 1,320 | 2,542 |
| Medium Villages | 1,026 | 355 | 671 |
| Small Villages | 1,619 | 703 | 916 |
| Other | 1,356 | 205 | 1,151 |
| Total | 16,556 | 10,427 | 6,129 |

Strengths

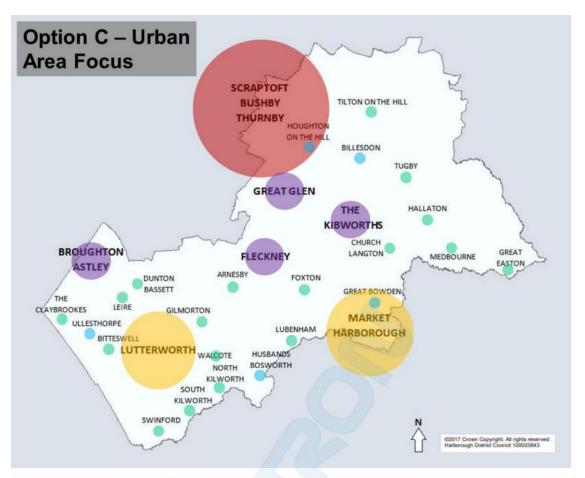
- Under this option, the level of housing growth generally reflects the size of the settlements.
- The impact of growth is spread more evenly across the District.
- With development spread more across all settlements, the option could help sustain rural services and businesses.
- Development under this option could be perceived as a 'fair' distribution of housing growth.
- Given the spread of development, it would be well suited to fulfil NPPF requirement for 10% growth on small sites of 1ha or less.
- This option is more likely to sustain a steady rate of housing delivery than very large-scale growth focussed in one or two locations.

Weaknesses

- The option sees a high proportion of development in less sustainable tiers of the settlement hierarchy.
- With a relatively low proportion of growth adjoining the Leicester Urban Area, the opportunity to locate development in the most sustainable part of the District may be missed.
- Similarly, housing growth does not make the most of proximity to employment opportunities within the Leicester Urban Area.
- Given the spread of development under this option, it creates the greatest reliance on car and lowest opportunity to access sustainable transport.
- It may be challenging to support increased service capacity (e.g. school places, medical centres) due to dispersed nature of growth.
- Similarly, the option may not be most effective in delivering affordable housing in appropriate locations.
- This option has the most potential to affect the character of smaller settlements.
- It has the potential to exacerbate rural isolation unless public transport improvements become viable. In addition, growth is likely to be too dispersed to generate active travel opportunities.

Option C: Urban Area Focus

- 5.32. This option focuses development towards the District's most sustainable locations: the settlements adjoining the urban area of Leicester (Scraptoft/Thurnby/Bushby). Sites capable of accommodating more than 1,500 homes in Strategic Housing and Economic Land Availability Assessment (SHELAA) are not included in this option. They are considered through Option D: Strategic Sites (see below).
- 5.33. This option seeks to focus as much growth as possible towards settlements adjoining the urban area of Leicester with lower levels of growth in the rest of the District.



| Settlement Hierarchy Tier | Housing Requirement 2020-2041 (Option C) | Current Housing Completions/ Commitments | Housing Remaining to be Planned |
|-----------------------------------|---|--|---------------------------------------|
| Adjoining Leicester Urban Area | 5,935 | 1,668 | 4,267 |
| Market Towns | 6,973 | 6,176 | 797 |
| Large Villages | 2,117 | 1,320 | 797 |
| Medium Villages | 593 | 355 | 238 |
| Small Villages | 734 | 703 | 31 |
| Other | 205 | 205 | 0 |
| Total | 16,556 | 10,427 | 6,129 |

Strengths

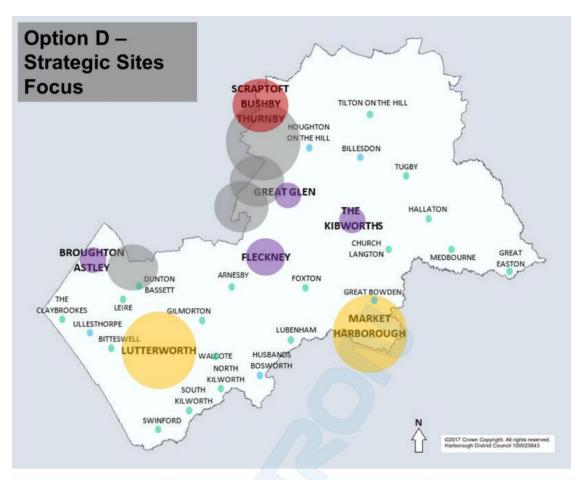
- This option focuses growth on the most sustainable settlements (i.e. adjoining the Leicester Urban Area).
- This option would lead to shorter journeys to access jobs and services in the City and provide potential opportunities for sustainable transport improvements into Leicester.
- It maximises development opportunities in locations closest to the Leicester Urban Area and its wide range of higher order services, facilities and employment opportunities.
- Development close to Leicester responds to the District's contribution to Leicester City's unmet housing need.
- Growth in these settlements may improve the range and capacity of local services/facilities.

Weaknesses

- Settlements adjoining the Urban Area would have their highest levels of growth under this option which could impact on current Green Wedges and Area of Separation designations.
- In terms of employment, there is no existing economic centre in these settlements so there would be a reliance on new employment areas and/or improved transport links to the City.
- There may be a need for more small sites to come forward to fulfil requirement for 10% of allocations to be on sites of 1ha or less.
- By concentrating growth, the development potential within other sustainable locations may not be realised.
- Further development could exacerbate transport issues in the local area and into the City unless sustainable transport/active travel solutions are provided.

Option D: Strategic Sites Focus

- 5.34. This option focuses development towards large strategic sites capable of accommodating more than 1,500 homes in total from the Strategic Housing and Economic Land Availability Assessment. These large strategic sites are generally located around the South and East of the Leicester Urban Area and may require strategic infrastructure to be delivered. The sites are:
 - Farmcare Estate, Stoughton (SHELAA site reference: 21/8229)
 - Land at Stretton Hall Farm, Chestnut Drive, Great Glen (SHELAA reference: 21/8093)
 - Land at Newton Harcourt (Newton Croft) (SHELAA site reference: 21/8178)
 - Whetstone Pastures Garden Village, Willoughby Waterleys (SHELAA site reference 21/8217)
 - Land east of Broughton Astley and North of Dunton Bassett and Ashby Magna (SHELAA site reference: 21/8192)
- 5.35. This option seeks to focus as much growth as possible into large Strategic Sites, with less growth in the rest of the District.



| Settlement Hierarchy Tier | Housing Requirement 2020-2041 (Option D) | Current Housing Completions/ Commitments | Housing Remaining to be Planned |
|-----------------------------------|---|--|---------------------------------------|
| Otrata ai a Oita a | 0.400 | | 0.400 |
| Strategic Sites | 6,129 | Ü | 6,129 |
| Adjoining Leicester Urban Area | 1,668 | 1,668 | 0 |
| Market Towns | 6,176 | 6,176 | 0 |
| Large Villages | 1,320 | 1,320 | 0 |
| Medium Villages | 355 | 355 | 0 |
| Small Villages | 703 | 703 | 0 |
| Other | 205 | 205 | 0 |
| Total | 16,556 | 10,427 | 6,129 |

Strengths

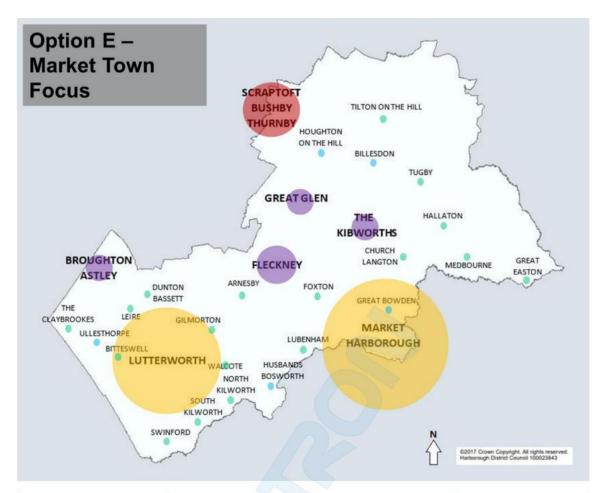
- In bringing forward strategic sites, this option would establish a strategy for subsequent plan periods to carry forward.
- It has the potential to deliver social benefits insofar as it would deliver Leicester's unmet housing need close to where it is needed.
- Strategic sites have a critical mass which could enable the delivery of strategic and local infrastructure (e.g. schools, healthcare, open space, sustainable travel) which helps internalise some of the more direct impacts development can have on existing areas and infrastructure.
- A focus on strategic sites presents the opportunity to plan comprehensively (placemaking) to create well designed places, with a focus on sustainability and active travel.
- There is an opportunity to ensure employment land is incorporated into these strategic sites resulting in the colocation of jobs and homes which could complement employment opportunities within the Leicester Urban Area and potentially reduce the need to travel.
- Further economic growth opportunities as a result potential new strategic infrastructure could emerge.
- The pressure for growth in other less sustainable settlements would be relieved particularly in the long term.
- This option is the most aligned with the Strategic Growth Plan.

Weaknesses

- There is uncertainty around timescales relating to strategic sites and how much development is deliverable within the plan period to 2041.
- Delivery of strategic sites can be vulnerable to delay, particularly in relation to provision of strategic infrastructure, including strategic transport infrastructure.
- With a focus on strategic sites, which typically have long leadin times to deliver homes, it may be challenging to maintain supply of homes in the short/medium term across the District.
- No new development in other tiers of the settlement hierarchy beyond those already committed could impact on meeting local needs in the longer term.

Option E: Market Town Focus

5.36. This option focuses growth towards the Market Towns (Lutterworth and Market Harborough) with less growth in the rest of the District.

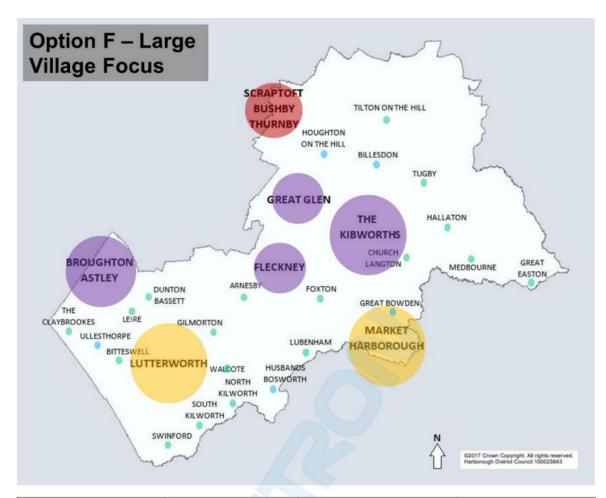


| Settlement Hierarchy Tier | Housing Requirement 2020-2041 (Option E) | Current Housing Completions/ Commitments | Housing Remaining to be Planned |
|-----------------------------------|---|--|---------------------------------------|
| Adjoining Leicester Urban Area | 1,668 | 1,668 | 0 |
| Market Towns | 12,305 | 6,176 | 6,129 |
| Large Villages | 1,320 | 1,320 | 0 |
| Medium Villages | 355 | 355 | 0 |
| Small Villages | 703 | 703 | 0 |
| Other | 205 | 205 | 0 |
| Total | 16,556 | 10,427 | 6,129 |

| Strengths | This option has the potential to promote and deliver active travel alongside development. Development could support the long-term economic health and vitality of the District's two town centres. There may be an opportunity to alleviate pressure on Market Harborough town centre by providing more local services and facilities to north of Market Harborough (where most potential development sites are located). |
|------------|---|
| Weaknesses | Under this option there would be no additional planned growth adjoining the Leicester Urban Area which is the most sustainable part of the District. Potential allocations are increasingly distant from town centre, particularly in Market Harborough, and may not relate well to existing settlement form. Delivering the high and medium scales of growth to 2041 on appropriate sites in the two market towns would be challenging. Delivering this scale of growth in Market Harborough and Lutterworth would potentially impact on character of, and separation with, nearby villages. Achieving sustainable transport options and/or active travel solutions between new sites and existing town centre services may be difficult. With the focus on Market Towns, other villages may not be able to meet their local need for housing in the longer term and secure growth to support or improve local services/facilities. |

Option F: Large Village Focus

5.37. This option focuses growth towards the Large Villages (Broughton Astley, Great Glen, Fleckney, The Kibworths) with less growth in the rest of the District.



| Settlement Hierarchy Tier | Completions/ | | Housing Remaining to be Planned |
|-----------------------------------|--------------|--------|---------------------------------------|
| Adjoining Leicester Urban Area | 1,668 | 1,668 | 0 |
| Market Towns | 6,176 | 6,176 | 0 |
| Large Villages | 7,449 | 1,320 | 6,129 |
| Medium Villages | 355 | 355 | 0 |
| Small Villages | 703 | 703 | 0 |
| Other | 205 | 205 | 0 |
| Total | 16,556 | 10,427 | 6,129 |

| Strengths | The considerable housing capacity of potential sites within the Large Villages is maximised. The option would support existing and, potentially, the delivery of new infrastructure, services and facilities in Large Villages which act as services centres for lower order settlements. |
|------------|---|
| Weaknesses | Under this option there would be no additional growth beyond existing housing completions and commitments in more sustainable settlements. The potential for housing growth within more sustainable locations would not be realised. By locating growth in Large Villages, access to most higher order services would involve travelling to Market Towns and Leicester Urban Area and encourage use of the private car. By spreading growth over the four Large Villages, the benefits of large scale or strategic growth may not be realised. |

Housing Spatial Options

Question 10: Do you agree with the options considered for the location of housing development? Should any of the options be changed or additional options included?

Question 11: Which option or options for the location of homes do you consider to be the most appropriate? This could be one of the options or a mix of several.

6. Amount and Location of Employment Growth

- 6.1. Government policy sets out an economic role for the planning system to help build a strong, responsive, and competitive economy by ensuring sufficient land of the right type is available in the right places and at the right time to support growth and innovation.
- 6.2. Harborough District is part of the Leicester and Leicestershire Functional Economic Market Area (FEMA) and has a close interrelationship with Leicester, other authorities within Leicestershire and adjoining authorities beyond. In terms of employment, Market Harborough and Lutterworth are our main economic centres. The District, particularly the west as home to Magna Park, benefits from its central location at the heart of England with good motorway connections proving popular with companies in the logistics sector.
- 6.3. Delivery of employment land has averaged 0.3 Hectares per year for Offices including Research & Development and 1 Hectare per year for

- Industrial & Distribution (excluding strategic warehousing) since 2011, and the density of businesses per 1,000 population remains high which in recent years has supported developments such as the Harborough Innovation Centre and Grown On Centre. The rural and wider economy continues to adapt and diversify, responding to structural economic change including the impact of BREXIT and the COVID19 pandemic.
- 6.4. Government policy requires plans to help create the conditions in which businesses can invest, expand, and adapt taking into account local business needs, wider opportunities for development and the specific locational requirements of different sectors. As with housing, this requires an appropriate strategy considering reasonable alternatives based on proportionate evidence and taking into account any needs that cannot be met in neighbouring areas (unmet need).
- 6.5. This consultation therefore sets out options for the scale and location of employment growth across the District over the proposed plan period 2020 to 2041.

Scale of Economic Growth

6.6. The starting point for determining the amount of economic growth, or employment land and jobs, we should plan for is an economic needs assessment. The Leicester and Leicestershire Housing and Economic Needs Assessment (HENA) was published in June 2022. This identifies what we need to provide for the period to 2041. Figures are provided in Hectares with an equivalent floorspace in square meters.

| Total Employment Needs 2021 - 2041 | | | |
|--|---------------|----------|--|
| Harborough District | Square metres | Hectares | |
| Offices including Research and | 29,200 | 8.3 | |
| Development | | | |
| Industrial and Distribution (excluding | 194,100 | 48.5 | |
| strategic warehousing) | | | |
| Total | 223,300 | 56.9 | |

- 6.7. The need for strategic warehousing (B8 in units >9,000sqm) has been identified in another separate evidence study (see section below).
- 6.8. The figures above do not take into account development built or lost since 2020, nor do they take account of sites in the pipeline that we expect to come forward in the period to 2031 (e.g. sites allocated for employment in the adopted Local Plan, made Neighbourhood Plans, and planning permissions) including:
 - Airfield Business Park, Market Harborough (Policy MH5 undeveloped part)

- Compass Point Business Park, Market Harborough (Policy MH6 undeveloped part)
- Wellington Business Park, Market Harborough (Policy MH4 allocation)
- East of Lutterworth SDA, Lutterworth (Policy L1e/f allocation)
- Land south of Lutterworth Road/Coventry Road, Lutterworth (Policy L2 allocation)
- Land off Marlborough Drive, Fleckney (Policy F2 allocation)
- Beauchamp Business Park, The Kibworths (Policy K1 allocation)
- Elm Business Park, Broughton Astley (Broughton Astley Neighbourhood Plan Policy EMP1 allocation)
- 6.9. All existing commitments will contribute towards meeting the need.

How much new employment land is required to be identified to 2041?

| | Offices including Research and Development | | Industrial and Distribution (excluding strategic warehousing) | | Total |
|---|--|---------|---|---------|-------------------------------|
| | Hectares | Sqm | Hectares | Sqm | |
| Need to 2041 | 8.3 | 29,200 | 48.5 | 194,100 | 56.9 hectares (223,300sqm) |
| Minus Total (Net) Completions 2020/21 – 2022/23 | -0.5 | -301 | 4.1 | 12,629 | 3.6 hectares (12,328sqm) |
| Minus (Net) Commitments at 31/3/23 | 17.2 | 70,900 | 45.3 | 157,656 | 62.5 hectares (228,556sqm) |
| Residual requirement to 2041 | -8.4 | -41,399 | -0.9 | +23,815 | -9.2 hectares (-17,584sqm) |

Shading denotes an over-supply

- 6.10. Taking account of supply shows that the amount of new land needed to 2041 (the residual requirement) is negative which means we already have enough land identified for both offices and industrial uses. However, looking longer term to 2051 and taking into account the current oversupply the HENA indicates that we will need to plan for an additional 10.2 hectares. This is driven by a need for more industrial land.
- 6.11. Neighbouring Leicester City has an unmet industrial need to 2036. To meet Government requirements, the Leicester and Leicestershire authorities commissioned consultants to prepare an Employment Distribution Paper apportioning the unmet industrial need to neighbouring districts. This evidence, which informed the Statement of Common Ground, suggests there should be no increase to Harborough's employment requirement. The situation regarding any unmet employment needs in the FEMA beyond 2036 is unknown.

6.12. Taking the above into account three alternative options for the scale of employment growth have been identified:

| | Scale of Growth | Justification |
|----------|--|--|
| Option A | Make no additional allocations of employment land in Harborough District. | On the basis that there is evidence of an over-supply |
| Option B | Adopt a longer-term approach and allocate additional land for employment to maintain a flexible supply and support sustainable development | Harborough's employment need is forecast to increase beyond the plan period to 2051. Unmet need may arise in the FEMA beyond 2036. To counteract strong pressure for housing land, and the comparatively marginal viability and historically long delivery periods for employment development. To ensure employment land is an integral part of any planned growth of sustainable settlements |
| Option C | Plan for greater growth to meet any enhanced economic aspirations or regeneration priorities for the District | To attract new employers (inward investment) to the District to enhance the prosperity and resilience of the local economy. To have regard to Harborough's Economic Development Strategy (2018-23) which is currently under review. |

6.13. Any growth above the HENA level, for example under Option C, may require further evidence and could increase the District's housing requirement.

Scale of Employment Growth

Question 12: Is the HENA an appropriate evidence base on which to formulate our employment land policies? If not, why not?

Question 13: Which option do you consider most appropriate to include in Harborough's new Local Plan?

Question 14: If Option B or C, are there any other evidence base studies which are required? If so, why?

Question 15: Are there any other options that we could consider?

Options for the Location of Employment Growth

- 6.14. If additional employment land is to be planned for, we need to consider where growth will go and how it will be delivered. Government policy requires local plans to promote a sustainable pattern of development.
- 6.15. The current focus for employment development is within and adjoining Market Harborough and Lutterworth, and to a lesser extent some of the District's larger villages. Going forward any distribution of employment growth will need to address local business needs and be informed by the outcome of this consultation and further work.
- 6.16. Depending on the scale of growth, three broad locational options have been identified:
- Option A: Intensifying the density of employment uses in existing employment areas in appropriate and sustainable locations. This option focuses on making more efficient use of land and recognises the marginal viability of employment development in Harborough District
- Option B: Continue with the current approach of focussing new employment land in the District's main economic centres (Market Harborough, Lutterworth) and larger sustainable settlements. This would concentrate growth in our most sustainable settlements which accommodate or are most accessible to the resident workforce.
- Option C: Align new employment land provision with areas of significant housing growth. This would achieve a balance of jobs and homes in areas of significant growth, be that settlements or strategic sites.
- 6.17. These options have been assessed though the Sustainability Appraisal [link to be inserted]. Each of the above options would integrate with the preferred spatial strategy to deliver employment growth that also addresses the other emerging objectives of the Plan.
- 6.18. Once we have identified a Preferred Strategy for distributing growth, we will need to consider which sites are the most appropriate. A long list of sites has been identified through the SHELAA, this includes relatively few sites proposed for a single economic use (except strategic distribution) and a greater number for a mix of economic uses either with or without housing development. Amongst the long list of sites, the capacity for employment is greatest in larger villages with relatively few opportunities in or adjoining Market Harborough and Lutterworth or which were assessed as deliverable in the short term (i.e. 0-5 years).

- 6.19. Alongside the allocation of any new employment sites, policies that protect existing employment areas will be retained. Further evidence may be required in this regard.
- 6.20. Currently we also have specific policies for Bruntingthorpe Proving Ground and Leicester Airport. These recognise the importance and specialist nature of these sites and control development to manage its impact on their rural locations. A continuation of this approach is envisaged going forward.

Location of Employment Growth

Question 16: Which option do you consider most appropriate to include in Harborough's new Local Plan?

Question 17: Are there any other options that we could consider?

Question 18: Is the approach to Bruntingthorpe Proving Ground and Leicester Airport appropriate? If not, why not.

Strategic Storage and Distribution uses

- 6.21. Harborough, specifically areas to west of the District along the M1 corridor, is a very attractive location for strategic storage and distribution uses (strategic B8 in units >9,000sqm) or large warehouses. It falls within what is known as the 'golden triangle' for the sector due to its central location and excellent access to the M1, M6, A5 and A14 (the Strategic Road Network). The sector is dynamic, globally driven and its' functional requirements change to respond to business and society's demands.
- 6.22. Interest in warehousing in the district has been high since the early 1990's when Magna Park at Lutterworth was first established, and in recent years with its significant extensions known as Magna Park North and Magna Park South which are well under construction.
- 6.23. Strategic warehousing and logistics is an acknowledged strategic cross boundary issue for local authorities in Leicester and Leicestershire who, together with the Leicester & Leicestershire Enterprise Partnership, have collectively commissioned evidence on the sector.

Scale of Strategic Warehousing Growth

6.24. The <u>Warehousing and Logistics in Leicester and Leicestershire: Managing Growth and Change (April 2021)</u> study forecasts future need for strategic warehousing (B8 in units >9,000sqm) to 2041 and 2051.

- 6.25. The study recommends that Leicester & Leicestershire need to provide for circa 2,570,000sqm of additional floorspace between 2020 and 2041.

 Based on 43% of future need at rail-served sites, 1,106,000sqm is needed at rail-served sites and 1,466,000sqm at non-rail served sites.
- 6.26. The study has a base date of 1st April 2020. Taking into account the supply at that time (land with planning permission, allocations, and vacant units) there was a remaining balance of 768,000sqm (or approximately 307Ha) at rail served sites and 392,000 sqm (or approximately 112Ha) at non-rail served sites which should be planned for to 2041. Joint monitoring by the authorities has since updated the supply position on 1st April 2021 which reduces the amount to planned for rail served sites to 718,875sqm and 301,293sqm at non-rail served sites.
- 6.27. Rather than split the requirement by District the study identifies general broad areas across Leicestershire, termed Areas of Opportunity, where strategic warehousing could be located. Area of Opportunity 6 (M1 corridor south of Leicester) impacts on Harborough District and is identified for non-rail served provision only. The amount of growth to be apportioned to Areas of Opportunity has not yet been agreed with other local authority partners in Leicester and Leicestershire.

Options for the Location of Strategic Warehousing

- 6.28. Harborough and local authority partners have entered into a <u>Statement of Common Ground relating to Strategic Warehousing and Logistics</u> (Sept 2021). The SoCG sets out 'next steps' for planning for the future needs of the sector to 2041.
- 6.29. A joint evidence study to consider the apportionment of the rail and non-rail served shortfall within the sub-region is currently underway. This will inform an approach to meeting the Leicester & Leicestershire need.
- 6.30. Harborough's current approach (set out in the adopted Local Plan) focuses all strategic warehousing growth at Magna Park in the form of the two extensions which are currently under construction. However, Area of Opportunity 6 encompasses a wider geographical area. In addition, current policy safeguards Magna Park for strategic warehousing including ancillary uses in units greater than 9,000sqm.

Approach to Strategic Warehousing

Question 19: Is the Warehousing and Logistics in Leicester and Leicestershire: Managing Growth and Change (April 2021) study an appropriate evidence base on which to formulate policy for strategic warehousing? If not, why not? Question 20: Is the approach to focus strategic warehousing at Magna Park still appropriate? If not, why not?

Question 21: Should uses other than strategic warehousing or other flexibility be allowed at Magna Park to ensure it can adapt to the market needs of the sector? If so, what, and why?

7. Small and Medium Housing Sites Requirement

- 7.1. National Policy requires us to identify sufficient land to accommodate at least 10% of the Local Plan housing requirement on sites no larger than one hectare unless it can be shown there are strong reasons why this cannot be achieved.
- 7.2. As of 1 April 2023, there were 275 homes already committed or allocated in Neighbourhood Plans on sites of one hectare or less. There are 53 sites in the SHELAA of one hectare or less with the potential to provide about 700 dwellings. However, not all of these sites may be appropriate for development.
- 7.3. We may need to consider opportunities to find smaller sites to provide housing but they must be in sustainable locations. One potential option is to sub-divide larger sites to allow for small and medium-sized housebuilders to provide diversity in the housing market.

Small and Medium Housing Sites Requirement

Question 22: How should we diversify the housing market in the District to meet the requirement to provide more housing on smaller sites (one hectare or less in size)?

Question 23: If you have promoted a site for development, would you consider sub-dividing the site to allow small and medium housebuilders or self-builders to enter the housing market?

8. Call for Sites

- 8.1. Alongside this consultation the Council is running a Call for Sites. The Call for Sites is an opportunity for landowners, developers, agents, and site promoters to submit sites within or partially within Harborough District which they consider have potential for development.
- 8.2. National policy requires the Council to have a clear and up-to-date understanding of potential development land in the District. The Council carried out a Call for Sites between March and June 2021. An initial

assessment of these sites has been carried out in accordance with Government Guidance through the <u>Strategic Housing and Economic Land Availability Assessment (SHELAA)</u> and Sustainability Appraisal [link to be inserted]. We are aware of the sites submitted for consideration in 2021 and they should <u>not</u> be resubmitted again through this Call for Sites process.

- 8.3. The Council would welcome the submission of potential new sites for a wide range of land uses such as:
 - Housing including:
 - General housing
 - Specialist housing for older people
 - Affordable housing only (e.g. rural exception sites)
 - Build to rent
 - Self-build and custom housebuilding
 - Gypsy and Traveller and travelling showpeople accommodation
 - Employment including:
 - Office
 - Industrial
 - Non-strategic warehousing
 - Large warehousing (i.e. strategic distribution)
 - Retail
 - Leisure, recreation and community facilities
- 8.4. After this consultation closes, the Council will update the SHELAA and relevant evidence to take account of any new sites submitted as appropriate.
- 8.5. More details and how to submit a site for consideration through the Call for Sites process is available on the Council's website [link to be inserted].
- 8.6. It is important to understand that no decisions have been made on which sites should come forward for development through the new Local Plan at this stage. The SHELAA and Sustainability Appraisal are not decision-making documents and do not allocate sites for development. They form part of the Local Plan evidence base that will be used to help inform the site selection process carried out later in the Local Plan process along with other considerations (see site selection methodology below).

9. Site Selection Methodology

- 9.1. The Council has published a Site Selection Methodology [link to be inserted]. This sets out the methodology we intend to follow to assess and compare the suitability of potential development sites. It draws on a range of evidence to help to identify sites that have the greatest potential to deliver environmental, economic and social benefits for the local community.
- 9.2. There are number of stages to the methodology including:

Stage 1 - Identification of sites

- 9.3. The site selection process will consider sites that are deliverable and developable as assessed through the Strategic Housing and Economic Land Availability Assessment (SHELAA).
- 9.4. The current SHELAA includes sites submitted for consideration through the Local Plan process so far. This will be updated to include additional sites submitted through the current Call for Sites process.

Stage 2 - Sustainability Appraisal

9.5. For each developable site, the sustainability appraisal considers a range of social, environmental and economic factors. The approach taken, list of factors considered and site assessments undertaken so far are available in the Sustainability Appraisal report [link to be inserted] published alongside this consultation.

Stage 3 – Assessment of sites against the preferred spatial strategy

- 9.6. The Council is consulting on a range of potential options for the scale and distribution of development (see section 5). The outcomes of this consultation and further work will then inform the Council's Preferred Spatial Strategy which may be one of the options above or a hybrid containing elements from different options.
- 9.7. Sites will be assessed to determine whether they could contribute to meeting the preferred spatial strategy. Sites that fall outside of the preferred spatial strategy will not be taken further forward in the site selection process.

Stage 4 – Technical Assessment and Deliverability of Sites

9.8. At this stage numerous technical details will be examined and an assessment of the delivery of the sites carried out. Factors that will be considered include constraints, infrastructure, deliverability and viability, and place-making.

Stage 5 - Emerging new Local Plan policies and Neighbourhood Plan policies

9.9. Consideration will be given to emerging new Local Plan policies and Neighbourhood Plans.

Stage 6 – Site Appraisal Conclusions and Recommendations

9.10. The final stage of the process is to draw conclusions and to make recommendations about the suitability of the site for inclusion in the new Local Plan, informed by the previous stages above.

Site Selection Methodology

Question 24: Do you agree with the stages in the site selection methodology?

Question 25: Are there any other factors you think should be considered when selecting sites for development?

10. Strategic Green Designations

- 10.1. The locational strategy of the Local Plan is not just about where new development should be located. It is also about identifying locations that should be protected from development.
- 10.2. The current Local Plan includes Green Wedge, Areas of Separation and Countryside designations. Green Wedges have long been used in Leicester and Leicestershire as a tool to influence and direct development. They are important strategic areas designated to prevent the merging of settlements, guide development form, provide access from urban areas to green spaces/open countryside and provide recreational opportunities. There are two Green Wedges in the current Local Plan.
- 10.3. Areas of Separation perform the important function at the localised level of protecting the identity and distinctiveness of settlements by preventing them from merging. Countryside is generally those areas of the District outside the built-up area of larger settlements which are not subject to other designations such as Green Wedge or Area of Separation.
- 10.4. We recognise that these are longstanding designations. However, they may need to be reviewed to ensure they remain fit for purpose and are not acting as an inappropriate constraint to sustainable development. Any review will consider areas designated through Neighbourhood Plans.

Strategic Green Designations

Question 26: Do you agree the existing approach of using Green Wedges, Areas of Separation and Countryside designations to manage development?

Question 27: Should the detailed boundaries of Green Wedge and Areas of separation be reviewed to take account of any new Local Plan allocations where appropriate to do so?

11. **Design Quality**

- 11.1. Government policy is clear that the creation of high quality, beautiful and sustainable buildings and places is fundamental to what the planning and the development process should achieve. Good design is a key aspect of sustainable development and creates better places in which to live and work.
- 11.2. Since our current Local Plan was adopted in 2019, government has placed greater emphasis in national policy on the design quality of new development and has published the National Design Guide and National Guide and <a href="Nati
- 11.3. The Levelling-up and Regeneration Act goes further by requiring every local authority have a design code in place covering their entire area (once enacted by secondary legislation). These area-wide codes are expected to act as a framework for subsequent detailed design codes to come forward, prepared for specific areas or sites and led either by local planning authorities, neighbourhood plan groups or by developers. Through our approach to the new plan, we need to respond locally to the National Design Guide and National Model Design Code and the potential requirement for an area-wide design code for Harborough District.
- 11.4. Currently our adopted Local Plan 2019 contains a design policy setting out the expectation that all development should achieve a high standard of design quality to ensure it is both sustainable and attractive. It aims to safeguard and improve the character of the District and achieve well designed places that relate well to their environment, are attractive and safe, and offer an improved quality of life for those that live and work in the District. The district also has a <u>Development Management SPD</u> which includes guidance on design principles, and advice on different types of development e.g. residential, commercial and development in different circumstances.
- 11.5. The Local Plan also encourages neighbourhood plans to develop appropriate design guides, as they can take into account the special qualities of each area. Site specific Master Plans are also required for specific strategic developments allocated through the plan. These should meet the master planning requirements set out in the Local Plan and be informed by key design principles, an independent design review and community consultation.

- 11.6. Design guides and codes can be produced as part of a plan (e.g. local plan or neighbourhood plan) or as Supplementary Planning Documents (SPD).
- 11.7. A design code is an illustrated set of design requirements that provide specific, detailed parameters (or rules) for the physical development of a site or area that should build upon a design vision such as a masterplan or other design / development framework for an area or site. A design guide is less prescriptive or strict, providing guidance on how development can be carried out in accordance with good design practice.

Design Quality

Question 28: Is preparing a district-wide design code, related to an updated design policy in the Local Plan, an appropriate approach?

Question 29: Do you consider further design codes to be necessary, if so, what should they cover?

For example:

- Large development sites.
- Locations / settlements identified for significant development.
- Particular character areas such as town centres, village centres, suburbs.
- Specific topics such as climate change and sustainable development.

Environment and Sustainability Policies

12. Mitigating and Adapting to Climate Change

- 12.1. Climate change is a cross-cutting theme which impacts on all aspects of new Local Plan policy. Presenting growing risks, globally and locally, it is widely accepted that human activity is the main reason for increased concentration of greenhouse gases and rising global temperatures. Unless steps are taken it will impact not just this but also future generations.
- 12.2. Locally, the more visible impacts of rising temperatures include more extreme weather events including flooding and changes in air and soil quality. The response to the challenge posed by climate change affects many aspects of life and society, several of which can be influenced positively by the new Local Plan. The Council declared a Climate Emergency in July 2019 and in 2021 published its Climate Emergency Action Plan for the period 2022 2030 which is in the process of being updated. The implications of the Council's Climate Emergency Action Plan will need to be incorporated into the Local Plan, its spatial strategy and individual policies.
- 12.3. National planning policy is clear that the planning system should support the transition to a low carbon future in a changing climate by helping to shape places in ways that contribute to "radical reductions" in greenhouse gas emissions, minimise vulnerability and improve resilience. As part of that, it is tasked with supporting renewable and low carbon energy and associated infrastructure.
- 12.4. Whilst the Local Plan cannot do everything (it has very limited influence over existing buildings, for example), it should ensure that significant new development is directed to locations that are sustainable or can be made sustainable, through limiting the need to travel and offering a genuine choice of transport modes. Local plans should take a proactive approach to mitigating and adapting to climate change alongside policies supporting appropriate measures to build future resilience of communities and infrastructure to climate change impacts.
- 12.5. As with many aspects of planning policy, it is important to establish an evidence base so that an appropriate policy response can be formulated. Recognising that Climate Change is a strategic, cross-boundary challenge, the Leicester and Leicester local authorities are currently in discussion about the scope of a potential joint climate change/zero carbon study which would look at the scope of what can be done through local plans to address climate change.

- 12.6. In the meantime, it is expected that the new Local Plan policy will contribute to climate change mitigation and adaptation through:
 - Locating development in the most sustainable locations where walking, cycling and public transport options are, or can be made, available to access local shops and services
 - Supporting the generation of energy through renewable and low carbon technologies in appropriate locations (including within developments where possible)
 - Improving the energy performance of buildings (without duplicating standards required by Building Regulations or expected future changes to Building Regulations)
 - Encouraging the use of sustainable materials and construction methods in new development which encourage waste minimisation and prevention through the reuse and recycling of building materials
 - Encouraging passive design measures that reduce the need for artificial lighting, heating, cooling and ventilation systems, through siting, design, materials, layout and building orientation
 - Locating and designing new development to take into account flood risk from all sources, so that it does not place itself or other communities at increased risk of flooding
 - Supporting to the use of sustainable drainage systems which contribute to green and blue Infrastructure network where possible
 - Minimising water consumption in new development
 - Ensuring the incorporation of multifunctional green and blue infrastructure into developments which delivers environmental as well as health and well-being benefits by encouraging active lifestyles
 - Promoting sustainable modes of transport/active, giving priority first to pedestrian and cycle movements, both within the scheme and with neighbouring areas
 - Ensuring the District contributes to a comprehensive network of electric vehicle charging points to support electric modes of transport and emerging technologies
 - Supporting an improvement in air quality across the District, particularly in respect of the Air Quality Management Areas (AQMA) at The Kibworths and Lutterworth, by providing sustainable travel choices to reduce the reliance on the private car.
- 12.7. In essence, most policies in the new Local Plan will have a role in addressing climate change and delivering sustainable development. It is likely that national planning policy and guidance in respect of climate change and zero carbon ambitions will keep evolving as the Local Plan is progressed. Such changes will be taken into account alongside relevant evidence in formulating a suite of policies on climate change. It will also be important to understand how any requirements relating to climate change will impact on the viability of development when considered alongside other

policy requirements (e.g. affordable housing, open space provision, biodiversity net gain).

Mitigating and Adapting to Climate Change

Question 30: Are there any other policy approaches to climate change issues that the Local Plan should consider?

13. Flood Risk

- 13.1. While flood risk is a longstanding issue, climate change will increase the likelihood of extreme flood events occurring more frequently in the future, with the potential to affect residents, businesses, heritage and other assets across parts of the District. Planning has a key role to play in managing and reducing flood risk.
- 13.2. National planning policy is clear that inappropriate development in areas at risk of flooding should be avoided by directing development away from areas at highest risk. Where development is necessary in such areas, it needs to be made safe for its lifetime and not increase flood risk elsewhere.
- 13.3. An up-to-date Strategic Flood Risk Assessment (SFRA) plays a key role in ensuring that the risk of flooding is taken into account in the preparation of strategic policies, including the location of development and the allocation of sites for development. Given that current SFRA dates from 2017, a new assessment will be undertaken to map and identify sources of flooding across the District. With early engagement of the Environment Agency (EA) and the County Council as the Lead Local Flood Authority (LLFA), this new assessment will take account of:
 - significant changes to planning policy over the intervening period, particularly relating to calculating the risk of flooding due to climate change
 - requirements set out in Planning Practice Guidance and the Environment Agency SFRA guidance, including Climate Change Allowances
 - latest EA models for the District, including for the Welland catchment (published in 2018).
- 13.4. On completion, the SFRA will be a key piece of evidence in site selection work, allowing the application of a sequential, risk-based approach to the location of development so as to avoid, where possible, flood risk to people and property. The aim of the sequential test is to steer new development to areas with the lowest risk of flooding from any source.

13.5. Alongside the site selection work, a policy relating to managing flood risk in the District will be developed which takes account of up-to-date national policy and local evidence. In addition, the current commitment to the use of sustainable drainage systems (SuDS) will be retained as part of the new Local Plan. Their potential for providing an effective way of both managing surface water while contributing to biodiversity net gain, through the creation of diverse habitats for wildlife, will be highlighted.

Flood risk

Question 31: Do you agree with the Council's intention to undertake an updated Strategic Flood Risk Assessment to feed into Local Plan preparation?

14. Water Supply and Wastewater Management

- 14.1. National planning policy makes it clear that strategic policies, as well as setting out an overall strategy for the pattern, scale and design quality of places, should make sufficient provision for infrastructure including water supply and wastewater.
- 14.2. Harborough District lies within the Severn Trent Water and Anglian Water areas, both classified as areas of serious water stress, meaning that more water is taken from the environment than the environment can sustain in the long term. Alongside this, new development will have an impact on the wastewater facilities which needs to be considered. To understand more fully the issues around water resources/supply and wastewater network/treatment, a Joint Water Cycle Study Scoping Report is being prepared with Blaby District Council, Oadby & Wigston Borough Council and Hinckley & Bosworth Council. Engaging with key partners such as the EA, LLFA and the water companies (Severn Trent, Anglian Water), the study will look at:
 - whether there is enough water resource available to serve the total amount of growth
 - whether the water can get to where it is needed
 - sewage treatment works likely to be impacted by development and their capacity to accommodate growth
 - water quality and environmental impact.
- 14.3. The findings will feed into the selection of an appropriate spatial strategy and the site selection process. It will be the start of a dialogue with the water infrastructure providers and inform policy preparation relating to water supply and wastewater infrastructure to support new development.
- 14.4. Other aspects of the water environment to be covered in policy include:

- the quality of water courses
- the protection of ground water quality (Source Protection Zones)
- the removal of any contamination on development sites that could have an impact on the water environment
- prevention of adverse impact on water environment and its enhancement wherever possible.

Water Supply and Wastewater Management

Question 32: Do you agree that understanding the water supply and wastewater capacity is important in preparing the Local Plan?

15. **Biodiversity and Geodiversity**

- 15.1. The natural environment continues to be impacted by climate change, industry and agriculture, leisure and the need for development. As the current Local Plan acknowledges, Harborough District is relatively poor in biodiversity terms due to the predominance of agriculture. The Environment Environment E
- 15.2. In essence, mandatory BNG means that development will be required to leave biodiversity in a measurably better state than it was beforehand. It means that most planning permissions granted will have to deliver at least 10% biodiversity net gain from January 2024 (April 2024 for small sites). BNG can be delivered both on-site and off-site, on local authority owned or privately owned land and via green-blue infrastructure features. BNG will have to be secured, managed and maintained for at least 30 years.
- 15.3. While current Local Plan policy specifies that development should contribute towards improving protecting biodiversity, the approach to securing mandatory BNG of at least 10% will be embedded in new Local Plan policy to ensure it is delivered locally and appropriately. Local planning authorities can include higher BNG than the statutory minimum (10%) but this would need a local viability assessment to support it.
- 15.4. To help support the recovery of nature and the delivery of BNG, the Environment Act 2021 also introduced a new system of spatial strategies for nature called Local Nature Recovery Strategies (LNRS). Across England, there are 48 responsible authorities which will lead on preparing a LNRS for their area. Leicestershire County Council is the responsible authority for preparing the LNRS for Leicestershire, Leicester and Rutland. As well as working closely with Natural England and with the local planning authorities, including Harborough District Council, the County Council will

- involve a wide range of groups to ensure the LNRS reflects local priorities and benefits from local knowledge.
- 15.5. The LNRS will set out priorities for nature's recovery, map the most valuable existing areas for nature and map specific proposals for creating or improving habitat for nature and wider environmental goals. The LNRS is expected to be finalised in spring/summer 2025 and will be a valuable source of evidence in understanding locations for conserving and enhancing biodiversity.
- 15.6. Separate Government guidance will be published on how local authorities will be expected to comply with their duty to take account of the LNRS when preparing local plans. In the meantime, the emerging LNRS will be an important source of evidence in setting out local habitat priorities and in the approach to BNG delivery in the new Local Plan.

Biodiversity and Geodiversity

Question 33: Do you think agree with the proposed policy approach to biodiversity and geodiversity? Is there anything else we should be considering to enhance biodiversity?

16. Heritage Assets and the Historic Environment

- 16.1. National planning policy defines the historic environment as all aspects of the environment resulting from the interaction between people and places through time, including all surviving physical remains of past human activity, whether visible, buried or submerged, and landscaped and planted or managed flora. The District has a rich and varied historic environment which helps us to understand the past. It is evident in the buildings and spaces and through the stories of the people who lived and worked in them. The historic environment has wider environmental, social cultural and economic benefits. It helps define an area, create a sense of place and serves as a focal point for civic pride, tourism and inward investment. Careful management of the historic environment is necessary to ensure that its importance is recognised and that it can continue to contribute to the on-going evolution of the District.
- 16.2. Heritage assets are part of the environment that are valued for their architectural, historic archaeological and artistic interest. They range from sites and buildings of local historic value to those of the highest significance. Within the District there is a significant number of heritage assets, both designated and non-designated which are a key part of its character. These include 65 scheduled monuments, 6 registered parks and gardens, 1284 listed buildings, 62 designated conservation areas and the

Grand Union Canal in the area has also been separately designated as a Conservation Area. In addition, there are non-designated heritage assets identified through the neighbourhood planning process and through the District-wide Local List of non-designated heritage assets and there are entries on the Historic Environment Record. All these assets are an irreplaceable resource and should be conserved in a manner appropriate to their significance, so that they can be enjoyed for their contribution to the quality of life of existing and future generations.

- 16.3. Conserving the historic environment is the process of maintaining and managing change to a heritage asset in a way that sustains and, where appropriate, enhances its significance. The Local Plan will achieve this through policies which:
 - Protect and enhance nationally and locally listed buildings and other identified heritage assets, including the protection and enhancement of key views.
 - In addition to the national and local planning policies, where the Council identifies a particular risk to a heritage asset it can consider applying an Article 4 direction. (Article 4 directions are a tool available to the Council which can be used to withdraw permitted development rights from a heritage asset where it is considered necessary in order to safeguard its special architectural or historic interest).
 - Achieve creative re-use of heritage assets, so that they continue to contribute to the unique character of their location.
 - Encourage all development to contribute to the unique character of the area by protecting and enhancing existing heritage assets. All development should the celebrate local distinctiveness of its location and create memorable places that are visually attractive and offer a unique experience to its users.

Heritage Assets and the Historic Environment

Question 34: Do you agree with the proposed approach to heritage assets and the historic environment?

Health and Well-being Policies

17. Healthy communities

- 17.1. In accordance with the NPPF local planning authorities are expected to prepare planning policies aimed at achieving healthy, inclusive and safe places which enable and support healthy lifestyles.
- 17.2. The NPPF states that access to a network of high-quality open spaces and opportunities for sport and physical activity is important for the health and well-being of communities. The COVID-19 pandemic has also elevated the importance of the health and wellbeing of our communities when planning for the future.
- 17.3. The adopted Local Plan currently incorporates health into a range of different topics such as green infrastructure, open space and design.
- 17.4. In order to consider how to promote healthy lifestyle and improve the well-being of communities we firstly need to consider the social and demographic profile of the District. The Census 2021 contains a lot of information about the District including data about the health of its residents which is summarised as follows:
- 17.5. Harborough's population profile:

<u>Age</u>

- Aged 15 years and under 17.6 %
- Aged 16 to 64 years 60.4 %
- Aged 65 years and 22%

Life Expectancy

- Female life expectancy: 84.7 (above England average of 82.8)
- Male life expectancy: 80.7 (above England average of 78.7)

General Health

- Very good health 52.8%
- Good health 33.1%
- Fair health 10.6%
- Bad health 2.7 %
- Very bad health 0.7%
- 17.6. As part of the current evidence gathering process Harborough will work closely with the other Leicestershire authorities and other relevant stakeholders to prepare a Health Impact Assessment to support the preparation of policies for the Local Plan.

- 17.7. At this stage in the plan preparation process we would like to hear your views regarding what you consider to be the best approach to incorporate health and well-being into the new Local Plan.
- 17.8. Currently we have identified two options:
 - 1) Continue with the current approach of incorporating health and wellbeing with the other themes and issues explored in the Local Plan, such green infrastructure, open space and design codes.
 - Based upon evidence create a specific planning policy that encourages healthy lifestyles and improves the well-being of the communities in the District.

Healthy communities

Question 35: Which of the above options do you think should be pursued? Are there any other options?

18. Blue-Green Infrastructure

- 18.1. Blue-green infrastructure (BGI) refers to a strategic and interconnected network of natural and semi-natural features designed to manage and enhance the environmental, social, and economic well-being of a local community or region.
- 18.2. This infrastructure incorporates a combination of water bodies, such as rivers, lakes, and wetlands (the "blue" elements), as well as green spaces, such as parks, forests, and green roofs (the "green" elements).
- 18.3. It is a multifunctional approach to urban and rural planning that aims to provide a range of benefits, including flood mitigation, improved water quality, biodiversity conservation, recreational opportunities, and enhanced urban aesthetics. Blue-green infrastructure seeks to promote sustainability, resilience, and quality of life by integrating nature-based solutions into the built environment, ultimately creating more liveable and environmentally friendly places for present and future generations.
- 18.4. There are several ways in which BGI can improve the health and well-being of communities and provide additional biodiversity opportunities including:
 - Urban greening
 - Integrating green and blue infrastructure into new developments
 - Green and active travel corridors
 - Green links from urban to rural areas

- 18.5. The adopted plan identifies the following interconnected strategic BGI assets:
 - The Welland, Sence, Soar, Swift river corridors
 - Grand Union Canal
 - Dismantled railway lines
 - Saddington, Stanford and Eyebrook reservoirs
 - Traffic free cycle routes, and long-distance recreational paths and bridleways.
- 18.6. The Council will work with partners and stakeholders to assess and review these assets within the District and as part of the wider BGI network to identify the best course of action for their protection and enhancement. A recently completed <u>Open Space Strategy (2021)</u> will provide a useful starting point in this BGI review process.

Blue-Green Infrastructure

Question 36: Do you agree that the existing approach should continue to protect, improve and enhance strategic Blue-green infrastructure within the district?

Question 37: Is there an alternative approach to Blue-green infrastructure?

19. **Open Space, Sport and Recreation**

- 19.1. The NPPF considers open space to include all open space of public value that can take many forms, from formal sports pitches to open areas within a development, linear corridors and country parks. Open spaces can make a positive contribution towards creating a sense of place, improving biodiversity and mitigating climate change. Also, improving access and connections between open spaces to create a green infrastructure network provides important opportunities for sport, recreation and physical activity that improve the health and well-being of communities.
- 19.2. An up-to-date assessment of the need for open space, sports and recreation facilities is required to inform the preparation of planning policies for the Local Plan, so the Council has updated the Open Space Strategy (2021). This study identifies the different typologies of open space within the District and assesses the quantity, accessibility, quality and value of open spaces up to 2036. The implementation of this strategy is discussed in the Provision for Open Space Sport and Recreation Delivery Plan 2021
- 19.3. Other recently completed studies include:
 - <u>Built Sports Facility Strategy (2020)</u>: Assessment of the need for sports and recreation facilities

- <u>Playing Pitch Strategy (2022)</u> identifies supply and demand for a variety of playing pitches and outdoor sports facilities.
- 19.4. The information collected from these assessments and studies identify the amount and type of open space, sport and recreational provision that is required in the future within the District. Based upon these findings recommendations and standards for development have been suggested in the studies.
- 19.5. The adopted Local Plan sets standards for open space, sport and recreation requirements for development based on evidence from previous studies. It is proposed that the information and recommendations from the recent studies will inform the planning policy formulation on open space, sport and recreation in the new Local Plan.

Open Space, Sport and Recreation

Question 38: Based upon this updated evidence do you think we should continue with the similar approach set out in the adopted Local Plan and set standards in planning policies for open space, sport and recreation?

Question 39: Is there an alternative approach that you consider to be more appropriate for open space, sport and recreation?

20. Local Green Spaces

- 20.1. Open spaces with a local significance for communities can be protected through the Local Green Space designation. National policy specifies that Local Green Space can be designated through the local and neighbourhood plan making process. For an area to be designated as Local Green Space an assessment needs to be carried out to determine whether the site meets the criteria set out in national planning policy.
- 20.2. The NPPF states that the Local Green Space designation should only be used where the green space is:
 - in reasonably close proximity to the community it serves;
 - demonstrably special to a local community and holds a particular local significance, for example because of its beauty, historic significance, recreational value (including as a playing field), tranquillity or richness of its wildlife; and
 - local in character and is not an extensive tract of land.
- 20.3. An assessment of Local Green Spaces may be carried out to update the previous study that was carried out in 2013.

20.4. Currently there are 36 Local Green Spaces designated in the adopted Local Plan. In addition, there are 143 Local Green Spaces designated in Neighbourhood Plans. The neighbourhood planning process has given local communities the opportunity to identify Local Green Spaces and prepare policies that preserve and enhance them.

Local Green Space

Question 40: Should the new Local Plan identify new areas of Local Green Space or are they more appropriately identified through Neighbourhoods Plans?

Housing Needs Policies

Housing and Economic Needs Assessment (HENA, 2022)

21.1. It is important that new homes delivered provide for an appropriate mix of types, tenures and sizes of homes, including affordable housing (NPPF). The Housing and Economic Needs Assessment (HENA, 2022) includes an assessment of affordable housing need across the Leicester and Leicestershire authorities, and also considers the appropriate mix of housing across the area focusing on sizes of homes required in different tenure groups. The HENA also includes an assessment of need for specialist accommodation for older people and the potential requirements for housing to be built to higher accessibility and wheelchair standards and considers the needs for self and custom build housing and also Gypsy and Traveller needs.

21 Affordable Housing

- 21.2. The NPPF categorises affordable housing into four main types:
 - a) **Affordable housing for rent**: owned and managed by a Council or other Registered Provider with rent set at a level which does not exceed 80% of the local market rent or Social Rent set in accordance with the Government's rent policy.
 - b) **Starter homes**: new dwellings which are available for purchase by qualifying first-time buyers and are sold at a discount of at least 20% of the market value, subject to a price cap and with restrictions on sale or letting.
 - c) Discounted market sales: housing which is sold at a discount of at least 20% below market value with eligibility determined by local incomes and house prices and with provisions to ensure housing remains at a discount for future eligible households.
 - d) Other affordable routes to home ownership: for those who could not achieve home ownership through the market including shared ownership, equity loans, low cost homes for sale and rent to buy.
- 21.3. The HENA assessed affordable housing need taking account of the NPPF definition of affordable housing. It found that Harborough's affordable housing need is:
 - 254 affordable homes for rent per annum
 - 185 affordable home ownership per annum
- 21.4. Affordable home ownership products include First Homes, Shared Ownership and Rent to Buy. The figures for affordable home ownership represent the highest possible requirement. The HENA analysis states that

the needs for affordable home ownership do not include any reduction due to the availability of market-based initiatives to make homes affordable such as the Help-to-Buy Equity Loan scheme which evidence shows has in the past comprised a significant proportion of new-build delivery. This would significantly reduce the estimated need for affordable home ownership products and therefore point Councils to focus on meeting rented needs where possible. The HENA states that individual local authorities may look to discount a proportion of the identified Affordable Home Ownership numbers to reflect these scenarios.

21.5. The Council's approach to meeting the need for affordable housing will be informed by viability evidence for the whole plan and is unlikely to be as high as the need identified by HENA.

Affordable Housing

Question 41: How should the plan deliver the 254 affordable homes for rent per annum?

Question 42: Should Council look to discount the proportion of affordable home ownership dwellings to reflect the scenarios set out above? If so, how should it be discounted?

22 Mix of Housing

- 22.1. The NPPF requires an assessment of the size, type and tenure of housing needs for different groups in the community to be completed.
- 22.2. The HENA identifies the mix of homes needed in different tenures having regard to demographic changes and how households of different ages occupy homes, together with adjustments to address overcrowding. This is set out in the table below:

| | 1-bedroom | 2-bedroom | 3-bedroom | 4+ bedroom |
|-----------------------------|-----------|-----------|-----------|------------|
| Affordable housing (rented) | 35% | 40% | 20% | 5% |
| Affordable home ownership | 20% | 40% | 30% | 10% |
| Market | 5% | 35% | 40% | 20% |

Table 1 Table showing the percentage of different bedroom sizes for affordable and market dwellings

22.3. Analysis in the HENA also suggests that the majority of units should be houses rather than flats, with consideration to site specific circumstances. Additionally, it states that the Council should consider the role of bungalows within the mix as such housing can be particularly attractive to older person households downsizing and may help to release larger (family-sized) accommodation back into the market.

Mix of Housing

Question 43: Should the mix of sizes apply to all developments or only those over a set size threshold?

Question 44: How should the plan deal with the demand for bungalows?

23 Older Person and Specialist Housing

- 23.1. The NPPF makes clear that local planning authorities should seek to address the needs of different groups with specific housing requirements in their communities, including older people and those with disabilities.
- 23.2. The HENA analysis shows that 20.5% of the population across
 Leicestershire is aged 65+, and that the population aged 65+ is expected to
 grow by 80,200 persons to 2041. Currently 31% of households across
 Leicestershire have a long-term health problem or disability, and the
 number of households with support and care needs is expected to rise over
 time, driven by demographic changes and a growing older population. The
 HENA models the needs of households with specialist housing needs. The
 needs for additional housing units with care are focussed on market
 housing, with a smaller need for affordable housing units with care as set
 out in the table below.

| Shortfall/surplus by 2041 | Need |
|-----------------------------------|------|
| Housing with support (Market) | 893 |
| Housing with support (Affordable) | 127 |
| Total housing with support | 1021 |
| Housing with care (Market) | 428 |
| Housing with care (Affordable) | 119 |
| Total housing with care | 547 |
| Residential care bedspaces | 273 |
| Nursing care bedspaces | 391 |
| Total bedspaces | 663 |

Table 2 Table showing specialist housing needs for older people from 2020-2041

Question 45: Should the plan make specific site allocations for specialist housing, or require a proportion on sites over a specified size threshold?

23.3. The HENA report also identifies a housing need for Harborough for around 971 wheelchair users up to 2041. Together with the expected growth in residents with mobility problems, as set out in the HENA, this would suggest that there is a clear need to increase the supply of accessible and adaptable dwellings and wheelchair user dwellings. The HENA suggests requiring all dwellings meet the M4(2) standard (accessible and adaptable dwellings) and 10%-25% of homes meet M4(3) standard (wheelchair user dwellings) where it is feasible to do so, with a higher proportion in the affordable than market sector.

Question 46: Should all dwellings be required to meet the M4(2) standard (accessible and adaptable dwellings) and 10%-25% of homes be required to meet the M4(3) standard (wheelchair user dwellings)?

Question 47: Should the approach to accessibility standards be different for market housing and affordable homes?

24 Space Standards

24.1. The NPPF requires planning policies to create places that have a high standard of amenity for existing and future users. It states that polices may make use of the <u>nationally described space standard</u>, where the need for an internal space standard can be justified.

Space Standards

Question 48: Should this Local Plan include a requirement to use the nationally described space standard?

25 Accommodation for Gypsies and Travellers

- 25.1. The Planning Policy for Traveller Sites (PPTS, 2015) requires local authorities in producing their local plans to set targets for pitches for Gypsies and Travellers and plots for travelling show people. Local authorities are also required to find sites for the next 5 years against the target and sites or broad locations for at least the next 10 years.
- 25.2. The most recent evidence in relation to the housing needs of Gypsies, Travellers and Travelling Showpeople was published in May 2017. An updated Gypsy and Traveller Accommodation Assessment (GTAA) is likely

to be needed to identify the current and future need for pitches and plots. The Council may need to identify new sites to meet any identified need and would welcome the submission of potential sites for gypsy and traveller accommodation through the Call for Sites process (see section 5).

25.3. Once the GTAA evidence has been updated, the Local Plan will need to find sites to accommodate any identified need for gypsy and traveller pitches.

Accommodation for Gypsies and Travellers

Question 49: How can the Council find sites to accommodate the need for Gypsy and Traveller pitches:

- a) Allocate sites for gypsy and traveller pitches as part of new employment land or housing developments?
- b) Regularise existing unauthorised sites?
- c) Extend existing sites?
- d) Create a new district or county council owned site?
- e) Other (please explain).

Question 50: If we need to allocate sites for new pitches, what size of site should we be seeking to allocate?

26 Self-build and Custom Housebuilding

- 26.1. Some people want to build or commission their own homes and it is important to ensure communities have the opportunity to do so as part of the Council's strategy for meeting housing need. Such schemes can include individual family homes and community housing projects.
- 26.2. The Self-build and Custom Housebuilding Act 2015 (as amended by the Housing and Planning Act 2016) requires councils to keep and have regard to a self-build and custom housebuilding register which is a record of the individuals and associations of individuals seeking serviced plots of land in the area to self-build or custom build their own home. The Act places a further duty upon councils to grant permission for enough suitable plots of land to meet the demand in their area. The level of demand is established by the number of entries added to the Council's register during a base period which runs from 31 October to 30 October each year. The local authority then has 3 years from the end of each base period in which to permit an equivalent number of plots.
- 26.3. The Council's register shows that at 30th October 2023 there were 183 individuals and 1 association on the Self-build and Custom Housebuilding

Register and together they required a total of 185 plots. At this time 27 plots had been granted planning permission to go towards meeting this demand.

Self-build and Custom Housebuilding

Question 51: How should the Local Plan address meeting demand for self-build and custom housebuilding?

Question 52: Should large sites be required to provide a percentage of their plots as serviced plots for self-build?

Question 53: Should the plan make site specific allocations for self-build and custom housebuilding?

Local connection test - Self-build and Custom Housebuilding Register

26.4. The Self-build and Custom Housebuilding Act 2015 (as amended by the Housing and Planning Act 2016) enables relevant authorities to include an optional local connection test to the Self-build and Custom Housebuilding register. This would require any applicants to the self-build register to have a local connection that would be set by the local planning authority. To introduce this test, local planning authorities must have a strong justification. If a local connection test were to be introduced it is proposed to use the same local connection test used by the Council for the Housing Register as set out below.

26.5. A local connection to join the housing register is:

- (a) They have normally resided in settled accommodation in the District for at least two years preceding application, (an exception will be made for homeless applicants who do not meet the 2 year residence criteria in Local Connection, where the Council has a statutory duty to discharge to a homeless household).
- (b) They, or a member of their household is employed on a permanent basis or a temporary contract running for a minimum of twelve months, within the District (confirmation will be required from the employer)
- (c) Having parents, brothers, sisters or adult children and step equivalents (aged 18+ years) who are living in the District now and have done so far at least the past five years in settled accommodation and where a meaningful relationship exists.
- (d) They have no local connection but are fleeing violence or threats of violence and have been accepted as priority homeless by the Council.
- (e) Other special circumstances may exist, and all applications will be considered on their individual circumstances.

Question 54: Should the Council decide to introduce a Local connection test, is the Local connection test set out above suitable to use for the Self-build and Custom Housebuilding register?

Question 55: Does the Council have strong justification to introduce the local connection test?

Town Centres, Retailing, Leisure and Tourism Policies

27 Town Centres, Retailing and Leisure

- 27.1. National policy seeks to promote the vitality of town centres and requires planning policies and decisions to support the role that town centres play at the heart of local communities. It advocates taking a positive approach to their growth, management and adaptation which includes promoting their long-term vitality and viability by allowing them to grow and diversify in a way that responds to changes in the retail and leisure sectors. As well as allocating a range of suitable sites in town centres to meet the scale and type of development likely to be needed (over at least a 10 year period), it emphasises that residential development on appropriate sites can play an important role in supporting the health of town centres.
- 27.2. Local plans should also define a network and hierarchy of town and retail centres. The current hierarchy is set out in the table below. Centres beyond the administrative boundary are also shown as they potentially have a functional relationship with the District and a role to play in meeting the needs of residents.

Current Town Centre/Retail Hierarchy:

| Hierarchy Tier | Within Harborough District | Beyond Harborough District |
|-----------------|--|--|
| City Centre | | Leicester, Northampton |
| Town Centre | Market Harborough Lutterworth | Rugby, Kettering, Corby, Wigston, Hinckley, Melton Mowbray, Oakham, Uppingham, Blaby |
| District centre | Broughton Astley | Oadby, South Wigston, Hamilton, Evington, Narborough, Enderby |
| Local centre | Kibworth Beauchamp Fleckney, Great Glen | Desborough, Burbage, Stoney Stanton, Cosby, Huncote, Sapcote, Whetstone |

27.3. Whilst the District's town and village centres have been evolving over several years, the Covid-19 epidemic greatly accelerated these transformational changes. With an increased number of transactions online, 'High Streets' are no longer just retail centres, but are evolving into destinations where people expect to experience a range of activities, be it going to a park, having a coffee, visiting the gym, enjoying a meal out or visiting a museum. Whilst some of this change is happening organically, it is important that new Local Plan policies support change whilst still ensuring that places remain attractive places, support the needs of local communities, encourage increased visitor numbers and promote an appropriate balance between retail and non-retail uses.

- 27.4. The current town centre boundaries for Market Harborough and Lutterworth will be reviewed, as will Market Harborough's defined primary shopping area. The policy approach to uses within these boundaries will also be reviewed as part of a positive strategy for the future of each centre.
- 27.5. Town Centre Masterplans have been prepared for both Market Harborough (2022) and Lutterworth (2021) with a remit of ensuring the future viability and vitality of the town centres and securing their role as local destination for retail, leisure and hosting of community networks and events. These masterplans will form part of the evidence base for the new Local Plan and its policies relating to the two town centres.
- 27.6. An up-to-date town centre, retail and leisure study will also be prepared to inform new Local Plan policy. While the scope of the study will encompass the changing role of town centres, it will identify the amount of new retail and leisure floorspace needed over the plan period. This evidence will need to consider the scale and location of additional retail provision needed to support proposed growth across the District. For example, there may be a need for new retail floorspace to be delivered alongside strategic development.
- 27.7. Key issues which the Local Plan can help address are:
 - Positively supporting change within the District's town and local centres, making them attractive places to visit and protecting their character.
 - Providing policy flexibility to support the challenges and opportunities faced by each retail centre.
 - Allocating land to meet identified needs for retail and mixed-use development.
 - Ensuring that strategic development delivers local services and retail facilities to meet day to day needs thus minimising the need to travel.

Town Centres, Retailing and Leisure

Question 56: Do you agree with the proposed approach to supporting town and village centres?

28 Tourism

28.1. As part of a prosperous rural economy, the NPPF supports sustainable rural tourism and leisure developments which respect the character of the countryside. Building on the District's strengths, one of the aims of the Council's Corporate Strategy is to increase tourism through the showcasing

- of the District's culture and heritage. This aspiration will be reflected in the upcoming refresh of the Council's Economic Development Strategy.
- 28.2. Tourism and the visitor economy is seen as a significant and growing sector across Leicester and Leicestershire in the LLEP Economic Growth Strategy
 2021-2030 (2021). Its potential is reflected in the Leicester shire Tourism Growth Plan which is a 5 year plan for further growth in the tourism sector with the aspiration for the county to become a leading leisure and business tourism destination. More locally, the Visit Harborough website focuses on promoting the District's attractions including market towns, villages, heritage, shopping, eating places and accommodation options to encourage visitors to the area.
- 28.3. The Council will consider how the new Local Plan can support a sustainable tourism economy and promote growth in visitor numbers. Policies to support the enhancement of tourist attractions and the development of new visitor accommodation in appropriate locations will be considered. In doing so the District's main attractions may be identified alongside specific supporting policies. Also work will need to establish the unique selling points and qualities of the District and how policy can support them most appropriately. We will take into account the Councils Economic Development Strategy and other relevant evidence in developing our policy approach.
- 28.4. Growth in tourism, the hospitality sector and the visitor economy is dependent on many aspects of policy. Tourism opportunities and visitor numbers are intrinsically linked with District's cultural and leisure facilities, heritage assets, rural character and its distinctive towns and villages. Policies will need to strike a balance between promoting of tourism and protecting of the character and qualities of the District. Potential impacts on the historic and natural environment, local landscape and residential amenity will need to be considered. Similarly healthy and vibrant town centres with a balance of uses (e.g. shops, cafes, restaurants, leisure activities, parks and open spaces) attract visitors. Therefore, policy to support town centres and an appropriate balance of uses will be important in supporting tourism and visitor activity.

Tourism

Question 57: Do you agree that the new Local Plan should encourage tourism and the growth in visitor numbers?

Transport, Local Services and Infrastructure Policies

29 Transport

- 29.1. Government Policy says transport issues should be considered from the earliest stages of plan-making. In doing so, plans can seek to address any potential transport impacts, encourage more sustainable forms of movement and embrace changing transport technology.
- 29.2. Significant development should be focused on locations which are or can be made sustainable, through limiting the need to travel and offering a genuine choice of transport modes. This can help to reduce congestion, emissions and improve air quality and public health. However, opportunities to maximise sustainable transport solutions will vary between urban and rural areas, and this should be taken into account in plan-making.
- 29.3. Harborough District is a rural area and the current Local Plan (2019) directs most development to areas which already have capacity to offer sustainable transport choice for local journeys to access services and facilities, such as public transport, walking and cycling.
- 29.4. Parts of the District contain a heavily trafficked road network which experiences congestion, delays and poor air quality, particularly at peak times. There are two Air Quality Management Areas (in Lutterworth and The Kibworths). The only railway station is in Market Harborough giving good access to larger centres such as Leicester and London. The west of the District has good access to the strategic road network including the M1 and A5. The rural nature of Harborough means residents of the District are heavily reliant on private vehicles.
- 29.5. The new Local Plan will need to consider the implications of growth and how best to mitigate any adverse transport impacts. It can encourage growth in locations that have greater access to more sustainable forms of transport.
- 29.6. The Local Plan can strongly influence transport and travel patterns.

 Minimising the need for journeys using private cars and encouraging more sustainable modes can be achieved through a range of policy approaches and identifying potential allocations in the most sustainable locations.
- 29.7. The plan must be realistic, there will inevitably be a need for people to travel to seek employment, education, shopping, leisure and other services and facilities. The Local Plan should seek to provide growth in a manner that minimises transport impacts.

- 29.8. Initially, further transport evidence will be required to understand the current pressures on transport and where there are capacity constraints. Growth options will be assessed to understand the transport impacts and implications.
- 29.9. The development of new policies and allocations will allow the Council to explore options for delivering necessary growth whilst seeking the most sustainable forms of movement and mitigating any adverse impacts identified. There are several potential options including:

Option A: Continue with the approach in the current Local Plan which recognises the rural nature of the District and encourages more sustainable transport modes whilst acknowledging that private cars have an important role for residents. Where adverse impacts are identified at junctions and links, mitigation solutions are required.

Option B: Promote policies that actively encourage sustainable transport. To help shift the emphasis towards more sustainable transport modes consideration could be given to policies which require greater financial contributions towards public transport or improving cycling / walking infrastructure in preference to road and junction upgrades.

Option C: Allow for development and accept that junctions and links will continue to operate above capacity. This may result in 'self-regulating' behaviour where people choose alternatives where routes and junctions become too congested. This approach would place lesser transport constraints on growth but is likely to perpetuate traffic problems on the network.

Transport

Question 58: Which of the above options or option do you think should be followed in the new Local Plan? Are there any other options to consider?

30 Local Services and Infrastructure

- 30.1. Infrastructure planning is an essential part of the Local Plan process. To create sustainable communities we need to ensure development is supported by the necessary physical, social and green infrastructure. By 'infrastructure' we mean essential services and facilities such as schools, health, roads, water, gas, electricity and open space.
- 30.2. The provision of appropriate infrastructure is an important theme running through national policy. It requires effective and ongoing joint work with relevant bodies so additional infrastructure needs are understood, and local plans are required to set out the infrastructure needed to support the

- delivery of the Plan.
- 30.3. The new Local Plan should therefore consider the implications of growth and ensure social and other infrastructure is in place to support the needs of new residents. Large scale growth often has substantial and complex infrastructure requirements. It is therefore vital that the Local Plan adequately plans for this.
- 30.4. The Local Plan will need to identify sites in locations which have the ability to access existing infrastructure (where there is capacity) or provide additional infrastructure through new provision or expansion of existing facilities.
- 30.5. It is therefore important to understand what existing infrastructure is available, and whether it may need to be improved or extended to support new development. The Council will work with infrastructure partners to develop a clear understanding of what infrastructure capacity is available and what will be needed to support new development and use this information to develop an Infrastructure Delivery Plan to sit alongside the Local Plan. The Infrastructure Delivery Plan will be used to identify the type of infrastructure required, its cost, delivery agency, phasing and funding sources.
- 30.6. To ensure an appropriate range of infrastructure is available in a timely manner, we will carry out new viability testing of the policies and proposals in the plan to ensure the cumulative impact of policies, infrastructure requirements and development costs do not make development unviable.
- 30.7. The Plan may include policies to cover specific types of infrastructure such as water and wastewater, sustainable drainage systems (SuDS), transport and open space. Policies relating to allocated sites may also contain site specific infrastructure requirements where appropriate.
- 30.8. We have identified the following potential approaches to local services and infrastructure:
- 30.9. Option A: Continue with current approach of seeking on-site provision and financial contributions to a wide range of infrastructure where new development requires the provision. It ensures that developments support a wide range of services and facilities (including health, education, policing, libraries and other forms of social infrastructure).
- 30.10. Option B: Prioritise infrastructure. This would help to prioritise scarce financial resources towards key infrastructure to be agreed as the Local Plan progresses. This could prioritise certain types of infrastructure helping to focus investment plans of other agencies and support funding bids.

30.11. Option C: Focus new development on areas where there is existing capacity or certainty about the delivery of infrastructure improvements. This would result in an infrastructure-led approach where development sites are chosen depending on the existing or potential supply of infrastructure.

Local Services and Infrastructure

Question 59: Which of the above approaches to infrastructure delivery do you prefer? Are there any other options that could be considered?

| Question | Answer |
|---------------------------------------|--|
| How will the authority work to the | The authority has and is implementing |
| short timescale to submit the Local | further good governance and budget |
| Plan? | management, is using available toolkits, |
| | engaging external expertise, and finding |
| | additional resourcing/staffing. |
| What will happen if the council does | Circumstances outside of the council's |
| not meet the deadline set out in the | control may halt the progress. Various |
| report? | external bodies that will be involved, are |
| | being approached early to advise them of |
| | the upcoming Local Plan development. If |
| | the deadline is not met, the evidence |
| | collected and work already completed will |
| | not be wasted, it will be re-used to submit at |
| | a later point. |
| What will the costings to produce | The current Local Plan cost £1.8million, it is |
| the Local Plan be? | likely that due to rising costs outside of the |
| | council, the new plan costs will be |
| | increased. The reporting is being prepared |
| | and will be progressed to the next Cabinet |
| How will the council ensure the | meeting and subsequent Council meeting. |
| project is appropriately resourced? | Currently, there is a national shortage of planners, however, the planning team have |
| How much would the increased | started reaching out via professional |
| staffing cost? | networks and are receiving positive |
| Stanning Cost: | feedback from this initial contact. The |
| | additional cost will be outlined in an extra |
| | report to be reviewed by Cabinet. |
| How has the new Settlement | Cabinet will be required to vote on this at |
| Hierarchy been determined? And | the next meeting on 27 th November 2023. |
| will it be voted on? | The document being discussed regards |
| | Regulation 18 and issues and options, and |
| | the Settlement Hierarchy can be |
| | commented on during the public |
| | consultation. |
| How has it been determined that | Recent Counsel advice provided at |
| Harborough would likely be in a later | previous council meeting (6 th November |
| group of Local Plans under the new | 2023) provides some information on this. |
| central government legislation | There are no guarantees that Harborough |
| (LURA)? | District Council will be part of the pilot |
| | scheme in the new central government led |
| | process. As it is a new process there is still |
| | extra legislation to come from central |
| | government to guide local authorities. There |
| | is still much to be determined around how |

| | the new system will operate, for example, |
|---|---|
| What specific stakeholders are being engaged in the consultation? | via secondary legislation. Clarification was provided that every resident of the district is a stakeholder. As well as this various companies and public bodies (National Highways, Natural England, Leicestershire County Council, NHS) are being invited to comment on the consultation presented. |
| How is growth in warehousing being accounted for? | A piece of evidence is being developed for the Leicester and Leicestershire area, reporting on strategic distribution of warehousing to guide the Local Plan process. |
| What additional costings will there be if the deadline is not met? | The costings of the new Local Plan are dependent on absolute details of transitional arrangements. If the deadline is not met, the existing work and evidence completed will be bundled and taken into the following plan preparation under the new system. Additional costings are not included in the upcoming financial report, as an estimation cannot be made at this stage due to the changing evidence base. |
| Is this report developed with the assumption that the Leicester and Leicestershire Statement of Common Ground will be agreed? | The Issues and Options report and the Leicester & Leicestershire Statement of Common Ground report are not dependent on one another, the report being discussed at this panel is a separate decision to be made regarding the Regulation 18 Issues and Options document. |
| Would figures in the report need to be adjusted if the Leicester and Leicestershire Statement of Common Ground is not agreed? | Within the report there are three different scales of growth identified to provide a range of data as a way of future proofing the Local Plan for potential circumstance change (e.g. Annual Housing Needs) between the Regulation 18 consultation and the Planning Inspectorate review following submission of the plan for its examination. |
| What will the consultation process taking place in January and February 2024 look like? | There will be a six-week consultation process. The responses will be analysed and collated, then reviewed by the Cabinet & Council to inform the Regulation 19 draft plan that will again go to Cabinet & Council prior to publication for consultation. As part of the Regulation 18, Issues and Options |

| | <u>, </u> |
|--|---|
| | consultation there will be a static notice board to view in the customer service area of The Symington Building. The consultation will be taking place largely online but will be supported by further telephone and email consultation and in person drop-in sessions. Drop-in sessions are mainly for members of the public to ask any questions that they may have answered. As well as this, parish councils and parish meetings in the district are being contacted to receive their thoughts. There will be an advertisement in the Harborough Mail, and it was also suggested that there be an advertisement in the Swift Flash. The authority is working to front load the publicity for the Regulation 18 Issues and Options consultation. |
| Where will the consultation drop-in | It is likely that the drop-in sessions will be |
| sessions be held? | held in Market Harborough, Lutterworth, |
| | and potentially Scraptoft, (certainly in that |
| | area of the district.) |
| When will the consultation drop-in | The sessions are normally held for ½ - ¾ of |
| sessions be held? | a day, and this will ensure that the sessions |
| | span both working and non-working hours. |
| Could a consultation drop-in session be allocated to a larger village in the district? | This suggestion was noted. |
| Will the outcomes of the | The data provided in the consultation will be |
| consultation be publicised? | organised, catalogued, analysed, and a |
| | response will be provided to it. This |
| | information will be considered by officers, |
| 11 910 9 0 4 | and then presented to councillors. |
| How will the council ensure that | This is a link to the Statement of Community Involvement - |
| larger stakeholders/significant service providers are engaged with | https://www.harborough.gov.uk/directory_record/ |
| on consultation? | 563/statement of community involvement |
| on consultation: | This is available on the Harborough District |
| | Council website. This lists the significant |
| | service providers that will be involved in the |
| | consultation. To ensure contribution to the |
| | consultation, communications are followed |
| NACH (I | up, and an ongoing dialogue is opened. |
| Will there be an impact on other | It is unlikely that the development of the |
| duties of the planning department's | Local Plan will have an impact on the |
| service delivery? | provision of other council services. |

| How is the need for water infrastructure upgrade considered? | As part of the consultation, important consultees such as the water authorities, lead local flood authority, and the environment agency are approached for their expertise. The Infrastructure Delivery Plan will sit alongside the Local Plan to provide further information on the infrastructure required to deliver and implement the local plan. |
|---|---|
| Have there been any definite appointments to the planning department for the required increase in resourcing? | There haven't been any confirmed additional appointments to the Strategic Planning team yet. |
| Is the 6-week timeline for the consultation enough time? | There will be a pre-consultation notice, to advise people of the consultation and dropin sessions. Parish Councils will receive notice, prior to the consultation, to make the necessary meeting arrangements to discuss the matter. The consultation development process has considered demographics of the district to accommodate as much of the public as possible. |
| What will be the timescale to receive a fully comprehensive risk assessment on delivery of the Regulation 18 process? | The Head of Strategic Planning will take this query away to review and respond. |
| What would the increased resource in the Strategic Planning team look like? | There is already a very capable existing team in place, which will be integral to the Local Plan process. What is looking to be done is to supplement the already existing team, with equally capable new members of the team, as well as members of outside bodies and consultants, for areas of specialist knowledge. |

Key issues discussed were the costings of the Local Plan Regulation 18 process, the planning department resourcing to deliver the plan to the timeline provided, and the consultation that would take place with the public and key significant stakeholders.

The panel members commented on the proposed updated Local Development Scheme, and on the scope of the first public consultation on the new local plan.

It was discussed that the questions and comments provided by the panel would be reviewed and passed onto the Cabinet for discussion at their next meeting.

Harborough District Council



Report to Council Meeting of 11 December 2023

| Title: | Local Development Scheme update | |
|-------------------|--|--|
| Status: | Public | |
| Key Decision: | No | |
| Report Author: | Local Plan Project Officer, Joanne White | |
| Portfolio Holder: | Planning Portfolio, Councillor Galton | |
| Appendices: | Appendix A - Revised Local Development Scheme | |
| | Appendix B – Comments from Communities Scrutiny Panel 16 November 2023 | |

Summary

- The Council is required to keep under review the key milestones in the local plan timetable and any changes in planning context, especially at sub-regional and national level.
- ii) The national and local policy context for local plan preparation has changed, which this update seeks to address.

Recommendations

That Council:

- (1) Approves the revised Local Development Scheme, set out at Appendix A.
- (2) Delegates to the Director of Planning, in consultation with the Head of Legal Services and the Portfolio Holder for Planning, authority to:
 - (a) Commission, negotiate, award, enter into and vary such arrangements and legal agreements as may be necessary or appropriate to deliver the Local Development Scheme.
- (3) Delegate to the Director of Planning, in consultation with the Portfolio Holder for Planning, authority to:
 - (a) Keep the Local Development Scheme under review as necessary and appropriate.

Reasons for Recommendations

The last Local Development Scheme (LDS), published in July 2022, indicated that Regulation 18 (Issues & Options consultation) would be conducted in September/October 2023 and therefore it is now out-of-date.

This LDS update is to ensure that the timetable for local plan preparation remains up to date.

1. Purpose of Report

- 1.1. The Council has a duty to prepare, publish and maintain an LDS for the district.
- 1.2. The last LDS, published in July 2022, indicated that Regulation 18 (Issues & Options consultation) would be conducted in September/October 2023 and therefore it is now out-of-date.
- 1.3. This LDS update is to ensure that the timetable for local plan preparation remains up to date.

2. Background

- 2.1. In July 2021, Cabinet decided to begin the preparation of a new Local Plan. An integral part of the preparation of a new local plan is the formulation of a Local Development Scheme (LDS). The LDS sets out the timetable / route map for the preparation of the new Local Plan. The timetable identifies key dates and public consultation stages as well as outlining the subject matter and geographical extent of the plan.
- 2.2. By preparing and publishing the LDS, key stakeholders such as the local community, neighbouring authorities, infrastructure providers and developers can contribute to planning policies for the district. The LDS is also an opportunity to provide information on any Supplementary Planning Documents.
- 2.3. A new LDS was approved by Cabinet in September 2021, and was superseded in July 2022.
- 2.4. The Council is required to keep under review the key milestones in the timetable within the LDS; some changes in context, especially at sub-regional and national level, may be driven by circumstances beyond the authority's control.
- 2.5. The Council's existing LDS provides that the Council will submit its local plan for examination by 30 June 2025. This date is not changing. However, the timetable within the existing LDS requires updating to reflect that the Council will be issuing the Regulation 18 issues and options consultation slightly later than anticipated.

3. Details

- 3.1 The reprofiled timetable for the preparation of the local plan outlined in the proposed LDS takes into consideration both the national and local planning policy context, including:
 Local Plan Policy IMR1: Implementation, monitoring and review
- 3.2 Local Plan Policy IMR1 sets out specific local triggers which would require a full or partial update of the Local Plan and associated timescales. Simply put, Policy IMR1 specifies that a review of the Local Plan will be commenced (i.e., publication of a Regulation 18 Issues and Options Consultation¹) within 6 months of any three possible triggers:
 - A) The adoption by the Council of a Memorandum of Understanding (MOU) or Statement of Common Ground (SoCG) which proposes a significantly higher quantity of housing or employment development to 2031, than the housing or employment need already identified in the adopted Local Plan; or
 - B) 12 months from the date of publication of a Local Plan for Leicester City Council (defined as publication of a Regulation 19 consultation²) which includes satisfactory evidence of an unmet local housing need; or
 - C) Conclusion of a review in relation to specific trigger points, such as significant and persistent shortfalls in the delivery or supply of housing when measured against the adopted housing requirement.
- 3.3 The updated LDS takes into account the publication of Leicester City Council's Regulation 19 local plan consultation on 16 January 2022, with an evidenced unmet local housing need (also set out in a Statement of Common Ground, which is being considered by Council on 11th December 2023).
- 3.4 The proposed updated LDS meets the requirements of Local Plan Policy IMR1 and will facilitate a new local plan being submitted for public examination by 30 June 2025.

Levelling-up and Regeneration Act 2023

- 3.5 The Levelling Up and Regeneration Act 2023 ('LURA') has changed the statutory framework for the 'making' of local plans. It provides for a period of transition for local authorities who have been progressing preparation of their local plan under the current plan making system. The transition period requires the Council to submit its local plan for examination by 30 June 2025 the date in the existing LDS. To achieve that deadline, the Council needs to progress the preparation of the new local plan.
- 3.6 The transitional arrangements tabled by government state that Local Planning Authorities who do not submit a new plan by 30 June 2025, will have to operate within the reformed planning system.

² Regulation 19 of the Town and Country (Local Planning) (England) Regulations 2012

¹ Regulation 18 of the Town and Country (Local Planning) (England) Regulations 2012

- 3.7 The Government is proposing transitional arrangements to enable up to date local plans which become more than five years old during the first 30 months of the new system, to be protected from speculative development. Harborough District Council's current local plan, which was adopted on 30 April 2019, will not qualify for such protection because it will be five years old before new arrangements are expected to be in place.
- 3.8 Furthermore, Government proposals will remove local authority controls for deciding when a new local plan should be commenced. This means that even if Council's monitoring indicators highlight that there is a need to start a new local plan, work cannot begin until the Authority receives instructions, or approval, to do so from central government. Consultation proposals also make clear the government's intention to dictate local plan preparation timetables and the associated programme of public consultations to be undertaken.
- 3.9 Local Planning Authorities like Harborough will be grouped or 'batched' according to their plan-making track record and adoption date of their last adopted local plan. The government intends to ensure that the first 'batch' of local plans to be prepared under the new system will comprise authorities without a current adopted plan.
- 3.10 Future 'batches' of authorities will be instructed to commence local plans chronologically, according to previous adoption date. In view of Harborough District Council's strong track record of local plan preparation and adoptions, and strong track record of housing delivery, there will be a considerable wait until called upon to start a new local plan (unlikely to be asked to start a new local plan before 2027).
- 3.11 The reprofiled LDS timetable set out at Appendix A will enable a new plan to be submitted for public examination under the current plan-making system as anticipated by 30 June 2025. A thorough and comprehensive project management led approach has been put in place to ensure proactive risk management / mitigation and quality control.
- 3.12 Failure to submit the local plan for examination by 30 June 2025 may lead to the Council having an out-of-date local plan and no statutory protection until 2029 or 2030, because of the impact of LURA. That would place the district at considerable risk of speculative development over a period of several years and is not recommended.

4. Implications of Decisions

Corporate Priorities

- 4.1 The LDS will support delivery of a new Local Plan which in turn will support all four priorities in Corporate Plan 2022-2031: -
 - Place and Community: Leading across the local community to create a sense of pride and belonging. CO1, CO2, CO3, CO5.
 - Healthy Lives: Promoting health and wellbeing, encouraging healthy life choices. CO6, CO7, CO8.
 - Environment and sustainability: Creating a sustainable environment to protect future generations. CO11, CO12, CO14, CO16.
 - Economy: Supporting businesses and residents to deliver a prosperous local economy. CO17, CO18, CO23.

Consultation Page 920 of 1014

- 4.2. There is no requirement for public consultation on the LDS. The LDS will be published on the Council's website.
- 4.3. Communities Scrutiny Panel considered a report on both the Local Plan Issues and Options consultation and the Local Development Scheme at its meeting on 16th November 2023. Key issues discussed were the costings of the Local Plan Regulation 18 process, the planning department resourcing to deliver the plan to the timeline provided, and the consultation that would take place with the public and key significant stakeholders. The panel members commented on the proposed updated Local Development Scheme, and on the scope of the first public consultation on the new local plan. Panel meetings sought clarification around a risk assessment for the local plan. This is now attached to the Local Plan Resources report, elsewhere on this agenda. Comments from the panel meeting are available at Appendix B.

Financial

- 4.4. There are significant resource and financial implications due to incredibly tight local plan preparation timescales, to meet the government deadline to submit a new local plan by 30 June 2025, for Examination under the current legal framework.
- 4.5. Financial implications are to be considered by Council, under a separate agenda item entitled, 'New Local Plan Resources'.

Legal

- 4.6. The requirement to publish and keep under review the LDS is set out in section 15 of the Planning and Compulsory Purchase Act 2004 (as amended).
- 4.7. Preparation of the new Local Plan will take place in accordance with Regulation 18 of The Town and Country Planning (Local Planning) (England) Regulations 2012. The Planning and Compulsory Purchase Act 2004 places a duty on local authorities to carry out plan-making.

Environmental Implications

4.8. The LDS will support delivery of the Local Plan. The new Local Plan will have implications in relation to the spatial planning of the district. The wider environmental implications of the scale and distribution of development and associated supporting infrastructure will be assessed through the Sustainability Appraisal of the Local Plan, which incorporates the requirements of the Strategic Environmental Assessment Directive (2001/42/EC), or SEA Directive.

Risk Management

- 4.9. The updated LDS is an important step in the preparation of the new local plan. The LDS helps the Council to manage the risks associated with preparing a new local plan within the reprofiled LDS timeframe, including:
 - The proposed LDS local plan preparation timetable confirms that the new local plan will be submitted for examination in June 2025, which accords with the government's deadline for plans to be submitted for examination under the current plan-making system.

 Page 921 of 1014

- Triggers which specify the circumstances in which the Authority will need to prepare a new local plan (as outlined in local plan policy IMR1) have been activated, since Leicester City Council published its Regulation 19 in January 2022.
- Ensuring the local plan remains up to date.
- Provision of certainty to key stakeholders, including partners, infrastructure providers and site promoters, enabling effective collaboration.
- Ensures compliance with the regulatory framework for Local Plans.
- 4.10 Preparation of the local plan is technically complex process which draws upon a high number of both internal and external expertise. This reliance increases the risk of delay in the event that partners, consultancy support or statutory bodies are unable to meet tight deadlines. In the event that submission by 30 June 2025 does not prove achievable the work will not be wasted. Instead, the draft Local Plan, evidence and supporting documents underpinning it would be used to prepare a new local plan under the new planning system, with the necessary reviews and updates undertaken.

Equalities Impact

- 4.11. The LDS will support delivery of the Local Plan. An Equalities Impact Assessment (EIA) for the Local Plan will be prepared and regularly reviewed as part of the Local Plan making process. In addition, an EIA will be prepared for each public consultation stage.
- 4.12. All published documentation related to the new Local Plan will meet public sector accessibility requirements under The Public Sector Bodies (Websites and Mobile Applications) (No. 2) Accessibility Regulations 2018.

Data Protection

4.13 The LDS will support delivery of the Local Plan. All new Local Plan consultations will be carried out in compliance with the provisions of the UK General Data Protection Regulations and the Data Protection Act 2018.

5. Alternative Options Considered

- 5.1. Option 1: Council agrees the revised LDS. This is the recommended option.
- 5.2 Option 2: Council does not agree the LDS. This is not the recommended option because it will produce uncertainty and significant risk for the Authority in preparation and Submission of a new Local Plan, by the government deadline of 30 June 2025.

6. Recommendation

That Council:

- (1) Approves of the revised Local Development Scheme, set out at Appendix A.
- (2) Delegates to the Director of Planning, in consultation with the Head of Legal Services and the Portfolio Holder for Planning, authority to:
 - a) Commission, negotiate, award, enter into and vary such arrangements and legal agreements as may be necessary or appropriate to deliver the Local Development Scheme.
- (3) Delegates to the Director of Planning, in consultation with the Portfolio Holder for Planning, authority to:
 - a) Keep the Local Development Scheme under review as necessary and appropriate.

7. Background papers

- 7.1 Previous reports and links to referenced documents:
 - Review of the adopted Harborough Local Plan: Cabinet 5 July 2021.
 - Local Development Scheme for the new Local Plan: Cabinet 6 September 2021.
 - Local Development Scheme for the new Local Plan: Cabinet 4 July 2022

Above reports are available here: https://cmis.harborough.gov.uk/cmis5/Meetings.aspx

- Current LDS: http://www.harborough.gov.uk/local-development-scheme
- Government consultation, July-Oct 2023: <u>Levelling-up and Regeneration Bill:</u>
 <u>Consultation on implementation of plan-making reforms</u>

The Government Consultation is now closed but available to view online here: https://www.gov.uk/government/consultations/plan-making-reforms-consultation-on-implementation-on-implementation-of-plan-making-reforms



HARBOROUGH DISTRICT LOCAL DEVELOPMENT SCHEME

November 2023

Harborough District Council

Published: xx xxxx 2023

Table of Contents

| 1. | Introduction | 2 |
|----|---|----|
| 2. | The planning system | 2 |
| 3. | Current development plan | 3 |
| 4. | New Local Plan | 5 |
| 5. | Supplementary planning documents | 7 |
| 6. | Other documents | 8 |
| 7. | Other factors impacting on Local Plan preparation | 9 |
| 8. | Timetable for new Local Plan | 12 |

Local Development Scheme (November 2023)

1. Introduction

- 1.1 The Council has a duty to prepare, publish and maintain a Local Development Scheme (LDS) for the district.
- 1.2 In July 2021, the Council's Cabinet took the decision to begin the preparation of a new Local Plan. The Local Development Scheme sets out the timetable for the preparation of the new Local Plan, giving key production and public consultation stages as well as outlining the subject matter and geographical extent. It also enables the local community to find out about planning policies for their area by setting out the documents which currently form the development plan for Harborough District. The LDS is also an opportunity to provide information on any Supplementary Planning Documents which have been adopted by the Council.
- 1.3 The LDS is published on the Council's website at www.harborough.gov.uk/local-development-scheme. The Authority's Monitoring Report will report on plan making activity and progress against the LDS to keep communities and interested parties informed.
- 1.4 This LDS replaces the July 2022 version.

2. The planning system

- 2.1 Planning law requires that planning applications must be determined in accordance with the statutory development plan unless material considerations indicate otherwise. The National Planning Policy Framework, which must be taken into account in the preparation of local and neighbourhood plans, and is a material consideration in planning decisions, emphasises that 'the planning system should be genuinely plan-led'. It advocates succinct local and neighbourhood plans, which should be kept up to date, and be based on joint working and co-operation.
- 2.2 As set out in Section 3 below, the Harborough Local Plan 2011-2031 is a fundamental part of the 'plan-led' system. It was adopted in April 2019 and then underwent an internal officer review. This review demonstrated that the Local Plan remained up to date and continued to deliver sustainable development across the district. However, the review identified that a recent significant increase in Leicester's housing need, combined with the requirement to meet resultant unmet need within Leicester and Leicestershire through the Duty to

Cooperate, was likely to result in the need to update the Harborough Local Plan. In recognition of the time needed to prepare a local plan, on 5th July 2021 Cabinet took the decision to begin preparation of a new Local Plan as a full update to the adopted Harborough Local Plan 2011-2031 (the Cabinet report and Local Plan Review are available here).

- 2.3 In order to keep local communities and other stakeholders informed of local planning activity, the Council is required to prepare a Local Development Scheme under Section 15 of the Planning and Compulsory Purchase Act 2004 (as amended). In relation to the New Local Plan, the LDS must specify:
 - the subject matter of the document to be prepared and the geographical extent to which it relates:
 - whether the document will be prepared jointly with one or more other local authority; and
 - the timetable for the preparation of document
- 2.4 Local Development Schemes must be publicised and kept up to date. Planning Practice Guidance (PPG) states that a Local Development Scheme is expected to be reviewed and updated at least annually but may need updating more frequently if there are any significant changes in the timescales or the plans being prepared. It is therefore likely that timescales will change over time, leading to the revision of the Local Development Scheme if necessary.

3. Current development plan

- 3.1 The development plan is at the heart of the planning system with a requirement in law that planning decisions must be taken in line with the development plan unless material considerations indicate otherwise. As such it is essential that plans are in place and kept up to date.
- 3.2 As of November 2023, the development plan for Harborough District comprises:
 - Harborough Local Plan 2011-2031 (adopted 30th April 2019)
 - <u>Leicestershire Minerals and Waste Local Plan to 2031</u>
 - <u>Broughton Astley Neighbourhood Plan</u> (made on 20th January 2014)
 - Billesdon Neighbourhood Plan (made on 7th October 2014)
 - Scraptoft Neighbourhood Plan (made on 24th February 2016)
 - Lubenham Neighbourhood Plan (made on 20th July 2017)
 - North Kilworth Neighbourhood Plan (made on 20th July 2017)
 - <u>Great Easton Neighbourhood Plan</u> (made on 25th January 2018)

- <u>Houghton on the Hill Neighbourhood Plan</u> (made on 5th April 2018)
- <u>Medbourne Neighbourhood Plan</u> (made on 4th July 2018)
- Swinford Neighbourhood Plan (made on 10th October 2018)
- <u>South Kilworth Neighbourhood Plan</u> (made on 17th January 2019)
- <u>Shearsby Neighbourhood Plan</u> (made on 17th January 2019)
- <u>Burton Overy Neighbourhood Plan</u> (made on 17th January 2019)
- Arnesby Neighbourhood Plan (made on 8th March 2019)
- <u>Tur Langton Neighbourhood Plan (made on 1st July 2019)</u>
- <u>Great Glen Neighbourhood Plan Review</u> (made on 25th January 2020)
- <u>Great Bowden Neighbourhood Plan Review</u> (made on 26 June 2018, reviewed (minor amendments) 5th October 2020)
- Fleckney Neighbourhood Plan (made 27 May 2021)
- Husbands Bosworth Neighbourhood Plan (made 27 May 2021)
- <u>Hallaton Neighbourhood Plan (</u>made 11 June 2021)
- <u>Misterton with Walcote</u> (made 11 June 2021)
- <u>Hungarton Neighbourhood Plan Review</u> (made 20 July 2017, reviewed (minor amendments) 19 July 2021)
- <u>Saddington Neighbourhood Plan Review</u> (made 17 Jan 2019, reviewed (minor amendments) 4 June 2021)
- <u>Foxton Neighbourhood Plan Review</u> (made 2 November 2021)
- Gilmorton Neighbourhood Plan (made on 24 January 2022)
- <u>Leire Neighbourhood Plan</u> (made on 16 May 2022)
- <u>East Langton Neighbourhood Plan Review</u> (made on 2 Nov 2022)
- <u>Tugby and Keythorpe Neighbourhood Plan</u> (made on 2 Nov 2022)
- Kibworths Neighbourhood Plan Review (made 31 May 2023)
- Dunton Bassett Neighbourhood Plan (made 4 July 2023)
- 3.3 Harborough Local Plan 2011-2031. The Local Plan was adopted on 30th April 2019 and sets out the vision and strategic objectives for the district to 2031. It includes site allocations to meet identified development needs and a range of development management policies to help in the determination of planning applications. The Local Plan is accompanied by a Policies Map which illustrates the polices and proposals across the district.
- 3.4 <u>Leicestershire Minerals and Waste Local Plan Up to 2031</u>. The County Council formally adopted the Minerals and Waste Local Plan Up to 2031 on 25th September 2019. It includes a spatial vision, strategic objectives, and core policies which set out the key principles to guide the future extraction of minerals and the form of waste management development in the County over the period to the end of 2031.

- 3.5 Neighbourhood Plans. In addition to the 'made' neighbourhood plans listed in para 3.2, above, which form part of the Development Plan for Harborough District, several other neighbourhood plans are in the process of being prepared or reviewed. The up-to-date position in relation to the preparation and adoption of neighbourhood plans is available on the Council's website. Once neighbourhood plans are 'made' (adopted) by the Council, they form part of the development plan for the district and must be taken into account in the determination of planning applications.
- 3.6 <u>Supplementary Planning Documents.</u> Supplementary Planning Documents (SPDs) provide additional information on policies and proposals in a local plan and are a material consideration in the determination of planning applications.
- 3.7 The Authority previously published several <u>Supplementary Planning</u> <u>Guidance Notes</u>, the majority of which were linked to the former 2001 Local Plan policies. These policies no longer form part of the development plan.
- 3.8 The <u>Development Management SPD</u> was adopted on 13 December 2021 and replaces the previous Supplementary Planning Guidance Notes.
- 3.9 The <u>Planning Obligations SPD</u> was adopted on 20 June 2022. It provides detailed guidance on the policies in the Local Plan and has replaced the January 2017 Planning Obligations Supplementary Planning Guidance (SPG).

4. New Local Plan

- 4.1 Central to the planning system is the preparation of a Local Plan which is in compliance with the National Planning Policy Framework (NPPF).
- 4.2 The Harborough Local Plan was adopted in April 2019. An officer review of the Local Plan carried out in May 2021 found that, although it remains up-to-date and continues to deliver sustainable development in the district, the issue of Leicester City's unmet housing need is likely to require an update. The Council therefore took the decision to begin the preparation of a new Local Plan
- 4.3 The Local Plan preparation timetable as set out in this Local Development Scheme was approved by Council at its meeting on [tobe inserted following Council]. The report is available on the Council's website [link to be inserted following publication].

| New Local Plan | | |
|-----------------------------|--|--|
| Role and Subject: | The New Local Plan will provide the strategic planning framework for the district for at least 15 years from its adoption. The current Local Plan spatial strategy will be updated by a new strategy to deliver the required scale of development in appropriate and sustainable locations. Current Development Management policies will be reviewed and updated as necessary. | |
| | In line with NPPF (September 2 strategic policies in the New Lo strategy for the pattern, scale a make sufficient provision for de supporting infrastructure. It will conservation and enhancement and historic environment as we address climate change mitigat | cal Plan will set out the overall nd design quality of places and velopment needs and also provide for the of the district's natural, built ll as planning measures to |
| | Where appropriate, the New Lo strategic, more detailed policies neighbourhoods or types of dev (September 2023) paragraphs to be set out in neighbourhood plant | for specific areas, relopment in line with NPPF 28-30. Such policies can also |
| | The Local Plan will support the continued preparation of neighbourhood plans across the district by providing a clear strategic policy framework. It will identify which policies are strategic and provide the policy context for the preparation or review of neighbourhood plans prepared by Parish Councils or neighbourhood forums on behalf of their local communities. | |
| Geographical Area: | District wide | |
| Status: | Development Plan Document | |
| Chain of Conformity: | NPPF | |
| Joint Production? | No but there is a 'duty to cooperate' on planning issues that cross administrative boundaries, particularly those relating to strategic priorities. Paragraph 27 of the NPPF (2023) is clear that in order to demonstrate effective and on-going joint working, strategic policy making authorities should prepare and maintain one or more Statements of Common Ground (SoCG), documenting the cross-boundary matters being addressed and progress in cooperating to address these. The Council will continue to prepare joint evidence across the Housing Market Area (Leicester and Leicestershire) or other geographical area, as appropriate, and to address cross-boundary strategic issues through the preparation of SoCGs as appropriate. | |
| Timetable – Key Stag | | |
| Reg 18 Issues and Opti | ons | Between |
| Consultation Reg 19 & 20 | | January and February 2024 Between |
| Ney 18 & 20 | | DEIWEEH |

| Proposed Submission Local Plan Consultation | January and March 2025 |
|---|------------------------|
| Reg 22 | Between |
| Submission of Local Plan for Examination | May and June 2025 |
| Reg 26 | Between |
| Local Plan Adoption* | May and December 2026 |

^{*}Indicative only at this stage as dependent on detailed arrangements for Examination by the Planning Inspectorate and decisions/recommendations by the Inspector including the need for and scope of any main modifications arising out of the Examination.

5. Supplementary planning documents

- 5.1 Supplementary Planning Documents (SPD) are prepared to add further detail to the policies in an adopted local plan. They can be used to provide further guidance for development on specific sites, or on particular issues, such as design. SPDs are capable of being a material consideration in planning decisions but are not part of the development plan.
- 5.2 Over the Local Development Scheme timeframe, the Council will continue to deploy the following SPDs:
 - Planning Obligations Supplementary Planning Document adopted by the Council on 20th June 2022. This replaced the Planning Obligations SPD from January 2017. It informs developers, landowners, infrastructure providers and local communities about the approach of the Council to securing community infrastructure and affordable housing through planning obligations. It is available on the Council's website.
 - Development Management Supplementary Planning Document.
 This provides additional guidance to assist with the interpretation and implementation of several Local Plan policies. It helps applicants to make successful applications and will be taken into account as a material consideration, when appropriate, as the Council makes decisions on planning applications. It is available on the Council's website.
- 5.3 As SPDs are not development plan documents, the Council is not required to include them in the Local Development Scheme. They are included here for information only.
- 5.4 **Community Infrastructure Levy**: The Council will review the option of introducing a new Community Infrastructure Levy (CIL), as part of its forthcoming new Local Plan, to fund certain elements of future infrastructure, potentially of a District wide significance. The latest Government policy, guidance and emerging legislation will be considered in this review.

6. Other documents

- 6.1 **Policies Map**: The Local Plan Policies Map will be revised as appropriate as part of the new Local Plan. The Policies Map will identify policy designations, proposals and sites allocated for particular land uses.
- 6.2 Sustainability Appraisal (incorporating Strategic Environmental Assessment): A Sustainability Appraisal will be undertaken for the new Local Plan and for Supplementary Planning Documents where required. The main aim of this process, which runs in parallel with the preparation of plans, is to ensure that the social, economic and environmental effects of emerging policies are understood and taken into account. The process will follow guidance at the time.
- 6.3 **Appropriate Assessment:** An Appropriate Assessment is prepared at each published stage of a Development Plan to show whether the policies will have significant effects on sites subject to the constraints of the Habitats Regulations Assessment of European Importance.
- 6.4 **Monitoring and Review Authority's Monitoring Report:** Local planning authorities are required to publish a report that monitors the progress and implementation of each document set the Local Development Scheme. It must specify whether adopted policies are meeting their stated objectives. In addition, it must include:
 - Details of any neighbourhood development order or a neighbourhood development plan made by the Council;
 - Any Community Infrastructure Levy related receipts and expenditure;
 and
 - Details on where the Council has worked with other authorities in accordance with the 'Duty to Cooperate'.

The latest Council monitoring report is available <u>here</u>.

6.5 **Statement of Community Involvement (SCI):** This document explains how parties with an interest in planning issues in the district can engage with the planning system. Essentially its sets out who, when and how the authority will consult when developing new planning policy and processing planning applications. The latest version of the Statement of Community Involvement was adopted by the Council in February 2020 and is available here. The Council is keen to encourage the use of the Strategic Planning Consultation Portal as a means of engaging stakeholders and the public and this is reflected in the Statement of Community Involvement.

7. Other factors impacting on Local Plan preparation

- 7.1 Evidence Base: A number of studies were prepared to support the production of the current Local Plan. Updated and additional evidence will be prepared to inform the preparation of the new Local Plan. This is published on the Council's website on the supporting evidence webpage wherever possible. Otherwise, a hard copy will be made available for inspection.
- 7.2 <u>Duty to Cooperate</u>: Given the importance attached to the 'Duty to Cooperate, the Council is putting procedures into place to ensure effective collaboration with neighbouring local authorities, other local authorities within the Leicester and Leicestershire Housing Market Area and other public bodies, particularly on strategic planning issues that span district council boundaries. Both member and officer groups are established to facilitate this process.
- 7.3 <u>Council Procedure and Reporting</u>: The preparation of the Local Plan will be informed, monitored and approved as appropriate by Harborough District Council through:
 - Member engagement, including the Planning Portfolio Holder and Chair of Planning Committee and other councillors;
 - The Council's Cabinet; and
 - The Council.
- 7.4 <u>Resources</u>: The following officers of Harborough District Council will be involved, to varying degrees, in preparing the Local Plan:
 - Director of Planning
 - Head of Strategic and Local Planning
 - Principal Planning Policy Officer
 - Local Plan Project Officer (0.6 FTE)
 - Senior Planning Policy Officer (2.3 FTE)
 - Planning Policy Officer (0.5 FTE)
 - Planning Policy Assistant
 - Neighbourhood and Green Spaces Officer
 - Heritage and Conservation Officer
 - Environment Coordinator
 - Additional external support as necessary.
- 7.5 Risk Assessment: It is important that the risks associated with delivery of the Local Plan are acknowledged and mitigating measures put in place to avoid adverse impact on the delivery of the LDS. The main risks to delivery have been identified together with proposed mitigation measures:

Staffing

The need for additional staff resources may occur through sickness, staff turnover or volume of work.

<u>Mitigation measures</u>: succession planning, continual professional development through appraisals, liaison with Local Planning Advisory Panel, liaison with Director of Planning over recruitment, secondment arrangements, temporary cover arrangements, additional external resources.

Evidence

Delay to Plan progress if relevant evidence at Leicestershire-wide level is delayed.

Mitigation measures: Full involvement in process, timely provision of information/comments for consultants, close monitoring of adherence to project timescales, ensure project group are aware of Local Plan deadlines. Should significant delay be experienced in the preparation of evidence, which the Local Plan relies upon, an amendment to the Local Development Scheme will be prepared and presented for consideration.

Political Decision-making

Politically contentious issues may require unforeseen procedures to resolve.

<u>Mitigation measures:</u> Internal process arrangements provide a number of opportunities for district councillors to meet and discuss emerging policies and proposals with officers including Portfolio Holder meetings, Member engagement in Local Plan preparation, all-Member workshops and briefings, the formal approval of documents at Cabinet and Council meetings.

Duty to Cooperate (DtC)

Local planning authorities must demonstrate how they have complied with the Duty to Cooperate at the independent examination of their local plan. If a local planning authority cannot demonstrate to the examination inspector that it has complied with the Duty, then the local plan will not be able to proceed further in the examination process. In preparing local plans, local planning authorities have to bear in mind that cooperation should produce effective and deliverable policies on strategic cross boundary matters.

<u>Mitigation measures</u>: Ensure a good understanding of the requirements of the duty to cooperate at an early stage through clarity on the legislative framework, accompanying guidance and lessons from

inspectors' reports. This then needs to be translated into officer and member involvement in appropriate structures for evidence gathering and agreement on strategic issues. Appropriate ongoing engagement with partners on identified Duty to Cooperate issues will take place involving one to one engagement where appropriate, stakeholder meetings and workshops. The preparation of Statements of Common Ground with relevant partners will identify strategic cross boundary issues and identify the mechanisms to address such issues, including the preparation of joint evidence.

• Changes to National Planning Policy and legislative framework

From time to time the NPPF and National Planning Practice Guidance is updated. The NPPF was most recently updated in September 2023 and is likely to be reissued later in 2023, at a date to be confirmed. The Planning Practice Guidance is updated regularly. Any changes to these documents will need to be considered. The Levelling Up and Regeneration Act (LURA) has recently received Royal Assent. In addition to the LURA, several Government consultations on planning reforms have been tabled in the last 3 years, with significant primary and secondary legislative changes likely to come into effect in 2024, these include but are limited to:

- Planning White Paper in August 2020,
- <u>Levelling-up and Regeneration Aill: reforms to national planning policy in December 2022</u> and
- Plan-making reforms: consultation on implementation in July 2023.

Mitigation measures: Closely monitor new policy and practice guidance, anticipate changes to national policy and its implications at the Housing Market Area level, build flexibility into the plan and work closely with neighbouring local authorities in respect of the Duty to Cooperate on strategic priorities. Should changes to Government policy or legislative framework impose additional requirements and therefore additional time to resolve, an amendment to the Local Development Scheme will be prepared and presented for consideration.

New/Revised Procedural Requirements

The preparation of the Local Plan will be carried out under the Town and Country Planning (Local Planning) (England) Regulations 2012.

<u>Mitigation measures</u>: Pay close attention to the new regulations and any revised legal processes. Should changes to the legislative framework impose additional requirements and therefore additional time to resolve, an amendment to the Local Development Scheme will be prepared and presented for consideration.

Financial Resources

Undertaking evidence gathering projects, public consultation events and the formal Examination of the final new Local Plan require significant financial resources. Any additional unforeseen costs would place a further burden on the budget.

<u>Mitigation measures</u>: Close monitoring of the new Local Plan preparation budget and likely future commitments.

7.6 Equality Impact Assessment: An Equality Impact Assessment (EIA) will be undertaken in conjunction with the preparation of the Local Plan to consider the likely effects of new and/or changing policies on people with protected characteristics (see the Council's website). This will help the Council to ensure that the needs of people are taken into account when developing and implementing the Local Plan.

8. Timetable for new Local Plan

8.1 The following timetable sets out the key stages in the preparation of the new Local Plan for Harborough District.

Local Development Scheme (November 2023): New Local Plan preparation timetable

| | | 20 | 23 | | - | | | | 2 | 202 | 24 | - | - | | | | | | | - | | 2 | 02 | 5 | - | - | | | | 2026 | | | | | | | | | | |
|--|---|----|----|---|---|---|---|-----|----|-----|----|---|---|---|---|---|---|---|---|---|---|---|----|---|---|---|---|---|---|------|---|---|---|---|---|---|---|---|---|---|
| Stage | S | 0 | N | D | J | F | M | 4 1 | И, | J, | J | 4 | S | 0 | N | D | J | F | M | Α | M | J | J | Α | S | 0 | N | D | J | F | М | Α | M | J | J | Α | S | 0 | N | D |
| Issues and Options consultation (Regulation 18) | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Proposed Submission Consultation (Regulation 19) | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Submission for Examination | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Local Plan Adoption* | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |

Figure 1: An illustration of the timeline for local plan preparation, with key project milestones indicated on a calendar; Issues and Options consultation (Jan-Feb 2024), Proposed Submission consultation (Jan-Mar 2025), Submission for Examination (May-Jun 2025), and Adoption in mid-late 2026.

*Estimated to be 11 months from Submission for Examination (the current Local Plan was adopted 11 months after Submission for Examination), i.e. the Local Plan Adoption Date is indicative only at this stage – it is dependent on detailed arrangements for Examination by the Planning Inspectorate and decisions/ recommendations by the Inspector including the need for and scope of any main modifications arising out of the Examination. The Government's recent consultation on plan-making reforms states that all plans Examined under the current legislative framework (Submitted for Examination by 30 June 2025), should be adopted by 31 December 2026.

| Question | Answer |
|---|--|
| How will the authority work to the short timescale to submit the Local Plan? | The authority has and is implementing further good governance and budget management, is using available toolkits, engaging external expertise, and finding additional resourcing/staffing. |
| What will happen if the council does not meet the deadline set out in the report? | Circumstances outside of the council's control may halt the progress. Various external bodies that will be involved, are being approached early to advise them of the upcoming Local Plan development. If the deadline is not met, the evidence collected and work already completed will not be wasted, it will be re-used to submit at a later point. |
| What will the costings to produce the Local Plan be? | The current Local Plan cost £1.8million, it is likely that due to rising costs outside of the council, the new plan costs will be increased. The reporting is being prepared and will be progressed to the next Cabinet meeting and subsequent Council meeting. |
| How will the council ensure the project is appropriately resourced? How much would the increased staffing cost? | Currently, there is a national shortage of planners, however, the planning team have started reaching out via professional networks and are receiving positive feedback from this initial contact. The additional cost will be outlined in an extra report to be reviewed by Cabinet. |
| How has the new Settlement Hierarchy been determined? And will it be voted on? | Cabinet will be required to vote on this at the next meeting on 27 th November 2023. The document being discussed regards Regulation 18 and issues and options, and the Settlement Hierarchy can be commented on during the public consultation. |
| How has it been determined that Harborough would likely be in a later group of Local Plans under the new central government legislation (LURA)? | Recent Counsel advice provided at previous council meeting (6 th November 2023) provides some information on this. There are no guarantees that Harborough District Council will be part of the pilot scheme in the new central government led process. As it is a new process there is still extra legislation to come from central government to guide local authorities. There is still much to be determined around how |

| | the new system will operate, for example, |
|---|---|
| What specific stakeholders are being engaged in the consultation? | via secondary legislation. Clarification was provided that every resident of the district is a stakeholder. As well as this various companies and public bodies (National Highways, Natural England, Leicestershire County Council, NHS) are being invited to comment on the consultation presented. |
| How is growth in warehousing being accounted for? | A piece of evidence is being developed for the Leicester and Leicestershire area, reporting on strategic distribution of warehousing to guide the Local Plan process. |
| What additional costings will there be if the deadline is not met? | The costings of the new Local Plan are dependent on absolute details of transitional arrangements. If the deadline is not met, the existing work and evidence completed will be bundled and taken into the following plan preparation under the new system. Additional costings are not included in the upcoming financial report, as an estimation cannot be made at this stage due to the changing evidence base. |
| Is this report developed with the assumption that the Leicester and Leicestershire Statement of Common Ground will be agreed? | The Issues and Options report and the Leicester & Leicestershire Statement of Common Ground report are not dependent on one another, the report being discussed at this panel is a separate decision to be made regarding the Regulation 18 Issues and Options document. |
| Would figures in the report need to be adjusted if the Leicester and Leicestershire Statement of Common Ground is not agreed? | Within the report there are three different scales of growth identified to provide a range of data as a way of future proofing the Local Plan for potential circumstance change (e.g. Annual Housing Needs) between the Regulation 18 consultation and the Planning Inspectorate review following submission of the plan for its examination. |
| What will the consultation process taking place in January and February 2024 look like? | There will be a six-week consultation process. The responses will be analysed and collated, then reviewed by the Cabinet & Council to inform the Regulation 19 draft plan that will again go to Cabinet & Council prior to publication for consultation. As part of the Regulation 18, Issues and Options |

| | consultation there will be a static notice board to view in the customer service area of The Symington Building. The consultation will be taking place largely online but will be supported by further telephone and email consultation and in person drop-in sessions. Drop-in sessions are mainly for members of the public to ask any questions that they may have answered. As well as this, parish councils and parish meetings in the district are being contacted to receive their thoughts. There will be an advertisement in the Harborough Mail, and it was also suggested that there be an advertisement in the Swift Flash. The authority is working to front load the publicity for the Regulation 18 Issues and Options consultation. |
|--|---|
| Where will the consultation drop-in | It is likely that the drop-in sessions will be |
| sessions be held? | held in Market Harborough, Lutterworth, and potentially Scraptoft, (certainly in that area of the district.) |
| When will the consultation drop-in | The sessions are normally held for ½ - ¾ of |
| sessions be held? | a day, and this will ensure that the sessions span both working and non-working hours. |
| Could a consultation drop-in session be allocated to a larger village in the district? | This suggestion was noted. |
| Will the outcomes of the | The data provided in the consultation will be |
| consultation be publicised? | organised, catalogued, analysed, and a |
| | response will be provided to it. This |
| | information will be considered by officers, |
| 11 910 9 0 1 | and then presented to councillors. |
| How will the council ensure that | This is a link to the Statement of Community Involvement - |
| larger stakeholders/significant service providers are engaged with | https://www.harborough.gov.uk/directory_record/ |
| on consultation? | 563/statement of community involvement |
| on concentation: | This is available on the Harborough District |
| | Council website. This lists the significant |
| | service providers that will be involved in the |
| | consultation. To ensure contribution to the |
| | consultation, communications are followed |
| NACH (I | up, and an ongoing dialogue is opened. |
| Will there be an impact on other | It is unlikely that the development of the |
| duties of the planning department's | Local Plan will have an impact on the |
| service delivery? | provision of other council services. |

| How is the need for water infrastructure upgrade considered? | As part of the consultation, important consultees such as the water authorities, lead local flood authority, and the environment agency are approached for their expertise. The Infrastructure Delivery Plan will sit alongside the Local Plan to provide further information on the infrastructure required to deliver and implement the local plan. |
|---|---|
| Have there been any definite appointments to the planning department for the required increase in resourcing? | There haven't been any confirmed additional appointments to the Strategic Planning team yet. |
| Is the 6-week timeline for the consultation enough time? | There will be a pre-consultation notice, to advise people of the consultation and dropin sessions. Parish Councils will receive notice, prior to the consultation, to make the necessary meeting arrangements to discuss the matter. The consultation development process has considered demographics of the district to accommodate as much of the public as possible. |
| What will be the timescale to receive a fully comprehensive risk assessment on delivery of the Regulation 18 process? | The Head of Strategic Planning will take this query away to review and respond. |
| What would the increased resource in the Strategic Planning team look like? | There is already a very capable existing team in place, which will be integral to the Local Plan process. What is looking to be done is to supplement the already existing team, with equally capable new members of the team, as well as members of outside bodies and consultants, for areas of specialist knowledge. |

Key issues discussed were the costings of the Local Plan Regulation 18 process, the planning department resourcing to deliver the plan to the timeline provided, and the consultation that would take place with the public and key significant stakeholders.

The panel members commented on the proposed updated Local Development Scheme, and on the scope of the first public consultation on the new local plan.

It was discussed that the questions and comments provided by the panel would be reviewed and passed onto the Cabinet for discussion at their next meeting.

Harborough District Council



Report to Council Meeting of 11 December 2023

| Title: | New Local Plan Resources |
|-------------------|---|
| Status: | Public |
| Key Decision: | Yes |
| Report Author: | Head of Strategic and Local Planning, Tess Nelson |
| Portfolio Holder: | Planning Portfolio, Cllr Simon Galton Finance Portfolio, Cllr Mark Garves |
| Appendices: | Appendix A: Risk Assessment |

Summary

i. The report seeks approval for additional financial resources to be used to fund the preparation of the local plan and aims to meet submission by June 2025.

Recommendations

It is recommended that:

Council approves the additional resources needed for Local Plan preparation set out in Table 1 in paragraph 4.4 of this report in order to aim to submit the new local plan for examination by June 2025.

Reasons for Recommendations

- The planning system is plan-led. This means that planning applications must be considered and determined in accordance with the development plan unless material considerations indicate otherwise. The development plan should therefore be kept up to date.
- ii. Preparation of the local plan is a corporate priority and will help to deliver against a number of further corporate priorities.
- iii. The Levelling Up and Regeneration Act 2023 ('LURA') has changed the statutory framework for the 'making' of local plans. It provides for a period of transition for local authorities who have been progressing preparation of their local plans to the preceding regime. The transition period requires the Council to submit its local plan for examination under the existing, known, planning system, by 30 June 2025 the date in the existing Local Development Scheme (LDS). To achieve that deadline,

- the Council needs to reprofile the local plan preparation work programme. If this objective is to be achieved, additional resources are required to enable the reprofiled the LDS work programme.
- iv. Specifically, additional staffing capacity, consultancy support and specialist technical expertise is needed in order to prepare the local plan within the reprofiled LDS timeframe. The preparation process is technically complex and draws upon a high number of both internal and external expertise. This reliance increases the risk of delay if partners, consultancy support or statutory bodies are unable to meet tight deadlines. As such, it should be noted that additional funding of this nature does not guarantee submission by June 2025. However it is expected that the additional resources provide the necessary resources in order to aim to meet the deadline.
- v. The risk assessment demonstrates that working towards submission by 30 June 2025 results in considerably less risk to the Council than waiting and preparing a new local plan under the new planning system after June 2025.

1. Purpose of Report

1.1. This report seeks approval of additional resources to meet a reprofiled timeframe for the Local Development Scheme (LDS) local plan preparation work programme.

2. Background

- 2.1 In England there is a 'plan-led' approach to the regulation of land and development which places local plans at the heart of the town and country planning system. A local plan forms part of the statutory 'development plan' for an area and is the starting point for the determination of all planning applications in the area unless material considerations indicate otherwise.
- 2.2 The Planning and Compulsory Purchase Act 2004 places a duty on local authorities to carry out plan-making with the "objective of contributing to the achievement of sustainable development" while the Planning Act 2008 puts an additional obligation on plan-making authorities to ensure their development plan documents (taken as a whole) include policies that are "...designed to secure that the development and use of land in the local planning authority's area contribute to the mitigation of, and adaptation to, climate change."
- 2.3 The latest government consultation on plan-making reforms includes transitional arrangements to facilitate the switch from the current planning system to the reformed planning regulations under the Levelling- up and Regeneration Act 2023 (LURA). LURA has introduced a revised statutory framework for the 'making' of local plans. However, the legislation also provides for a period of transition. This means that local authorities who have been progressing preparation of their local plan under the current local plan making regime can still submit a Local Plan for examination by 30 June 2025.
- 2.4 The Harborough Local Plan was prepared and subsequently adopted in April 2019. It replaced the previous Harborough District Core Strategy adopted in 2011. The adopted plan provides at Policy IMR1 that:
 - "2. A full or partial update of the Local Plan will be commenced (defined as the publication of an invitation to make representations in accordance with Regulation 18 of Page 946 of 1014

The Town and Country Planning (Local Planning) (England) Regulations 2012) within 6 months of the following:

- a. the adoption by the Council of a Memorandum of Understanding (MOU) or Statement of Common Ground (SoCG) which proposes a quantity of housing or employment development to 2031 that is significantly greater than the housing requirement or employment need identified in this Local Plan; or
- b. in the absence of an adopted MOU or SoCG, 12 months from the date of publication of a Local Plan for Leicester City (defined as publication of an invitation to make representations in accordance with Regulation 19 of the Town and Country (Local Planning) (England) Regulations 2012) ('a Regulation 19') that includes satisfactory evidence of an unmet local housing need; or
- c. conclusion of a review in response to specific trigger points as set out in the monitoring framework, including identification of significant and persistent shortfalls in the delivery or supply of housing against the housing requirement.
- 3. Any full or partial update of the Local Plan triggered by 2. above will be submitted for examination within 30 months from the date it commenced."
- 2.5 Whilst the current local plan remains up to date, the trigger set out above at paragraph 2.4, 2.b. has been activated as a consequence of Leicester City Council publishing a Regulation 19 on 16 January 2023. This means that the Council must commence a full or partial update of its local plan in accordance with the Regulation 18 provisions. This accords with a decision by Cabinet in July 2021 to begin the preparation of a new local plan. A new local plan is beneficial to provide long term certainty, allocate development in sustainable locations and protect important natural spaces and built heritage.

3. Details

- 3.1 The transitional arrangements tabled by government state that Local Planning Authorities who do not submit a new plan by 30 June 2025, will have to operate within the reformed planning system.
- 3.2 Within the reformed planning system, Government proposals will remove local authority controls for deciding when a new local plan should be commenced. This means that even if Council's monitoring indicators highlight that there is a need to start a new local plan, work cannot begin until the Authority receives instructions, or approval, to do so from central government. Consultation proposals also make clear the government's intention to manage local plan preparation timetables and the associated programme of public consultations to be undertaken.
- 3.3 Local planning authorities are expected to be grouped or 'batched' according to their planmaking track record and adoption date of their last adopted local plan. The government intends to ensure that the first 'batch' of local plans to be prepared under the new system will comprise authorities without a current adopted plan.
- 3.4 Future 'batches' of authorities will be instructed to commence local plans chronologically, according to previous adoption date. In view of Harborough District Council's strong track
 Page 947 of 1014

record of local plan preparation and adoptions, and strong track record of housing delivery, there will be a considerable wait until called upon to start a new local plan (unlikely to be asked to start a new local plan before 2027).

- 3.5 Under the transitional arrangements up to date plans which become more than five years old during the first 30 months of the new system are expected be protected from speculative development. However, this will not protect the Council's current local plan which was adopted on 30 April 2019 and will become five years old before new arrangements are expected to be in place (in Autumn 2024). The current local plan will therefore remain out of date until replaced by a new local plan. If the 30 June 2025 deadline is not met, this could potentially be as late as 2029 or 2030. That would place the district at considerable risk of speculative development over a period of several years and is not recommended.
- 3.6 In the meantime, the existing policy IMR1 policy trigger outlined in paragraph 2.4 above, will have been met, leaving the authority without an up-to-date plan. Therefore, the Authority now faces an intense period of plan preparation, through a reprofiled Local Development Scheme (LDS) work programme to enable the preparation of the new local plan. This is to meet the new government deadline for submission under the existing plan-making system of 30 June 2025 in order to avoid the uncertainties of the new plan making system outlined in paragraphs 3.1 3.5 above, and also to satisfy the provisions of the existing local plan trigger policy, IMR1.
- 3.7 In order to progress the local plan to submission by June 2025 and to thereby protect the district from potentially damaging and unsustainable speculative development over a prolonged period of up to 6 or so years to 2029 or 2030, additional resourcing is required. The total additional investment to enable the local plan to be prepared under the reprofiled work programme is estimated for each year of local plan preparation as follows:

2023/4: £ 257,959
2024/5: £1,139,539
2025/6: £ 474,315

his investment will enable the use of additional staffing capacity, consultancy support, and technical expertise to progress the local plan under the reprofiled local plan preparation timetable.

- 3.8 The justification for the council committing these additional resources to the preparation of the new local plan is that this will ensure that the authority has the best chance possible to submit a new local plan for examination by the government deadline of 30th June 2025, as set in the Local Development Scheme (LDS). It is important to achieve this to ensure that a new local plan can be adopted as soon as possible following the examination, likely to be sometime in 2026. This will ensure the district has plan-led delivery of sustainable development and protection from potentially unsustainable speculative development in the quickest possible timescale.
- 3.9 It is important to understand that a comprehensive project management approach is being deployed to oversee and guide the preparation of the local plan through the reprofiled and

work programme. This will include due diligence on managing all of the resources provided by the council to ensure that those resources are used in the most efficient and effective way to achieve best value for money. The authority is in the process of procuring specialist planning experts to enable it to meet the reprofiled local plan work programme. The Head of Service for Local and Strategic Planning is the lead officer for the project under the oversight and management of the Director of Planning in the role of Senior Responsible Owner.

- 3.10 Robust procurement processes are being pursued to ensure value for money is achieved for all goods, services and additional staff required to deliver the reprofiled local plan work programme. These processes are be overseen by the Head of Service for Strategic and Local Planning and the Director of Planning.
- 3.11 There is comprehensive and robust member oversight of the plan-making process so that all members of the authority can take part and contribute to the preparation of the local plan. This includes the Local Plan Advisory Panel, various member briefings as well as Cabinet and Council meetings. This is not an exhaustive list, other member engagement can and will be undertaken as and when needed during the progression of the project.
- 3.12 A full programme of public consultation and engagement is also included in the reprofiled local plan work programme so that all members of the community and other stakeholders can access information about the project and make their contributions to the preparation of the new local plan. This programme will be guided and promoted in the light of a communications plan for the whole project.
- 3.13 The reprofiled local plan work programme represents good value for money for the authority. The process has a strong project and programme management control framework in place to ensure quality control and risk management is undertaken to a high standard.
- 3.14 Fundamentally, the council needs the new local plan to be submitted for examination by June 2025 in order to plan-led sustainable development is delivered across the district in the coming years rather than the alternative of unplanned, ad-hoc, speculative development on uncontrolled development sites across the district. The district has suffered from periods of non-plan-led and speculative growth on previous occasions when no up to date and sound local plan has been in place. In these periods the council has had limited powers to resist such unplanned and speculative growth, often because of the planning appeals system. By investing the additional financial resources requested and recommended in this report to enable the delivery of the reprofiled local plan work programme will mean the district has the best possible chance to avoid returning to such circumstances again.

This will enable the use of additional staffing capacity, consultancy support, and technical expertise.

4. Implications of Decisions

Corporate Priorities

4.1. Preparation of the new local plan will aid delivery of the following corporate priorities:

- CO1: There will be an adequate supply of housing to meet local needs across all tenures and price ranges, and reducing the potential for homelessness
- CO2: Our local plan will ensure growth in the area is balanced with employment opportunities and transport and infrastructure needs are met
- CO3: The rural nature of the district will be recognised, and our heritage and cultural assets are preserved
- CO4: Our local communities, the voluntary and charitable sector are more engaged and actively managing their own localities and shaping their own places
- CO5: The district will be shaped through good design, that addresses local needs and promotes healthier life choices.

Consultation

4.2. Informal consultation has taken place with relevant Portfolio Holders. No additional consultation is required.

Financial

- 4.3. The additional cost of £1.9m is expected to provide the necessary resources to deliver the local plan reprofiled LDS work programme, with the aim to submit the new local plan for examination by the government deadline of June 2025.
- 4.4. The expectation is that this additional resource will be funded by a combination of receipts from the Leicestershire Business Rates Retention Pool receipts (Delegations: 03/04/2023; 24/05/2023), use of reserves and when possible, in-year savings. Based on the current project plan, and not knowing any future in-year savings, the following Table 1 is the expected additional cost and financing profile for resourcing the new local plan:

Table 1 – Recommended New Local Plan Resourcing – Expected Project Costs and Resourcing

| Net Local Plan Resourcing - Expected Projects Costs and | | Υe | ear | |
|---|-------------|-------------|-----------|-------------|
| Financing | 2023/24 | 2024/25 | 2025/26 | TOTAL |
| | £ | £ | £ | £ |
| Staffing and Evidence | 132,959 | 724,539 | 444,315 | 1,301,813 |
| Technical support Sub-total | 125,000 | 415,000 | 30,000 | 570,000 |
| TOTAL | 257,959 | 1,139,539 | 474,315 | 1,871,813 |
| Income: Leics NDR Pool Funding | (1,342,358) | 0 | 0 | (1,342,358) |
| Net Cost | (1,084,399) | 1,139,539 | 474,315 | 529,455 |
| Resource Allocation | | | | |
| Contribution to Earmarked Reserve: Local Plan | 1,084,399 | | | 1,084,399 |
| Contribution from Earmarked Reserve: Local Plan | | (1,084,399) | | (1,084,399) |
| Contribution from Earmarked Reserve: Other | | (55,140) | (474,315) | (529,455) |
| Net Service Impact | 0 | 0 | 0 | 0 |

| Earmarked Reserves: Local Plan [Leicestershire NDR Pool Funding] | | | | | | | | | | |
|--|-------------|-------------|---|--|--|--|--|--|--|--|
| b/f | 0 | (1,084,399) | 0 | | | | | | | |
| Contribution from Services | (1,084,399) | | | | | | | | | |
| Contribution to Services | 0 | 1,084,399 | 0 | | | | | | | |
| c/f | (1,084,399) | 0 | 0 | | | | | | | |

| Earmarked Reserve: Other | | | |
|--------------------------|-------------|-------------|-----------|
| b/f | (1,000,000) | (1,000,000) | (944,860) |
| Contribution to Services | 0 | 55,140 | 474,315 |
| c/f | (1,000,000) | (944,860) | (470,545) |

Legal

4.5 Preparation of the new local plan will take place in accordance with The Town and Country Planning (Local Planning) (England) Regulations 2012. The Planning and Compulsory Purchase Act 2004 place a duty on local authorities to carry out plan-making.

Environmental Implications

4.6 The new Local Plan will have implications in relation to the spatial planning of the district. The wider environmental implications of the scale and distribution of development and associated supporting infrastructure will be assessed through the Sustainability Appraisal of the Local Plan, which incorporates the requirements of the SEA Directive.

Risk Management

- 4.7 A detailed risk assessment is set out at Appendix A. This sets out the risks associated with:
 - Option 1: Submission of the Local Plan By 30 June 2025; and
 - Option 2: Submission of the Local Plan Post June 2025.

The Risk Assessment scores each risk in terms of the likelihood and impact. Appropriate mitigation is identified, and each risk is then re-scored with the mitigation applied. This shows that Option 2 results in 7 Red (identified as Extreme or Major risks), compared with no red risks under Option 1. Options 1 is therefore the Option attracting significantly less risk.

- 4.8 Not meeting the government deadline to submit the new local plan by 30 June 2025 would mean that preparation of the new local plan would suffer a hiatus or uncertainty whilst the Government introduces the new planning system. This would impose a significant delay on plan making. It is anticipated that under the new planning system, work on the new local plan would be delayed until a start in 2027, resulting in a very significant delay in adoption of the new plan until 2030. This would result in the district not having an up-to-date local plan for a number of years and place the district at considerable risk of speculative, unplanned development, the likely consequences of which are described in paragraph 3.14 above.
- 4.9 Additional resources are required due to the achievable, yet challenging nature of the deadline and the associated reprofiled local plan work programme put in place to achieve it. Additional staffing capacity, consultancy support and specialist technical expertise is needed to prepare the local plan within this reprofiled timeframe. The preparation process is technically complex and draws upon a high number of both internal and external expertise. This reliance increases the risk of delay in the event that partners, consultancy support or statutory bodies are unable to meet tight deadlines. As such, it should be noted that additional funding of this nature does not guarantee submission by June 2025. It does however represent the best possible chance and opportunity to meet this extremely challenging deadline. Without the additional resources requested and recommended in this report there would be no chance of meeting the government's June 2025 deadline for submission of the district's new local plan for examination.
- 4.10 In the event that submission by 30 June 2025 does not prove achievable for reasons outlined above, the work will not be wasted. Instead, the draft Local Plan, evidence and

supporting documents underpinning it would be used to prepare a new local plan under the new planning system, with the necessary reviews and updates undertaken.

Equalities Impact

4.11 An Equalities Impact Assessment (EIA) for the Local Plan will be prepared and regularly reviewed as part of the Local Plan making process. In addition, an EIA will be prepared for each public consultation stage.

Data Protection

4.12 All consultation on the Local Plan will be carried out in compliance with the provisions of the UK GDPR and, the General Data Protection Act 2018.

5. Alternative Options Considered

- 5.1 Option 1: Council approves additional resources in order to meet the reprofiled LDS local plan work programme and aim to submit the new local plan by the deadline of 30 June 2025. This is recommended.
- 5.2 Option 2: Council does not approve the additional resourcing. This is not recommended since it will slow down local plan preparation and result in the Council being unable to achieve submission of the new local plan by the government deadline of June 2025. The consequence of missing this deadline is needing to await the establishment of the new planning system and the likely uncertainties and associated delays to the preparation of the new local plan that will incur in those circumstances. Due to the proposed way in which the new planning system is being introduced, local plan preparation is likely to be significantly delayed under the new system, with the start of plan preparation not expected until at least 2027, meaning adoption not until, at least, 2030.

6. Recommendation

6.1 It is recommended that:

Council approves the additional resources needed for Local Plan preparation set out in Table 1 in paragraph 4.4 of this report in order to aim to submit the new local plan for examination by June 2025.

7. Background papers

Cabinet decision to prepare a new Local Plan June 2021 available at the following link:

Meetings and Events (harborough.gov.uk)

Latest Government consultation on planning reforms:

<u>Levelling-up and Regeneration Bill: consultation on implementation of plan-making reforms - GOV.UK (www.gov.uk)</u>

Supplementary Paper

Local Plan – Risk Assessment of Submission Date Options

24 November 2023

Introduction

This report sets out a risk assessment for the preparation of the new Local Plan. Risks relating to the preparation of the Local Plan project are managed in accordance with Harborough District Council's 'Risk and Opportunity Management Framework' and agreed project management methodology.

Summary

The existing Local Plan was adopted in 2019 and following a review undertaken in accordance with Policy IMR1 it has been determined that the trigger for replacement and updating has been reached.

Normally the Council would respond to these risks by embarking on the early preparation of a new Local Plan. However, the Government has enacted a new legal framework for plan-making, as part of the Levelling Up & Regeneration Act (LURA), which will be introduced in stages starting in Autumn 2024. Therefore, the Council now has two options for preparing a new local plan:

Option 1- Prepare and submit a new Local Plan under the existing system by June 2025 using transitional arrangements.

The Council can seek to use transitional arrangements to prepare and submit a new Local Plan under the current system by June 2025. This would mean that a new Local Plan should be adopted by **the end of 2026**.

The main benefits of this option are clear:

- the existing plan preparation process is well established and understood;
- the project risks are known and can be mitigated;
- it would minimise the period during which planning applications would need to be determined using outdated policies and policies which carry decreasing weight;
- it will employ key existing evidence already prepared, without aborting this work; and,
- it would give the Council the opportunity to update all of the strategic and detailed Local Plan policies which should lead to improved quality of development better able for instance to address climate change mitigation and adaptation.

The key risks of this approach are detailed in Table 1, but in summary include:

- the timescale for preparing and submitting the new local plan is challenging with only 18 months from December 2023;
- to meet this deadline it will be necessary to employ additional resources with cost implications; and,
- if the deadline for submission is missed some of the Local Plan evidence including new studies may become out of date and require updating before the Authority is invited to start preparing a new local plan under the new system, and it will be necessary to update it.

Option 2- Prepare the new Local Plan under the new development plan system

The potential benefits of using the new system are that the government proposes to streamline the plan-making process – it is intended to be streamlined with preparation and adoption taking 34 months (30 months preparation plus 4 months' notice, scoping and early participation).

The key risks of this approach are detailed in Table 2.

In summary, the disadvantages are clear:

- the Council can't begin to prepare the new plan until 2027;
- therefore, a new Plan is unlikely to be adopted until 2030 adoption being a minimum of 4 years later than for Option 1;
- a consequence of is that the Authority will be operating without an up-to-date local plan for at least 7 years, increasing the likelihood of planning appeals and the associated costs;
- over time, the adopted Local Plan policies will become increasingly outdated, carrying less weight and effectiveness in delivering sustainable development and addressing current design and climate change issues; and,
- with it being a new system there is a greater risk for delay as Councils and PINS become familiar with new processes.

Summary of post mitigation risks for Option 1 and Option 2:

| | | Number of post mitigation risks | | | | | | | | | | | | |
|---|-------|---------------------------------|-------|-----|--|--|--|--|--|--|--|--|--|--|
| Option | Green | Yellow | Amber | Red | | | | | | | | | | |
| Option 1: (Submission by June 2025) | 1 | 8 | 4 | 0 | | | | | | | | | | |
| Option 2: (Submission after June 2025) | 2 | 4 | 1 | 7 | | | | | | | | | | |

The above summary table shows Option 1 (involving Submission by June 2025) results in fewer significant risks than Option 2.

Option 2 has 7 red risks remaining post mitigation. These risks remain after appropriate mitigation has been applied to either prevent them or minimise their impact. Of those remaining 7 Red risks, 2 are at a score of 25, the highest possible risk score and are identified as Extreme. The remaining 5 Red risks are at a score of 20 and identified as Major.

Detailed risks and mitigation measures for each option are set out in Table 1 and 2, overleaf.

<u>Table 1 – Option 1 Risk Assessment - Preparing a new local plan for Submission BY June 2025</u>

| Ref | Risk | Pre-Mitigation Mitigation | | | | N | | ost- gation | |
|------------------------|---|---------------------------|---|-------|---|---|---|----------------|--|
| | | I | L | Score | | I | L | Score | |
| Option 1, Risk 1 | Failure to update the Local Plan will put the Council in breach of its own planning policy (Local Plan policy IMR1) | 5 | 5 | 25 | Resolve to update the local plan, for Submission by June 2025. Invest additional funds to boost local plan project resources. | 2 | 2 | 4 | |
| Option 1, Risk 2 | Short timescale to prepare and submit Local Plan by June 2023 (19 months from December 2023). | 5 | 5 | 25 | Increase resources available to the project. Boost budget allowance to enable increase of resources. Adopt detailed project management approach. Commission additional consultancy and specialist technical resources. Effective engagement with Councillors throughout plan preparation. | 3 | 3 | 9 | |

| Ref | Risk | Pre-Mitigation Mitigation | | | | N | | ost- gation | |
|------------------------|---|---------------------------|---|-------|---|---|---|----------------|--|
| | | I | L | Score | | I | L | Score | |
| Option 1, Risk 3 | Harborough District Council does not qualify for the government's proposed 30 months of safeguarding for existing local plans because the adopted plan will already be more than 5 years old before such transitional arrangements come into effect. Under LURA it will about 7 years from January 2023, until a new local plan is adopted in 2030. | 5 | 5 | 25 | Follow Option 1: Prepare a new local plan ready for June 2025 Submission. | 5 | 2 | 10 | |
| Option 1, Risk | Submission deadline under current legislative framework places a time constraint on the Statement of Common Ground decision. | 5 | 4 | 20 | Continue engagement with Councillors and other stakeholders on the Statement of Common Ground. Retain evidence of engagement and cooperation for examination. Familiarise with new requirements under the LURA Regs regarding the Duty to Align (when published), and undertake any necessary duties. | 3 | 4 | 12 | |

| Ref | Risk | Pre | | | Mitigation | | | ost- gation |
|------------------------|--|-----|---|-------|---|---|---|----------------|
| | | I | L | Score | | I | L | Score |
| Option 1, Risk 5 | Delays in the procurement of necessary technical support and evidence may mean that the plan preparation and submission deadline is not achievable | 5 | 4 | 20 | Expedite procurement and ensure that partners are aware of the need for early turnaround of contract approvals and impact of delay. Project manage closely. | 4 | 2 | 8 |
| Option 1, Risk 6 | Staffing resources become insufficient to deliver the project | 5 | 5 | 25 | Plan for additional resources under a range of mechanisms, including direct recruitment and commissioning a flexible consultancy partner arrangement. Ensure there is sufficient flexibility in the project budget to employ temporary staff, in the event of significant internal staff absence. | 3 | 4 | 12 |
| Option 1, Risk 7 | Unforeseen costs result in insufficient budget to deliver a new Local Plan by the submission deadline | 5 | 5 | 25 | Forecast requirements based on recent experience. | 1 | 2 | 2 |
| Option 1, Risk 8 | Further changes to national Planning Policy and/or the legislative framework for local plans | 4 | 4 | 16 | Continue to monitor and engage with government and other internal and external subject matter experts. Continue to keep Councillors informed on government progress with the new NPPF. Use of formal change control processes as required. Seek advice from retained specialists or consultants. | 3 | 4 | 12 |

| Ref | Risk | Pre | Pre-Mitigation | | Mitigation | N | | ost- gation |
|-------------------------|--|-----|----------------|-------|---|---|---|----------------|
| | | I | L | Score | | ı | L | Score |
| Option 1, Risk 9 | Delayed delivery from allocated sites (Lutterworth East / Scraptoft North), or decisions against may impact on 5-year land supply. | 4 | 4 | 16 | Work collaboratively with site promoters to facilitate delivery, bring in additional resources to support this activity if needed. Continue to monitor and report on land supply projections. Submitting a new local plan by June 2025 will ensure that HDC has an up-to-date plan as soon as 2026, reducing the possibility of speculative development. Identify additional sites to meet shortfall in housing and employment delivery. | 4 | 2 | 8 |
| Option 1, Risk 10 | High numbers of local planning authorities all trying to meet the same deadline may impact upon availability of consultants to produce evidence and provide technical assistance within the required timescales. | 4 | 4 | 16 | Consider ordering evidence in batches to provide leverage for prioritisation. Appoint evidence suppliers via Framework to reduce contract delays. Complete drafting briefs for remainder of evidence studies and initiate procurement from suppliers. | 3 | 3 | 9 |

| Ref | Risk | Pre | | | Mitigation | N | | ost- gation |
|-------------------------|---|-----|---|-------|---|---|---|----------------|
| | | I | L | Score | | I | L | Score |
| Option 1, Risk 11 | Evidence studies are unforeseeably delayed. | 5 | 3 | 15 | Complete drafting briefs for remainder of evidence studies and commence procurement from suppliers. Ensure contract agreements protect the Authority's interests. Ensure consultant team have necessary experience. Regular progress and monitoring meetings with consultants to closely manage each project. | 3 | ည | 0 |
| Option 1, Risk 12 | Delays in production of Leicestershire level evidence for plan-making | 4 | 3 | 12 | Ensure that external partners are aware of the council's milestones and impact of delay. Ensure consultant team have necessary experience. Regular progress and monitoring meetings with consultants. Commission evidence production with speed in mind. Prioritise procurement in accordance with need. Note that the new local plan is not dependent on outcomes from 100% of the Leicestershire wide studies. | 3 | 2 | 6 |

| Ref | Risk | Pre | Pre-Mitigation | | Mitigation | | Post- Mitigation | | | | |
|-------------------------|--|-----|----------------|-------|---|---|---------------------|-------|--|--|--|
| | | I | L | Score | | I | L | Score | | | |
| | | | | | Ensure that project planning accounts for the need to produce detailed briefs for an external partner on activity required. | | | | | | |
| | | | | | Ensure contract agreements protect the Authority's interests. | | | | | | |
| | Use of proposed consultancy support are new and unfamiliar | 3 | 3 | 9 | Ensure consultant team have necessary experience. | 2 | 2 | 4 | | | |
| | | | | | Regular progress and monitoring meetings with consultants. | | | | | | |
| Option 1, Risk 13 | | | | | Incorporate management of external suppliers within routine project management protocols for the project / contract duration. | | | | | | |

Table 2 - Option 2 Risk Assessment - Preparing a new local plan under the new planning system for Submission POST June 2025

| Ref | Risk | Pı | Pre-Mitigation | | Mitigation | ı | | ost- jation |
|-------------------------|---|----|----------------|-------|--|---|---|----------------|
| | | ı | L | Score | | ı | L | Score |
| Optio n 2, Risk 1 | Failure to update the Local Plan will put the Council in breach of its own planning policy (IMR1) | 5 | 5 | 25 | Wait for new local planning framework under the LURA and lose local planning control in the interim, allowing speculative development to meet local demand. | 5 | 5 | 25 |
| Optio n 2, Risk 2 | Adoption of a new local plan under the new LURA regulations is expected to add a minimum delay of 4 years to adopt a new local plan (2030 at the earliest). In the interim, the Council's ability to control development will be reduced. | 5 | 5 | 25 | Identify impact upon internal planning resources and provide additional support and resources as needed, to process development applications and inevitable Appeal challenges. | 4 | 5 | 20 |
| Optio n 2, Risk 3 | HDC is unable to demonstrate compliance with the 'Duty to Cooperate' (Ri004). | 5 | 5 | 25 | Continue engagement with Councillors and other stakeholders on the Statement of Common Ground. Retain evidence of engagement and cooperation for examination. | 5 | 4 | 20 |

| Ref | Risk | Pr | Pre-Mitigation | | Mitigation | ľ | _ | ost- jation | |
|-------------------------|--|----|----------------|-------|--|---|---|----------------|--|
| | | I | L | Score | | I | L | Score | |
| Optio n 2, Risk 4 | Harborough District Council does not qualify for the government's proposed 30 months of safeguarding for existing local plans because the adopted plan will already be more than 5 years old before such transitional arrangements will be put in place. | 5 | 5 | 25 | Wait for new local planning framework under the LURA and lose local planning control in the interim, allowing speculative development to meet local demand. | 5 | 5 | 25 | |
| Optio n 2, Risk 5 | Without an emerging / new local plan to address housing requirement changes, challenge by appeal increases; appeal outcomes can impose new housing requirements on local planning authorities where there is no up-to-date local plan. | 5 | 5 | 25 | Identify impact upon internal planning resources and provide additional support and resources as needed, to process development applications and inevitable Appeal challenges. | 4 | 5 | 20 | |
| Optio n 2, Risk 6 | Some existing evidence prepared to date may be outdated before new local plan can be prepared under the LURA - abortive work / money lost. | 5 | 4 | 20 | Review evidence for conformity with new requirements, update where needed - will need to be financially supported. | 4 | 4 | 16 | |

| Ref | Risk | Pı | re-M | itigation | Mitigation | | Post Mitigat | | |
|-------------------------|---|----|------|-----------|---|---|-----------------|-------|--|
| | | ı | L | Score | | I | L | Score | |
| Optio n 2, Risk 7 | Housing & employment needs met via unplanned growth compromises the ability to deliver infrastructure improvements. | 4 | 5 | 20 | Seek to negotiate best possible infrastructure improvements via planning conditions and S106 agreements using outdated policy. Pool resources and prioritise distribution of S106 funds. | 4 | 5 | 20 | |
| Optio n 2, Risk 8 | Housing & employment needs met via unplanned growth, potential to compromise the protection of important natural spaces and built heritage in the district and to address climate change. | 4 | 5 | 20 | Seek to negotiate best possible planning outcomes using out-dated policy. Rely on national planning policy to determine planning applications. | 4 | 5 | 20 | |

| Ref | Risk | Pı | re-M | itigation | Mitigation | ı | | st- jation |
|-----------------------------|--|----|------|-----------|--|---|---|---------------|
| | | ı | L | Score | | I | L | Score |
| Optio n 2, Risk 9 | High numbers of local planning authorities all trying to meet the same deadline under the LURA may impact upon availability of contractors to produce evidence within the required timescales. | 4 | 4 | 16 | New batched system under the LURA may exacerbate this problem or may enable contractors predict and plan ahead for peaks in demand - we won't know until the new systems becomes established. | 3 | ω | w |
| Optio n 2, Risk 10 | Further changes to national Planning Policy and/or the legislative framework for local plans | 3 | 4 | 12 | Continue to monitor and engage with government and other subject matter experts. Continue to keep Councillors informed on government progress with the new NPPF. Use of formal change control processes as required. | 2 | 4 | 8 |

| Ref | Risk | Pı | Pre-Mitigation | | Mitigation | ı | Post- Mitigation | | |
|-----------------------------|--|----|----------------|-------|--|---|---------------------|-------|--|
| | | I | L | Score | | I | L | Score | |
| Optio n 2, Risk 11 | Unforeseen costs result in insufficient budget to deliver a new Local Plan by the submission deadline. | 2 | 2 | 4 | Forecast requirements based on recent experience. Engage with the budget setting process and political decision-making to ensure required funding is secured. | 2 | 2 | 4 | |
| Optio n 2, Risk 12 | Staffing resources become insufficient to deliver the project. | 1 | 2 | 2 | Plan for additional resources under a range of mechanisms, including direct recruitment and commissioning a flexible consultancy partner arrangement. | 1 | 1 | 1 | |

| Ref | Risk | Pı | Pre-Mitigation | | n Mitigation | | | st- jation |
|-----------------------------|--|----|----------------|-------|---|---|---|---------------|
| | | I | L | Score | | I | L | Score |
| Optio n 2, Risk 13 | Delays in production of Leicestershire level evidence for plan-making. | 3 | 2 | 6 | Ensure that external partners are aware of the need for acceleration and impact of delay. Commission evidence production with speed in mind. Prioritise procurement in accordance with need. Note that the new local plan is not dependent on outcomes from 100% of the Leicestershire wide studies. | 2 | 1 | 2 |

| Ref | Risk | Pı | Pre-Mitigation | | Pre-Mitigation Mitigation | | ľ | Post- Mitigation | | |
|-----------------------------|---|----|----------------|-------|---|---|---|---------------------|--|--|
| | | ı | L | Score | | I | L | Score | | |
| Optio n 2, Risk 14 | Implementation of new system leads to delays arising out of lack of familiarity with the new system and associated untested processes for the Council and PINS. | 4 | 3 | 12 | Ensure the progress of first wave of Councils is monitored with lessons learned. Monitor professional publications and reports. Attend appropriate training | 4 | 2 | 8 | | |

Harborough District Council



Report to the Council Meeting of 11 December 2023 (Appendix A - Exempt)

| Title: | Procurement of Leisure Contract |
|-------------------|---|
| Status: | Report: Public Appendix A: Exempt from publication by virtue of paragraph 3 of Part 1 of Schedule 12a of the Local Government Act 1972. |
| Key Decision: | Yes |
| Report Author: | Rachael Felts, Head of Customer Services and Community Partnerships |
| Portfolio Holder: | of the Council) |
| | Portfolio - Finance, Councillor Graves |
| Appendices: | Appendix A (Exempt) – Procurement |
| | Appendix B – Equality Impact Assessment |
| | Appendix C – Leisure Procurement Strategy |

Summary

- i. In September 2021 Cabinet reviewed the outline business case to develop leisure facilities and agreed redevelopment of existing sites.
- ii. The current contract for management of the leisure centres ends on 31st March 2024 and cannot be extended.
- iii. In September 2022, Cabinet agreed the Leisure Procurement Strategy which set out the high-level strategic objectives for the future delivery of the leisure services and established a suitable balance between meeting the Council's requirements and ensuring an attractive opportunity to the market.
- iv. The Council's Medium-Term Financial Strategy (MTSF) identifies a £zero cost to the Council for the next leisure contract.
- v. Capital funding of up to £9.75million has been set aside to support redevelopment of both leisure centres which will be repaid by the new incumbent operator.
- vi. The new leisure contract will commence from 1st April 2024 for fifteen years, with the option to extend plus five years, plus five years. Totalling a twenty-five-year contract.

Recommendations

It is recommended that Council:

- Approve the award of a contract for the Management of the Council's two Leisure
 Centres located in Lutterworth and Market Harborough commencing 1 April 2024 for a
 period of fifteen years, with the option to extend the contract by plus five years, and plus
 five years, totalling twenty-five years, to contractor 1 as detailed in appendix A (exempt).
- Delegates to the Director of Finance Officer (Section 151), in consultation with the Portfolio Holders, Finance and Culture, Leisure and Tourism and the Head of Legal Services, authority to negotiate, finalise and extend the contract, including any minor variations to terms or costings which meet the strategic objectives and benefits to the Council.

Reasons for Recommendations

- vii. To ensure that the Council appoints a suitable contractor to undertake the management of its leisure centres located in Lutterworth and Market Harborough.
- viii. The evaluation panel agreed that Contractor 1 should be offered preferred provider status based on the tenders submitted.
- ix. Awarding a contract based on the tender submitted by Contractor 1 offers good value for money for future management of the Council owned leisure centres.
- x. The tender meets the strategic objectives of the Leisure Procurement Strategy approved by Cabinet in September 2022.

1. Purpose of Report

1.1 To seek approval for the award of contract that will secure the preferred contractor for the provision of Contract Management of the Council owned leisure centres based in Lutterworth and Market Harborough from 1st April 2024, for fifteen years, with option to extend for a further five years, plus five years – totalling a twenty-five-year contract.

2. Background

2.1 Harborough's leisure project initial aim was to determine the shape of future leisure provision in the district and have suitable leisure facilities and services in place at the expiry of the previous Harborough Leisure Trust contract in March 2019. However, following a failed procurement exercise in 2018 for the preferred option of a Design Build Operate and Maintain contract, the project was placed on-hold due to concerns over affordability.

- 2.2 Attempts to negotiate an extension of the Harborough Leisure Trust management contract with Serco in 2018, as an interim measure, failed to reach agreement but a new three-year service only contract was subsequently procured and awarded to Sport and Leisure Management commencing April 2019.
- 2.3 The project then remained on hold whilst the Council reconsidered its options. Early in 2021, the council commissioned The Sport, Leisure and Culture Consultancy (SLC) to assist with an independent assessment of the core leisure management options available to the Council. The options explored were:
 - Competitive procurement of the leisure service to a national operator or multi-site trust
 - Local Authority Trading Company (LATC, sometimes referred to as a 'Teckal Company') or Community Interest Company (CIC)
 - In-house provision including bringing the operation and staffing of the leisure centres back under the direct control of the Council.
- 2.4 The Procurement Options 21/22 was an exempt report considered by Cabinet at their meeting on 12th April 2021. Cabinet supported the recommendation for the Council to retain its existing management model and the future appointing an operator through a competitive process.
- 2.5 The project was further delayed because of the Covid-19 pandemic, and in September 2021 Cabinet agreed to proceed with the option of redevelopment and refurbishment of the existing sites at an estimated net capital investment cost of £9.75 million.
- 2.6 In October 2021 Cabinet agreed an extension to the existing Sport and Leisure Management contract for a further two years to 31 March 2024 to secure the continued provision of leisure services in the interim.
- 2.7 In September 2022, Cabinet approved the Leisure Procurement Strategy (Appendix C) which set out the strategic objectives for the future delivery of leisure services across the Harborough district. Following results of market engagement and affordability tests by SLC, Cabinet also approved the redevelopment option for capital leisure investment of £9.75 million was the best option to achieve at least a £zero cost to the Council.
- 2.8 Specialist external legal advice to support the project was sourced by HDC's legal team through a procurement Framework. Sharpe Pritchard were instructed to undertake this work.

3. Details

- 3.1 The existing contract expires 31st March 2024 and cannot be extended as the options for any further extension have been exhausted. Therefore, awarding of a new contract to commence from 1st April 2024 will ensure continuity of leisure services across the district for residents for next 15-25 years.
- 3.2 The Procurement Strategy aligns to the Council's key strategies, the Corporate Plan, the Physical Activity Strategy and the Health and Wellbeing Strategy. The Procurement of a new contractor to manage the leisure centres identified five key benefits the project should aim to achieve, these were:

| Affordability | Reduced HDC revenue contributions, to achieve financially sustainable leisure provision in line with the MTFS (£zero cost to the council) | | |
|---|---|--|--|
| Environment | Reduced Leisure Centre carbon emissions as far as possible in support of climate emergency and Net Zero 2030 aspiration | | |
| Enhanced facilities | An enhanced facility mix at Harborough Leisure Centre through redevelopment (including part new build) Enhanced leisure facilities at Lutterworth Sports Centre through investment | | |
| Improving access to activities | Increased Leisure Centre participation | | |
| Health Outcomes / Community Impact (Sport England guidance) | Increased mental and physical health outcomes, including for specific groups where inequalities are the greatest e.g., those with a disability, older people, women, and girls. | | |

- 3.3 As part of the Procurement Strategy a project plan was developed to show each key stage of the procurement process. This project plan was monitored each month by the officer led Project Team at their meetings. Any amendments to this project plan were reported to the Member Project Board and included in the monthly highlight reports to corporate management team. No major changes/amendments were made to the procurement project plan.
- 3.4 The procurement process was supported and monitored by Welland Procurement who managed the stages of the tender process within the Delta system ensuring that procurement legislation was followed.
- 3.5 To give the Council embedded assurance Internal Audit Shared Service undertook audit reviews at key stages of the project. The latest report dated October 2023 confirmed that the procurement process has been conducted in full compliance with Council's Contract Procedure Rules and the Statement of Required Practice for Procurement. These reports were shared with the Chair and Vice Chair of Audit and Standards Committee.
- 3.6 Consideration was given to the continuing uncertainties over the medium term for the state of the economy, public finances in general and market for leisure which is still recovering from the pandemic, and increased running costs. The capital investment repayment rate had to be considered for the life of the contract and needed to ensure the best rate for the council and not to detract bidders. To do this, external professional advice was sort by the Section 151 Officer. Following this advice, the Section 151 recommended to the Officer Project Team and Portfolio that the capital investment repayment rate at 6% was considered for the life of the contract. This was agreed in readiness for final tender stage.
- 3.7 The below table outlines the key stages of the procurement process which have been undertaken in line with the Procurement Strategy Project Plan.

| Stage | Description | Status | Areas of work undertaken |
|---------|-------------------|-----------|---|
| Stage 1 | Project Inception | Completed | Project Team governance |
| Stage 2 | Market | Completed | Market engagement carried out with national |
| | engagement | | leisure operators |

| | | | Hold all Member briefing on key messages |
|---------|---|------------|---|
| Stage 3 | Development of Procurement Strategy | Completed | Confirmation that the new contract is affordable (at least £zero cost to the council) subject to interest rates Hold Project Board Workshop to develop Procurement Strategy Procurement Strategy seek views from Communities Scrutiny Panel Procurement Strategy considered by Cabinet |
| Stage 4 | Procurement documentation / specification | Completed | Bidders day Prepare documentation and undertake Standard Selection Questionnaire (SSQ) Evaluate returned SSQs Prepare documentation and undertake Invite to Tender Evaluate returned Tender bids and hold moderation meeting. Hold Gate Review meeting with Member Project Board Carryout contract negotiations meeting with prospective bidders Prepare documentation and undertake Invite to Final Tender Evaluate returned final Tenders and hold moderation meeting |
| | | Next Steps | Council approval of preferred partner Award letter issued 19 December – followed by 10 day 'stand-still' period January – final contract negotiations. Finalise contract New contract starts 1st April 2024 |

- 3.8 The Procurement Strategy sets out the evaluation criteria which was used during the evaluation process. The returned Tenders at each stage of the procurement process were independently evaluated by the officers of the Project Team, along with specialist officers; Health and Safety, Human Resources, Assets, Environment Coordinator and Finance/S151. These independent evaluations were reviewed at a Moderation Panel meeting, facilitated by Welland Procurement, to provide an overall score for each bidder. A summary of the tender submissions is included as Appendix A. This Appendix A is exempt from publication.
- 3.9 Following the Moderation Panel, the Officer Project Team agreed that Contractor 1 should be awarded preferred provider status and the contract for management of the Council's Leisure Centres. The decision is subject to a statutory 'standstill' period of ten days, due diligence, and agreement of the final contract.
- 3.10 The initial contract term will be for a period of fifteen years from 1st April 2024. Contract extensions of a maximum of 2 further periods, in five-year increments, may be granted by the Council, subject to satisfactory performance by the contractors.
- 3.11 The contract includes measurable performance indicators which will be monitored by the Council and reported through business as usual. These indicators focus on quality of

service and contractor monitoring to give the Council assurance that the Leisure Centres are being managed.

4. Implications of Decisions

Corporate Priorities

4.1 The recommendations will enable the Council to secure value for money and financial sustainability, whilst acknowledging the importance of creating a sustainable environment, carbon reduction, promoting health and wellbeing and encouraging healthy life choices throughout the term of the contract.

Consultation

- 4.2 High level engagement has taken place between December 2021 and January 2022 as part of the development of the Health and Wellbeing Strategy. 38% of respondents (169 residents) thought that sport and leisure facilities need improving to make Harborough a healthy and active place to live.
- 4.3 In June 2022 all Member briefing was held on the key messages from the community engagement and the future leisure provision.
- 4.4 Engagement with and feedback from leisure users for both sites was undertaken to inform the service specification.

Financial

- 4.5 Appendix A gives details of the financial implications for the Council. This Appendix is exempt due to commercial sensitivity.
- 4.6 The recommendation offers the best means of achieving value for money and financial sustainability at £zero cost to the Council.
- 4.7 The capital investment interest rate is set a 6% for the life of the contract which is payable by the new contractor.

Legal

- 4.8 The Council has conducted a procurement process in accordance with the requirements of the Public Contracts Regulations 2015. The process has been supported by specialist external contract lawyers and procurement officers at Welland Procurement.
- 4.9 The successful bidder (as outlined in Appendix 1) will enter into an operating contract which is based on a Sport England Model for contracted services and includes contract provisions for performance monitoring and enforcement purposes.
- 4.10 The current contract for leisure centre services expires on 31st March 2024, therefore the new contract is proposed to commence on 1st April 2024.
- 4.11 Any re-provisioning will require a TUPE transfer of existing Leisure staff directly involved in the delivery of the service and this information will be ascertained as part of contract negotiations.

Environmental Implications

4.12 In so far as is possible within financial constraints, implementation of the recommendations will support the Council's commitment to become a net zero carbon Council by 2030.

Risk Management

4.13 Failure to award the contract will jeopardise the future operation of the Council's Leisure Centre forcing closure of both sites from 31st March 2024.

Equalities Impact

4.14 Please see attached Equality Analysis at Appendix B.

Data Protection

4.15 UK GDPR and Data Protection Act 2018 implications and data protection will be included as part of the final contract negotiations.

5 Alternative Options Considered

5.1 The Cabinet considered the Leisure Project Review report at its meeting on 6th September 2021. Within this report options for the future leisure provision were considered. It was resolved that Option B – Redevelopment, be agreed as the preferred way forward. This option was a major redevelopment of the existing sites to include additional facilities.

6 Background papers

- Leisure Procurement Strategy Cabinet 12th September 2022
- Leisure Procurement Strategy Scrutiny Communities 1st September 2022
- Leisure Project Review Cabinet 6th September 2021
- Leisure Options Exempt Cabinet 12th April 2021
- Leisure Procurement Executive 3rd December 2018
- Harborough District Council Leisure Facilities Executive 4th September 2017
- Leisure Provision 15th Executive May 2017

Council - 11th December 2023

Section 100A (4) Local Government Act 1972

The following item is suggested to be dealt with under the above legislation.

To comply with the Act the following resolution needs to be passed.

"That the public and press be excluded from the remainder of the meeting on the grounds that the matters yet to be discussed involve the likely disclosure of exempt information as defined in paragraph 3 of Part 1 of Schedule 12A to the Local Government Act 1972".

• Exempt: Appendix A for Report 'Procurement of Leisure Contract'

HDC Due Regard (Equality Analysis) Leisure Contract Procurement

Due Regard (Equality Analysis) is an on-going proactive process which requires us to consider the effect our decisions are likely to have on local communities, service users and employees, particularly those most vulnerable and at risk of disadvantage.

This template has been designed to assist in the collation of information and evidence required to support the 'Due Regard' process when introducing new policies/procedures/functions and services or reviewing existing ones.

For help with this template please view the guidance document, which contains advice to assist you when you are considering the impact (both positive and negative) of the proposed actions on each of the protected equality characteristics.

Name of policy/procedure/function/service being analysed: Leisure Procurement Project

Department and section: Customer Services & Community Partnerships

Name of lead officer: Steve Taylor

Other people involved (assisting or reviewing – including any service users or stakeholder groups etc.):Rachael Felts

Date assessment completed: Reviewed November 2023

Step 1: Defining the policy/procedure/function/service

Is this a new, amended or reviewed policy? What are the aims, objectives and purpose and how will they be achieved? What are the main activities and which communities are likely to be affected by these activities? What are the expected outcomes?

Leisure Procurement Project

The Leisure Procurement Project sets out and defines the proposal for a new leisure services contract with capital funding included for a major redevelopment of Harborough Leisure Centre and investment in Lutterworth to ensure leisure facilities are fit for purpose and provide the facilities needed by our communities. With the objective of:

- An enhanced facility mix at Harborough Leisure Centre through redevelopment
- Enhanced leisure facilities at Lutterworth Sports Centre through investment
- Achieve financially sustainable leisure provision inline with the councils MTFS
- Increased participation and mental and physical health outcomes for specific groups where inequalities are the greatest e.g., those with a disability, older people, women, and girls.
- Greater use of digital services to support lifestyles and facilitate greater partnership working e.g. with heatlh/ GP
- Maximise contribution of leisure centres towards supporting the climate emergency

Links to the Health & Wellbeing Strategy

The New Health and Wellbeing Strategy for Harborough District has been designed to help improve health and wellbeing in the local population and reduce health inequalities.

The strategy outlines the vision, objectives and priorities based on the following methods of assessment used:

- Strategic assessment of opportunities and challenges for the district
- Engagement with residents and partners via surveys and roadshows
- Review of national and local datasets, including Population Projections, the Local Authority Health Profile and Index of Multiple Deprivation.

The objectives of the strategy are reflected within the leisure procurement plans of Harborough District Council generally, health in Harborough District is good but it varies across the district, and we are facing significant challenges with an aging population and rising demand for services. Expected outcomes of our leisure procurement project some of which may take several years to improve to statistically significant levels are:

- Physical activity levels in Harborough district will increase.
- Obesity levels will decrease.
- Improved mental health.
- Older adults living independently for longer.
- Increased sport participations.
- Improvements in community social cohesion and the Asset Based Community Development model approach.

Step 2: Data collection & evidence

What relevant evidence, research, data and other information do you have and is there any further research, data or evidence you need to fill any gaps in your understanding of the potential or known effects of the policy on different communities? Include quantitative data as well as qualitative intelligence such as community input and advice.

Extensive data has been collected as part of the process including the latest Local Authority Health Profile <a href="https://fingertips.phe.org.uk/profile/health-profiles/data#page/1/gid/1938132701/pat/6/par/E12000004/ati/501/are/E07000131/iid/93347/age/187/sex/4/cat/-1/ctp/-1/yrr/1/cid/4/tbm/1/page-options/car-do-0

In summary the health of people in Harborough is generally better than the England average. Harborough is one of the 20% least deprived districts/unitary authorities in England, however about 10% live in low-income families. Life expectancy for both men and women is higher than the England average.

Further detail can be found here https://fingertips.phe.org.uk/static-reports/health-profiles/2019/E07000131.html?area-name=Harborough

Leisure contributes to Physical activity, which is crucial to maintaining physical health, preventing ill health, supporting mental wellbeing, and generally helping people to be healthier for longer. Physical inactivity is responsible for one in six deaths in the UK and for (approximately) two thirds of many long-term conditions. Taking this view, Harborough District has high levels of preventable disease which can be reduced through more people leading active lifestyles. And the signposting of our communities to our leisure offer

Public Health England estimates that over 1 in 4 women and 1 in 5 men do less than 30 minutes of physical activity a week and classifies them as being inactive. Physical inactivity is the fourth largest cause of disease and disability in the UK – 1 in 2 women and 1 in 3 men are in England are damaging their health through a lack of activity.

- There is a clear link between levels of physical inactivity and socio-economic status
- Areas with high levels of inactivity have high levels of premature mortality.
- Over the last 50 years, physical activity levels have declined by 20 percent in the UK they are projected to drop a further 15 percent by 2030.

Step 3: Consultation and involvement

Have you consulted and if so outline what you did and who you consulted with and why.

Engagement Survey

In January 2022 we completed a district wide engagement survey which was completed by 446 members of our community from the following backgrounds:

```
Male (including trans man) - 196 (43.9%)
Female (including trans woman) - 225 (50.4%)
Under 18 - 133 (29.8%)
18 - 24 - 2 (0.45%)
25 - 34 - 20 (4.48%)
35 - 44 - 41 (9.19%)
45 - 54 - 80 (17.94%)
55 - 64 - 76 (17.04%)
65 + - 83 (18.61%)
White - British - 401 (90.11%)
```

Built Facilities Strategy Adopted 2020 and Playing Pitch Strategy 2018

The Sports Facilities Strategy forecasts the future needs for sport and recreation up to 2031 It complements the Harborough District Playing Pitch Strategy 2018 and is invaluable in guiding local priorities, investment and policies. The assessment methodology follows the Sport England Assessing

HDC Due Regard (Equality Analysis) New Leisure Contract Procurement as at November 2023

Needs and Opportunities Guidance (ANOG) (Sport England, 2014), including consultation with the local clubs, parish councils and national governing bodies of sport, as well as Harborough District Council.

The Strategy makes recommendations for facility development and use based on evidence and consultation. We consulted with 32 local clubs were consulted the details can be found here https://www.harborough.gov.uk/downloads/download/1389/built_sports_facility_strategy_

In summary

| Project name | Main aim | Priority H = High M = Medium L = Low | Phasing St 2019-2022 Mt 2022-2027 Lt 2027-2031 | Estimated capital cost (£000's) | Main delivery partners | Comment |
|--|---|---|--|---|---|--|
| Leisure Centre Harborough Leisure Centre replacement | Replace leisure centre with sports facility elements including: • 4 badminton court sports hall • 25m x 8 lane pool with spectator accommodation • 10m x 8m leisure pool • 5m x 4m learner/teaching/ training pool • Large fitness gym (number of stations tbc) • Studios /multi-activity rooms (number and size tbc) • 2 indoor netball courts/3 indoor tennis courts • 2 floodlit outdoor netball/tennis courts adjacent to indoor | Н | St Feasibility assessment including bowls hall options. Construction and opening | £15.1m plus up to £5m for commercial opportunities | HDC Sport England Operator/ construction partner | Facility mix to be confirmed. If netball/tennis provision not made via replacement dome type facility, then will require 8 badminton court sports hall plus investment off site to improve sports halls at Robert Smyth Academy. Detailed further assessment required in relation to provision of indoor bowling. If justified and not provided as part of a replacement leisure centre, identify alternative deliverable sites. |
| | Consider provision of 4 rink indoor bowls facility either a part of existing facility or as part of a separate facility. | | | | j. | |

| Project name | Main aim | Priority H = High M = Medium L = Low | Phasing St 2019-2022 Mt 2022-2027 Lt 2027-2031 | Estimated capital cost (£000's) | Main delivery partners | Comment |
|---------------|--|--------------------------------------|---|---------------------------------|------------------------------|------------------------------|
| Lutterworth | Retain and maintain. | Н | On-going | tbc | Operator | For longer term, need to |
| Sports Centre | | | | | | confirm future of site. If |
| | Potentially expand health and fitness | М | | | | Sports Centre requires |
| | provision, subject to local justification. | | | | | relocation, alternative town |
| | | | | | | centre site will be required |
| | | | [| | | to be identified |

Step 4: Potential impact

Considering the evidence from the data collection and feedback from consultation, which communities will be affected and what barriers may these individuals or groups face in relation to Age, Disability, Gender Reassignment, Marriage and Civil Partnership, Pregnancy and Maternity, Race, Religion or Belief, Sex, Sexual Orientation, Other groups e.g. rural isolation, deprivation, health inequality, carers, asylum seeker and refugee communities, looked after children, current and ex-armed forces personnel (Veterans), deprived or disadvantaged communities and also the potential impact on Community Cohesion. Remember people have multiple characteristics so the impact of a policy on a particular community may impact people within the community differently. Where possible include numbers likely to be affected.

AGE The Leisure Procurement Project is considered to have a positive impact in relation to age. Promoting Physical Activity, health and wellbeing and encouraging healthy life choices will support our residents and create healthy sustainable environment for future generations

Whilst all age ranges will be impacted there will be a key focus targeting 'early years' (5-15) and older adults (65 and over). Preventing increase in the number of children classified as obese and supporting older people and preventing hospital admissions for this target demographic as a result of hip fractures

Evidence suggests that children aged 5 – 15 are becoming less active and are failing to meet recommended physical activity levels. This is problematic as good physical development in children is linked to other areas of positive development including speech and coordination and an active childhood lays the foundation for an active life.

Similarly, older adults who participate in any amount of physical activity gain health benefits, including maintenance of good physical and cognitive function – current national trends suggest high levels of inactivity among this age group. Some physical activity is better than none and more activity provides greater health benefits, this includes improved balance and coordination for those more at risk of falls. The number of people aged over 65 is increasing significantly across the district. People are living longer but live with poor health for longer. Public services are struggling to meet the increase in demand. Services for older people is an overarching theme being increasingly identified.

DISABILITY Living with a disability may increase the chances of experiencing poor physical and mental health increase social isolation and inhibit people's opportunity, however the leisure project is considered to have a positive impact upon individuals living with a disability.

Improving physical health and mental wellbeing through leisure can improve functional status and quality of life among people with selected disabilities. Promisingly, the number of disabled individuals taking part in physical activity has risen within the district, yet barriers still remain.

Targeting specialist groups and improving accessibility therefore widening the network of users is priority.

Outreach within our communities will also ensure that leisure is far more accessible to our hard-to-reach communities.

Inclusivity is a cross cutting theme throughout our leisure procurement.

GENDER IDENTITY There is no evidence that the Leisure Procurement Project will affect, or at least not disproportionately affect this protected characteristic.

MARRIAGE AND CIVIL PARTNERSHIP There is no evidence that the Leisure Procurement Project will affect, or at least not disproportionately affect this protected characteristic.

SEXUAL ORIENTATION There is no evidence that the Leisure Procurement Project will affect, or at least not disproportionately affect this protected characteristic.

PREGNANCY AND MATERNITY This Leisure Procurement Project is considered to have a positive impact in relation to pregnancy and maternity. Peer groups and the physical activity referral scheme are activities highly regarded within our centres that pre and post-natal mothers like to participate in and brings physical as well as mental wellbeing benefits through peer support.

RELIGION OR BELIEF There is no evidence that the Leisure Procurement Project will affect, or at least not disproportionately affect this protected characteristic.

SEX Women are generally living longer than men. This in itself creates challenges. As a result, women may experience more poor health conditions associated with old age. There is an increased prevalence of men experiencing poor mental health. Women have shown a marginally greater interest in consultation. This has helped to gain a greater understanding of the needs of women.

ASYLUM SEEKER AND REFUGEE COMMUNITIES Asylum seeker and refugee communities may have a greater chance of experiencing poverty and or social isolation. the Leisure Procurement Project supports our work in seeking to engage these communities to help to identify mechanisms to overcome these barriers.

Step 5: Mitigating and assessing the impact

If you consider there to be actual or potential adverse impact or discrimination, please outline this below. State whether it is justifiable or legitimate and give reasons. If you have identified adverse impact or discrimination that is illegal, you are required to take action to remedy this immediately. If you have identified adverse impact or discrimination that is justifiable or legitimate, you will need to consider what actions can be taken to mitigate its effect on those groups of people. Consider what barriers you can remove, whether reasonable adjustments may be necessary and how any unmet needs have identified can be addressed.

There is not believed to be any actual or potential adverse impact or discrimination related to this policy. However, all employees receive equality and diversity training alongside safeguarding training, so they should be able to identify any negative impacts of the policy if any arise.

Step 6: Making a decision.

Summarise your findings and give an overview of whether the policy will meet Harborough District Council's responsibilities in relation to equality, diversity and human rights. Does it contribute to the achievement of the three aims of the Public Sector Equality Duty – eliminate unlawful discrimination, harassment, victimisation; advance equality of opportunity and foster good relations?

The Leisure procurement project will meet HDC's responsibilities in relation to equality, diversity, and human rights.

In terms of contributing to the achievement of the three aims of the Public Sector Equality Duty it does not negatively impact on eliminating unlawful discrimination, harassment, victimisation; advance equality of opportunity and enhances the fostering of good relations.

Step 7: Monitoring, evaluation & review of your policy/procedure/service change

What monitoring systems will you put in place to promote equality of opportunity, monitor impact and effectiveness and make positive improvements? How frequently will monitoring take place and who will be responsible?

The Leisure Procurement Project is being monitored through a robust project management structure that has been thoroughly audited, the performance of the successful operator will be monitored through the Councils performance framework including client officer review and adherence to KPIs. This includes monthly reporting and monitoring that the provider remains on track using a RAG rating system. The performance framework also identifies risks to delivery and are updated and monitored on a regular basis.

Staff working within the leisure centre will be trained.

Complaints data

Monitoring through this process allows for early identification of any issues around delayed commencement of interventions. It also allows for shared learning and celebration of successfully delivered work and sharing good practice.

| | HDC Due Regard (Equality Analysis) New Leisure Contract Procurement as at November 2 | 02: |
|---------|--|-----|
| | Tibe Bue Hogard (Equality 7 that yellog New Zelloure Contract 7 recurrent de ut Herember Z | |
| In orde | er for us to create good quality insight we collect a range of data in order to evaluate its success. These include: | |
| • | Attendance | |
| • | Participants | |
| • | Ethnicity | |
| • | Disabilities | |
| • | Gender | |
| • | Activity specific evaluations | |
| | | |

Equality Improvement Plan

As part of the Capital Investment to improve facilities and services at the leisure centres this Equality Analysis will continue to be reviewed in line with any future development/refurbishment.

| Equality Objective : | | |
|----------------------|----------|--|
| Action: | | |
| Officer Responsible: | By when: | |
| Equality Objective : | | |
| Action: | | |
| Officer Responsible: | By when: | |

Signed off by: (in line with Council Decision)... Date:

Once signed off, please forward a copy for publication to Julie Clarke, Equality and Diversity Officer e-mail: <u>j.clarke@harborough.gov.uk</u>, telephone: 01858 821070.



Strategy

Harborough District Council

August 2022





Contents

| 1. | Intro | 3 | |
|----|------------------------------|---|----|
| 2. | Why | y is the Council Running Leisure Facilities? | 4 |
| | 2.1 | Introduction | 4 |
| | 2.2 | Harborough District Council Priorities | 4 |
| | 2.3 | Proposed Strategic Objectives for the Leisure Contract | 5 |
| 3. | Scop | pe of Services | 7 |
| | 3.1 | Core Leisure Facilities | 7 |
| | 3.2 | Active Communities Programme | 7 |
| | 3.3 | Bowls Hall and Tennis Bubble at Harborough Leisure Centre | 7 |
| 4. | Affordability and Shadow Bid | | 9 |
| | 4.1 | Background | 9 |
| 5. | Proc | curement Components – Key Decisions | 10 |
| | 5.1 | Contract Length | 10 |
| | 5.2 | Procurement Procedure | 10 |
| | 5.3 | Utilities Risk | 13 |
| | 5.4 | Maintenance Risk | 14 |
| | 5.5 | Evaluation Criteria | 15 |
| | 5.6 | Social Value and Quality Evaluation | 17 |
| | 5.7 | Profit or Income Share | 17 |
| | 5.8 | Investment Plans and Variant Bids | 18 |
| 6. | Proc | curement Strategy Checklist | 20 |



1. Introduction

- 1.1.1 Harborough District Council is commencing the procurement of a new management contract for the operation of its leisure facilities. The existing contract with Sports & Leisure Management (trading as Everyone Active) ends in March 2024 and the Council has appointed The Sport, Leisure and Culture Consultancy (SLC) to provide support throughout the procurement process.
- 1.1.2 A crucial part of the process is developing a clear procurement strategy, which sets out the Council's approach to the procurement process and seeks to establish a suitable balance between meeting the Council's requirements and ensuring the opportunity is attractive to the market.
- 1.1.3 Specifically, the procurement strategy will establish:
 - The Strategic Objectives for the future delivery of leisure services across Harborough
 - A clear scope of services that are complementary and appeal to the operator market
 - The most appropriate contract term including any proposed extension periods to be built into the contract
 - A clear position regarding future investment plans for the portfolio
 - The most appropriate procurement route to ensure the process meets the Council's requirements, timeframes, and is appealing to the operator market
 - A clear risk profile between the operator and the Council for key areas of responsibility, such as maintenance and utilities
 - A clear position on the use of variant submissions to test different scenarios
 - A clear position on affordability, to inform the development of the Services Specification, and to ensure it aligns with the Council's Medium Term Financial Strategy
 - An evaluation framework which establishes the right balance between quality and price and seeks to secure the best quality operator that the Council can afford.
- 1.1.4 This briefing paper presents a number of the key issues discussed by the Project Working Group (PWG) at a workshop on 28th June 2022, where the group considered and made recommendations regarding the procurement strategy.
- 1.1.5 The outcomes from this discussion form this Leisure Procurement Strategy and will be presented to the Council's Scrutiny and Cabinet.



2. Why is the Council Running Leisure Facilities?

2.1 Introduction

- 2.1.1 The Council will need to develop a clear set of Strategic Objectives for the new leisure contract and future service, which are designed to support the Council's wider strategic priorities. These objectives essentially set out why the Council is running the service and the contribution of its leisure operator to the Council's wider strategic priorities.
- 2.1.2 Performance indicators will need to be developed to measure progress against these Strategic Objectives and included within the Services Specification which is to be developed at the next stage.

2.2 Harborough District Council Priorities

Corporate Plan 2022 - 2031

2.2.1 The updated Corporate Plan has the following overarching Vision:

Working with our communities, we will build a future for the people of Harborough district that gives them the best life changes and opportunities though:

- 2.2.2 There are four strategic priorities identified in the Plan:
 - 1. Community leadership to create a sense of pride and belonging
 - 2. Promoting health and wellbeing and encouraging healthy life choices
 - 3. Creating a sustainable environment to protect future generations
 - 4. Supporting businesses and residents to deliver a prosperous local economy
- 2.2.3 The future leisure service will contribute most strongly to strategic priorities 1 and 2.

Active Harborough - Physical Activity Strategy 2018-2023

- 2.2.4 There are six strategic priorities identified in the Strategy:
 - 1. To increase participation levels in physical activity across the district, with a focus on tackling inactivity
 - 2. To develop sustainable and long-term approaches to incentivising specific groups who have the lowest levels of activity in the district
 - 3. To further develop through our Active Together Team our effective and sustainable network of organisations across a diverse range of physical activity and sport opportunities to meet the changing needs of our residents
 - 4. To ensure that physical activity and sport is integrated within the planning system by utilising Sport England's active design principles
 - 5. To refurbish and rebuild the two leisure centres in our district so that they meet national high standards
 - 6. To promote the use of formal and informal local community facilities, including schools and colleges, to help realise their full potential as high-quality community assets.



New Health and Wellbeing Strategy 2022-2027

- 2.2.5 The Council is currently completing a new Health and Wellbeing Strategy to inform the new leisure contract. The strategy will look beyond physical activity to the wider determinants of health. Taking this wider approach will support the Councils new priority "Promoting Health and Wellbeing and Encouraging Healthy Life Choices."
- 2.2.6 The strategy is currently in draft and has been presented to Communities Scrutiny Panel on 30th June 2022. There are two themes and six priorities.
 - 1. Enable healthy environments
 - a. Quality homes
 - b. Community infrastructure & services
 - c. Training, jobs & income
 - 2. Encourage healthy lifestyles
 - a. Community
 - b. Mental health
 - c. Physical activity

2.3 Proposed Strategic Objectives for the Leisure Contract

- 2.3.1 Drawing from the strategic documents above, the following Strategic Objectives are proposed to be embedded into the leisure contract:
 - 1. Reduce inequalities in physical activity participation across Harborough
 - 2. Contribute towards the health and wellbeing of residents in the District by increasing physical activity levels in Harborough
 - 3. Increase access and opportunity to take part in physical activity for vulnerable people in the District
 - 4. Increase physical activity participation of young people in Harborough
 - Ensure Harborough and Lutterworth Leisure Centres both contribute towards reducing carbon emissions
 - 6. Deliver good quality facilities and services at Harborough and Lutterworth Leisure Centres for physical activity and wellbeing.

PWG Recommendation

That the Council adopt the Strategic Objectives for the leisure contract to be embedded into the Services Specification:

- 1. Reduce inequalities in physical activity participation across Harborough
- 2. Contribute towards the health and wellbeing of residents in the District by increasing physical activity levels in Harborough
- 3. Increase access and opportunity to take part in physical activity for vulnerable people in the District, while supporting the Council's preventative interventions programme.
- 4. Increase physical activity participation of target groups, including young people, old people, and people with disabilities, in Harborough

Leisure Procurement Strategy Harborough District Council



- 5. Ensure Harborough and Lutterworth Leisure Centres both contribute towards reducing carbon emissions
- 6. Deliver good quality facilities and services at Harborough and Lutterworth Leisure Centres for physical activity and wellbeing.



3. Scope of Services

3.1 Core Leisure Facilities

3.1.1 The existing contract with SLM ends in March 2024 and includes the operations of the facilities in Table 1.

Table 1: Facilities in Existing Contract

| Harborough Leisure Centre | Lutterworth Sports Centre |
|---|--|
| 70 station gym 6-lane 25m swimming pool Teaching pool & "beach area pool" Indoor bowls hall 3-court indoor tennis hall (concrete) 4-court sports hall 2 studios (both 150m²) Health and Wellbeing Room Cafe | 72 station gym 6-lane 25m swimming pool 4-court sports hall 2 studios (both 225m²) Health and Wellbeing Room |

3.2 Active Communities Programme

- 3.2.1 Increasingly, modern leisure contracts include a requirement for the operator partner to deliver an Active Communities Programme (or similar) which focuses on the delivery of activities and services beyond the core leisure facilities within local community settings, parks, and open spaces.
- 3.2.2 The primary focus of such a programme is to increase participation in physical activity by less active groups, who are less likely to engage within a traditional leisure centre setting. Designing and delivering a programme of accessible activities within familiar, local settings will extend the reach and impact of the services, by engaging with groups that are most likely to experience health inequalities, and for whom being more active will have the greatest benefit.
- 3.2.3 The programme is typically designed and delivered through strong partnership working with the Council's Leisure Team and other key stakeholders.

3.3 Bowls Hall and Tennis Bubble at Harborough Leisure Centre

- 3.3.1 The bowls hall is currently used for less than half of a typical year and runs at a financial deficit. The bowls hall space could represent an opportunity for change of use as part of the bidders' investment solutions. For example, following a procurement at West Lindsey District Council the successful operator converted the existing bowls hall into a health and wellbeing centre. This has both increased the usage and generated additional income at the centre, improving the overall management fee position.
- 3.3.2 It is therefore proposed that the Council does not "red line" the bowls hall and is open to bidder proposals for alternative uses subject to business case.

Leisure Procurement Strategy Harborough District Council



- 3.3.3 It should be noted that there are sensitivities associated with the facility and in the event that a change of use is proposed by the successful bidder, the Council will need manage communications with communities and local media.
- 3.3.4 The tennis bubble at Harborough which also accommodates indoor netball is at the end of its life and will not last into the next leisure contract. It is proposed that replacement is not made mandatory within bidder requirements in terms of using the investment fund.
- In order to understand the financial impact of retaining facilities for indoor netball it is proposed that bidders provide a variant submission to include indoor netball as part of the Initial Tender.
- 3.3.6 As with bowls hall there will be sensitivities with the existing users of the facility if it is determined that the facility will not be replaced.

PWG Recommendations

- 3.3.7 To include Harborough and Lutterworth Leisure Centres in the scope of the services.
- 3.3.8 To include an Active Communities Programme in the new leisure contract, the affordability of which is to be tested through variant submission.
- 3.3.9 To confirm that there is no "red line" around the Bowls Hall, with bidders encouraged to provide alternative uses for the Bowls Hall which are more financially sustainable through their investment proposals.
- 3.3.10 To require bidders to provide solutions for maintaining a two-court indoor netball provision (the space for which will also allow three tennis courts), the sustainability of which will be tested through a variant submission.



4. Affordability and Shadow Bid

4.1 Background

- 4.1.1 SLC is developing a "Shadow Bid" which estimates the base value of the contract, based on the 19/20 pre-Covid-19 income and expenditure information provided by the existing operator, Sports and Leisure Management Limited (SLM).
- 4.1.2 The Shadow Bid is designed to illustrate the potential management fee attainable through reprocurement of the contract but should not be used for budgeting purposes. This is because the model does not include a prediction of potential issues such as cost inflation and income fluctuations caused by changing economic conditions, or competitor activity.
- 4.1.3 The development of a Shadow Bid has the following key benefits:
 - It provides an understand of the likely market value of the new contract which can inform an understanding of future affordability linked to the Council's Medium Term Financial Strategy
 - It can be used to set an affordability threshold or minimum level for bid compliance which ensures all bids received are affordable to the Council and enables a stronger focus on the quality of bid submissions
 - It can be used as benchmark to review bid submissions.
- 4.1.4 The shadow bid will need to factor in the impact of investment which is dependent on interest rates.
- 4.1.5 The Council is making available an investment fund of up to £9.75 million for the operator to draw on, under the condition that the annual capital repayments are covered by the operator for the life of the contract.
- 4.1.6 The directive from Members is the contract should run at zero subsidy or better. Initial modelling indicates that this will be achievable with investment the contract has the potential to generate a surplus subject to investment proposals and prevailing interest rates.

PWG Recommendations

- 4.1.7 To set the affordability threshold for the leisure contract at £zero management fee or better. Additionally, the successful bidder will be required to pay back annual capital repayments throughout the life of the contract.
- 4.1.8 To agree the final affordability modelling be updated in early 2023, to factor in fluctuating interest rates linked to the capital investment.



5. Procurement Components – Key Decisions

5.1 Contract Length

- 5.1.1 Leisure management contract terms are typically 10+ years, often with the option to extend, by mutual consent, for a further 5 years. Operators are reluctant to allocate bidding resources for shorter contracts and, within the context of an increasingly busy market, may choose not to bid.
- 5.1.2 Depending on the complexity of the procurement, the cost of bidding can be c. £70k+ and bidders competing with the incumbent operator will also need to factor in mobilisation and start-up costs. The length of the contract will, therefore, be one of the key qualifying criteria for operators when deciding whether or not to bid.
- 5.1.3 A major factor when considering contract length is the condition of the facilities. For example, an older facility with a short remaining lifespan would be less likely to be let on a long term (15+ years) contract due to the increased risk of maintenance liabilities and potential for closure.
- 5.1.4 The recent market engagement exercise undertaken indicates that operators are happy with a term of 10 15 years.
- 5.1.5 Given the significant capital investment to be made available, the Council may wish to consider a longer term e.g., 15 + 5 or 15 + 5 + 5 years to give the operator the added appeal of the potential of a longer period during which they would be able to maximise returns from investment.
- 5.1.6 SLC recommend a 15-year contract with an option to extend by up to 5 years. A further alternative would be a 10-year contract with an option to extend by up to 5 years plus an additional option to extend up to 5 years (20 years in total).
- 5.1.7 The Council has the option to test different contract lengths through variant bids.

PWG Recommendation

5.1.8 That the contract be for an initial term of 15 years with an option to extend by up to 5 years plus an additional option to extend up to 5 years (up to 25 years in total).

5.2 Procurement Procedure

- 5.2.1 There are a number of procurement routes and procedures that can be used for leisure contracts. Table 2 below is taken from Sport England's Leisure Services Delivery Guidance (published in 2021) and highlights which procurement approaches are suitable under different circumstances.
- 5.2.2 We have highlighted in green text where the approach is aligned to the specific circumstances of the Council and red text where the approach is considered unsuitable.

Table 2: Procurement Procedures

| Procurement Approach/Route | Suitable Circumstances | Unsuitable Circumstances |
|-------------------------------|---|--------------------------|
| Open Procedure | Potentially low number of bidders | DBOM requirement |



| Procurement Approach/Route | Suitable Circumstances | Unsuitable Circumstances |
|--|--|--|
| Typical procurement timeline c. 4-6 months | Clearly defined service scope Clearly defined services specification When procurement required quickly. | Potentially large number of bidders Facility investment part of the procurement Local authority wishes to negotiate on aspects of the contract and services specification. |
| Restricted Procedure Typical procurement timeline c. 6-9 months | Potentially large number of bidders Clearly defined service scope Clearly defined services specification Clearly defined low/medium investment specified and delivered by the local authority part of the procurement. | DBOM requirement Significant facility development requiring operator solutions Local authority wishes to negotiate on aspects of the contract and services specification. |
| Competitive Procedure with Negotiation Typical procurement timeline c. 9-12 months | Potentially large number of bidders Clearly defined service scope Clearly defined services specification with some aspects for negotiation Clearly defined low/medium investment specified and delivered by the local authority part of the procurement Medium level investment proposals part of the procurement (e.g., building extension or refurbishment) requiring operator solution Local authority requires some flexibility to test different scenarios through variant bids but may still want to award at | DBOM requirement Local authority wishes to negotiate on aspects of the contract and services specification through dialogue. |



| Procurement Approach/Route | Suitable Circumstances | Unsuitable Circumstances |
|---|---|---|
| Competitive Dialogue Procedure Typical procurement timeline c. 12-18 months | DBOM requirement Service scope open to negotiation through dialogue Services specification open to change through negotiation High level investment proposal requiring bidder solution e.g., new build leisure facility. | This approach can be over engineered where there is low/medium level investment solution required from the operator or no room for negotiation of the services specification. |
| Concessions Contract Typical timeline c. 12- 14 months | Where there is a positive fee to the local authority Light to medium weight Services Specification. | Where the services require a subsidy or payment to the Leisure Operator Where the local authority is carrying a degree of risk This would include when using local authority capital as part of the solution. |

- 5.2.3 SLC recommend that three staged process which includes negotiation between Initial and Final tender submissions, potentially under a Concessions Contract regime because the Council will have:
 - A clearly defined scope of services
 - A clearly defined services specification, with some aspects for negotiation
 - Clearly defined investment proposals as part of the procurement bid, which will require operator input
 - Flexibility to test different scenarios through variant bids, before specifying its final requirements
 - Sufficient time within the programme.
- 5.2.4 Over the last few years CPN has been the most commonly used procedure for procuring leisure contracts but new procurement legislation is expected later in 2022. Consequently, it is proposed to review any new approaches that may come through this before committing to a specific procurement procedure.

PWG Recommendations

- 5.2.5 That the Council deliver the procurement using a three-stage procurement procedure potentially under a concession's regime. This will involve:
 - Pre-qualification
 - Invitation to Submit an Initial Tender (ISIT)
 - · Negotiation on key issues such as investment
 - Final Tender.



- 5.2.6 The exact procedure used will be reviewed when new procurement guidance, expected later in 2022 is available.
- 5.2.7 That the Council provide delegated authority to the Director of Communities and Wellbeing (and any other relevant senior officers) to confirm the final procurement mechanism, following any legislation changes. The three-stage structure of the procurement is unlikely to change.

5.3 Utilities Risk

- 5.3.1 The Council has a range of options in the way utilities are managed within the contract and who takes the risk on consumption and increases in tariffs. Pre-Covid-19, full responsibility and risk was typically passed to the operator, but the recent increase in energy costs, and uncertainty regarding the future market makes this option much less palatable to operators and some may choose not to bid.
- 5.3.2 New leisure contracts increasingly include a shared approach to utilities risk, where the operator takes the risk on consumption and the Council bears the risk of tariff increases in accordance with an agreed mechanism within the contract. Such arrangement inevitably creates some uncertainty for Councils in terms of medium-term financial planning and require allocated resource to negotiate and agree annual settlements in accordance with the agreed benchmarking mechanism.
- 5.3.3 The market engagement exercise undertaken shows a clear preference from leisure operators for a shared risk profile where the Council takes the risk on tariff increases (above inflation) and the operator takes the risk on consumption.
- 5.3.4 A full risk transfer on utilities would require operators to price the risk and uncertainty on tariffs into their bids and could result in an unattractive bid for the Council. It may also mean that the Council pays more than it should in the event energy prices reduce to previous levels during the term of the contract.
- 5.3.5 Full risk versus shared risk on utilities could be explored through a variant bid at the initial tender stage if required. This would enable the Council to understand the additional cost of transferring this risk before deciding on the final risk profile for the revised tender stage.
- 5.3.6 Transferring some or full responsibility for utilities to the operator will encourage investment in energy saving technology and contribute towards addressing the climate change emergency. A new contract is the ideal time to include such investment to enable the operator to obtain maximum benefit and return on the investment, and the operator would be financially incentivised to do so. This has been the case in a number of recent procurements. This approach would also play strongly to the Council's corporate commitment to achieving net zero carbon.

PWG Recommendation

5.3.7 That the Council adopt a shared risk approach to the cost of utilities, where the operator takes the risk on consumption, and the Council takes the risk on future tariff increase above an identified threshold. This is in line with the current market position.



5.4 Maintenance Risk

- 5.4.1 Full repair, maintain and lifecycle replacement contracts have become more common in recent years, as local authorities seek to transfer full maintenance risk to operators. Under such an arrangement the operator is responsible for maintenance, repair and replacement of all assets (including building fabric) for the term of the contract. This is often the preferred approach for authorities that wish to transfer this risk for the term of the contract and/or do not have access to capital maintenance budgets or staffing resource to manage shared maintenance obligations.
- 5.4.2 Such arrangements are typically supported by a comprehensive building fabric, mechanical and electrical condition surveys, providing an assessment of the condition of all assets and a fully forward-costed lifecycle replacement schedule (usually for a 10-year period). This condition survey, assuming it is of the required quality, should enable bidders to allocate sufficient maintenance resources withing their financial submissions to cover the cost of full maintenance, repair and replacement.
- 5.4.3 Operators will generally accept full maintenance responsibility (assuming there is an up to date and comprehensive condition survey included within the tender documents), but many prefer a shared approach, particularly where the age and condition of facilities creates additional risk.
- A shared approach is normally like a typical landlord and tenant agreement where the operator is responsible for day-to-day maintenance and repair of buildings and equipment, and the replacement of certain, clearly identified assets (as per the existing arrangement). The Council takes on the responsibility for maintenance of building fabric and structure, and the replacement of certain, clearly identified larger assets e.g., boilers, pool filters or other major mechanical and electrical installations (either on an item-by-item basis or over a certain cost threshold). This shared responsibility, including specific areas of risk allocation is clearly set out within the contract documents to avoid any ambiguity.
- 5.4.5 The market engagement exercise undertaken shows a general preference from operators for a shared maintenance risk profile. Transferring full maintenance and replacement responsibility to the operator increases the risk of potential bidders "qualifying out" the Harborough opportunity, or bidders including high levels of additional risk provision within their financial submissions.
- 5.4.6 SLC, therefore, recommend a shared approach to maintenance responsibility with the Council being responsible for the fabric and structure of the building and major lifecycle replacement (either through replacement of items over a specified cost threshold, e.g., £20,000 or based on a specific itemised list of assets with split responsibility for the operator and the Council). The operator would be responsible for all day-to-day maintenance of buildings, including Planned Preventative Maintenance, equipment, and the lifecycle replacement of items below the cost threshold, or as specified on the asset list. As this is the current contractual arrangement, this is what is being reflected in the shadow bid currently. A transfer to full risk transfer would necessitate additional cost being factored in the shadow bid.
- 5.4.7 As with utilities, the Council may also decide to include a variant bid on full maintenance risk to the operator to understand the additional cost of this scenario.

PWG Recommendation

5.4.8 That the Council adopt a shared risk approach, where the operator is responsible for all day-to-day maintenance, repair and lifecycle replacement, and the Council is responsible for the building fabric and major lifecycle replacement. A risk allocation matrix will be utilised to identify where maintenance responsibilities lie within the Services Specification.



5.5 Evaluation Criteria

Price / Quality Weighting

- 5.5.1 The Council is looking to commission the best management operator it can afford. The intention, if considered appropriate, is to set an affordability threshold in the procurement which aligns with the Council's Medium Term Financial Strategy. Under this approach all compliant bids received will meet the Council's financial needs.
- 5.5.2 SLC, therefore, recommend that the overall evaluation is based on 30% Price, 70% Social Value and Quality to ensure that the focus of the evaluation is on quality as all compliant bids will meet the Council's financial requirements.

PWG Recommendations

- 5.5.3 The Council needs to decide on the Price / Quality weighting for the evaluation criteria.
- 5.5.4 That the Council adopt a 30:70 Price / Quality & Social Value weighting for the evaluation criteria.

Price Evaluation

- 5.5.5 The scoring of Price can be set up in different ways to incorporate risk and sustainability, or simply be based on the lower payment to the operator / highest payment from the operator, as show in Table 3.
- 5.5.6 The examples are based on Price being weighted at 40%, which can be amended as required once the Council has agreed the weighting. The example figures used are indicative only.

Table 3: Price Evaluation Options

| | Approach | Benefits | Risks |
|----|--|--|---|
| 1. | Basic Pro-Rata Approach: Highest surplus or lowest management fee scores a full 40%. Subsequent bids score on pro-rata basis. Example: Highest surplus bid (annual payment to Council) £100,000, the second-place bid is £50,000 and third place bid £10,000. Therefore, the highest bid scores 40 percentage points, second place bid scores 20 and third place bid scores 10 percentage points. | Incentivises bidders to offer the best possible price Objective Transparent. | It is often difficult for bidders to 'catch up' on quality if there is a substantial difference in price. In the example shown it would be difficult for the second placed bidder to make up 20 percentage points on the quality scoring This could mean the Council is forced to accept the bidder offering lowest quality Also, the difference in scoring (20 percentage points) is arguably not proportionate to the difference in cost (£50K) |



| | Approach | Benefits | Risks |
|----|--|--|--|
| | Basic Average Price Approach: Price scores are allocated based on the extent to which the bidder's price falls above or below the average price. For example, a bidder that submitted a price that was equal to the average price would be awarded a score of 20% out of 40%. For every pound that a bidder's price is above or below the average price, the score will be increased or reduced accordingly. | | p.a. in the example shown) when considering the scale and scope of the services This ignores other financial criteria such as viability and investment. |
| 2. | Overall Commercial Approach: Price score weighted: Management fee 15% Operator capital 5% Viability 10% Risk transfer/legal 10% Total 40% Bidders are ranked based on overall score as per 1. above. | Gives a more holistic view of commercial proposals including capital investment Enables the Council to assess the viability of the financial proposals where income looks high or expenditure low Prevents a bidder offering a comparatively high management fee payment to Council / low management fee from Council; winning on price alone. | Council will have to make a subjective judgement on the viability of each bidder's financial model. This could discourage a bold bid if bidders are wary of how the viability will be judged Council will need to assess different capital solutions, which could be subjective |
| 3. | Sliding Scale Approach: Produce a sliding scale over the affordability threshold with a ceiling that provides maximum score if reached e.g.: Annual Management Fee payment/receipt (indicative only) | Enables a positive or negative management fee in the event that affordability is borderline between a deficit or surplus Prevents "over bidding" and bidders putting in a high payment to the | Council may be able to get a higher financial offer without a ceiling. |



| Approach | | Benefits | Risks |
|--|-------------------|---|-------|
| -£100,000 Zero or break-even +£100,000 (Maximum score 40%) | 20% 30% 40% | Council, and winning on price Most procurements using this approach result in the bidder offering the highest quality solution winning the tender. | |

5.5.7 Based on the above analysis SLC recommend a sliding scale approach to evaluating price with the affordability threshold.

PWG Recommendation

5.5.8 That the Council adopt a sliding scale approach to evaluating price, informed by the affordability threshold. For example, zero management fee could score 20 percentage points leading up to a £1.5 million 15-year payment to the Council scoring 30 percentage points.

5.6 Social Value and Quality Evaluation

- 5.6.1 Method statement questions used to assess the social value and quality of bid submissions should be aligned to the Council's Strategic Objectives for the new contract. The following themes have been identified by SLC and will need to be discussed with the Project Group. Once the themes are agreed they will need to be developed into method statements questions for inclusion in the tender documents:
 - Approach to increasing overall physical activity participation levels
 - Bidders' investment solution based on a capital fund of up to £9.75 million
 - Approach to increasing physical activity participation levels amongst target groups and localities
 - Development of health-related programmes aimed at those needing rehabilitation or "at risk" groups
 - Approach to designing and delivering innovative and inclusive programmes
 - Approach to delivering wider social value
 - Approach to staffing, training, and development
 - Approach to managing of assets maintenance, environmental
 - Approach to quality management and customer care
 - Approach to monitoring KPIs and measuring impact of services.

PWG Recommendation

5.6.2 That the Council work with SLC to develop Social Value and Quality method statement for inclusion in procurement documentation based on Sport England guidance.

5.7 Profit or Income Share

5.7.1 Previous market engagement undertaken by SLC indicates clearly that operators favour a profit share over an income share approach, on the basis that it takes account of additional expenditure incurred to generate the additional income.

Final Report v 1.0

Leisure Procurement Strategy Harborough District Council



- 5.7.2 SLC, through its work with Sport England, has researched existing profit share contracts and found that many do not yield additional payments, as the operator, if performing well, is able to "bump up" the expenditure for the contract.
- 5.7.3 The latest Sport England guidance proposes that income share is used where there are new facilities involved or capital investment, and, to a degree, it is uncertain how they will perform. This is primarily to ensure the Council gains from the operator making "super profits." This could, for example, involve 10% of income over and above a set threshold to the Council, in the event the operator exceeds its business plan income by, say, 10%.
- 5.7.4 Most leisure operators are averse to income share as it does not allow for cost of sales and in some contracts does not incentivise them to develop programmes where there is a cost of sales such coaching and exercise to music.
- 5.7.5 In the case of Harborough's two leisure centres, the facilities are mature, and there may be little value in having an income or profit share mechanism, which could also be off putting to bidders, or lead to them adjusting their own profit margins resulting in a less attractive management fee position.

PWG Recommendations

5.7.6 That the Council adopt a profit share mechanism, which comes into effect where the Operator overperforms by 10% or more on net profit against its financial bid submission.

5.8 Investment Plans and Variant Bids

- 5.8.1 The Council has ambitious plans for investment into its facilities during the term of the new contract and has agreed a £9.75 million investment fund available for both Harborough Leisure Centre and Lutterworth Leisure Centre.
- 5.8.2 Bidders will be able to select the level of capital they wish to draw on the proviso that capital repayments will be covered by the successful bidder through the term of the contract.
- 5.8.3 The tender process therefore provides an ideal opportunity to understand the expected return on this investment.
- As referenced in Section 5.2, the recommended procurement route is a three staged process with negotiation. This provides for a staged approach to bid submissions enabling initial tenders to be developed by bidders, reviewed by the Council, and discussed further through negotiation with bidders before setting the requirements for revised or final tenders.
- 5.8.5 This process will enable the Council to seek variant submissions from operators which can be used to test different scenarios to understand the financial implications of each.
- 5.8.6 The Council could explore a number of scenarios including:
 - Bidders' investment proposals using the capital fund of up to £9.75 million. This bid will be evaluated at ISIT stage.
 - 2. A baseline position which assumes continuation of the service "as is" without investment. This will enable the Council to assess return on investment. This will also ensure that the Council receives bids for operation of the existing portfolio for the full contract term in the event that the investment is delayed or unable to be delivered for whatever reason.
 - 3. Active Communities— bidders can be requested to provide a financial submission identifying the cost of delivering an outreach community-based programme in addition to investment. The Council will be able to assess whether this additional service is affordable.

Leisure Procurement Strategy Harborough District Council



- 4. A variant submission based on the base submission, to include investment and the inclusion of provision for a two-court indoor netball facility The Council will be able to see the potential financial impact of such a facility.
- 5.8.7 The information provided within the Initial Tenders, including any variant submissions, can be reviewed by the Council, and discussed further with bidders during the negotiation stage in order that the Council can establish a clear position on how the Final Tender is to be structured.
- 5.8.8 It should be noted that whilst variant bids can be an effective way of testing different scenarios through a procurement, the Council should recognise the additional work required of bidders in developing multiple bid submissions within the context of a busy market. Overcomplicating the submission requirements increases resource requirements both for bidders and the Council, so the inclusion of variant bids should be balanced by these considerations.

PWG Recommendations:

- 5.8.9 That the Council request the following variant pricing submissions at Initial Tender stage:
 - 1. An Invitation to Submit Initial Tender bid submission to be evaluated based on investment without Active Communities or specified Netball Provision.
 - 2. Variant submission based on the existing service as is (without investment or Active Communities service).
 - 3. Variant submission based on 1) to include investment and specifying indoor netball provision.
 - 4. Variant submission based on 1) to include investment plus Active Communities.
- 5.8.10 The results of the variants will inform negotiation with the bidders and the Council's Final Tender position.



6. Procurement Strategy Checklist

6.1.1 A checklist is provided in Table 4 which monitors the progress of the development of the procurement strategy or the extent to which the Council is procurement ready. Each workstream categorised green (complete), amber (in progress), and red (not started).

Table 4:Procurement Strategy Checklist

| Procurement Strategy Checklist | | HDC Progress as at July 2022 | |
|--------------------------------|---|------------------------------|--|
| 1 | Has the Council and its partners developed a strategic approach for its Sport and Physical Activity Services with a clear vision on what outcomes and behaviour change it is looking to promote going forward? | 100% | Health and Wellbeing Strategy being finalised |
| 2 | Has the Council clearly defined the scope of services to be included in the procurement? | | |
| 3 | Has the Council clearly defined any capital facility developments and investment requirements? | 100% | |
| | Are these to be initiated by the successful bidder or Council? | 100% | Bidder |
| | Has local authority capital been secured for the project? | 100% | Capital has been secured |
| 4 | Is the Council clear on the level of risk it wishes to transfer to the operator including asset management, pensions, utilities etc.? | 100% | Shared asset management responsibility. Shared utilities risk. Operator responsinle for pension contributions, HDC any pension deficit or exit fees. |
| 5 | Has the Council undertaken affordability modelling, considering forward maintenance and equipment costs (based on asset condition) for the life of the contract, agreed investment and the likely market perception of its portfolio? | 100% | To be updated later in procurement process to account for changing interest rates |
| | Is this aligned to the Medium-Term Financial Strategy and a realistic minimum affordability threshold set for the procurement? | 100% | Affordability threshold to be set at £0 management fee or better |
| 6 | Has the Council agreed a contract length including any break clauses or potential extension periods? | 100% | 15 years + 5 + 5 |



| Procurement Strategy Checklist | | HDC Progress as at July 2022 | |
|--------------------------------|--|------------------------------|---|
| 7 | Has the Council developed clear priorities and performance indicators linked to its strategic priorities to be delivered by the leisure operator and embedded into the contract? | 75% | KPIs to be developed during drafting of Services Specification |
| 8 | Does the Council have contractual access to data from its incumbent operator? If not has it negotiated a reasonable position for them to release financial and operational data to be made available to other bidders? | 100% | |
| 9 | Has the Council selected the optimal procurement route? | 75% | Final procurement procedure to be confirmed, three-stage procurement route agreed |
| 10 | Has the Council undertaken market engagement to test key elements of its Procurement Strategy with potential bidders? | 100% | Market engagement questionnaire, PIN Notice issued |
| 11 | Has the Council engaged Members with the Procurement Strategy, and have they signed off the final version? | 50% | Procurement Strategy to be presented to Scrutiny and Cabinet. |



Head office

The Sport, Leisure and Culture Consultancy Freshmill, Delta House, 16 Bridge Road Haywards Heath, West Sussex, RH16 1BY, United Kingdom

01444 459927

info@slc.uk.com

www.slc.uk.com

August 2022



Harborough District Council notes:

- Harborough District Council has millions of pounds invested in fossil fuels via the shared Leicestershire Local Government Pension Scheme.
- The United Nations Paris Agreement, reaffirmed at the 2021 Glasgow
 Climate Summit, commits our governments to keep the global
 temperature increase to under 2 degrees and aim for 1.5 degrees.
 Carbon budgets produced by the Intergovernmental Panel on Climate
 Change, United Nations and the International Energy Agency show
 that preventing two degrees of warming relies on not burning the vast
 majority of all proven fossil fuels.
- The UN International Energy Agency (IEA) predicts that global oil demand will significantly fall by 2030, leading their Executive Director to refer to oil and gas companies as potential 'junk investments.'^[1] Action by governments to limit carbon emissions will ultimately leave fossil fuel reserves unburnable. It's been estimated that this asset bubble, known as the 'carbon bubble', may be over €1 trillion in Europe alone.
- Former Bank of England Governor Mark Carney warned that fossil fuel investments risk becoming "stranded assets" as investors exit the sector. "A question for every company, every financial institution, every asset manager, pension Scheme or insurer – what's your plan?"[2]
- Pension Schemes have a fiduciary duty to consider the material risks
 of continued investment in fossil fuels. Fiduciary duty is defined by the
 Law Commission as "ensuring that pensions can be paid, ensuring that
 this is undertaken at the best possible value".
- Pension Schemes have a legal duty to treat members "fairly as between them". That means taking seriously the longer-term interests of younger members who will be affected more by the climate transition.

This Council commits to:

 Harborough District Council, as a member of the Leicestershire Local Government Pension Scheme, will call for it to review its Investment Strategy,

- and review its Net Zero Climate strategy to rule out new investments in fossil fuel producing companies.
- 2. Harborough District Council, as a member of the Leicestershire Local Government Pension Scheme, will call for divestment from fossil fuels through the development and adoption of responsible investment policies which:
 - a. Immediately freeze any new investment in the top 200 publicly-traded fossil fuel companies.^[3]
 - b. Divest from direct ownership, and any commingled Funds that include fossil fuel public equities and corporate bonds within 3 to 4 years.
 - c. Actively seek to invest in companies that will reduce greenhouse gas emissions and minimise climate risk.
- Recognising that fossil fuel investments should be considered as part of the council's "carbon footprint" and divesting by the pension Scheme is one of the most impactful steps we can take to reduce our impact on our community and the world.

Footnotes:

- [1] Energy Investing: Exploring Risk and Return in the Capital Markets, Joint Report by the International Energy Agency and the Centre for Climate Finance & Investment, Paris. Available at: https://www.iea.org/reports/energy-investing-exploring-risk-and-return-in-the-capital-markets
- [2] https://www.bbc.co.uk/news/business-50868717
- [2] As determined by the most recent Carbon Underground 200 list published by Fossil Free Indexes: https://www.ffisolutions.com/research-analytics-index-solutions/research-screening/the-carbon-underground-200/

Proposed by Cllr Darren Woodiwiss

Seconded by Cllr Jim Knight

First Past the Post (FPTP) originated when land-owning aristocrats dominated parliament and voting was restricted to property-owning men.

In Europe, only the UK and authoritarian Belarus still use archaic single-round FPTP for general elections. Internationally, Proportional Representation (PR) is used to elect the parliaments of more than 80 countries. These countries tend to be more equal, freer and greener.

PR ensures all votes count, have equal value, and that seats won match votes cast. Under PR, MPs and Parliaments better reflect the age, gender and protected characteristics of both local communities and of the nation.

MPs better reflecting the communities they represent in turn leads to improved decision-making, wider participation and increased levels of ownership of decisions taken.

PR would also end minority rule. In 2019, 43.6% of the vote produced a government with 56.2% of the seats and 100% of the power. Fair, proportional votes also prevent 'wrong winner' elections such as occurred in 1951 and February 1974.

PR is the national policy of the Labour Party, Liberal Democrats, Green Party, SNP, Plaid Cymru, Reform UK and Women's Equality Party along with a host of Trade Unions and pro-democracy organisations.

PR is already used to elect the parliaments and assemblies of Scotland, Wales and Northern Ireland. Its use should now be extended to include Westminster.

This Council therefore resolves to write to H.M. Government and the leader of the Labour party calling for a change in our outdated electoral laws and to enable Proportional Representation to be used for all UK elections.

Proposed by Cllr Darren Woodiwiss

Seconded by Cllr Buddy Anderson

Given the following:-

 There is widespread public interest in the Statement of Common Ground as to the Council agreeing to meet a proportion of Leicester City's unmet housing need as evidenced by the large number of residents attending the public meeting called by Neil O'Brien MP, and

2. The Administration is proposing a very significant financial commitment of Council tax payers money to prepare the draft Harborough District Council Local Plan currently under review, and

- Agendas and Supporting papers were published in advance of the Local Plan Advisory Panel meetings when the current Local Plan (adopted April 2019) was being prepared, and
- The Leader of the Council gave a commitment to this Council in May that his Administration would be "open and transparent" in its dealings with the Council.

It is proposed that a Resolution be passed by the Council that:-

- 1. The Council publish all Agendas and supporting papers in advance of every Local Plan Advisory Panel meeting for Members and the public may have access to them.
- 2. That the Local Plan Advisory Panel meetings may be accessed online as well as in person (a hybrid meeting).
- 3. That all future Local Plan Advisory Panel meetings are to be held in public.

Proposed by Cllr Bannister

Seconded by Cllr Bateman