



Scrutiny Panel - Communities

To All Members of the Communities Scrutiny Panel on Wednesday, 05 October 2022

Date of meeting: Thursday, 13 October 2022

Time: 18:30

Venue: Harborough Innovation Centre
Harborough Innovation Centre, Wellington Way, Airfield
Business Park, Market Harborough, LE16 7WB

Members of the public can access a live broadcast of the meeting from the [Council website](#), and the meeting webpage. The meeting will also be open to the public.

Agenda

1 Apologies for Absence and Notification of Substitutes.

2 Declarations of Members' Interests

3 Minutes

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

Draft Communities Scrutiny Panel minutes - 1 September 2022 3 - 4

**4 Leicester and Leicestershire Statement of Common Ground
relating to housing and employment land needs**

Scrutiny Report L&L SoCG July 2022 5 - 698

5 Any Urgent Business

To be decided by the Chairman.

LIZ ELLIOTT
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HARBOROUGH DISTRICT COUNCIL

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Circulate to: Janette Ackerley - Member, Stephen Bilbie - Vice-Chair, Robin Hollick - Member, Barbara Johnson - Member, Amanda Nunn - Chairman, Geraldine Robinson - Member, Julie Simpson - Member

And all other Councillors for information

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 1st September 2022

Commencing at 6.30pm.

Present:

Councillor Nunn, Chairman

Councillors: Bilbie, Dr Bremner, James, Mrs Page (ex officio) and Mrs Simpson

Apologies: Councillors Mrs Ackerley, Hollick, Johnson and Mrs Robinson

Officers: J. Evans, R. Felts, and S. Hamilton

Guest: D. Rushton - SLC

Guest remote: C. Ladwa - SLC

APOLOGIES FOR ABSENCE AND NOTIFICATION OF SUBSTITUTIONS

Apologies were received from Councillor Mrs Ackerley, who was substituted by Councillor Dr Bremner, from Councillor Hollick, and from Cllr Johnson who was substituted by Councillor James, and from Cllr Mrs Robinson.

DECLARATIONS OF MEMBERS' INTERESTS

Councillor Mrs Page declared that she is a member of the Lutterworth Leisure Centre.

MINUTES

RESOLVED that the Minutes of the Meeting of the Communities Scrutiny Panel held on the 28th July 2022 be signed by the Chairman as a true record.

LEISURE PROCURMENT STRATEGY

Jacqui Evans, Director for Communities and Wellbeing Partnerships introduced the draft Leisure Procurement Strategy, which also provided background information into the current market for Leisure provision.

In September 2021, the Cabinet agreed to proceed with the redevelopment of the Leisure Service Provision. The Council commissioned The Sport, Leisure and Culture Consultancy (SLC) to support the procurement process which is being led by an internal Leisure Project Team and Project Board.

Appendix A to the report set out the Procurement Strategy, and David Rushton of SLC provided a comprehensive overview to the Panel.

The Panel asked a significant number of questions and made observations on a number of areas within the procurement strategy including the maintenance of income for the Council; the need to increase swimming capacity at the Market Harborough leisure centre; the type of consultation undertaken with users of both leisure centres; the availability of additional funding streams; the procurement procedure, affordability and the 'shadow bid' being developed; concerns relating to the energy crisis and the adoption of a shared risk approach to the cost of utilities; the ability to re-negotiate the contract; maintenance risk and the evaluation of price versus the quality weighting.

The Panel thanked the David Rushton of SLC for the comprehensive discussion on the draft strategy and for clearly answering their queries and concerns.

The Panel REVIEWED and INPUTTED into the draft Leisure Procurement Strategy.

URGENT BUSINESS

There was none.

The meeting finished at 8.00 pm

Harborough District Council

Report to the Communities Scrutiny Panel Meeting of 13 October 2022



Title:	Leicester and Leicestershire Statement of Common Ground relating to housing and employment land needs
Status:	Public
Key Decision:	N/A
Report Author:	Tess Nelson, Strategic and Local Planning Manager t.nelson@harborough.gov.uk
Portfolio Holder:	Cllr King, Strategic Planning Portfolio
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 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

Executive Summary

This report proposes that the Council adopts a Statement of Common Ground ("SoCG") with the other planning authorities of Leicestershire.

The Duty to Cooperate ("the Duty"), introduced by the Localism Act 2011, imposes on the Council a duty to work collaboratively with partner authorities on strategic cross boundary issues. This includes ongoing constructive engagement on the preparation of development plan documents and other activities in relation to the sustainable development and use of land.

This Statement of Common Ground addresses the issue of unmet housing and employment needs across Leicestershire.



Signing the Statement of Common Ground will ensure the Council meets its Duty to Cooperate, which is an essential part of the preparation of its new Local Plan.

Recommendations

That the Panel review and comment on the proposal to enter into a Statement of Common Ground relating to housing and employment needs with the Leicester and Leicestershire local authorities.

1. Purpose of Report

- 1.1 To aid discussion around the Leicester and Leicestershire Statement of Common Ground (SoCG) relating to housing and employment land needs, and to inform a future meeting of Cabinet for the issues to be determined.

2. Background

- 2.1 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.
- 2.2 Statements of Common Ground are a means of demonstrating the Duty 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:
 - a. documents where effective co-operation is and is not happening through the plan-making 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.
- 2.3 The Leicester and Leicestershire Housing Market Area (HMA) and Functional Economic Area (FEA) covers the administrative areas of eight local planning authorities and two transport authorities. The eight local planning authorities responsible for plan making are:
 - a. Blaby District Council;
 - b. Charnwood Borough Council;
 - c. Harborough District Council;
 - d. Hinckley & Bosworth Borough Council;
 - e. Leicester City Council (Unitary)
 - f. Melton Borough Council;
 - g. North West Leicestershire District Council;
 - h. Oadby & Wigston Borough Council.

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) and Leicestershire County Council.

- 2.5 The Leicester and Leicestershire SoCG, attached as Appendix A, sets out the apportionment of Leicester's unmet housing and employment needs in the period to 2036. It follows the June 2021 SoCG, which set out a programme of evidence work to be undertaken across Leicester and Leicestershire. The Housing and Economic Needs Assessment (Appendix B and Appendix C for Executive Summary), Distribution of Leicester's unmet Housing (Appendix D) and Employment Needs (Appendix E) and Sustainability Appraisal (Appendix F and G for Non-technical summary) evidence work has been completed and informed the apportionment set out in the SoCG.
- 2.6 The SoCG is now being considered by each of the authorities set out above for approval. At the time of writing, the following local authorities have approved the SoCG:
 - a. Charnwood Borough Council;
 - b. Oadby and Wigston Borough Council;
 - c. Melton Borough Council;
 - d. Blaby District Council;
 - e. Leicester City Council;
 - f. Northwest Leicester District Council.
- 2.7 The SoCG is due to be considered by Cabinet in November, before a final decision by Council at its meeting on 30 January 2023.

3. Details

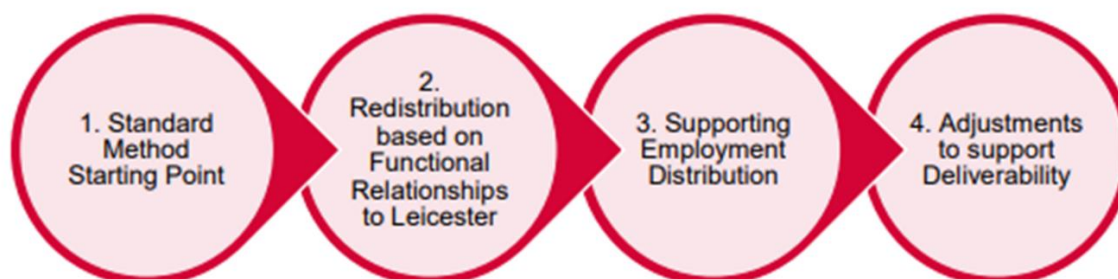
Scale of Unmet Housing and Employment Need

- 3.1 In December 2020 the Government published a new standard method for calculating housing need. The method stayed the same for all authorities in England apart from the 20 largest cities and urban centres which received a 35% uplift. As a result, Leicester's housing need increased by 35%, adding a further 9,712 homes to their need between 2020 and 2036 (i.e., an additional 607 homes per year).
- 3.2 The City's need now stands at 39,421 between 2020 and 2036. When compared to a supply of 20,720 homes, this leaves an unmet need of some 18,700 homes to be accommodated in the Leicestershire Districts and Boroughs. The unmet employment need remains at 23 Hectares.

Evidence informing the Statement of Common Ground

- 3.3 Members will be aware that a previous Leicester and Leicestershire wide Housing and Economic Needs Assessment (referred to as the HEDNA) from 2017 informed the housing and employment land provision of the adopted Local Plan. The new study, the Leicester and Leicestershire Housing and Economic Needs Assessment (HENA) (Appendix B) is the first comprehensive Leicester and Leicestershire study since then. Appendix C is a useful Executive Summary.

- 3.4 The HENA also includes two distribution papers, one for housing (Appendix D) and one for employment (Appendix E), which provide an evidence base to the issue of the redistribution of unmet needs from the Leicester City Council administrative area.
- 3.5 The HENA Housing Distribution Paper (Appendix D) identifies the following steps in assessing the distribution of homes/unmet housing need across Leicester and Leicestershire:



- 3.6 Each of these steps is considered below along with commentary as to what this means for Harborough District.

1. The approach treats the government's standard method for calculating housing need as a minimum level of provision for the Leicestershire Districts/Boroughs, as individual local plans would be expected (in line with the NPPF) to meet their own need.

The standard method results in a local housing need figure for Harborough of 534 dwellings per annum (2022 based). NB this figure is subject to change due to updates to data used within the standard method calculation.

2. The next step is to consider the functional relationship of each District/Borough with the City, taking account of migration and commuting relationships between the authorities. This generates an initial distribution of unmet need.

For Harborough, this sees an upwards adjustment of 123 dwellings per annum reflecting the fact that Harborough shares a boundary and has a relatively strong relationship as evidenced through commuting and migrating flows both in and out of the city. This is around the mid-range in terms of scale increase due to the functional relationship with the city.

3. 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 to provide additional labour where it is needed.

This results in no further change for Harborough since the additional minor increase is covered by step 2.

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

No change for Harborough.

3.7 This results in a proposed apportionment of Leicester's unmet housing need as follows:

Table 1: 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.

3.8 In terms of employment, the paper concludes that Charnwood is best able to suitably meet Leicester's unmet need of 23 Hectares to 2036. This reflects the existing over-supply of employment land compared to 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 to 2036.

Implications for Harborough

3.9 Government guidance requires local planning authorities to calculate their own housing need and in addition 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.

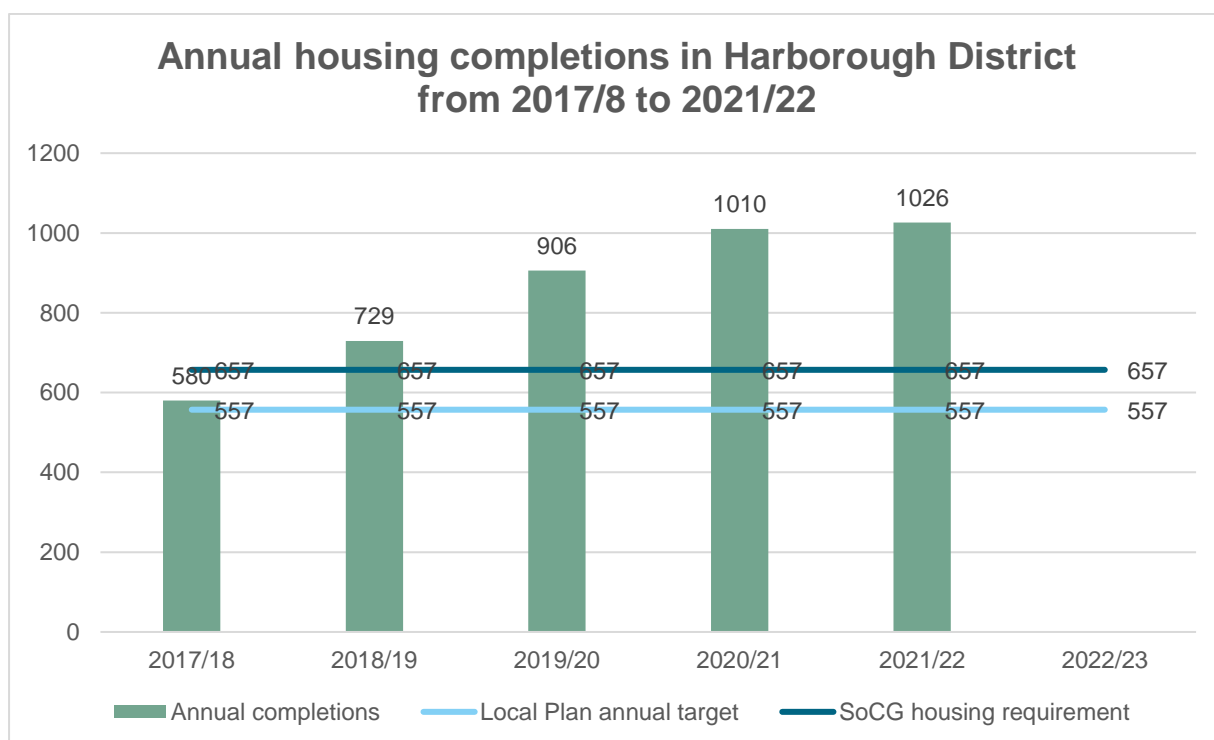
3.10 Using the Government's standard method, Harborough's current local housing need is 534 dwellings per annum. The addition of 123 dwellings as Harborough's apportionment of Leicester's unmet housing need results in a total housing requirement for Harborough of an annual average of 657 dwellings per annum.

3.11 The following table sets out the local housing need for each local planning authority (Column B), together with the proposed housing distribution (Column D). The difference (Column E) shows the proposed apportionment of unmet need.

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

A	B	C	D	E
Authority	Local Housing Need	Unmet need	Proposed redistributed Housing Provision	Difference (D - B)
Leicester	2,464	1,169	1,295	0
Blaby	341		687	346
Charnwood	1,111		1,189	78
Harborough	534		657	123
Hinckley and Bosworth	472		659	187
Melton	231		300	69
NW Leicestershire	372		686	314
Oadby and Wigston	188		240	52
L&L Total	5,713		5,713	1,169

3.12 This results in a total housing requirement for Harborough of 657 dwellings per annum 2020-2036 to be planned for through the next Local Plan. Significantly higher numbers of dwellings have been delivered in the District in 4 of the previous 5 years, as shown below:



3.13 Officers consider that the proposed apportionment of Leicester's unmet housing need set out in the SoCG is based upon a robust transparent methodology and is fair and reasonable.

- 3.14 Approving the SoCG demonstrates that the Council recognises the proposed apportionment of Leicester's unmet housing and employment needs and commits the Council to test the delivery of an additional 123 dwellings per year (2020 – 2036) of unmet housing need arising from Leicester City Council area through the next Local Plan. This involves gathering evidence to inform a consideration of whether this scale of housing growth can be delivered within the District. This will examine issues including; site availability and sustainability; infrastructure capacity and the ability of development to fund necessary infrastructure improvements; as well as the ability of the market to deliver and absorb housing growth. The SoCG explains that the apportionment is subject to review. In the event that an authority's local plan process demonstrates an inability to meet the figures set out in the SoCG, then the apportionment of unmet need will be jointly reviewed and updated as necessary.
- 3.15 The Council is required to demonstrate as part of preparing the Local Plan that it has complied with the Duty to Cooperate. If this Council decided not to support the outcome from the SoCG, then this would represent a significant risk to the next Local Plan. This is because whilst it could demonstrate that it has cooperated on preparing the SoCG, it would also be necessary to demonstrate as to why it was not appropriate to agree the SoCG. For the reasons outlined above it is considered that the process and methodology followed is robust.

Government's proposed planning reforms

- 3.16 In May 2022 the latest stage of the Government's proposed planning reforms was published: The Levelling up and Regeneration Bill (LURB). This proposes a number of reforms to the planning system, including potentially repealing the legal requirements of the Duty to Cooperate. However, 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 though, the issue of large tightly constrained urban authorities being physically unable to accommodate their future needs will remain. At the time of publishing the LURB, implementation of its proposals was expected to come forward from 2024 onwards.
- 3.17 Given the Duty to Cooperate remains a legal requirement for the foreseeable future, it must be complied with.

4. Options

Summary of Consultation and Outcome

- 4.1 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.

Alternative Options Considered

- 4.2 As the duty to cooperate is statutory, there are no lawful alternative positions for the Council to consider other than adopting the SoCG. Approving the SoCG will accord with the approach taken by partner authorities in Leicester and Leicestershire and will support the preparation of the next Local Plan.

- 4.3 Rejecting the SoCG would put the Council at odds with partner authorities across Leicester and Leicestershire, leave the Council vulnerable to successful challenge and have an adverse impact on the ability to adopt 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.
- 4.4 All information required to determine whether to adopt the SoCG has now been collected and presented. Accordingly, there is no additional information which can be obtained, and therefore no reason to defer the decision.
- 4.5 If Members are minded to approve the SoCG with caveats, Members will be expected to provide robust evidential justification for the rationale of the same. The SoCG has already been approved by most other authorities. Adding in further wording would require that process to be repeated in those authorities, creating risk to the good will of the partnership.

5. Points for Discussion

- Is the policy background to the SoCG clear?
- Are the implications of the SoCG clear?
- Is there any additional information needed?
- To feed any views and opinions to Cabinet?

6. Implications of Decisions

Corporate Priorities

- 5.1. 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.

Financial

- 5.2. No financial implications directly arising. However, not signing the Statement of Common Ground could result in significant indirect costs for the Council. Not signing the Statement of Common Ground could significantly undermine the Council's ability to demonstrate compliance with the Duty to Cooperate. This raises the potential for significant abortive costs incurred should a Local Plan be prepared and then unable to be adopted due to a Duty to Cooperate failure. In such an instance, the Council would be required to restart preparation of the Local Plan, incurring very significant costs. 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

- 5.3. Approving the Statement of Common Ground 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 ensures that the Council fulfils the requirements imposed by the Localism Act 2022 and prevents the Council from operating ultra vires and therefore at greater risk of successful legal challenge.
- 5.4 Failing to approve the SoCG will cause substantial disruption to the Council's aspirations for the district as it will hinder the adoption of the Council's local plan and tarnish the Council's reputation with its neighbouring authorities.

Policy

- 5.5 Approving the SoCG commits the Council to providing 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 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

- 5.6 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).
- 5.7 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

- 5.8 Approval of the Statement of Common Ground will place the Council in a strong position to demonstrate compliance with the Duty to Cooperate through the Examination of the next Local Plan.

Equalities Impact

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

Data Protection

- 5.10 No issues directly arising.

6. Background papers

6.1 Report to the Cabinet meeting 10 May 2021: Leicester and Leicestershire Statement of Common Ground (SoCG) Relating to Housing and Employment Land (March 2021).

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

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

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 Needs Assessment (2022), Strategic Growth Options & Constraints Study (2022), and Strategic Transport Assessment (2022).

- The adoption of a non-statutory [Strategic Growth Plan 2018](#) 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 2020 – 2036	Houses per year 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

	Need		Total	Source
	B1	B2/B8 (small)		
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.

	A	B	C	D	E	F	G	H
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.

	A	B	C	D	E	F	G	H
Authority	Local Housing Need 2020 - 2036	Commitments¹ projected for delivery 2020 to 2036	Allocations in an adopted Plan²	Emerging allocations in a draft plan²	Allowance for small site or windfall development to 2036	Total Projected Delivery to 2036 (B+C+D+E)	SHLAA Capacity to 2036³	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

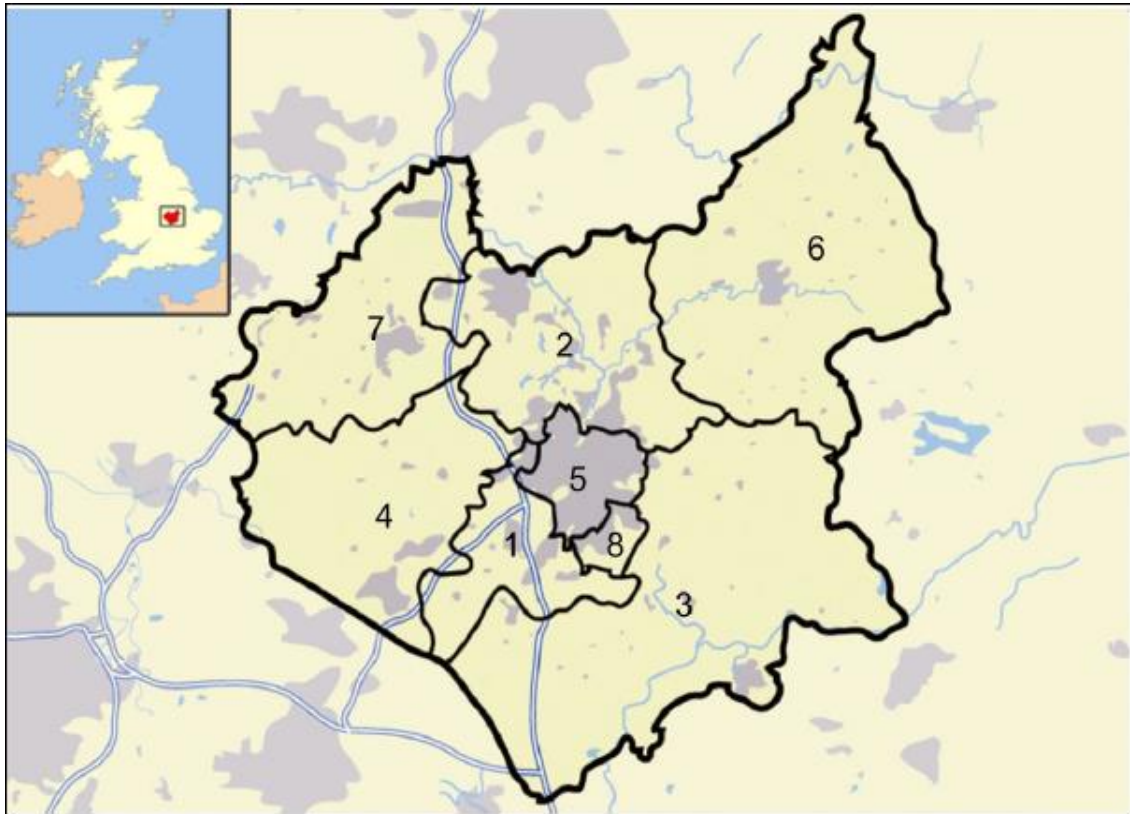
³ To avoid duplication SHLAA sites that have planning permission or are allocated in an adopted or emerging plan have been removed from this figure

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

	Need		Supply		Balance		Notes*
	B1	B2/B8 (small)	B1	B2/B8 (small)	B1	B2/B8 (small)	
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 | 5. Leicester City Council |
| 2. Charnwood Borough Council | 6. Melton Borough Council |
| 3. Harborough District Council | 7. North West Leicestershire District Council |
| 4. Hinckley and Bosworth Borough 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)

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

*³ The final figure will be determined by each authority through the Local Plans process.

*⁴ 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.

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.

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 Unmet Need in Context

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.

	A	B	C	D	E	F	G	H
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.

	A	B	C	D	E	F	G	H
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	5,763	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

Appendix H - Leicester & Leicestershire Authorities - Statement of Common Ground 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 [Strategic Growth Plan](#) 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 Borough Council	38.5 - 50 ha	EL&PS
Leicester City Council	67 ha	City Economic Development Needs Assessment 2020
Melton Borough Council	33.05ha	Employment Land Study 2015
North West Leicestershire District Council	47.7 ha	North West Leicestershire – The need for employment land (November 2020) Stantec
Oadby and Wigston Borough Council	10.31 ha	Employment Land and Premises Study, October 2017
Leicester and Leicestershire HMA Total	372 - 392 ha	

*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 up-to-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 Butterworth
Telephone: (0116) 454 1000
Email: planning@leicester.gov.uk
Date: 13th February 2017



Leicester
City Council

Mr J Newton
North West Leicestershire District Council
Council Offices
Coalville
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Planning
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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, sub-regional 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.

Year	Completions	HEDNA 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



Ministry of Housing,
Communities &
Local Government

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

Rt Hon Christopher Pincher MP
Minister of State for Housing

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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 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.

A handwritten signature in blue ink, which appears to read 'Chris Pincher', is written over a faint, larger, stylized signature that is partially legible as 'John Swinney'.

RT HON CHRISTOPHER PINCHER MP

A simple horizontal line drawn in blue ink.



APRIL 2022,
UPDATED
JUNE 2022

Leicester & Leicestershire Housing & Economic Needs Assessment

Final Report

Iceni Projects Limited on behalf of Leicester &
Leicestershire Local Authorities

ICENI PROJECTS LIMITED
ON BEHALF OF LEICESTER
& LEICESTERSHIRE LOCAL
AUTHORITIES

April 2022, Updated June 2022

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CONTENTS

1. INTRODUCTION	2
PART 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
PART 2: FUTURE DEVELOPMENT NEEDS	99
6. FUTURE ECONOMIC PERFORMANCE	100
7. EMPLOYMENT LAND NEEDS	108
8. OVERALL HOUSING NEEDS	130
PART 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 Icen 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 inter-relationships 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 inter-relationships. 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 Icení 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.

PART 1: ECONOMIC & PROPERTY MARKET DYNAMICS

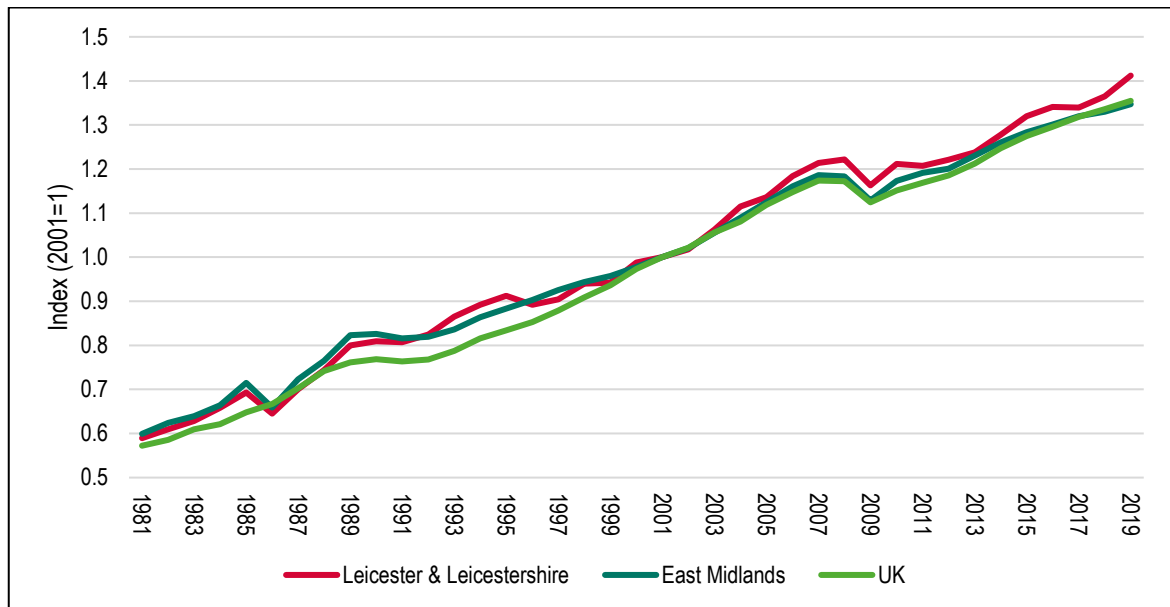
2. ECONOMIC BASELINE

- 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: Icen 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.
- 2.4 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 £ million	GVA Growth 2001-19 £ million	% Growth	% CAGR
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%

Source: Icen analysis of CE data

- 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.

Table 2.2 GVA Growth by L&L Authority

	2019 Share of GVA	GVA Growth, 2001-19 CAGR	GVA Growth, 2011-19 CAGR	% L&L GVA 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%	

Source: Icen analysis of CE data

- 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.

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

Source: Icen analysis of CE data

- 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.

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

Source: Icen analysis of CE data

- 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.

- 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: Icen 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 Bardonia, EM Distribution Park etc).

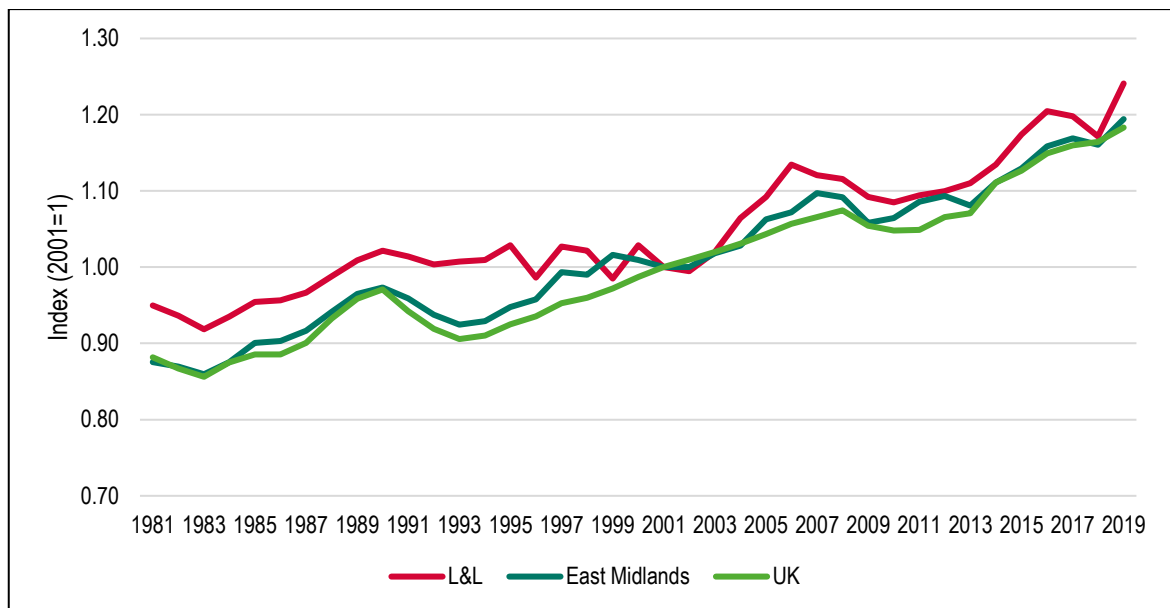
Table 2.6 Sectoral Structure by District/Borough, 2019

	Leicester	Blaby	Charnwood	Harborough	Hinckley & Bosworth	Melton	NW Leicestershire	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%

Source: Iceni analysis of CE data

- 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.

Figure 2.2: Employment Growth vs Wider Comparators



Source: Icen analysis of CE data

- 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: Icen 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	Leicestershire NW	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	0.8	-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

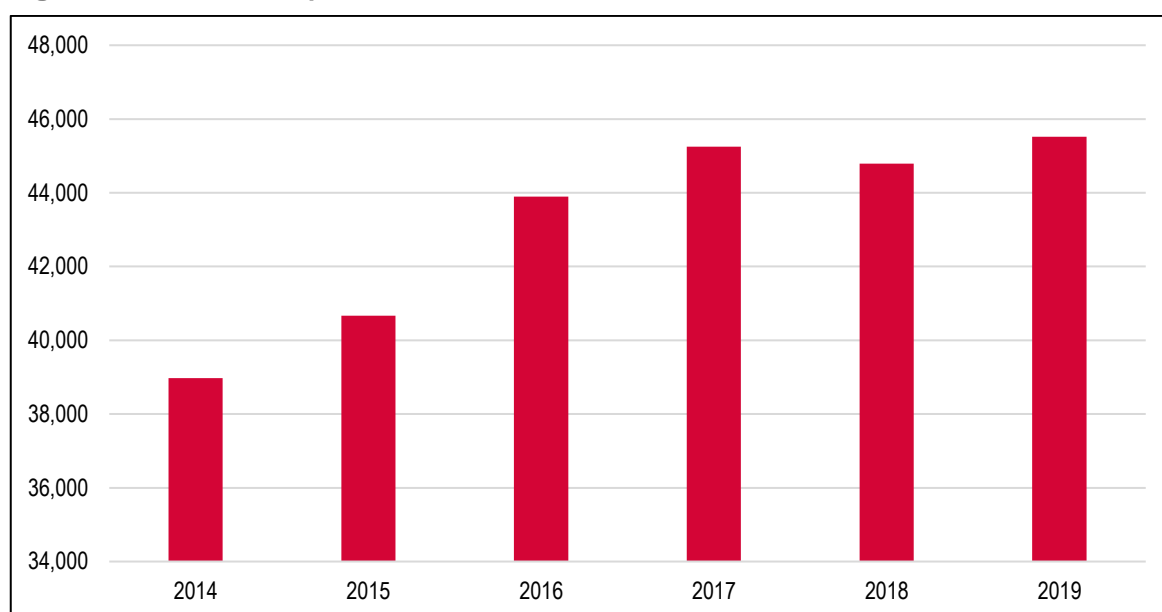
Source: Icen analysis of CE data

- 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.

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.

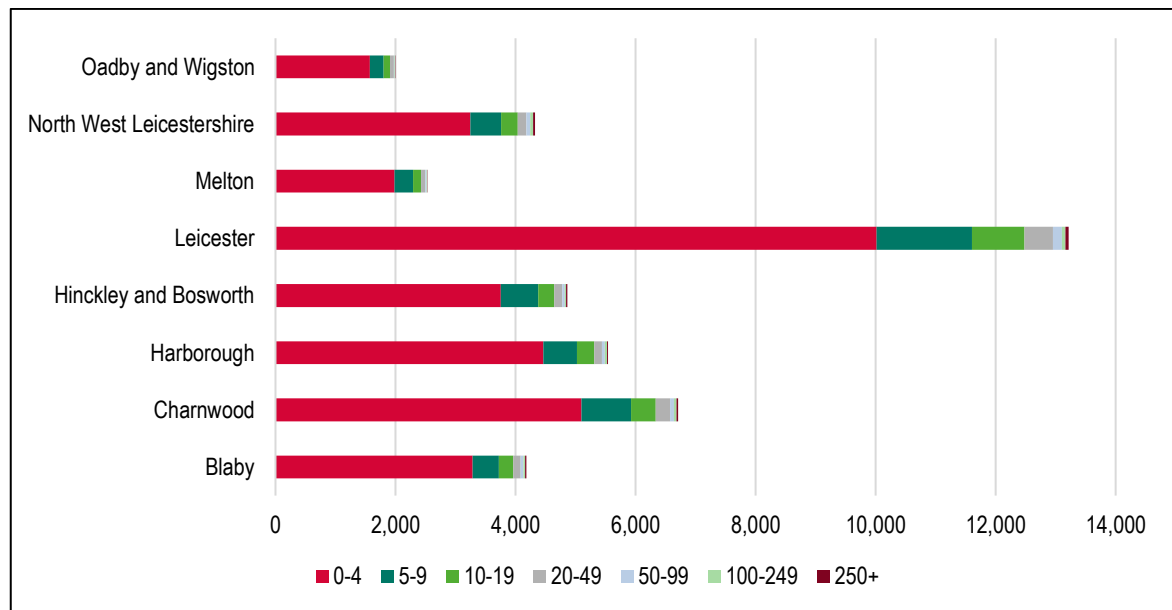
Table 2.9 Business Density, 2019

	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.

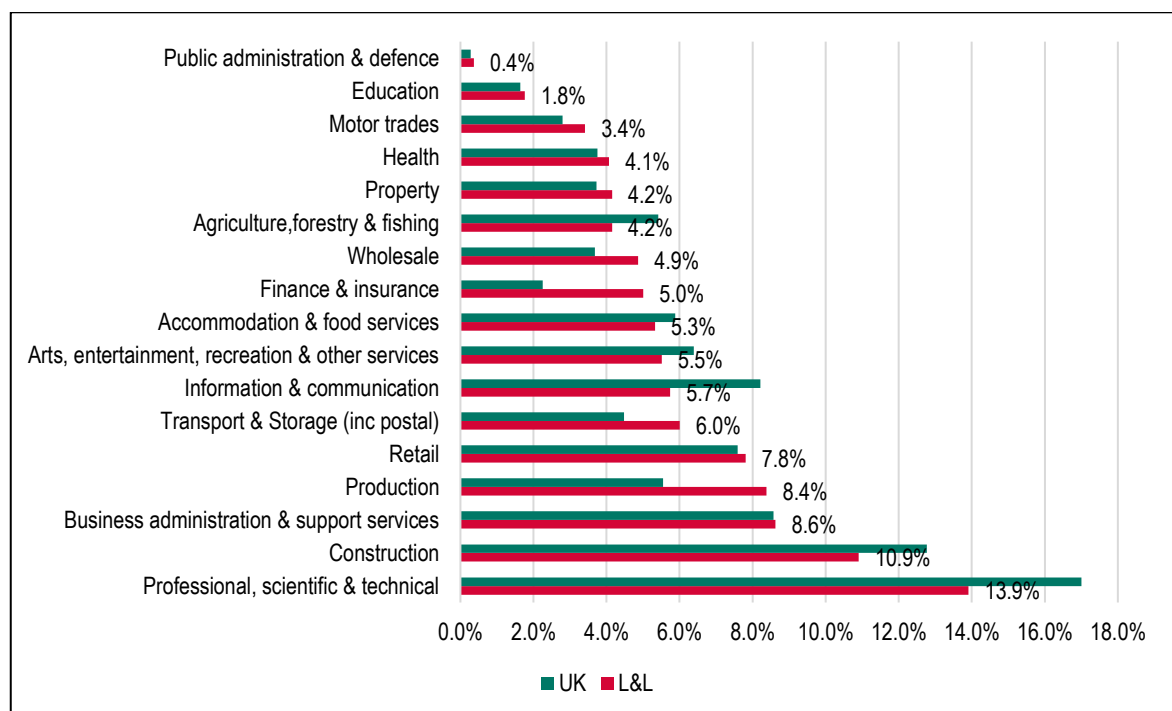
Figure 2.4: VAT or PAYE Enterprises by Size Band, 2020



Source: Icen 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: Icen analysis of ONS / IDBR data

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- 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.

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

	Blaby	Charnwood	Harborough	Hinckley and Bosworth	Leicester	Melton	North West Leicester shire	Oadby and Wigston	L&L	East Midlands
Agriculture, forestry & fishing	0.5	0.6	2.0	1.1	0.0	2.9	0.8	0.1	0.8	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 (inc postal)	1.4	1.1	0.7	1.7	1.7	0.7	1.4	1.2	1.3	1.6
Accommodation & food services	0.6	1.0	0.8	1.0	1.0	0.8	0.9	0.8	0.9	1.0
Information & communication	0.7	0.7	0.6	0.7	0.7	0.5	0.7	0.9	0.7	0.7
Finance & insurance	3.5	0.9	1.5	0.8	4.1	0.8	1.2	1.1	2.2	1.2
Property	1.0	0.9	1.2	0.9	1.3	1.0	1.1	1.2	1.1	0.9
Professional, scientific & technical	0.8	0.9	1.0	0.8	0.6	0.9	0.9	0.8	0.8	0.8

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

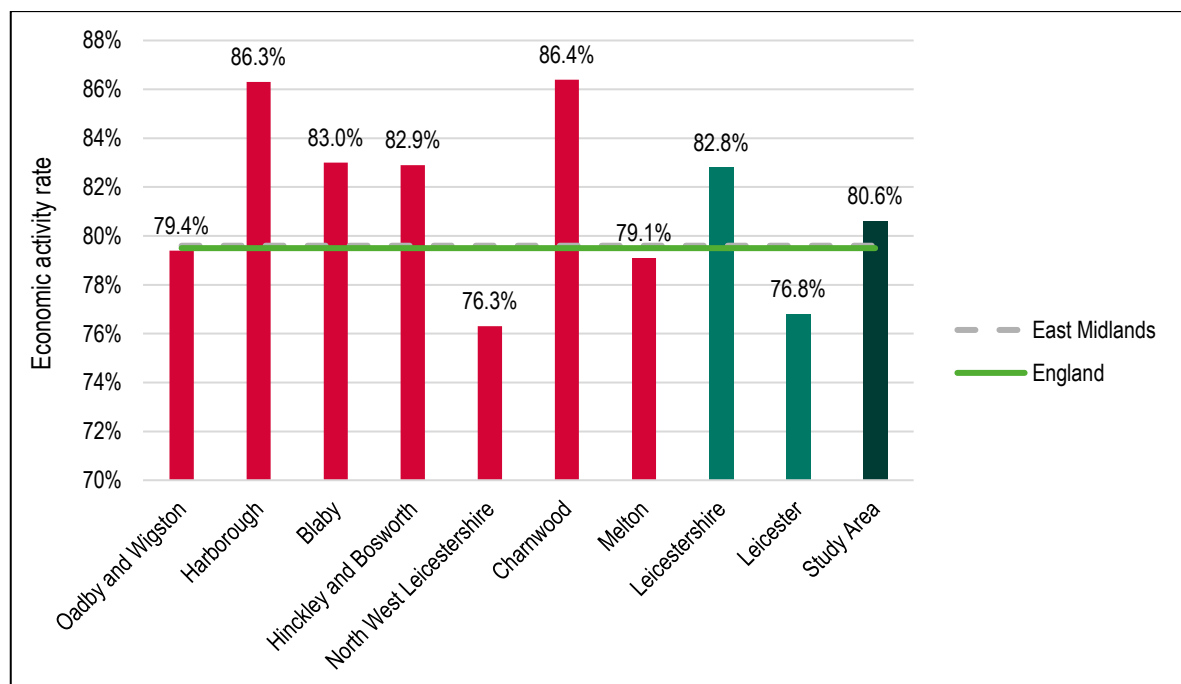
Labour Market

- 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.

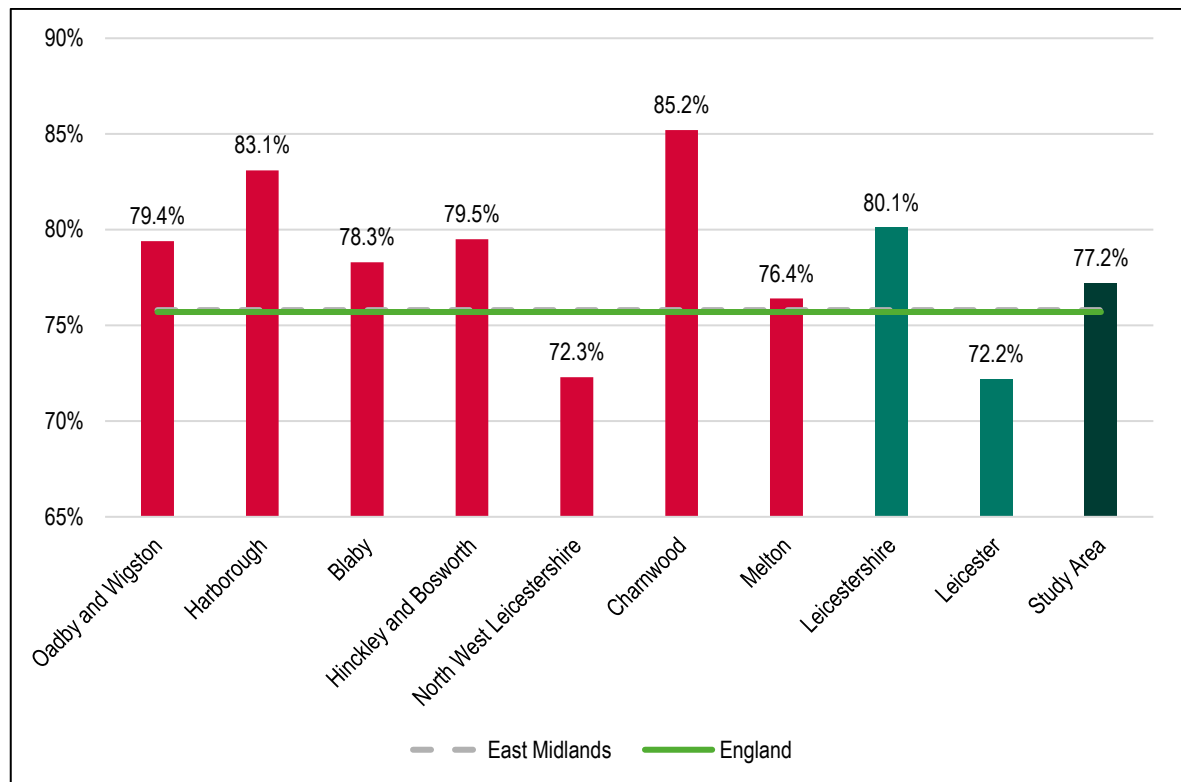
Figure 2.6: Economic Activity Rate (2020)



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).

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%	

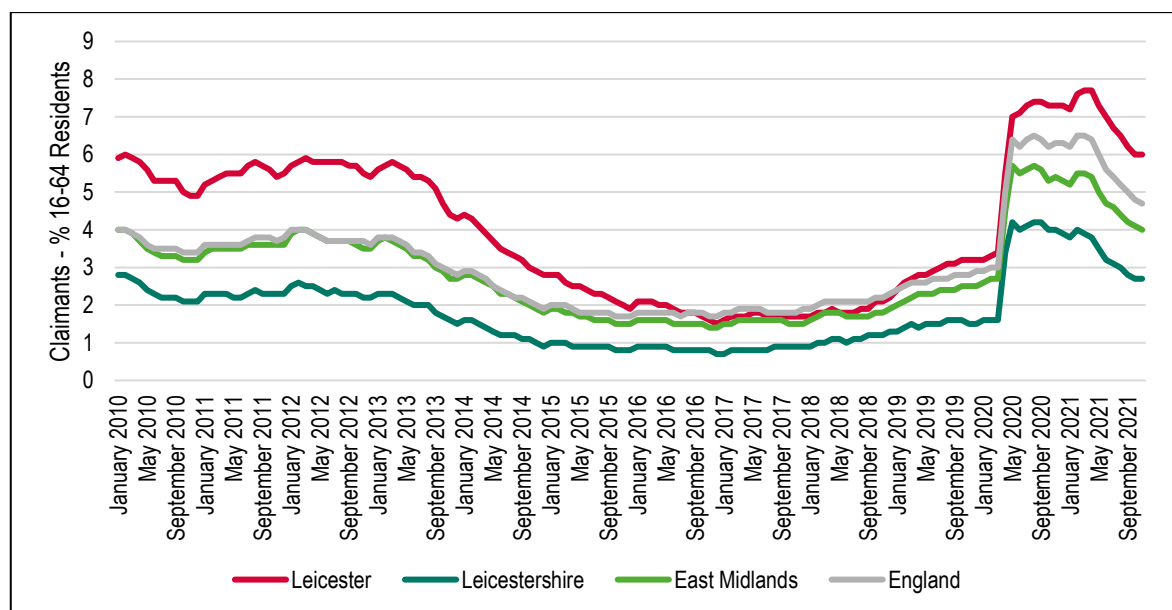
Source: NOMIS (*data not published at this geography)

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)

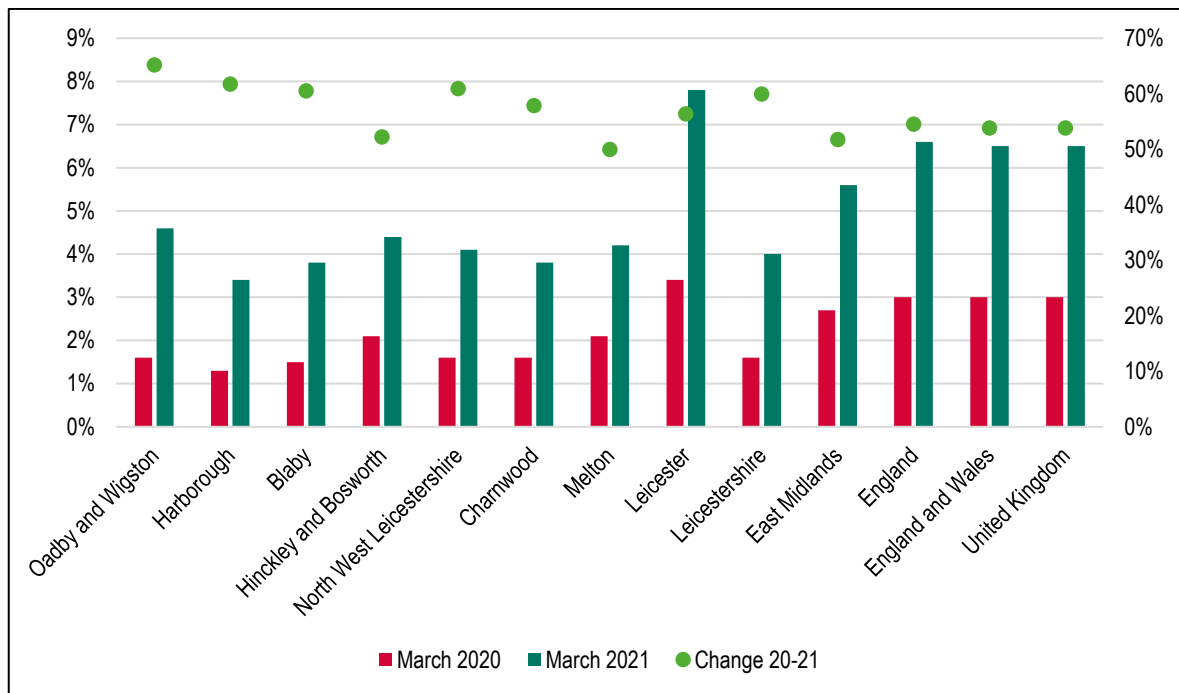


Source: ONS Claimant Count

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.

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

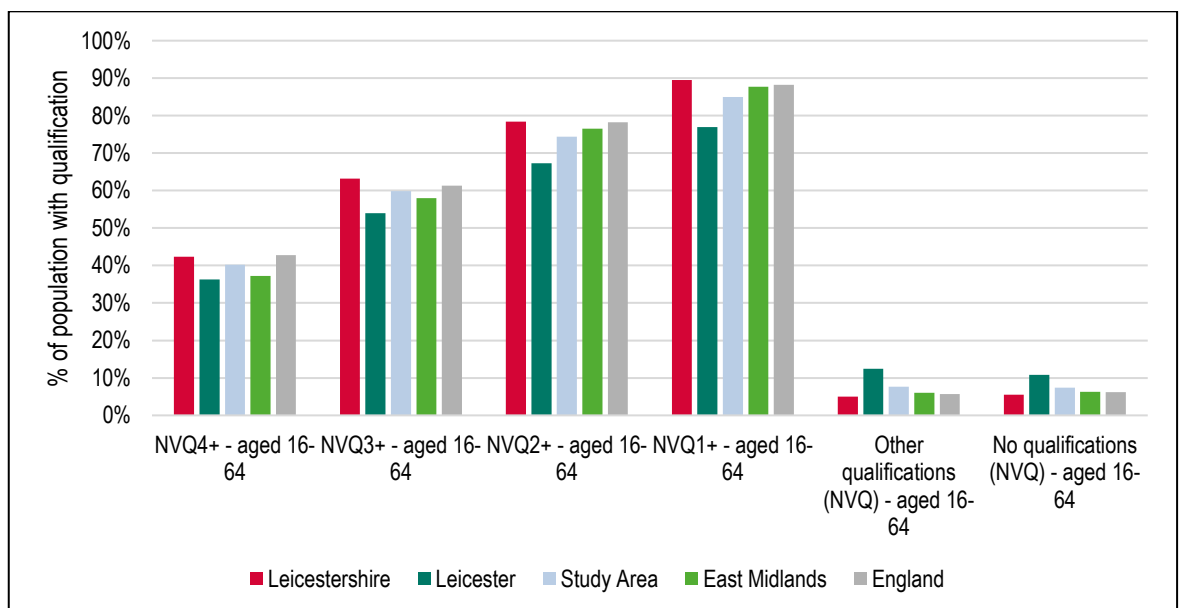


Source: ONS Claimant Count

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.

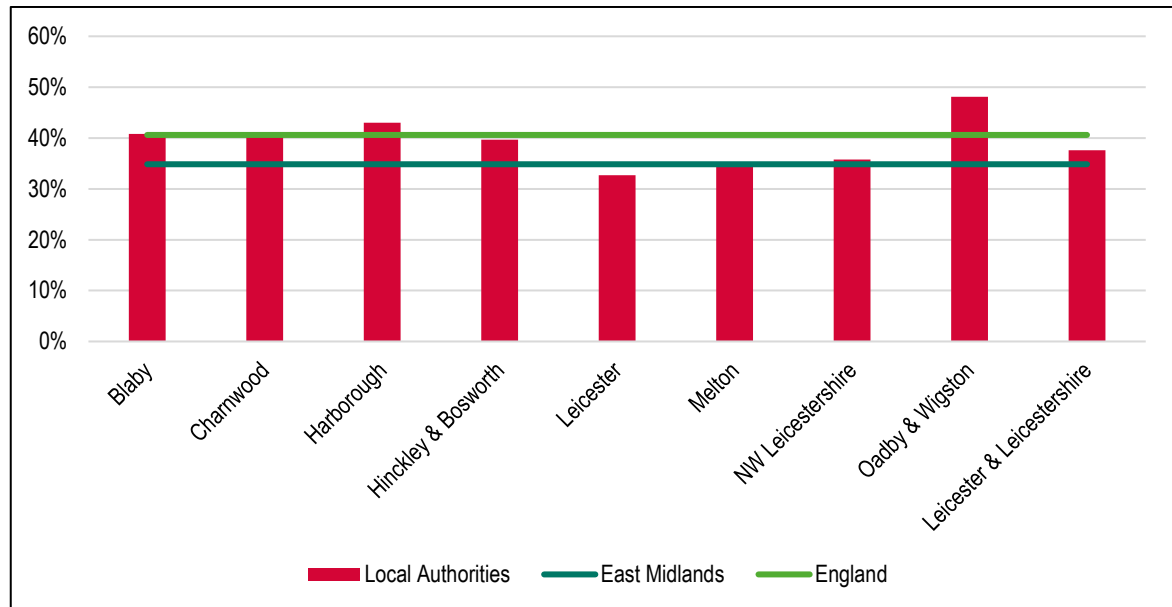
Figure 2.10: Qualifications (2020)



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.

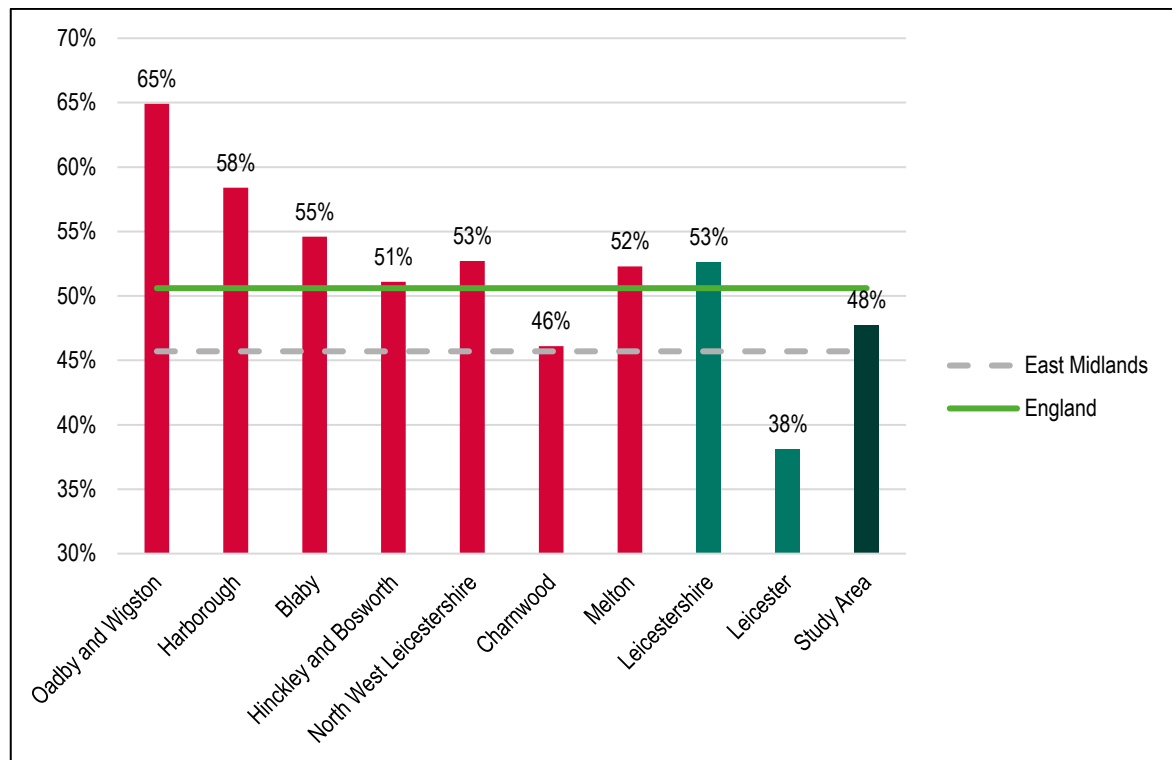
Figure 2.11: % 16-64 qualified to NVQ4+



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)

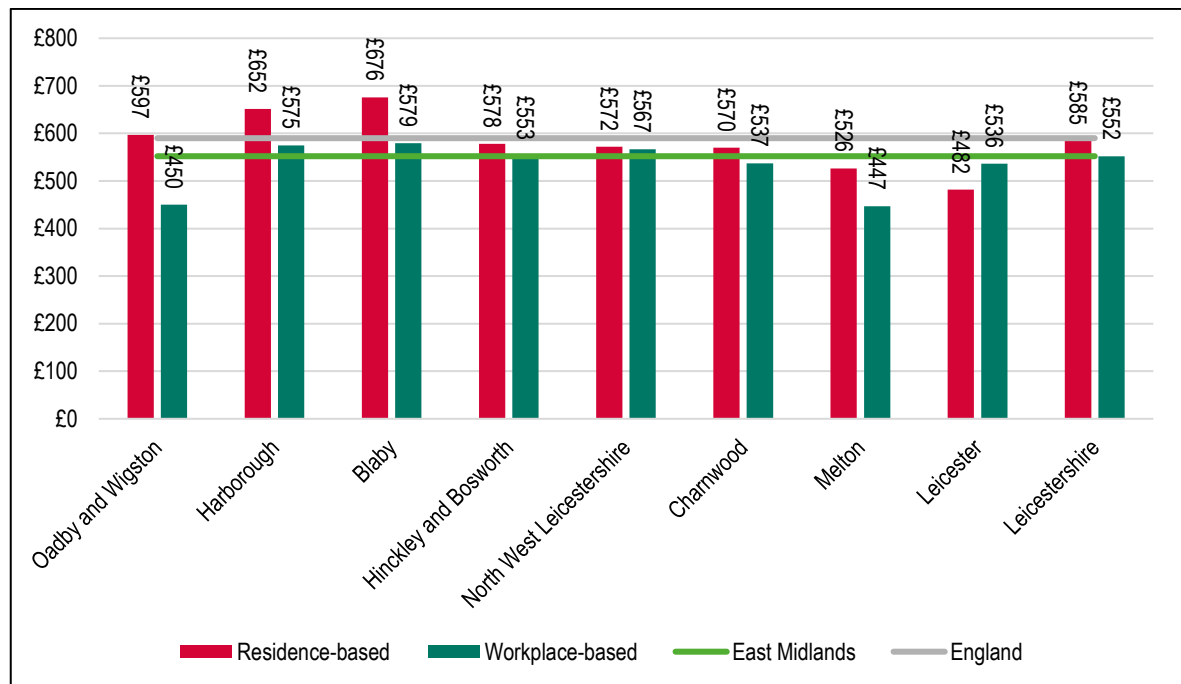


Source: Annual Population Survey

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.

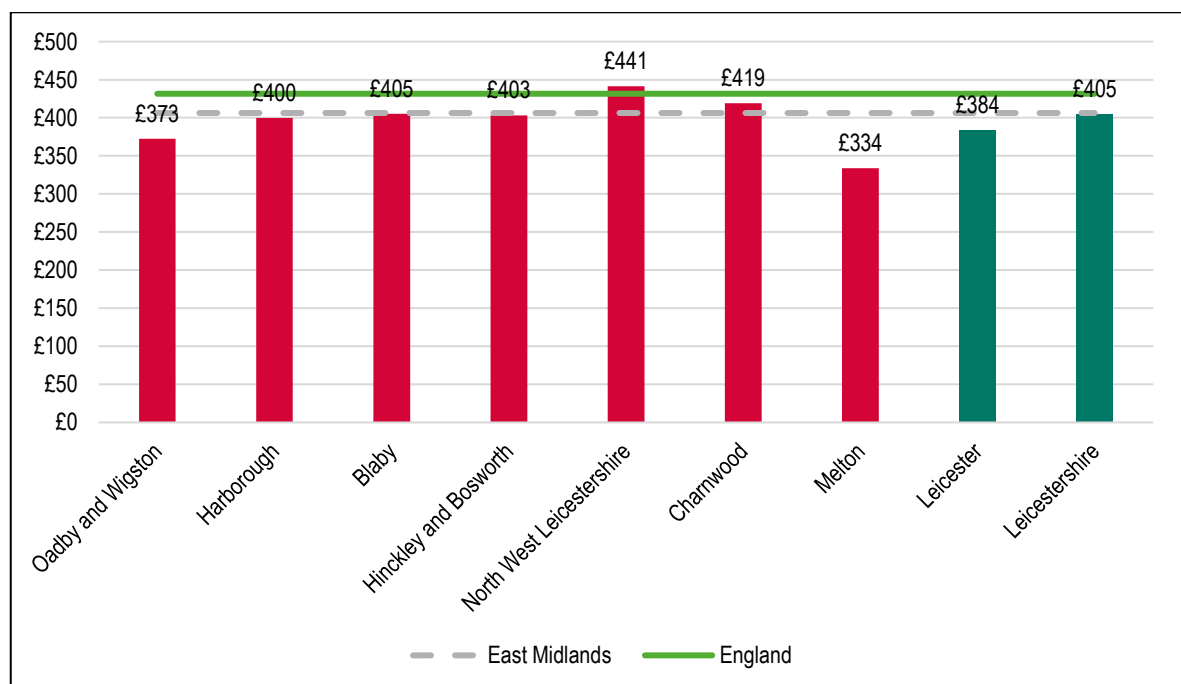
Figure 2.13: Comparison of Residence- and Workplace-based Weekly Earnings (2020)



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)

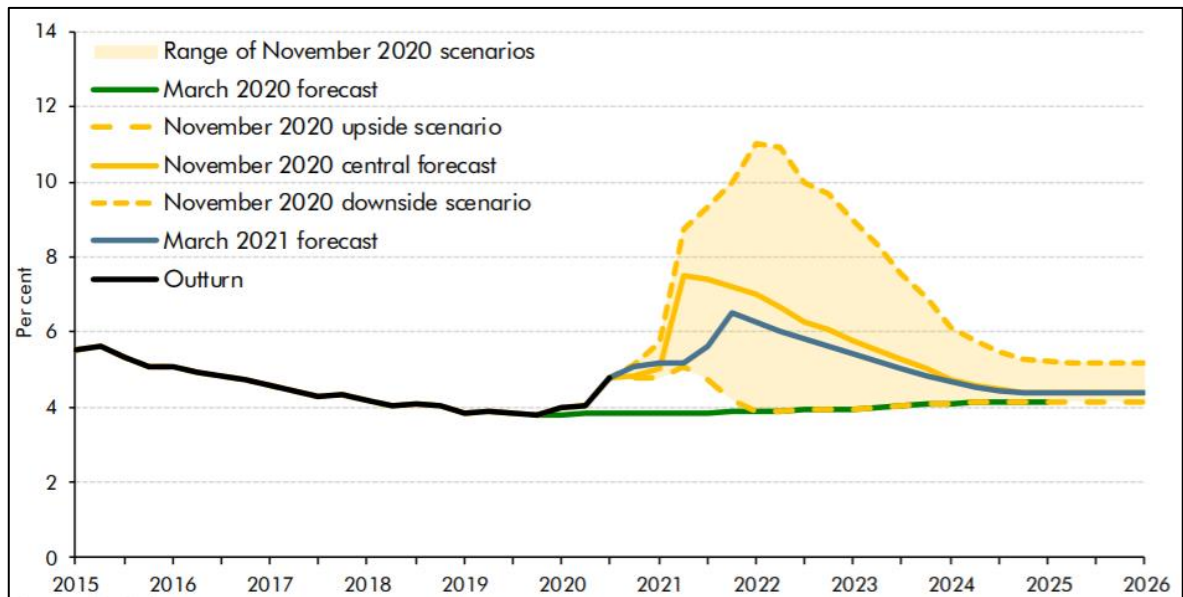


Source: Annual Survey of Hours and Earnings

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 pre-pandemic 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

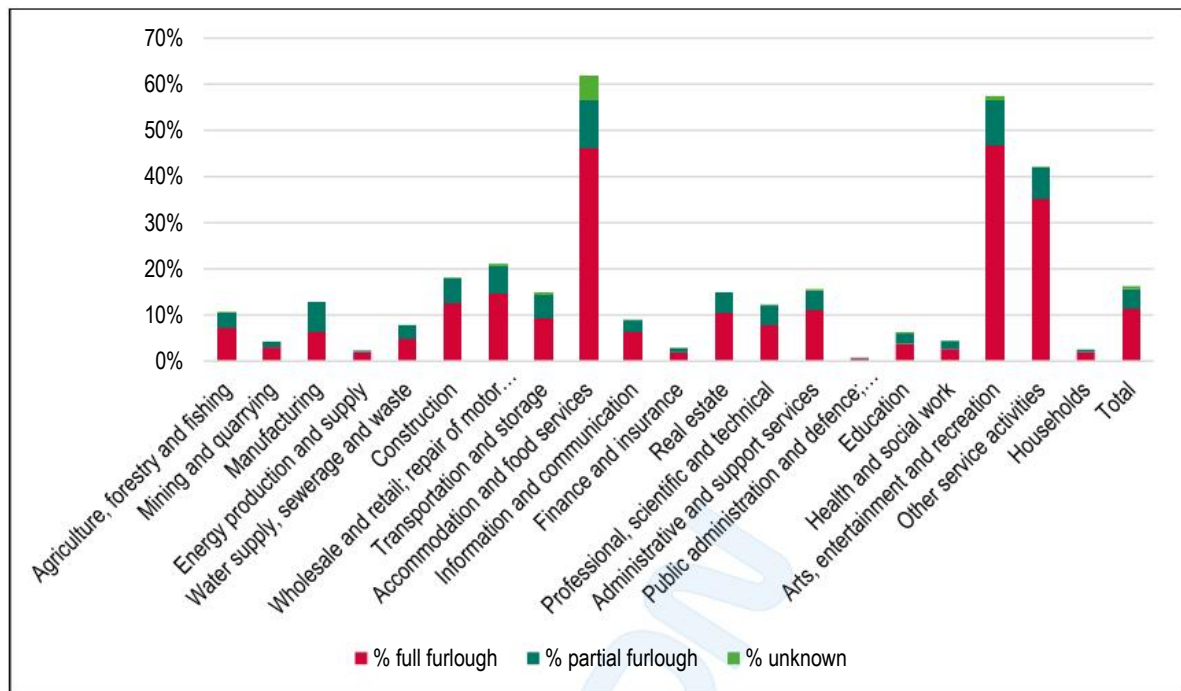


Source: OBR Economic and Fiscal Outlook March 2021

- 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.

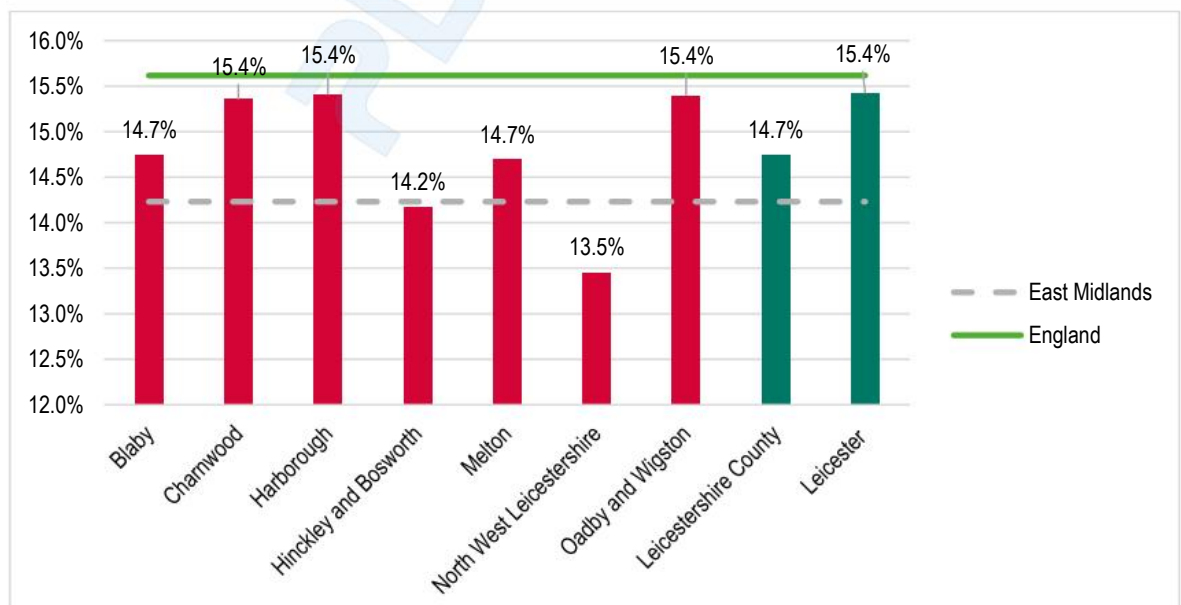
Figure 2.17: Furlough Take-up Rate by Sector



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%).

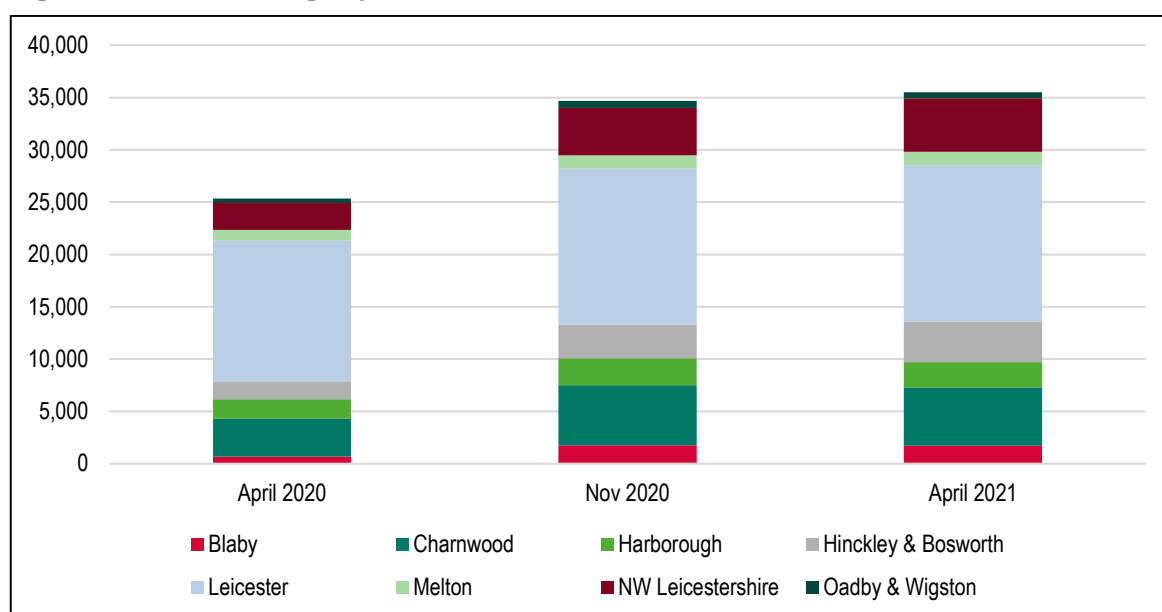
Figure 2.18: Furlough Take-up Rate by Local Authority



Source: HMRC CJRS Statistics: May 2021

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- 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 pre-pandemic levels.

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 notwithstanding 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://lep.org.uk/our-economy/lep-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 Icen 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 in-house records. Where relevant, Valuation Office Agency (VOA) data on trends in commercial stock is used.

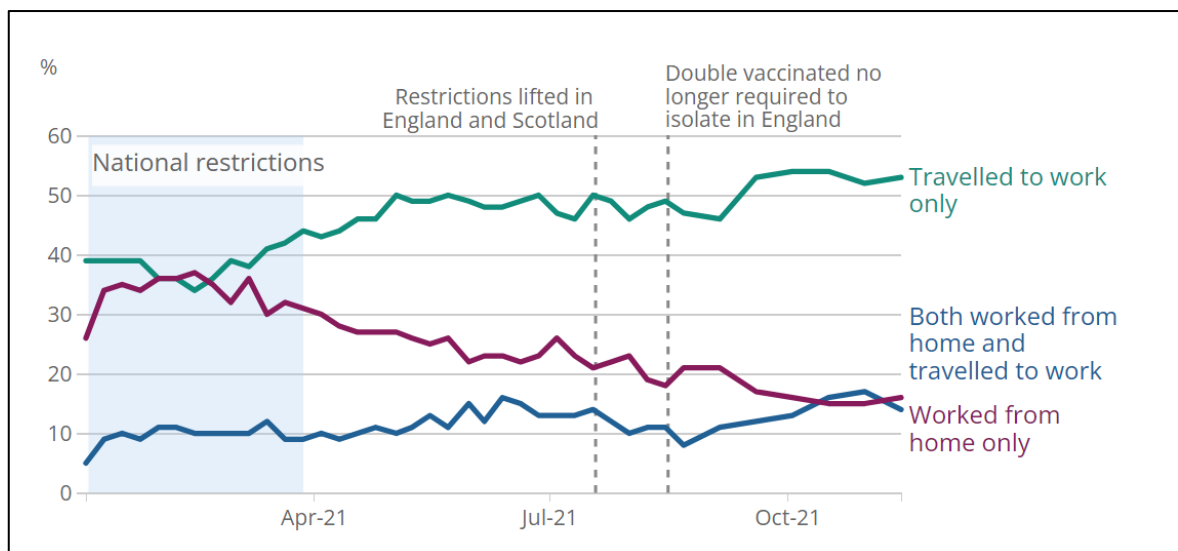
Office Market Overview

- 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

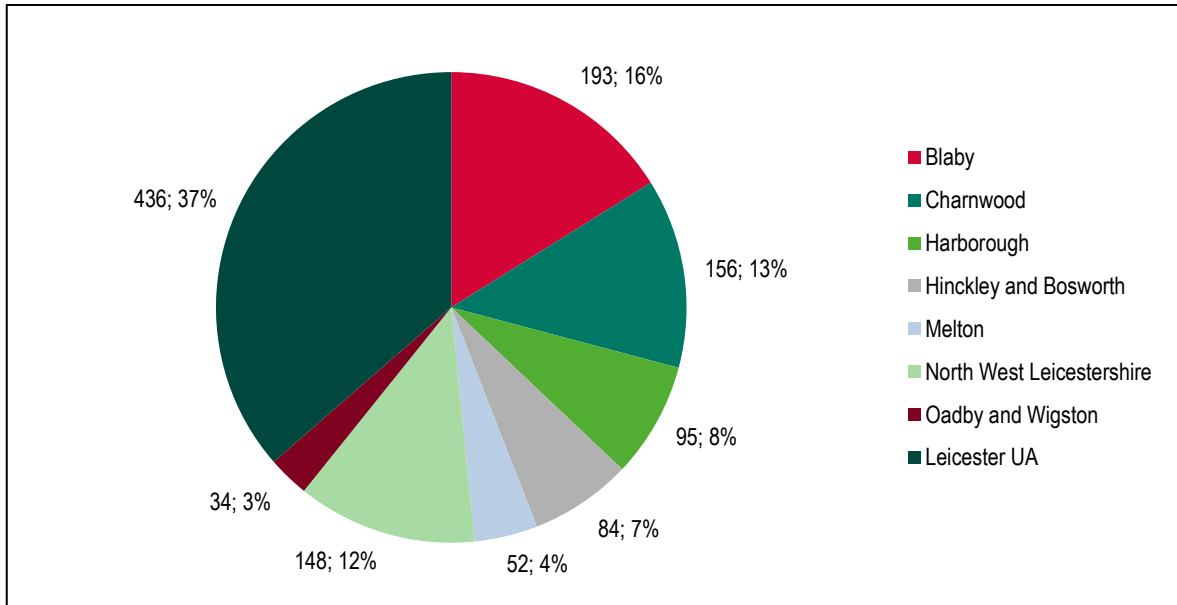
Office Stock

- 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.

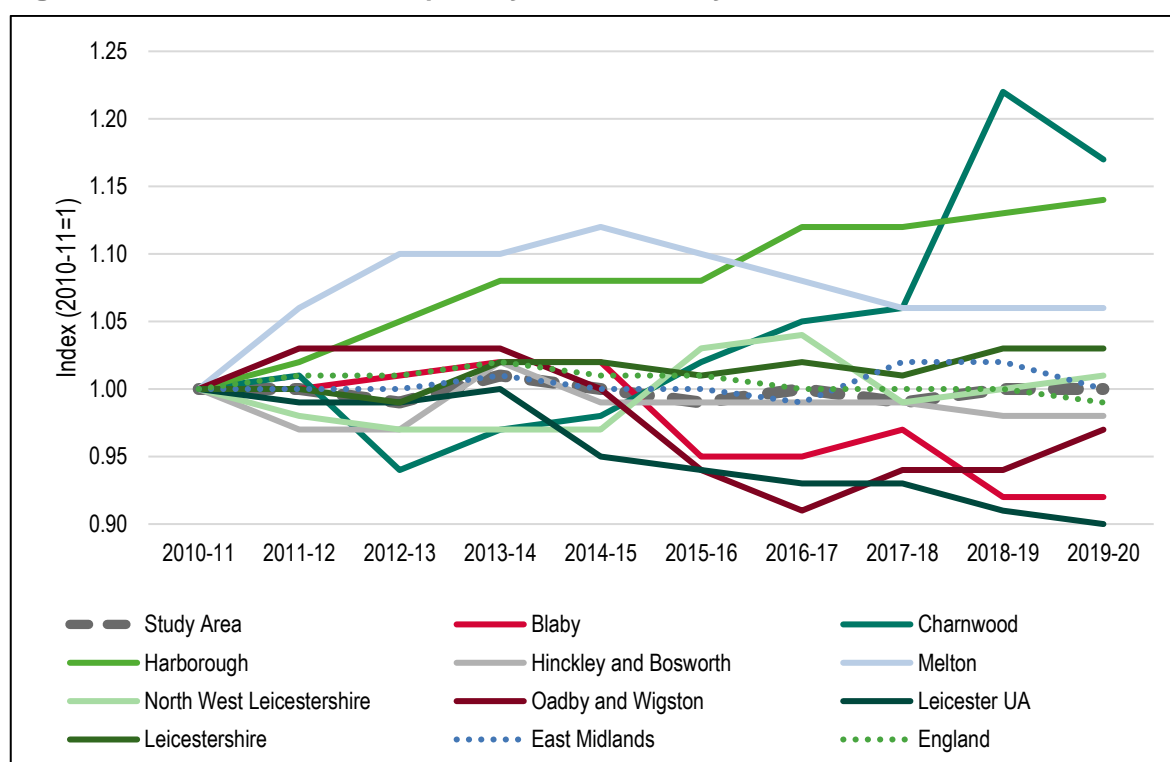
Figure 3.2: Office Floorspace by Local Authority 2019/20 (Thousands of sqm; %)



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.

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

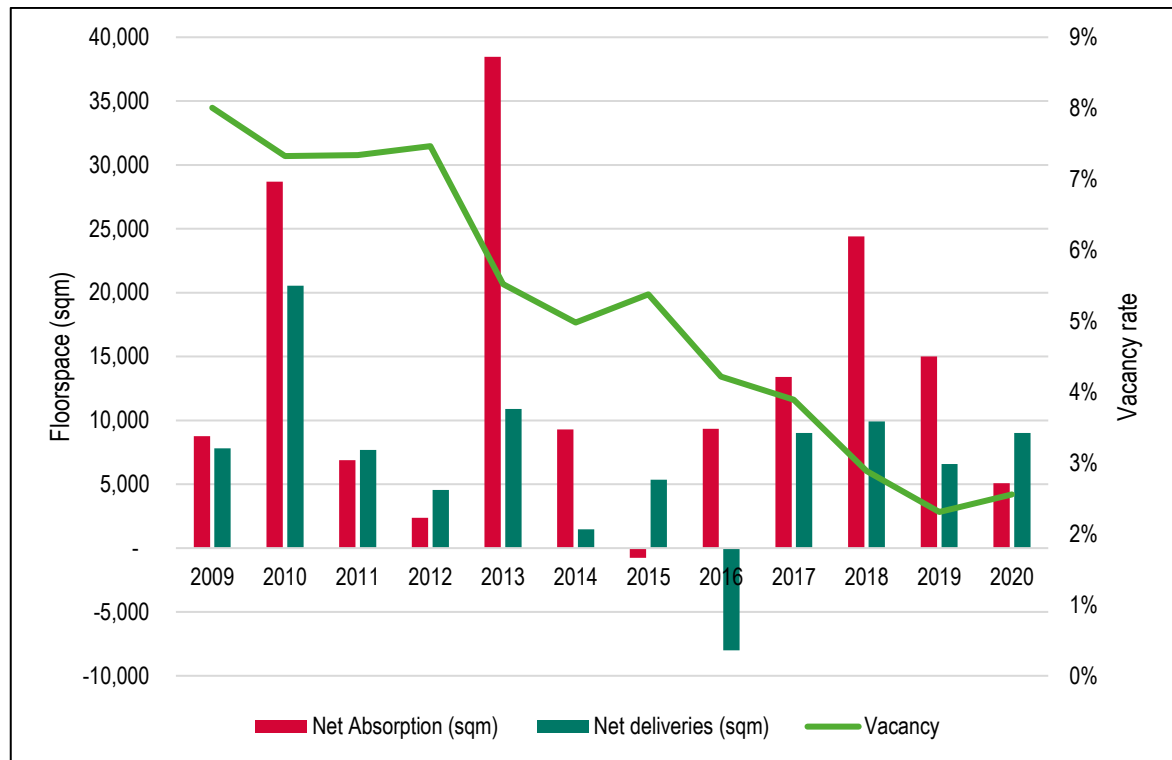


Source: VOA

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.

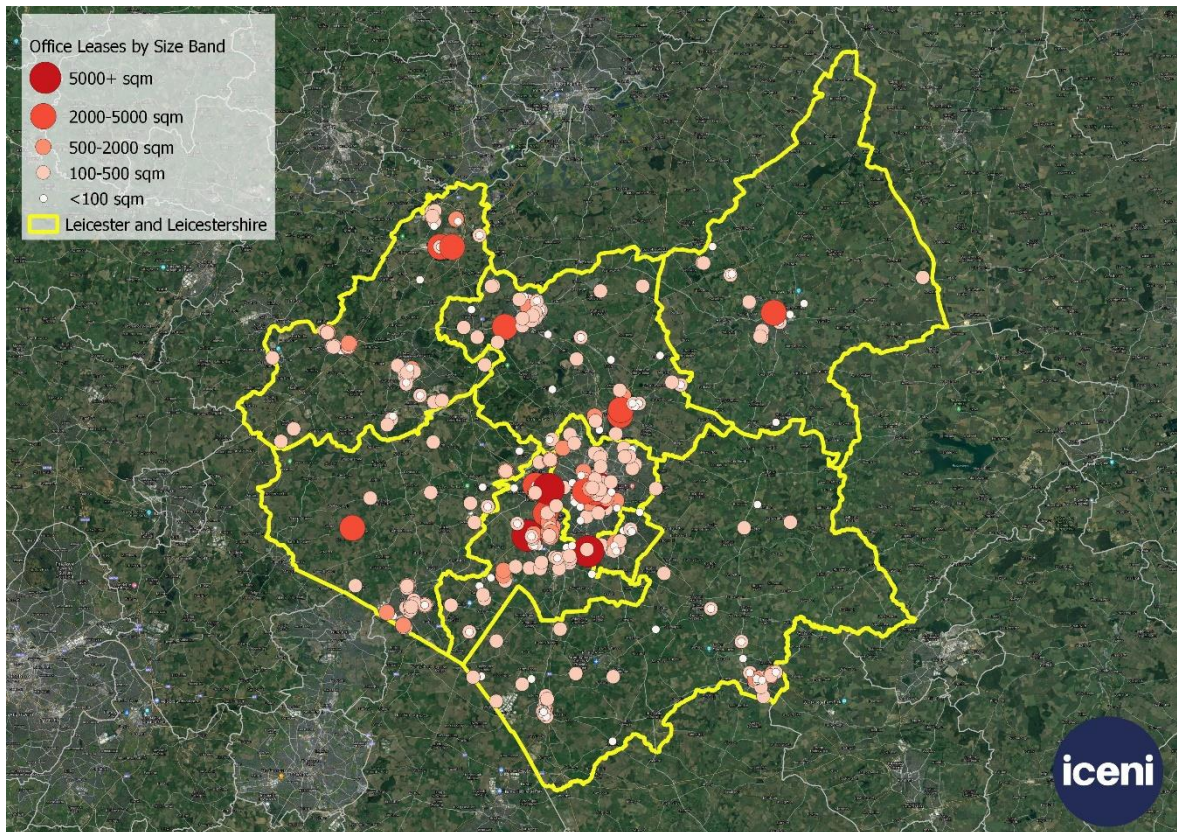
Figure 3.4: Net Absorption, Net Delivery and Vacancy of Office Floorspace in the Study Area, 2009-2020



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.

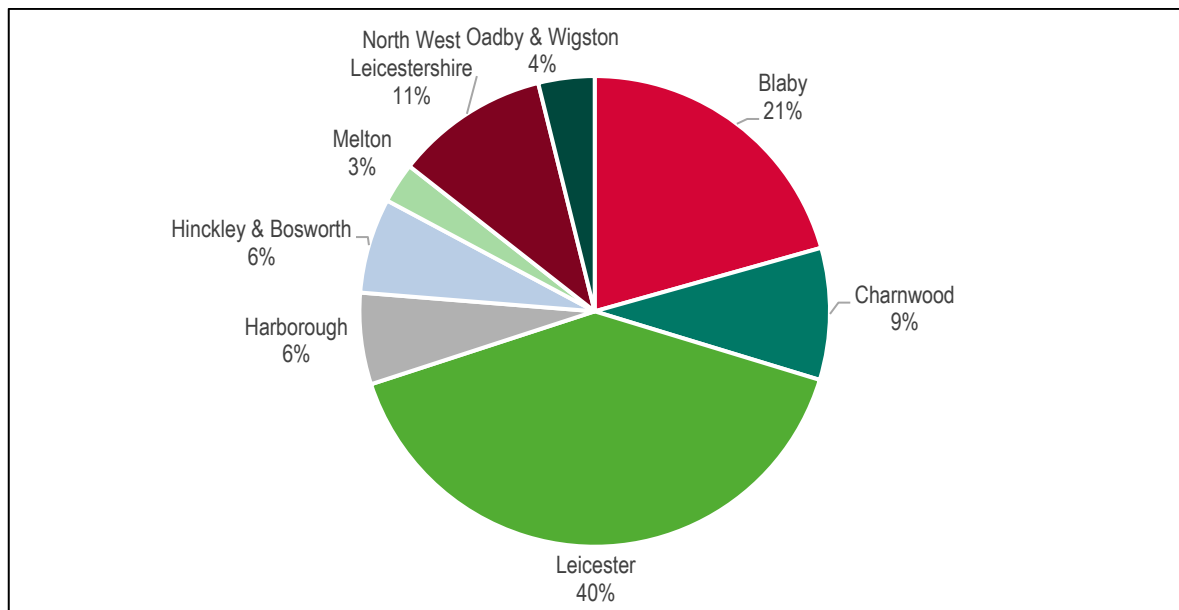
Figure 3.5: Office Floorspace Take-Up by Size (2012-21)



Source: IcenI Analysis of CoStar Commercial Property Data

- 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.

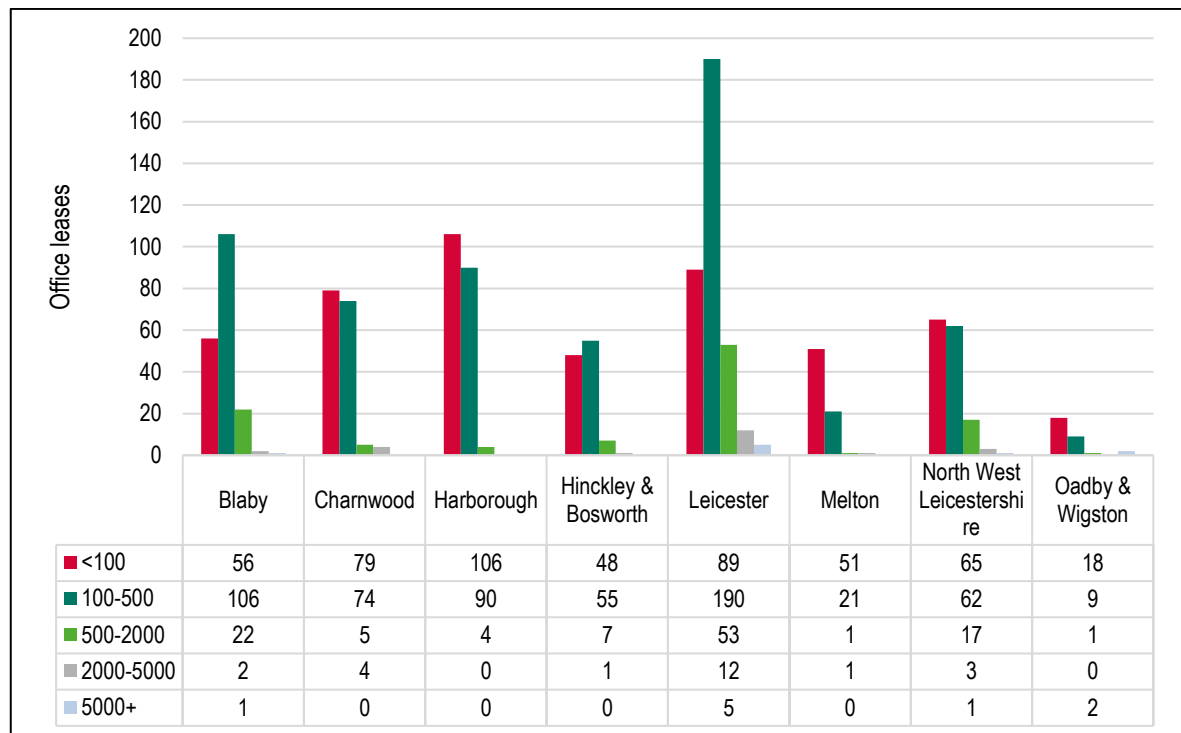
Figure 3.6: Office Floorspace Absorption by Local Authority 2012-2021



Source: Icen Analysis of CoStar Commercial Property Data

- 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.

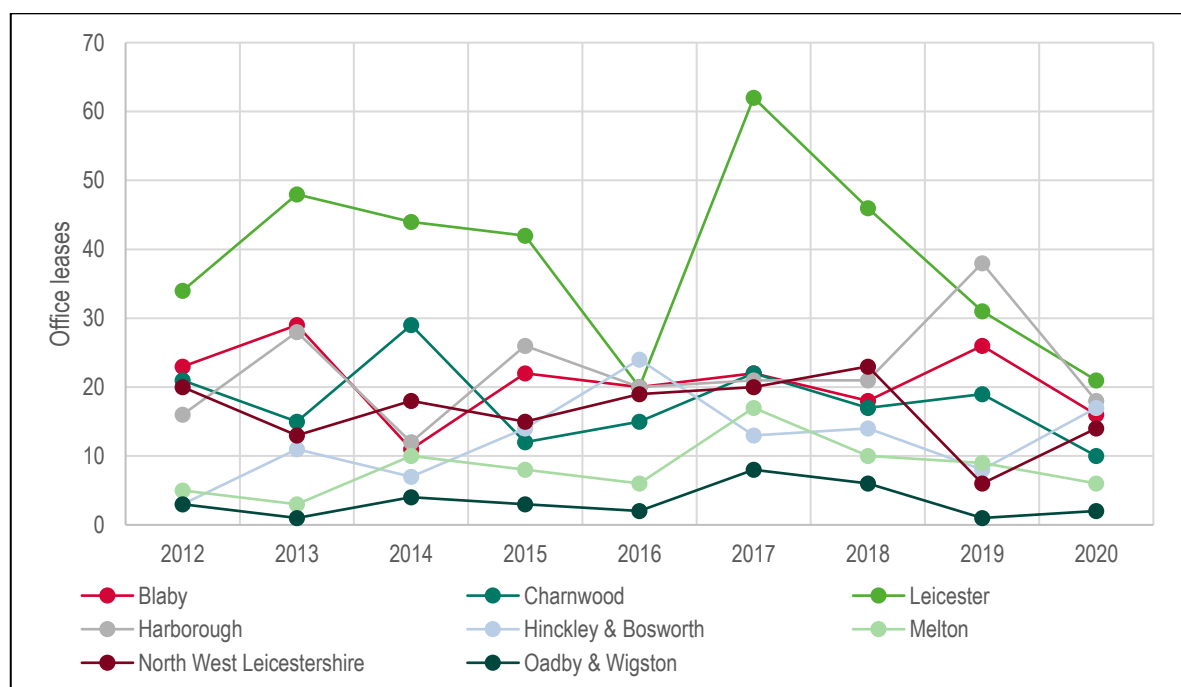
Figure 3.7: Offices Leased by Size Band (sqm) and Local Authority 2012-2021



Source: Icen Analysis of CoStar Commercial Property Data

- 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.

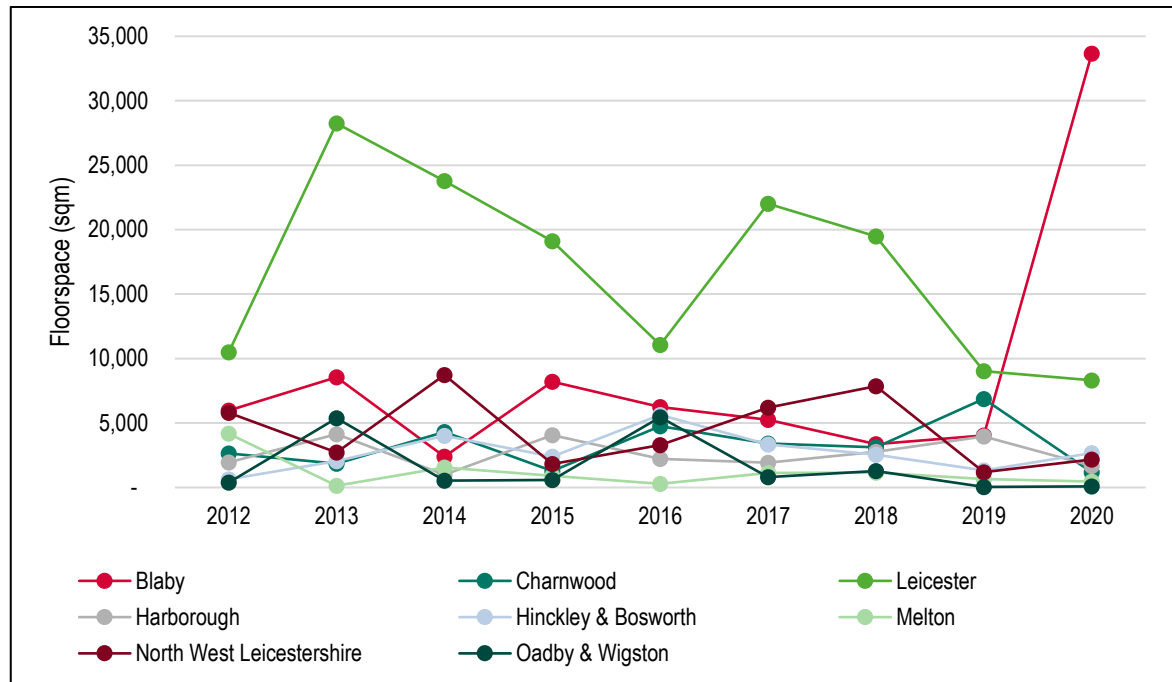
Figure 3.8: Office Lease Completions by Year and Local Authority, 2012-20



Source: Icen 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.

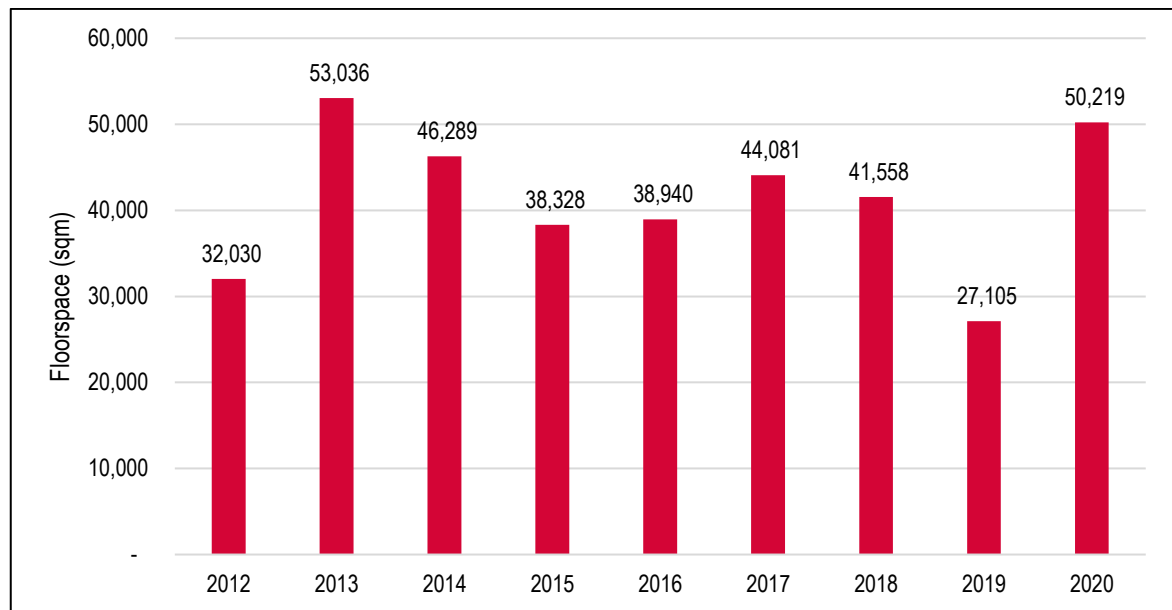
Figure 3.9: Office Absorption by Year and Local Authority, 2012-20



Source: Icen 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).

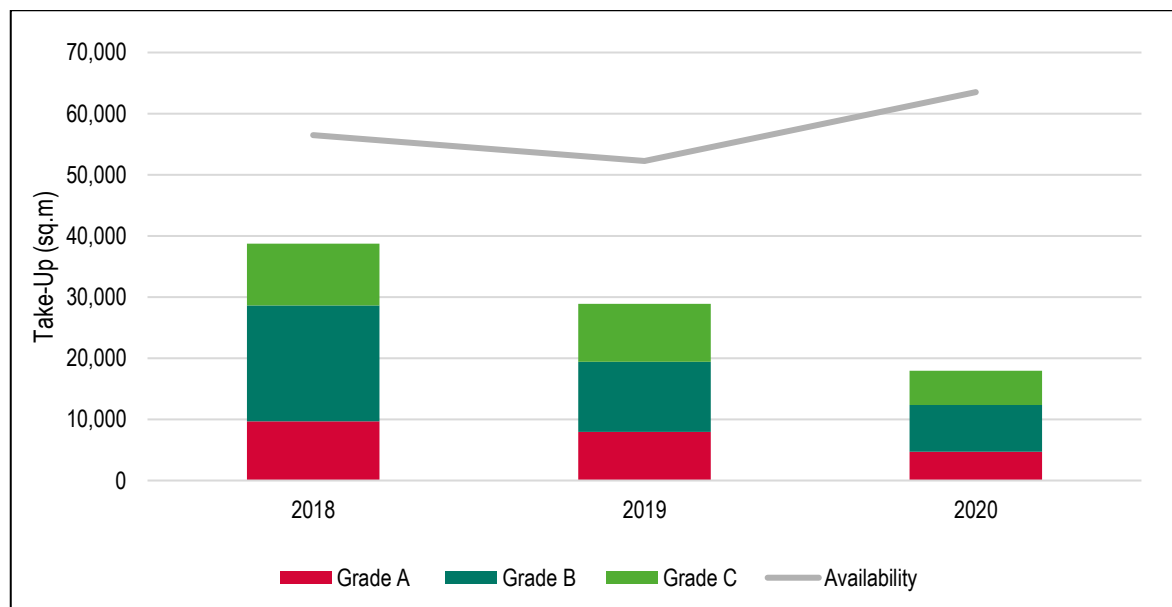
Figure 3.10: Office Take-Up by Year (2012-20) – Leicester and Leicestershire



Source: IcenI Analysis of CoStar Commercial Property Data

- 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 Centre	Out-of-Town	Total	% Town Centre	% by Size 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

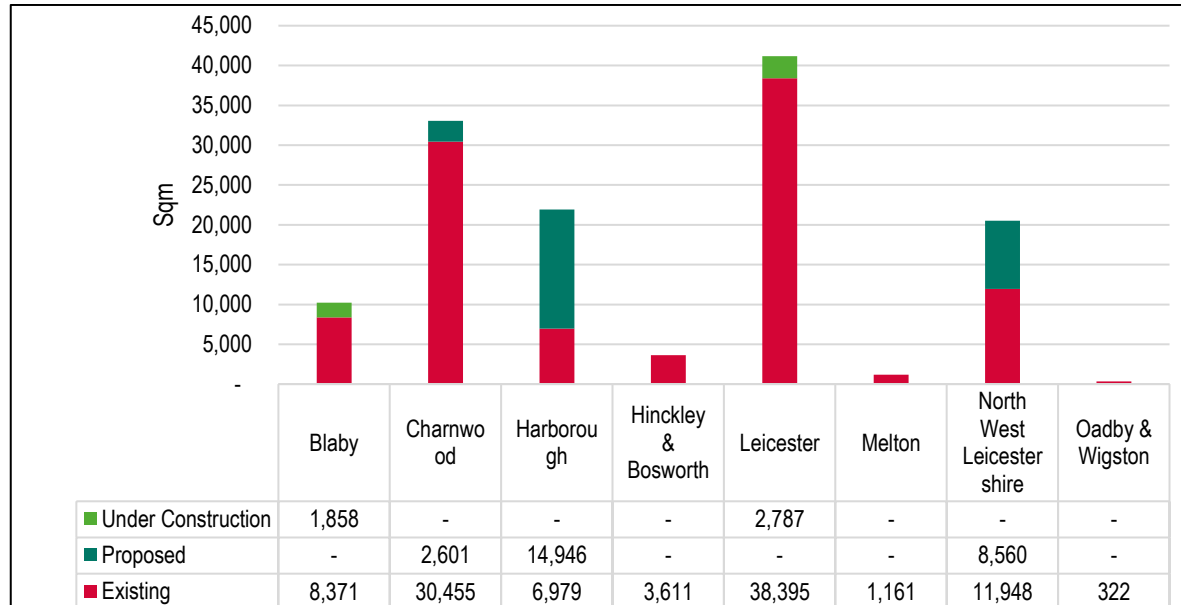
- 3.26 The figure below shows the current available and pipeline office space⁶ in each local authority, broken down by status (existing, proposed⁷ and under construction). It can be seen that Leicester has the most available office floorspace, the majority of which is existing, with a small fraction 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.

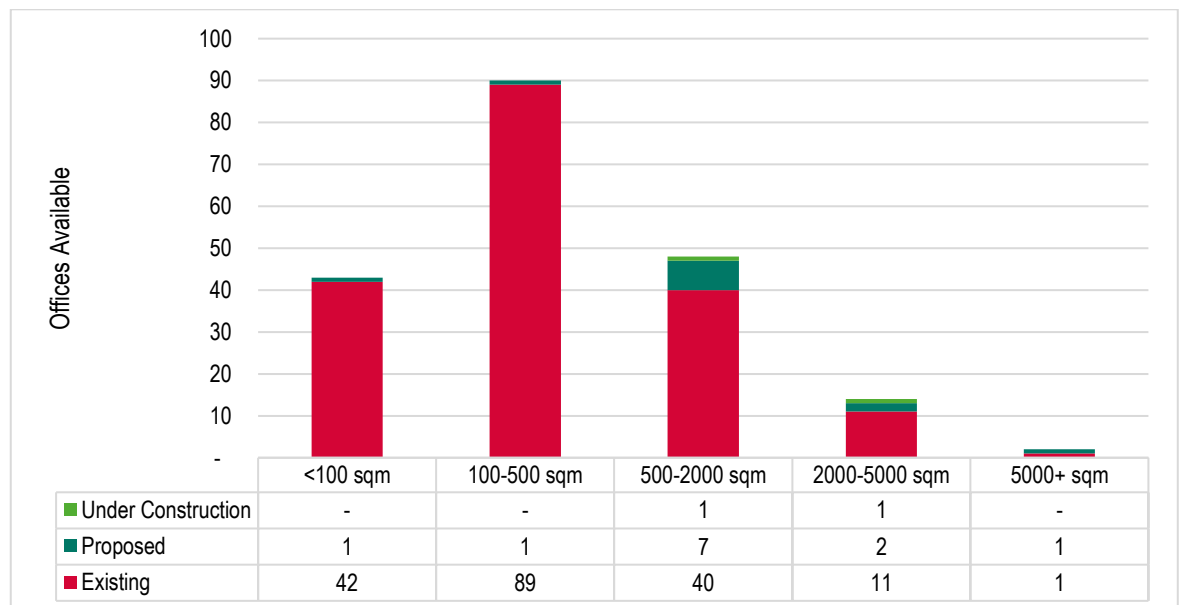
Figure 3.12: Office Floorspace Availability (sqm) by Local Authority and Status



Source: Icen 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: Icen 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	

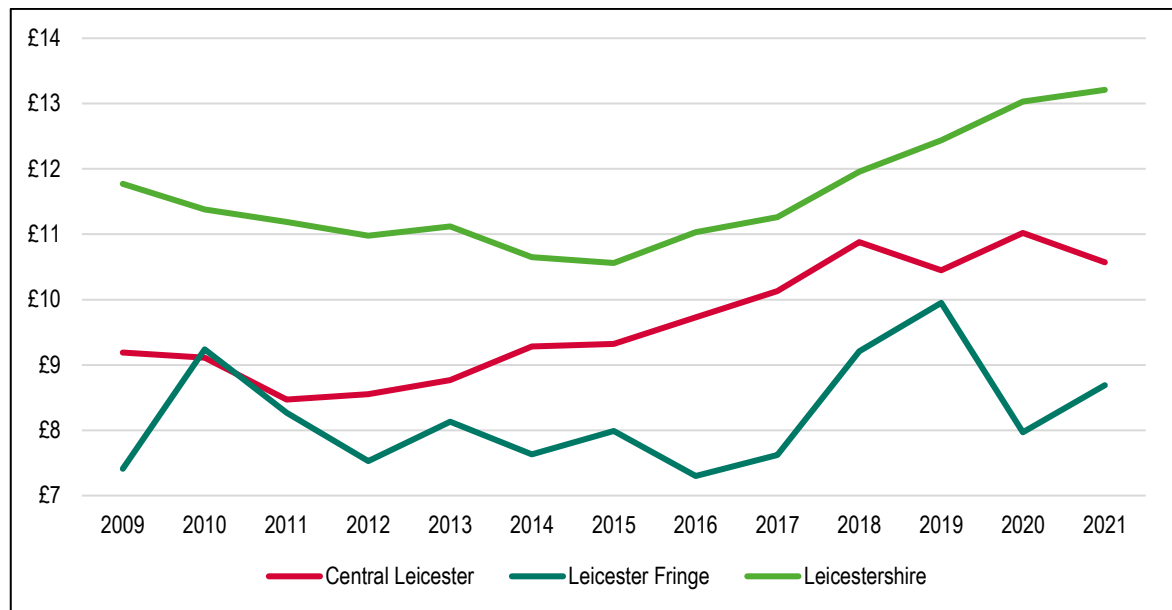
Source: Icenii analysis of Innes England data

- 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 Europcar 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

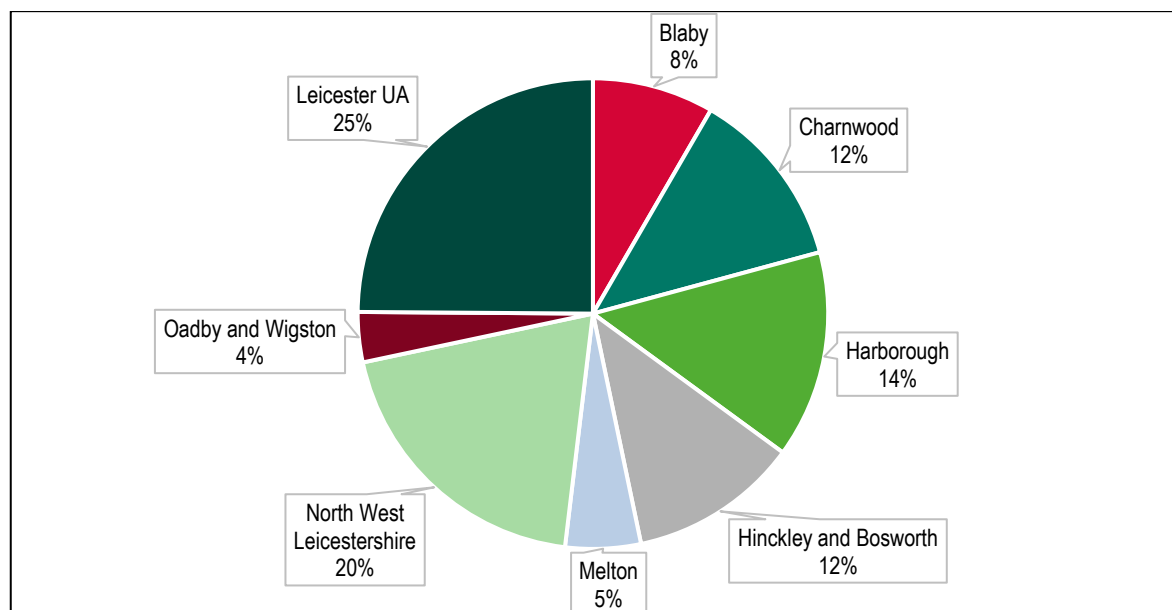
year since Savills records began and also more than the previous two years combined. Given the number of requirements currently in the market for units over 500,000 sq ft, this is a trend they expect to continue into 2021.

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.

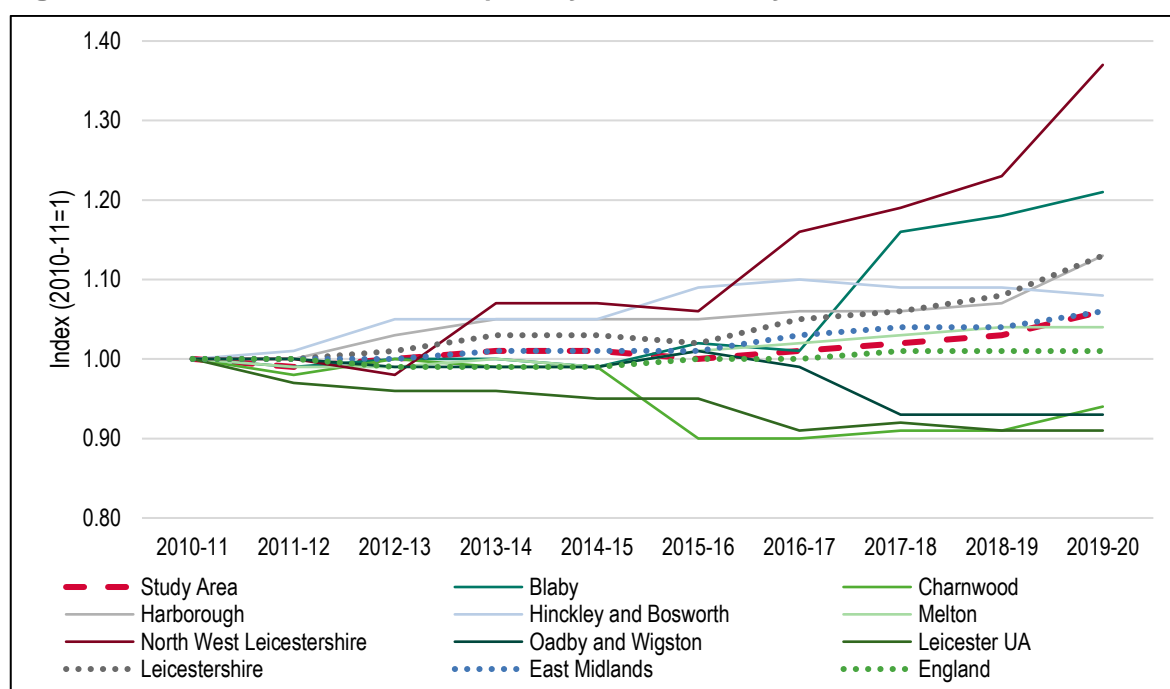
Figure 3.15: Industrial Floorspace by Local Authority 2019/20 (Thousands of sqm; %)



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

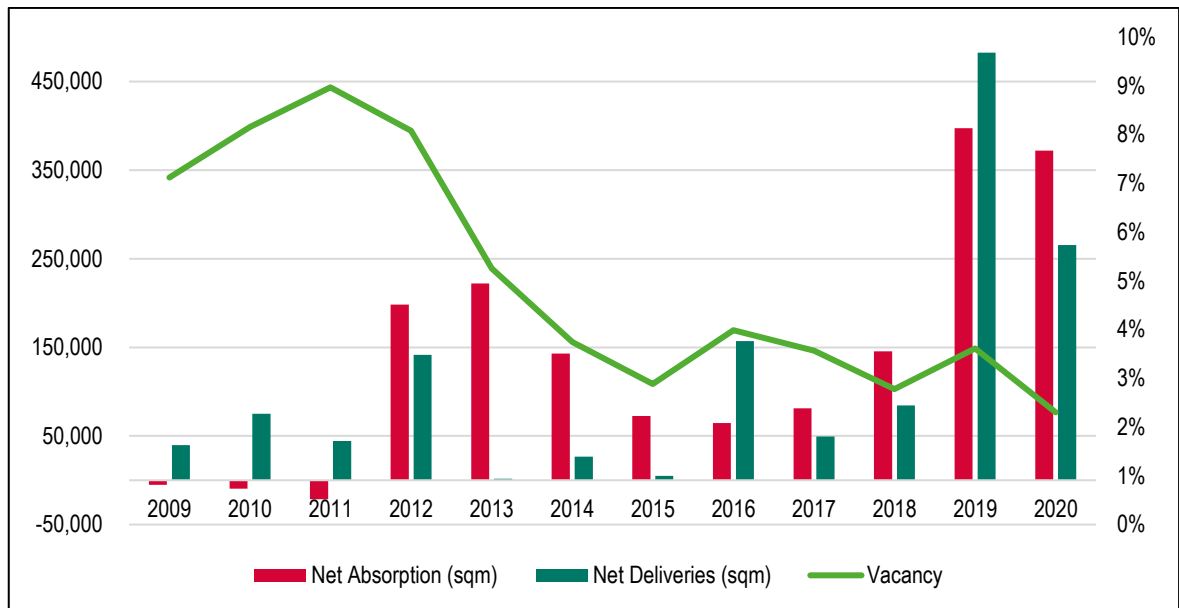


Source: VOA: Non-domestic rating: stock of properties including business floorspace, 2020

Absorption, Delivery and Vacancy Trends

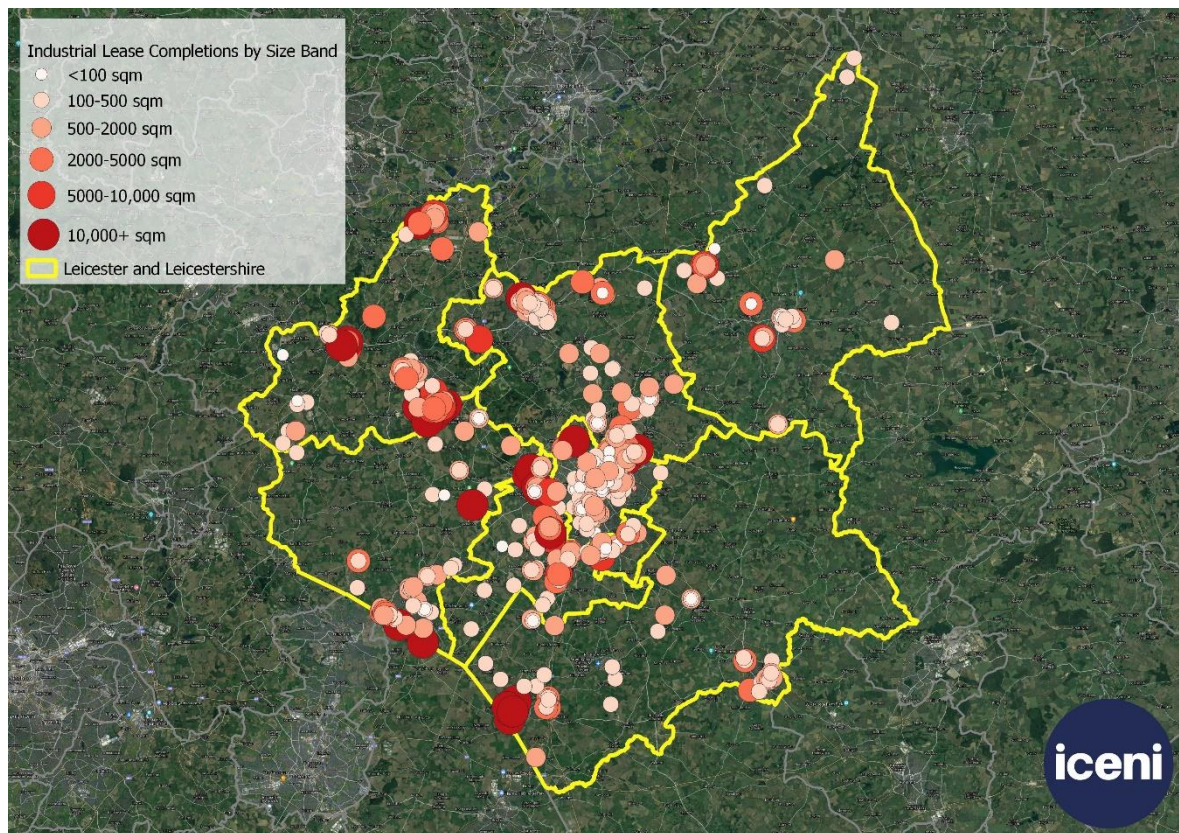
- 3.52 The chart below indicates that net absorption of industrial floorspace across the Study Area was positive for the last 9 years, peaking at 397,000 sqm in 2019. Over the period between 2009 and 2020 there was a net absorption of around 1,660,000 sqm of floorspace.
- 3.53 The chart also shows net 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.

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



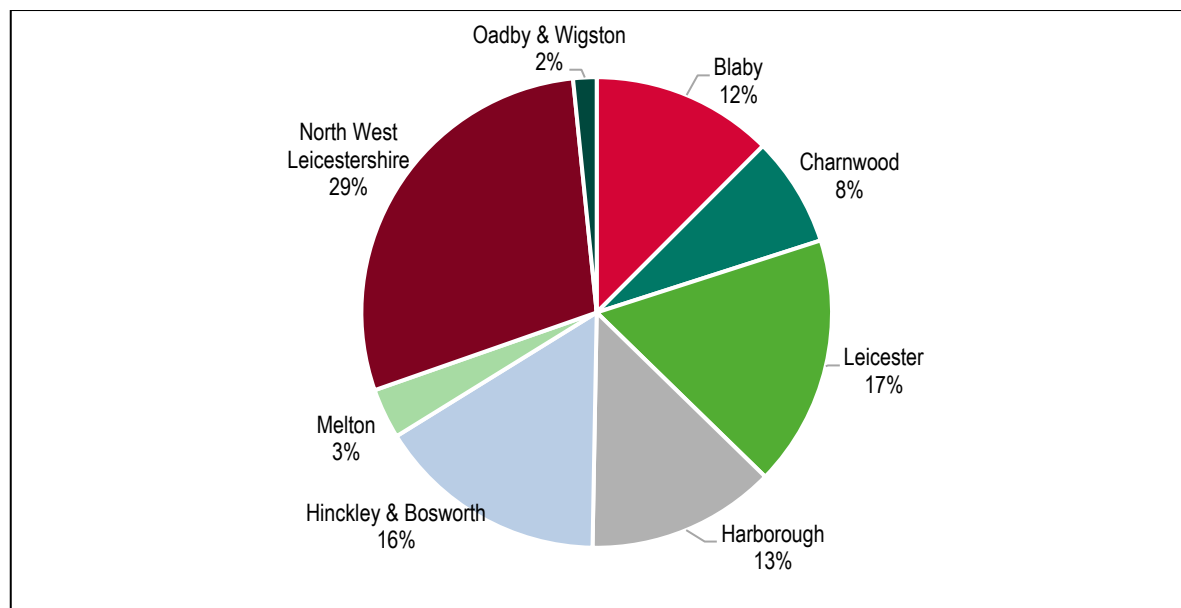
Source: Icen Analysis of CoStar Commercial Property Data

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
Page 115 of 698

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.

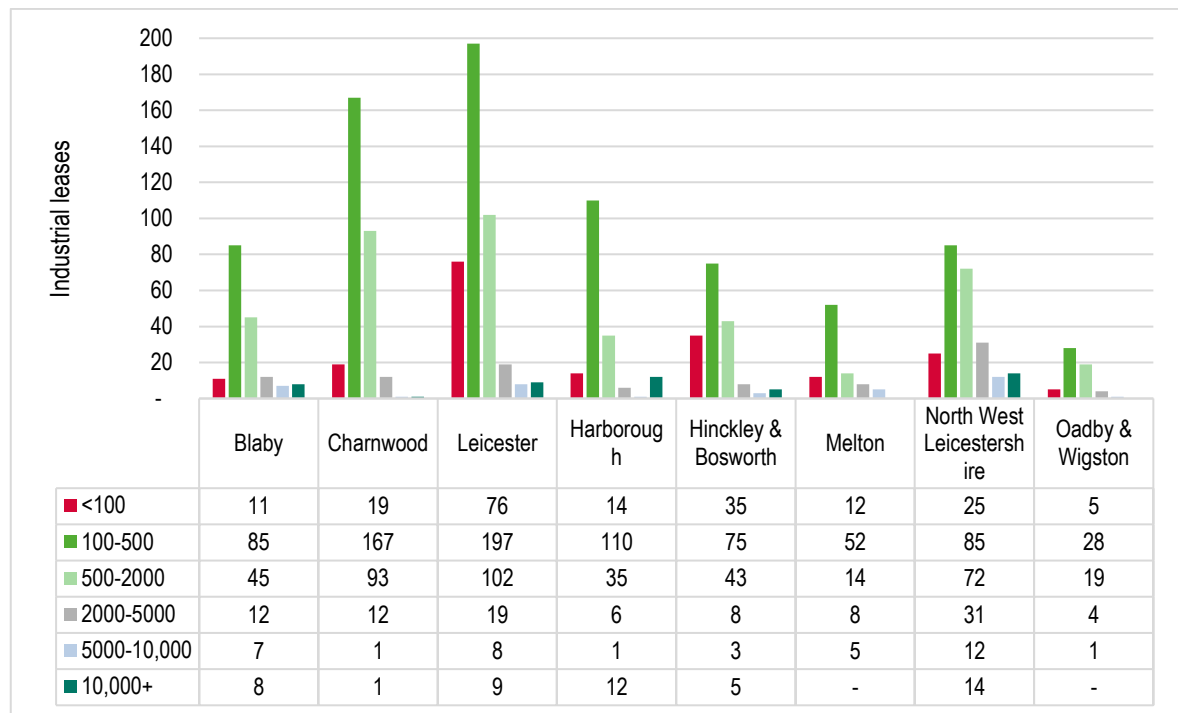
Figure 3.19: Industrial Absorption by Local Authority 2012-2021



Source: Icen 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.

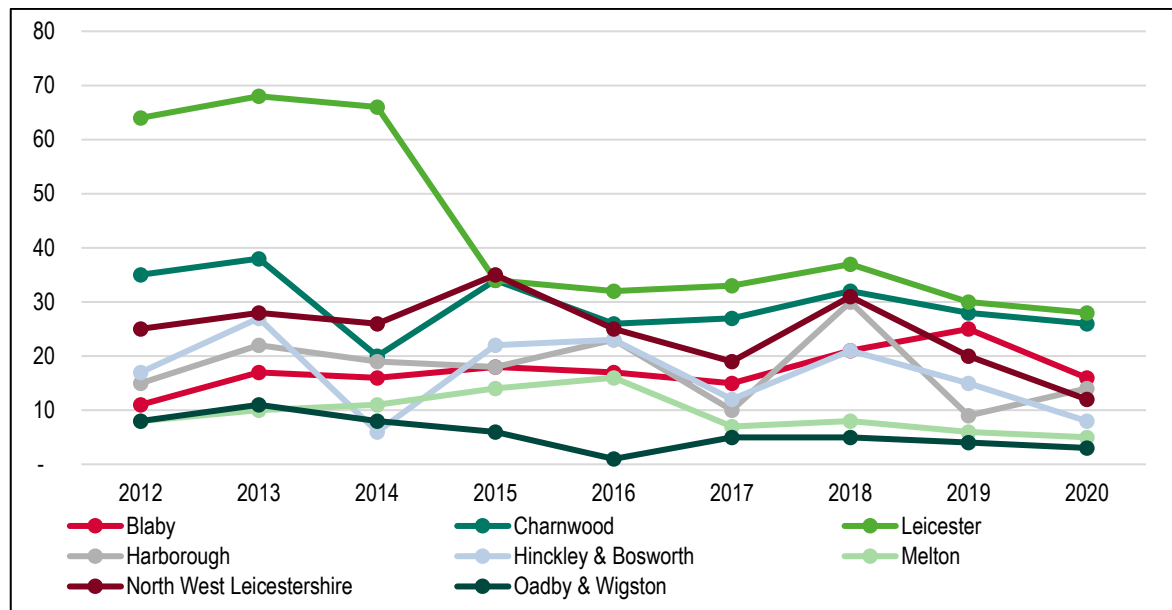
Figure 3.20: Number of Industrial Leases by Size (sqm) and Local Authority 2012-2021



Source: Icen Analysis of CoStar Commercial Property Data

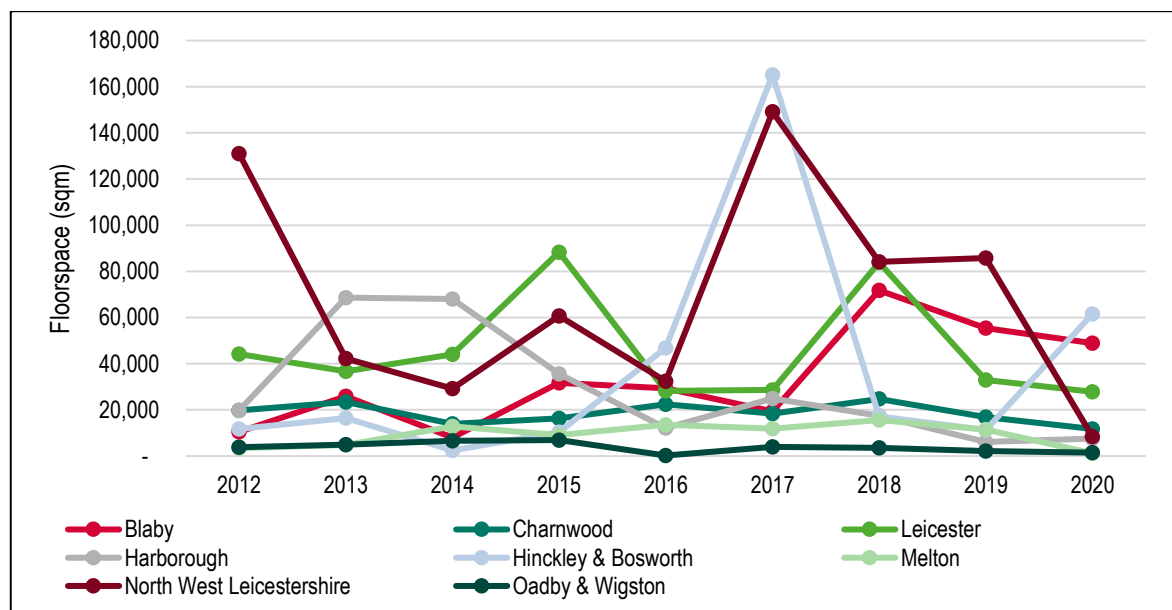
- 3.58 The figure below shows the number of industrial leases by local authority over the last nine years. Leicester had by far the most industrial leases between 2012 and 2015, however, the number of leases in Leicester fell significantly in 2015 and since has been similar to/slightly above the number 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



Source: Icen Analysis of CoStar Commercial Property Data

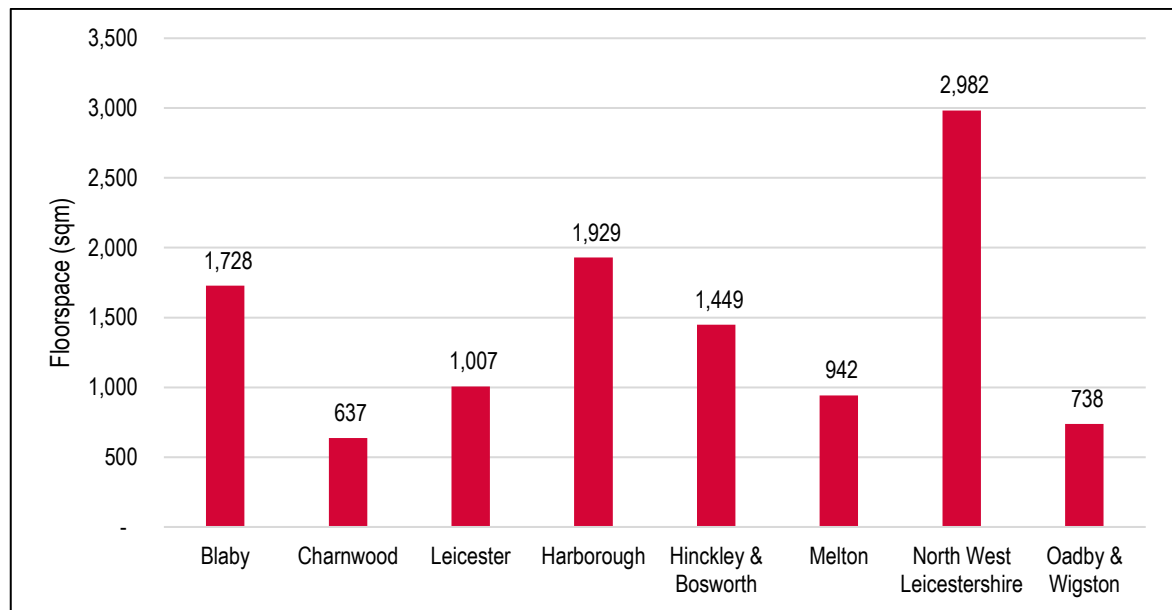
Figure 3.22: Industrial Floorspace Leased by Year and Local Authority



Source: Icen 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.

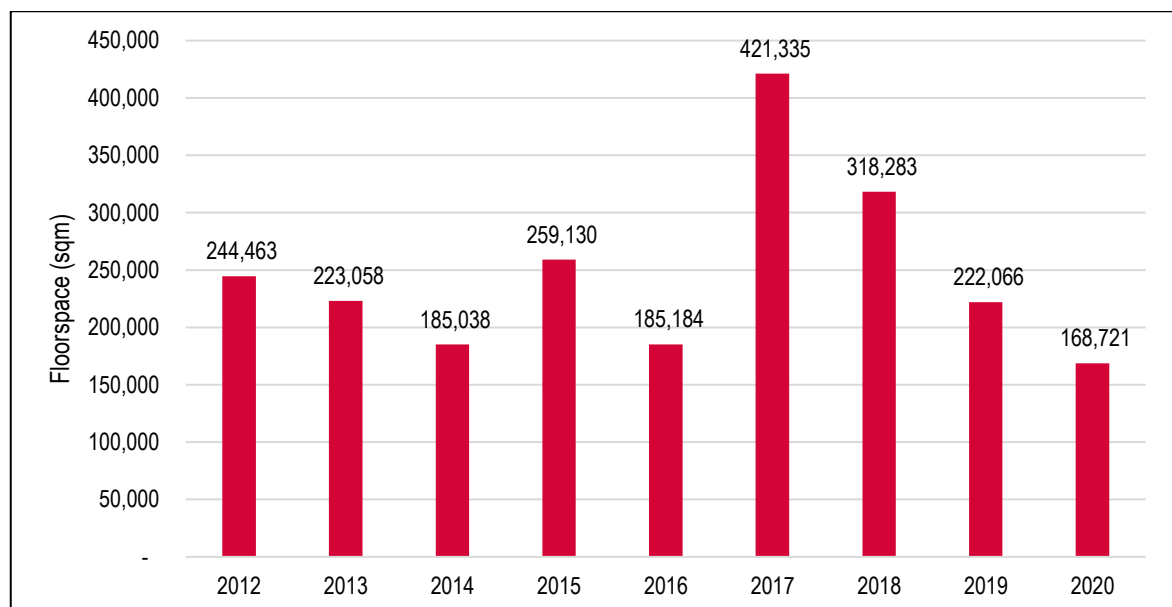
Figure 3.23: Average Floorspace Leased



Source: Icen Analysis of CoStar Commercial Property Data

- 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.

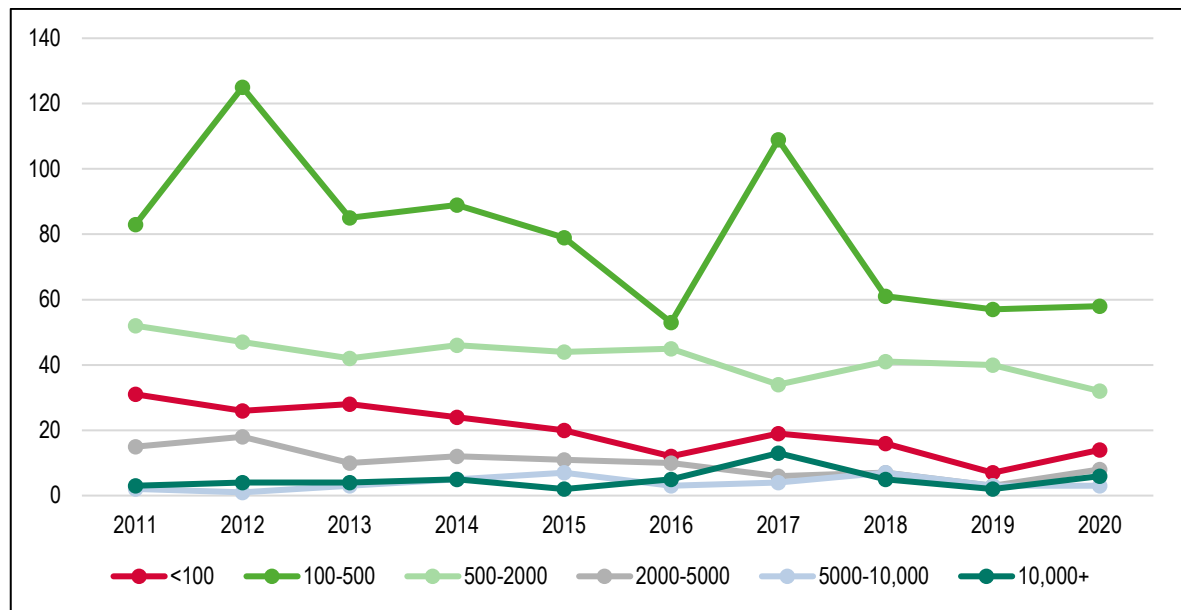
Figure 3.24: Industrial Floorspace Leased by Year, Leicestershire 2012-20



Source: Icen Analysis of CoStar Commercial Property Data

- 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).

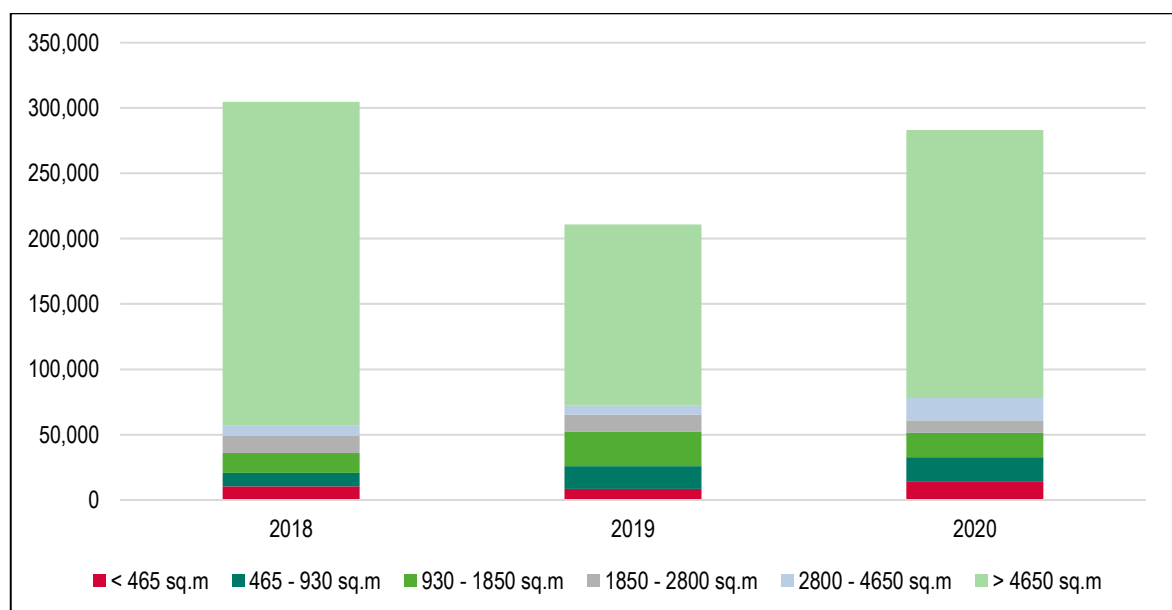
Figure 3.25: Industrial Floorspace Leased by Size (sqm) by Year – Leicester & Leicestershire



Source: Icen Analysis of CoStar Commercial Property Data

- 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 take-up 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)



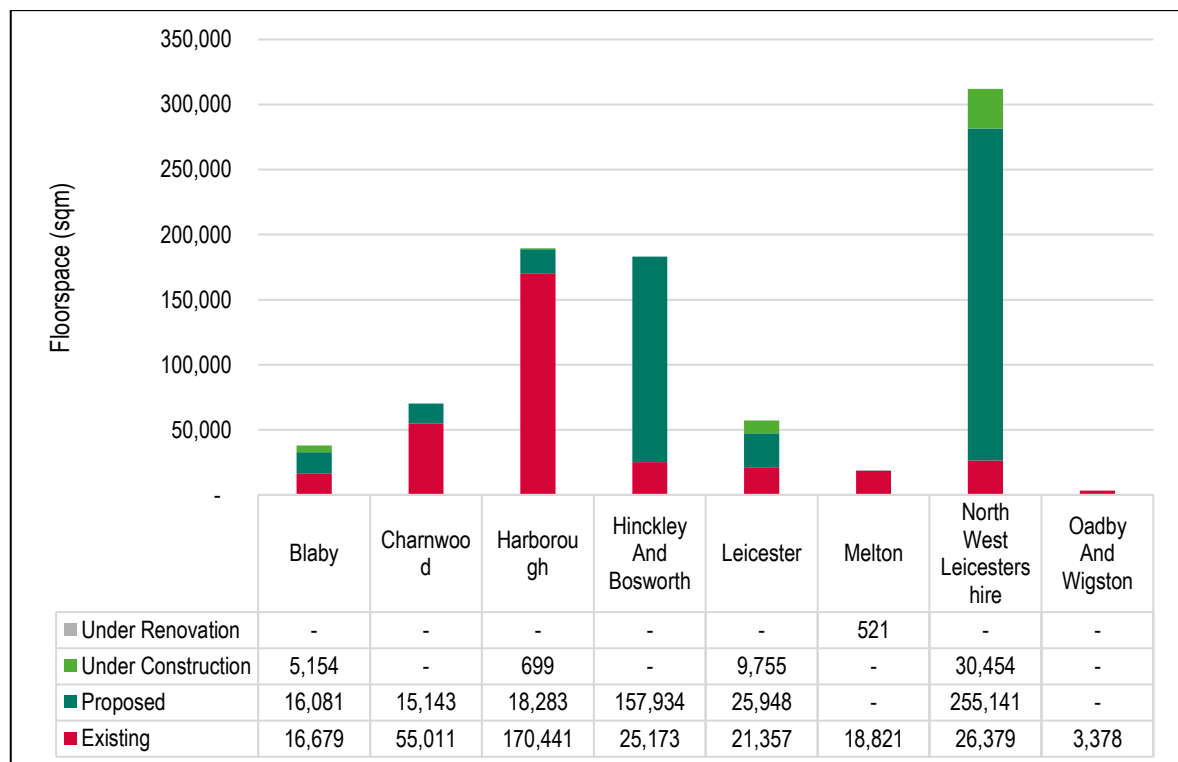
Source: Icen analysis of Innes England data

- 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.

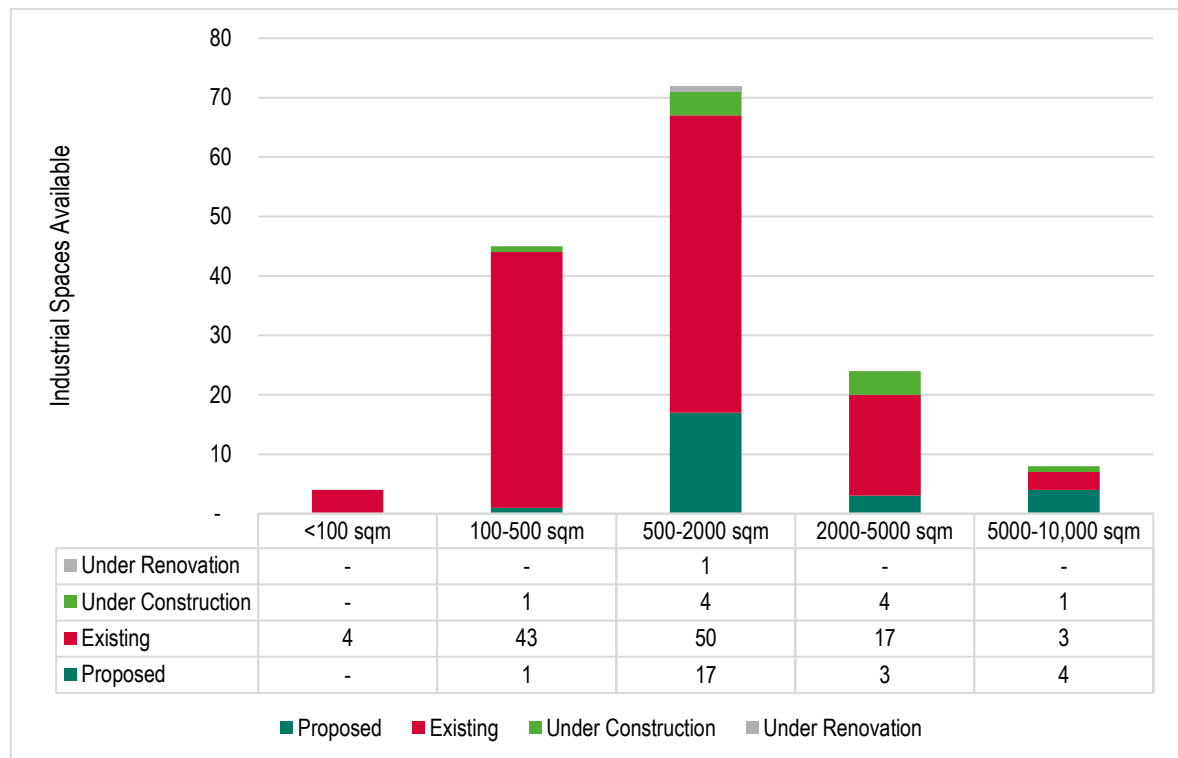
Figure 3.27: Industrial Floorspace Availability (sqm) by Local Authority and Status



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.

Figure 3.28: Industrial Availability by Size and Status



Source: Icen Analysis of CoStar Commercial Property Data

- 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)

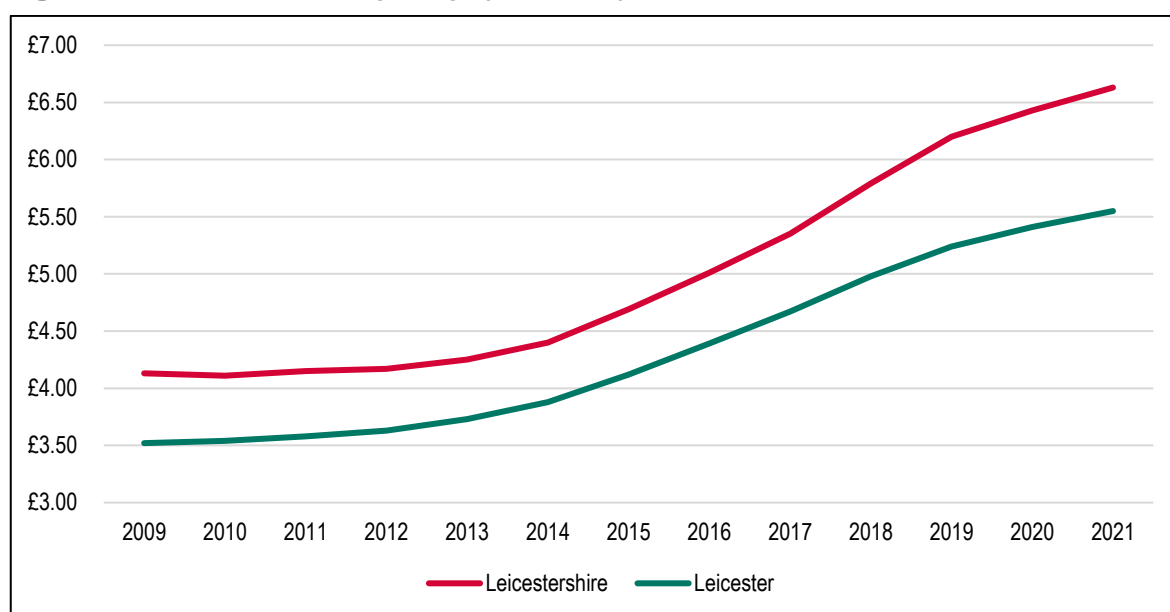
	Availability, Dec 2020	3 Year Average Take-Up	Notional Years' Supply
Grade A	221,538	141,527	1.6
Grade B	35,757	64,473	0.6
Grade C	41,497	26,953	1.5
Total availability	298,792	232,953	1.3

Source: Icen 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.

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 sub-region, 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.

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 Sept 2020	Difference to HMA Average
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.

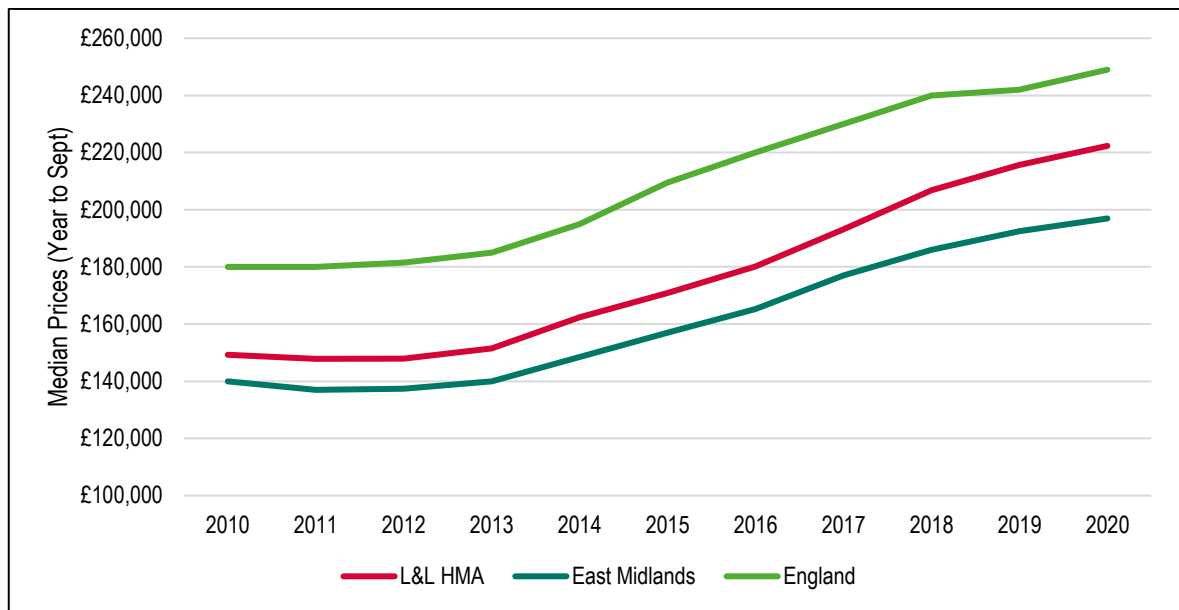
Table 4.2 Annual House Price Growth over different Periods (% CAGR)

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.

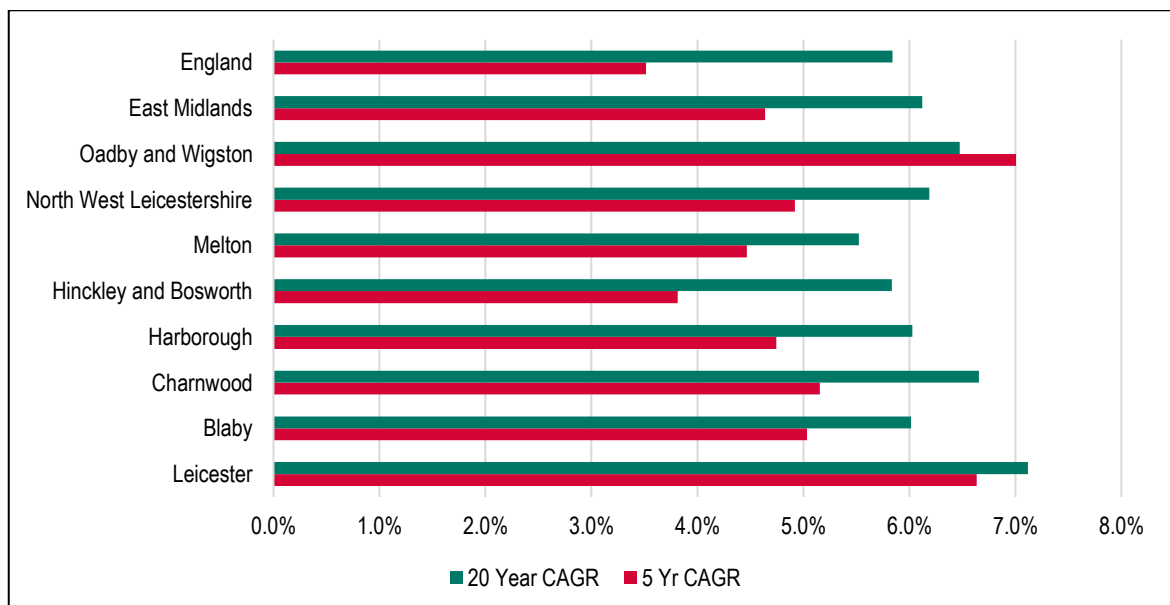
Figure 4.1: House Price Trends in HMA, 2010-2020



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

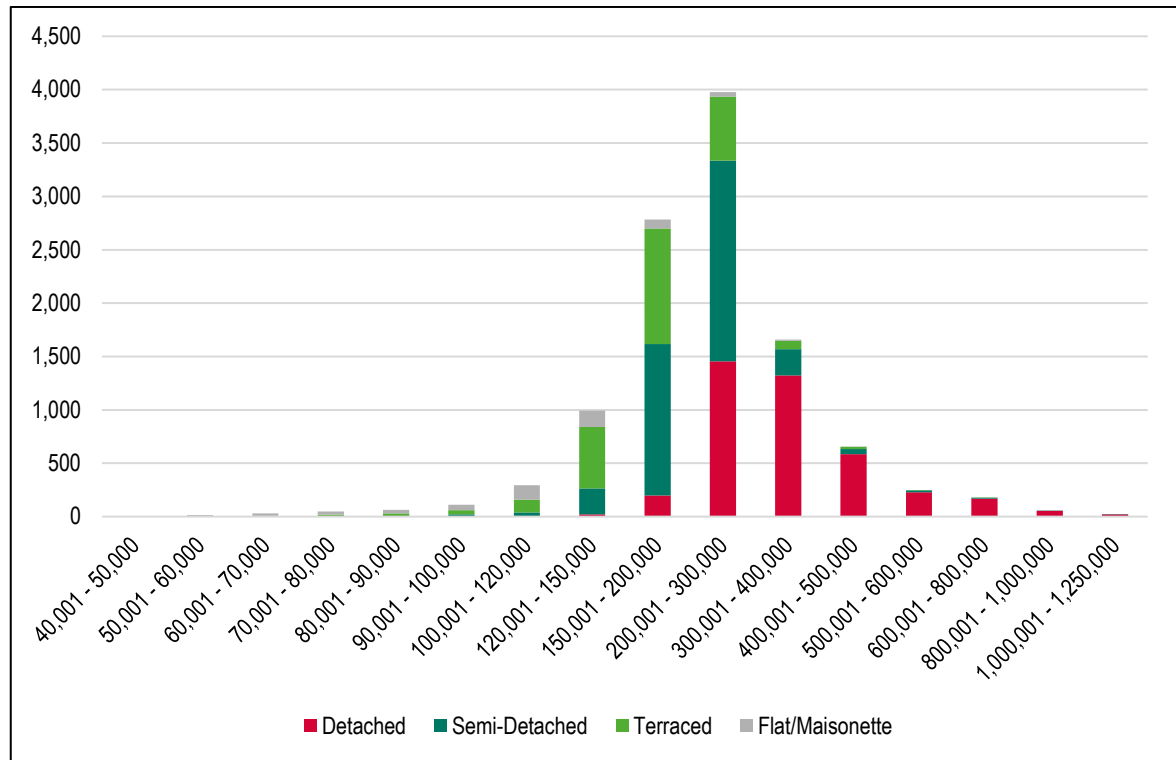
	Detached	Semi-Detached	Terraced	Flat/Maisonette
Harborough	£369,950	£237,000	£209,750	£153,000
Oadby and Wigston	£346,250	£220,000	£165,000	£108,500
Charnwood	£323,750	£211,000	£170,000	£126,000
Blaby	£297,000	£210,000	£175,000	£135,000
Leicester	£306,250	£200,000	£168,000	£115,000
Hinckley and Bosworth	£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.

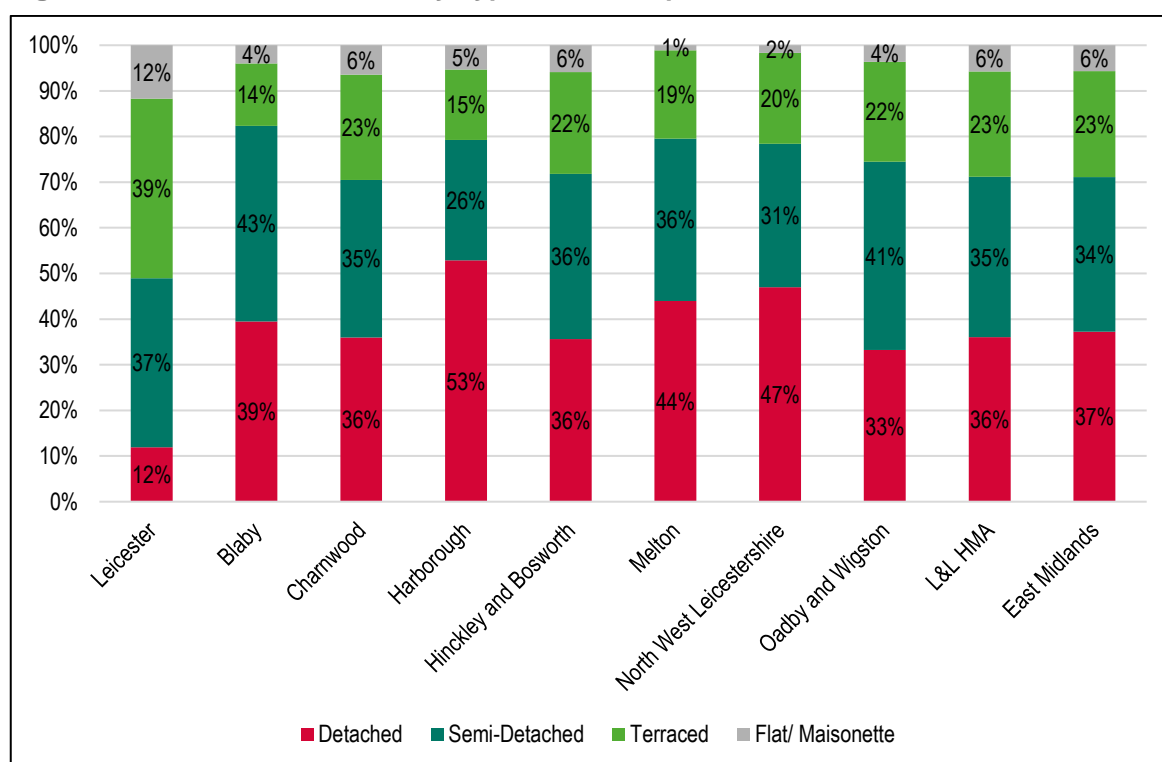
Figure 4.3: Distribution of Sales – Leicester and Leicestershire HMA (2020)



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 semi-detached 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.

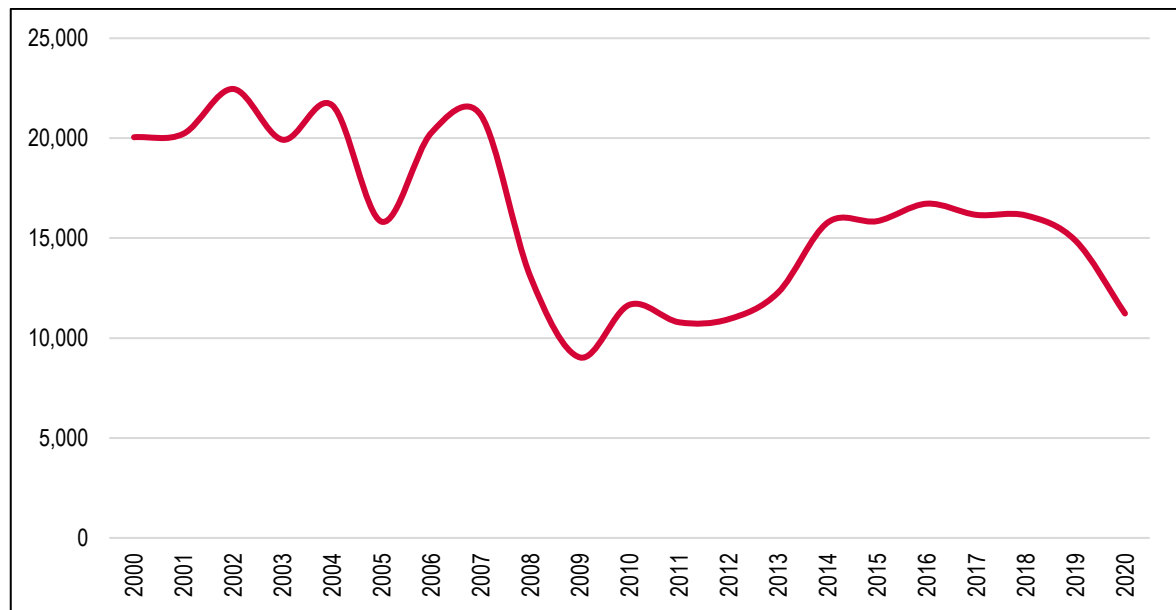
Figure 4.4: Distribution of Sales by Type, Year to Sept 2020



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).

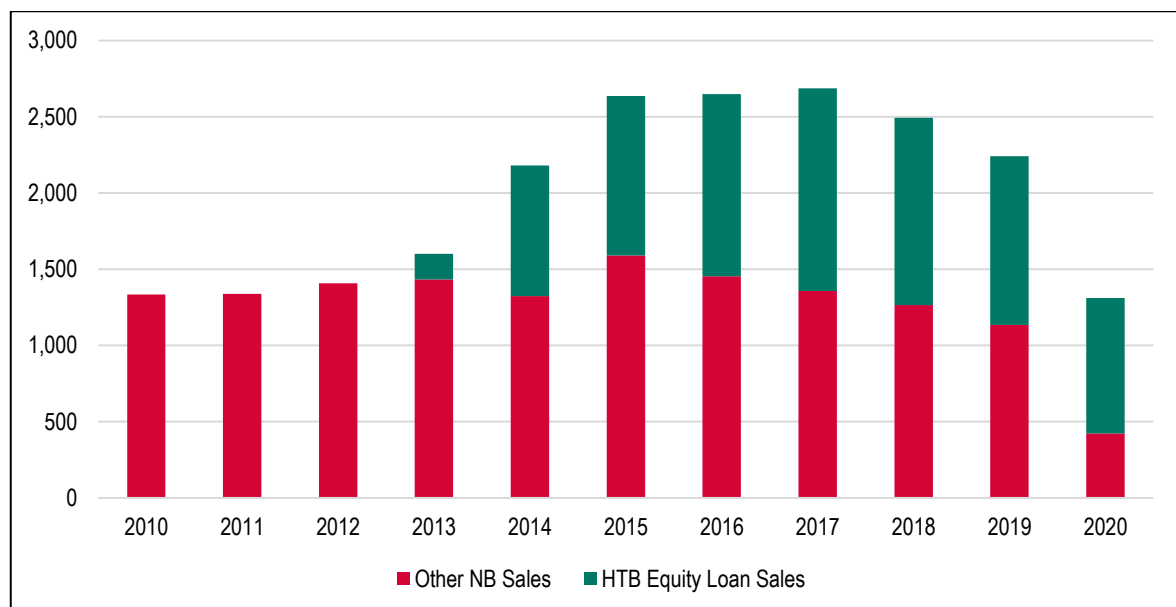
Figure 4.5: Sales Volumes – Leicester & Leicestershire HMA



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: Icen 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 Sales	HTB Equity Loan Sales	% Sales Supported
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	Sales to First-time Buyers	% First-time 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%

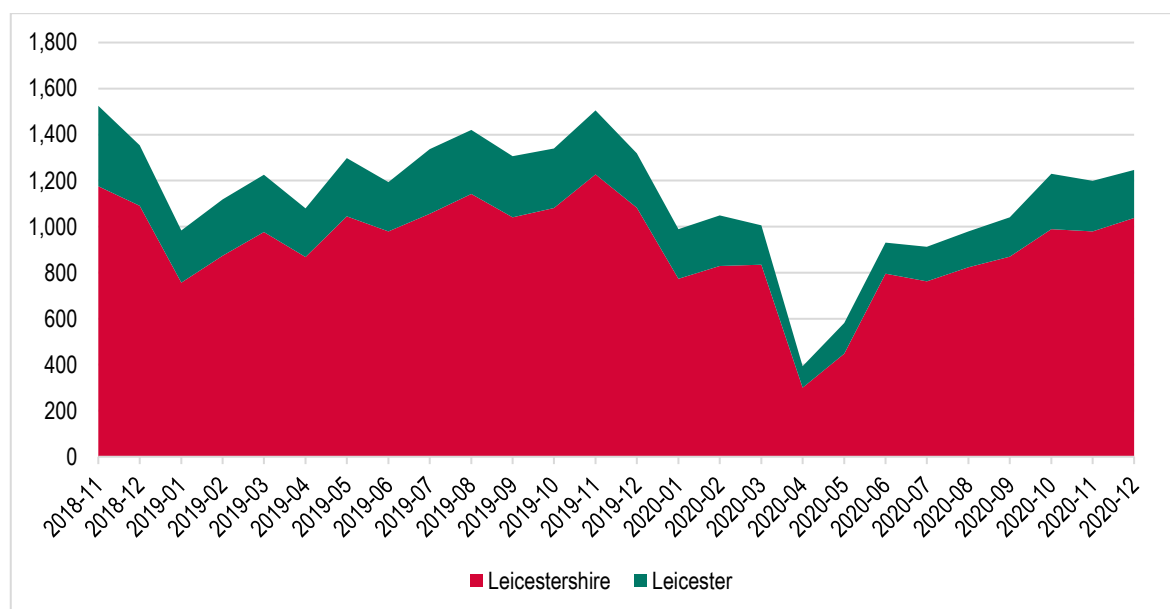
Source: MHCLG Help-to-Buy Equity Loan Scheme Statistics

- 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

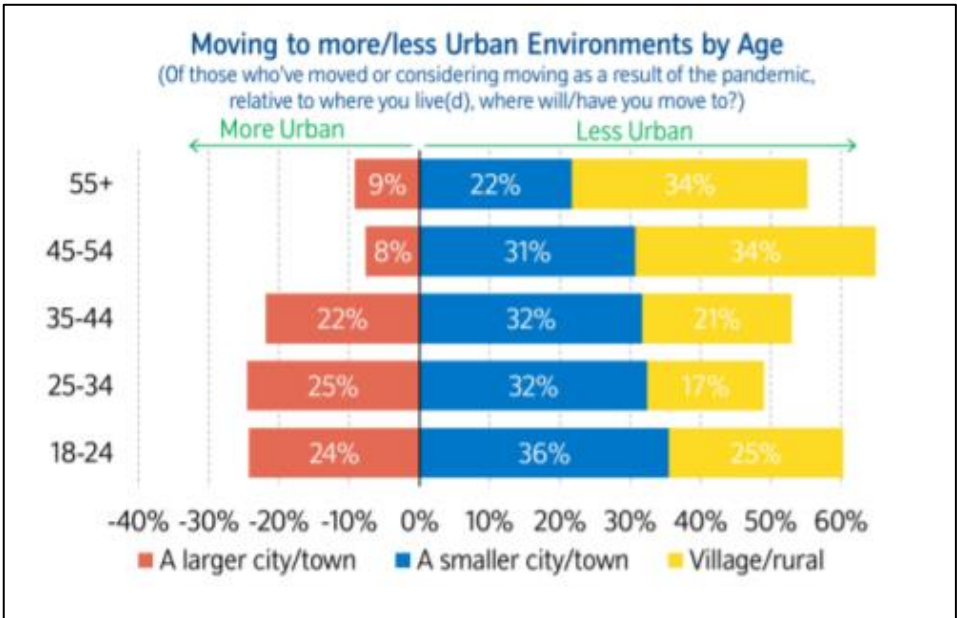
⁸ <https://www.hbf.co.uk/deposit-unlock/>

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).

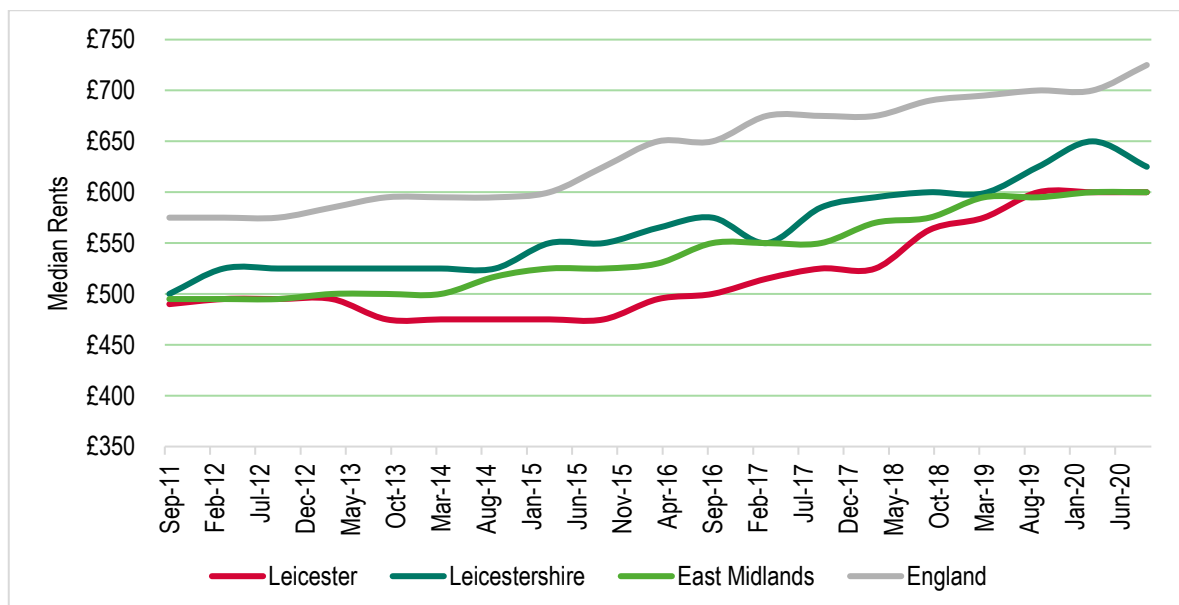
Figure 4.9: Median Rents, Year to Sept 2020



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 Growth		LQ Rent	5 Year 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

- 5.2 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

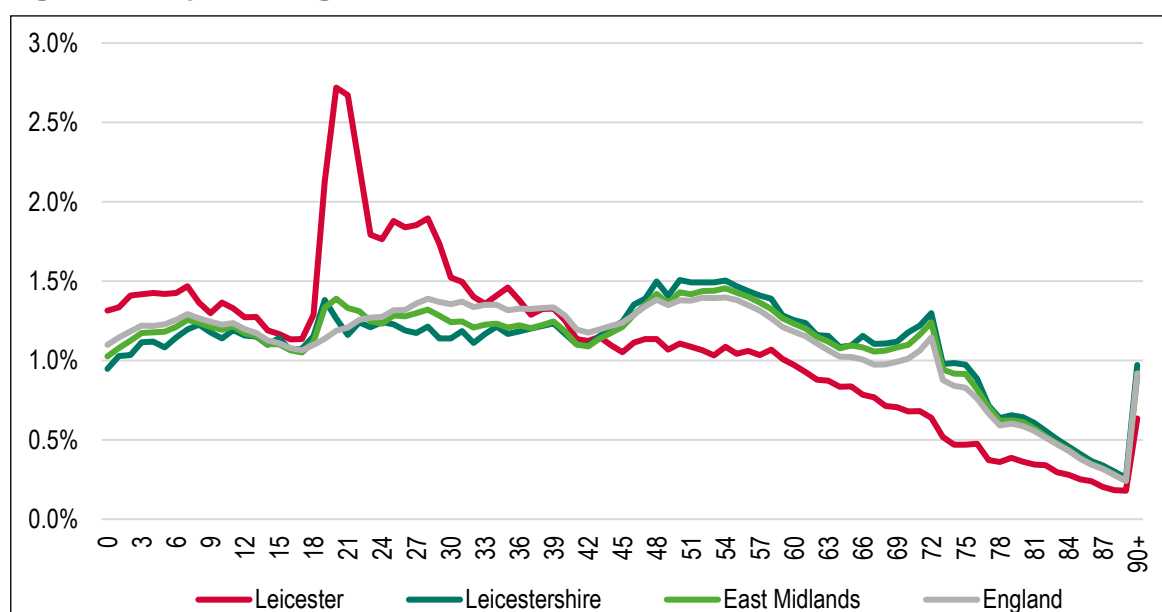
	Estimated population	% of population
Leicester	354,224	33.4%
Blaby	101,526	9.6%
Charnwood	185,851	17.5%
Harborough	93,807	8.8%
Hinckley & Bosworth	113,136	10.7%
Melton	51,209	4.8%
North West Leicestershire	103,611	9.8%
Oadby & Wigston	57,015	5.4%
Leicester & Leicestershire	1,060,379	100.0%

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.

Figure 5.2: Population Age Profile, 2019



Source: ONS Mid-Year Population Estimates

- 5.4 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.

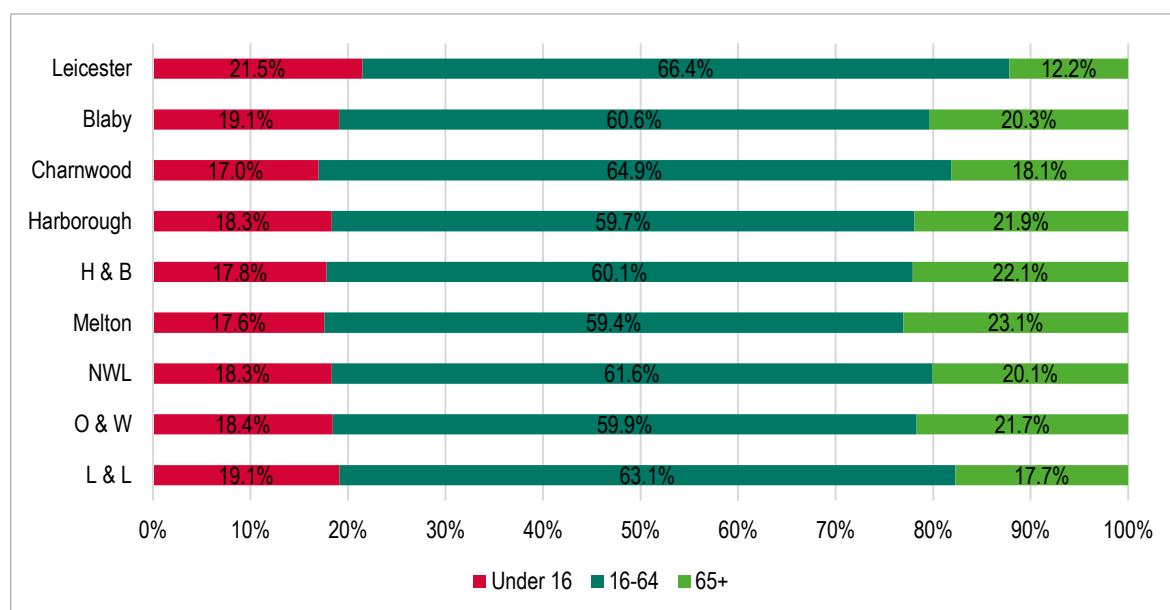
Table 5.2 Population Profile (2019) – Summary Age Bands

	Leicester		Leicestershire		East Midlands	England
	Population	% of population	Population	% of population	% of population	% of 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 to page 139 of 698)

Figure 5.3: Age Profile by Local Authority, 2019



Source: ONS Mid-Year Population Estimates

Past Population Change

- 5.6 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.

Figure 5.4: Indexed Population Growth, 2011-19



Source: ONS Mid-Year Population Estimates

- 5.8 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.

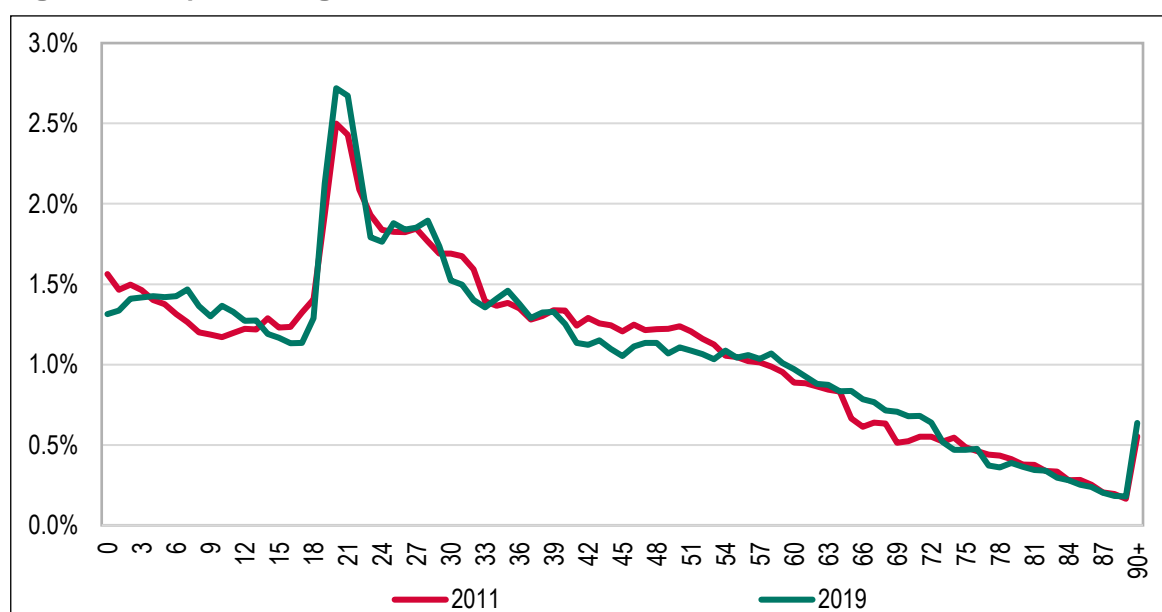
Table 5.3 Population Change, 2011-19

	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



Source: ONS Mid-Year Population Estimates

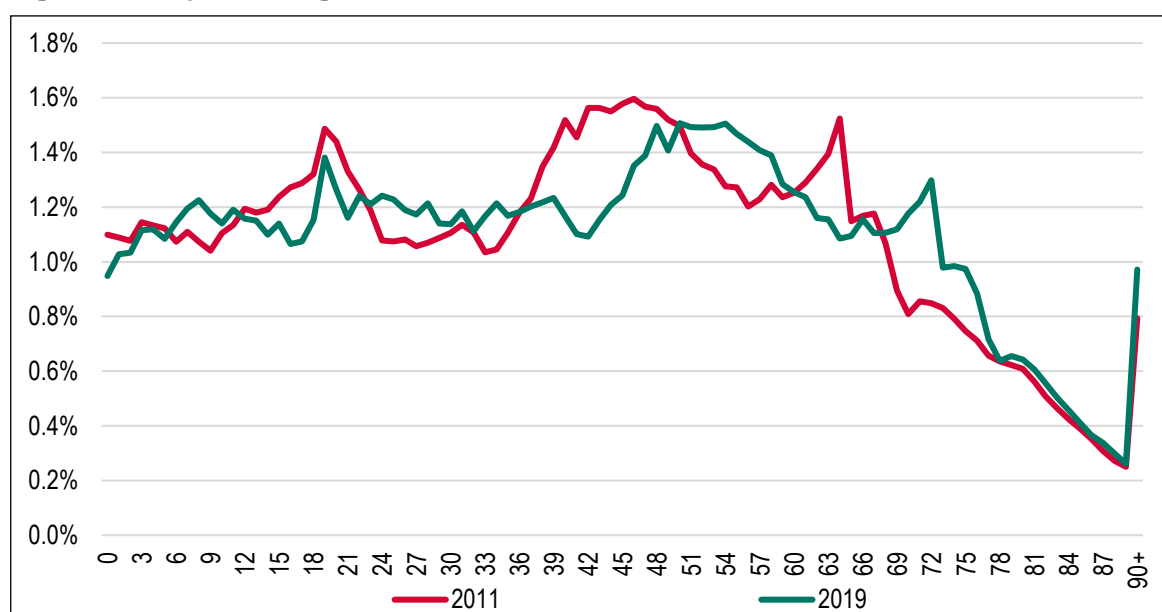
Table 5.4 Change in Population by Broad Age Group 2011-19 – Leicester

	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

- 5.10 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



Source: ONS Mid-Year Population Estimates

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

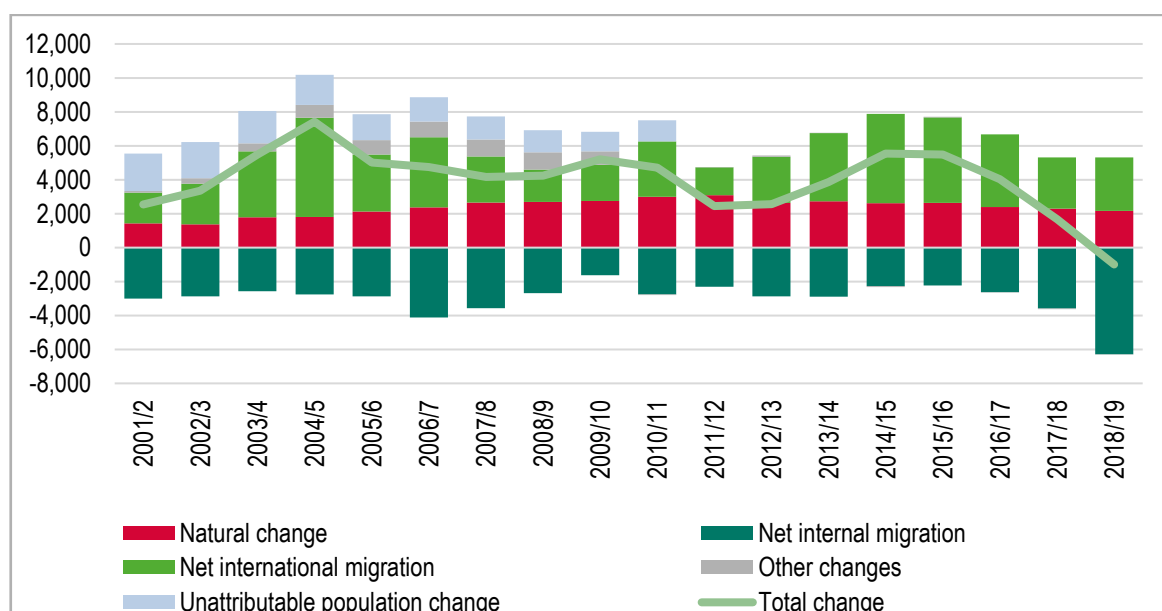
- 5.12 The main components of change are natural change (births minus deaths), net migration (internal/domestic and international) and other changes. There is also an Unattributable Population Change (UPC) which is a correction made by ONS upon publication of Census data if population has been under- 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 change	Net internal migration	Net international migration	Other changes	Other (unattributable)	Total change
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

Source: ONS Mid-Year Population Estimates

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



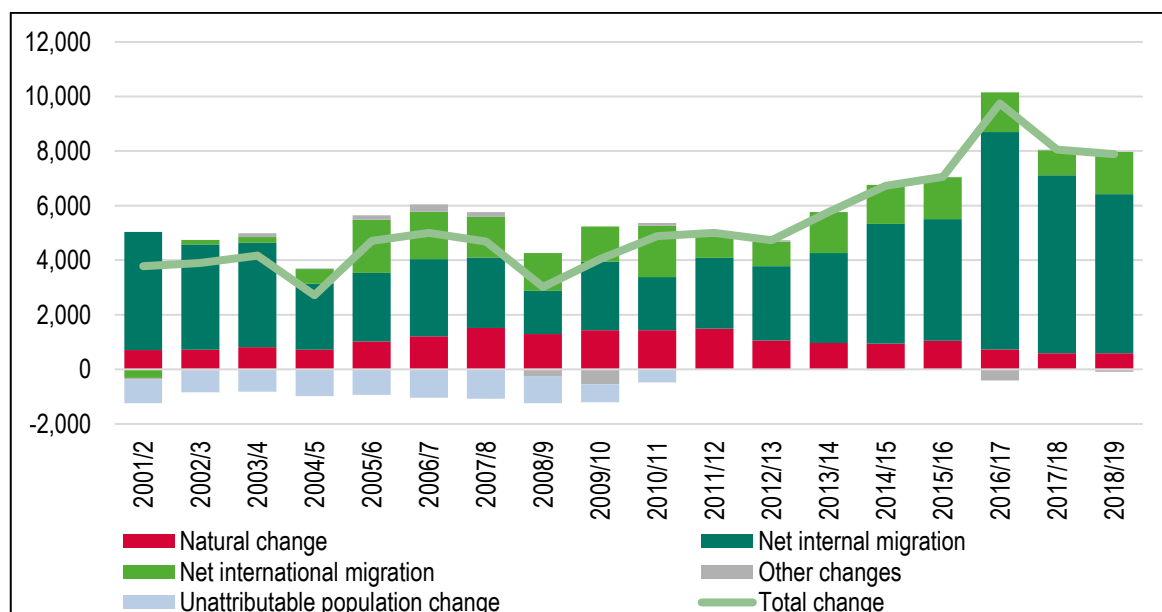
Source: ONS Mid-Year Population Estimates

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

	Natural change	Net internal migration	Net international migration	Other changes	Other (unattributable)	Total change
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

Source: ONS Mid-Year Population Estimates

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.

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-shire	MYE	651,200	706,160	54,960	8.4%
	Patient Register	671,540	723,560	52,020	7.7%
East Midlands	MYE	4,537,450	4,835,920	298,470	6.6%
	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-wood	MYE	165,900	185,870	19,970	12.0%
	Patient Register	173,980	190,580	16,600	9.5%
Har-borough	MYE	85,710	93,830	8,120	9.5%
	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 population	% change
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 population	% change
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)

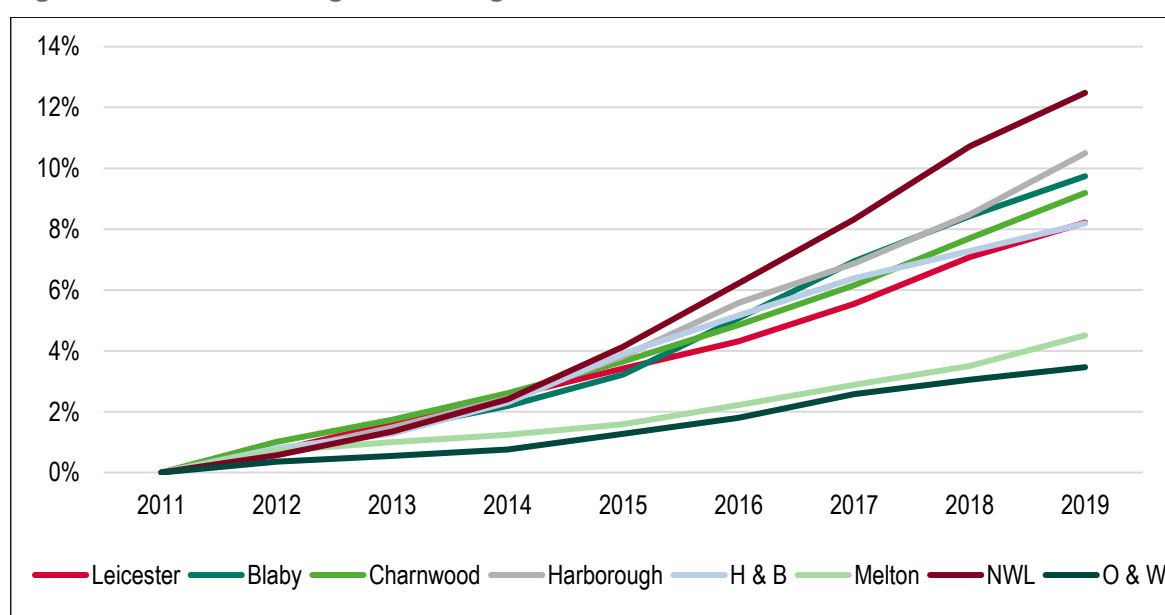
	2020	2041	Change in population	% change
Under 16	127,412	136,526	9,114	7.2%
16-64	436,625	473,695	37,070	8.5%
65 and over	147,489	210,016	62,526	42.4%
Total	711,526	820,237	108,711	15.3%

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

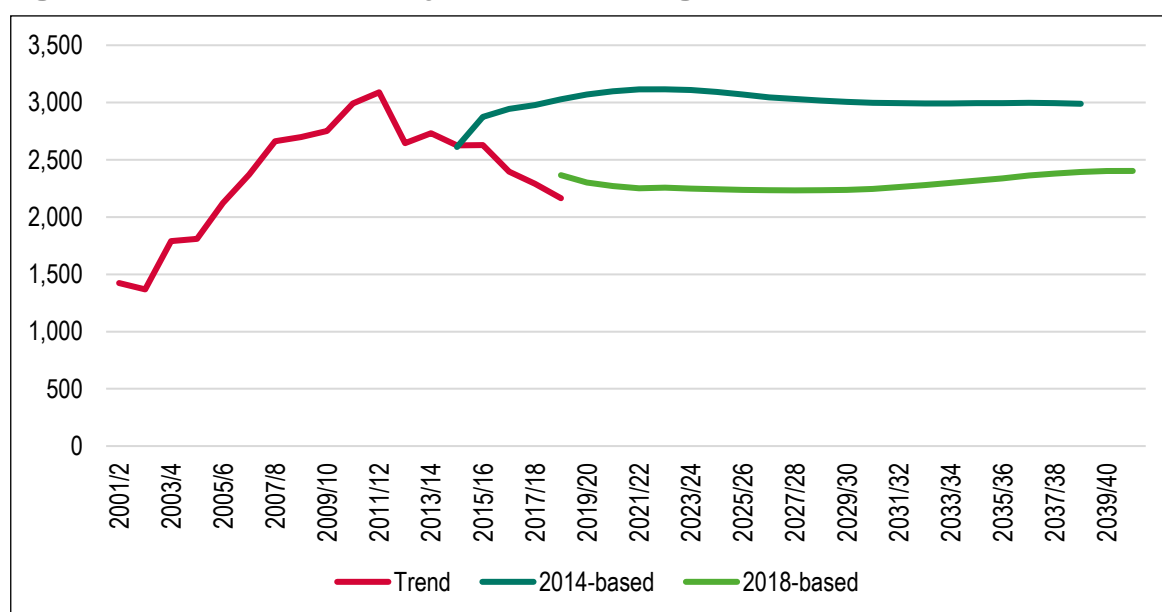
	% increase in stock	% increase in population
Leicester	8.2%	7.5%
Blaby	9.7%	7.9%
Charnwood	9.2%	12.0%
Harborough	10.5%	9.5%
Hinckley & Bosworth	8.2%	7.4%
Melton	4.5%	1.4%
North West Leicestershire	12.5%	10.6%
Oadby & Wigston	3.5%	1.9%
Leicestershire	8.9%	8.4%
Leicester & Leicestershire	8.7%	8.1%

Source: MHCLG Live Table 125 and ONS

Comparing 2014- and 2018-based SNPP

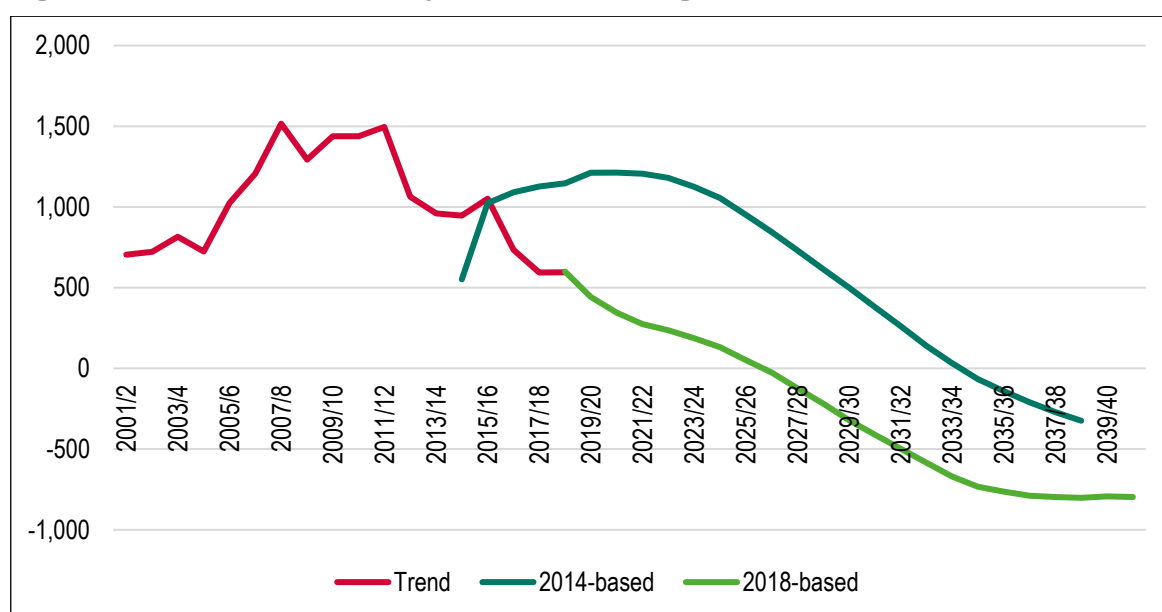
- 5.37 The analysis above shows that projected population growth in the 2014-based SNPP is somewhat higher than in the 2018-based version in Leicestershire, with the opposite being the case for Leicester. It is of interest to see what reasons there are for the differences. Essentially this means looking 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

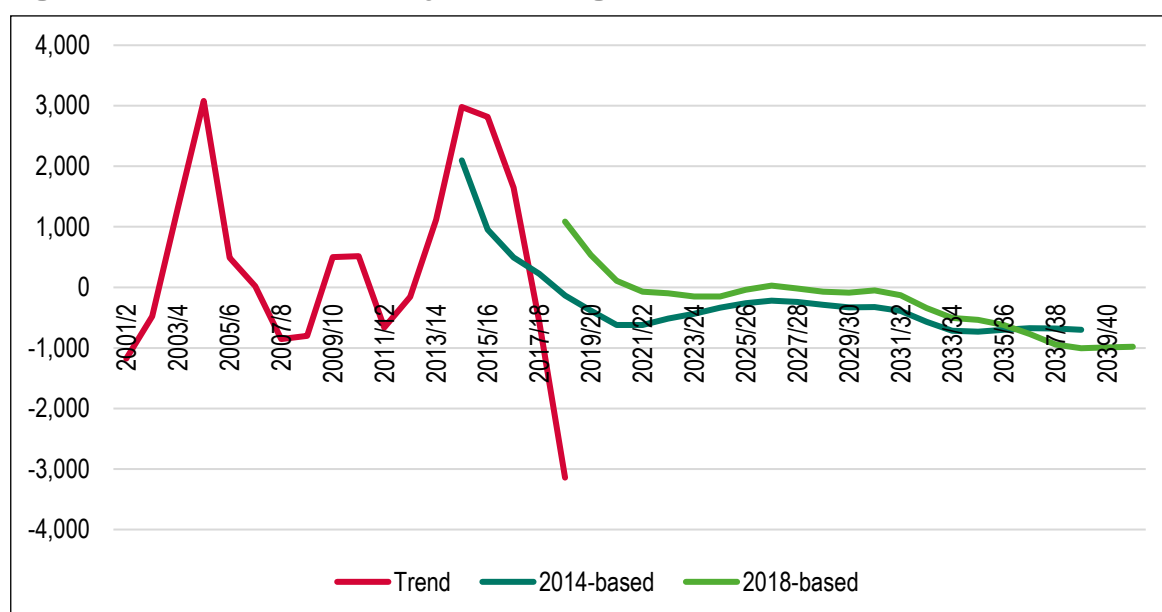
Figure 5.11: Past Trends and Projected Natural Change – Leicestershire



Source: ONS

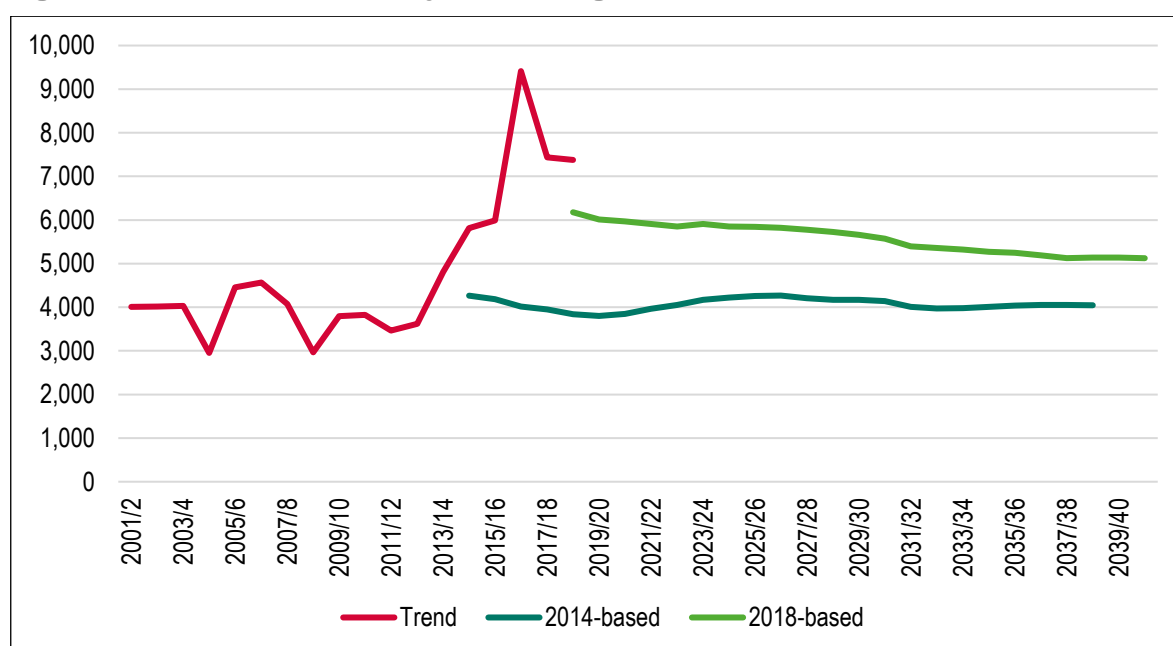
- 5.40 For migration, the analysis below looks at trends in net migration, this combines figures for internal, cross-border and international migration. In Leicester the data shows broadly similar net migration estimates for both projections (slightly higher in the 2018-based SNPP, and particularly in 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



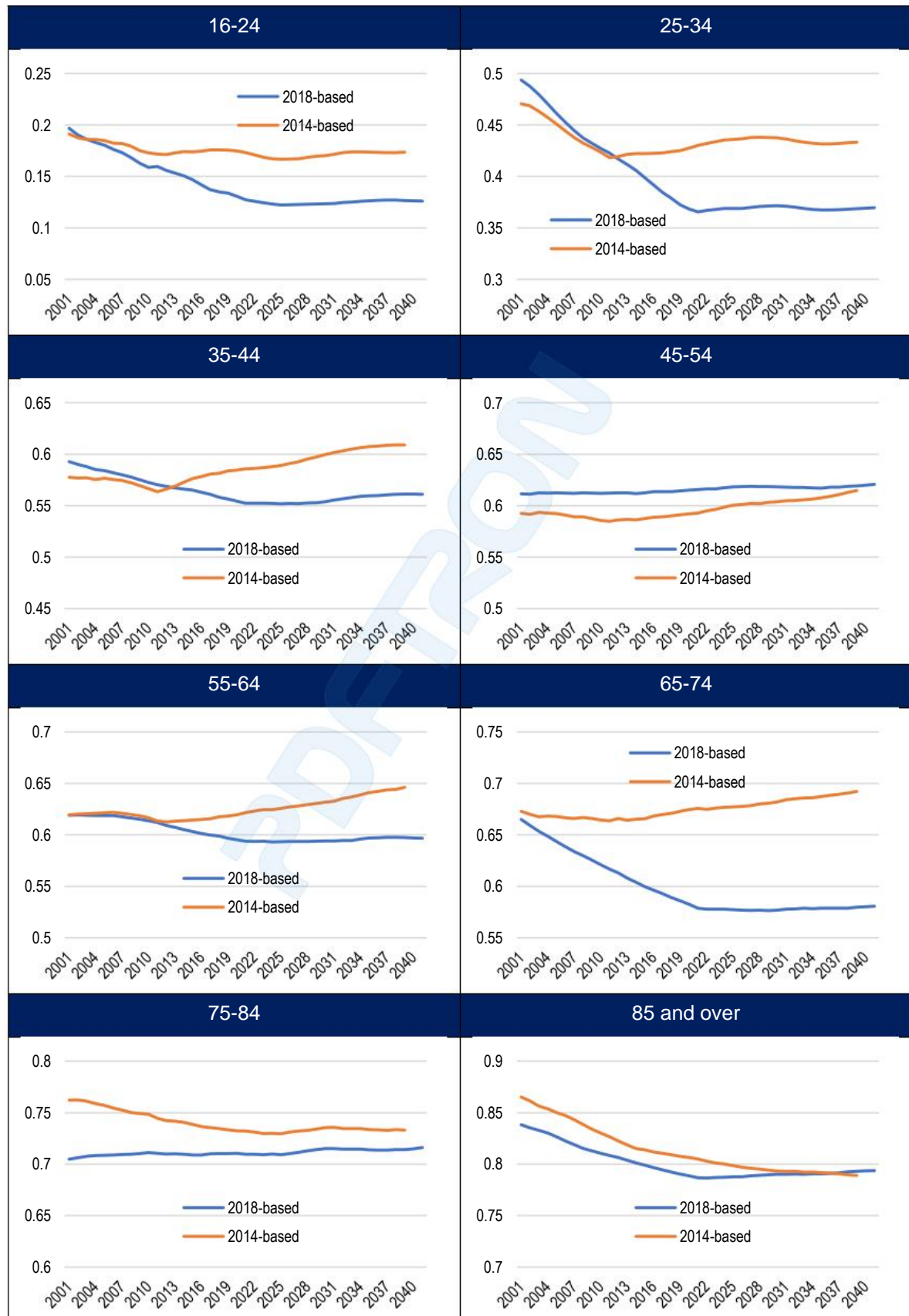
Source: ONS

- 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

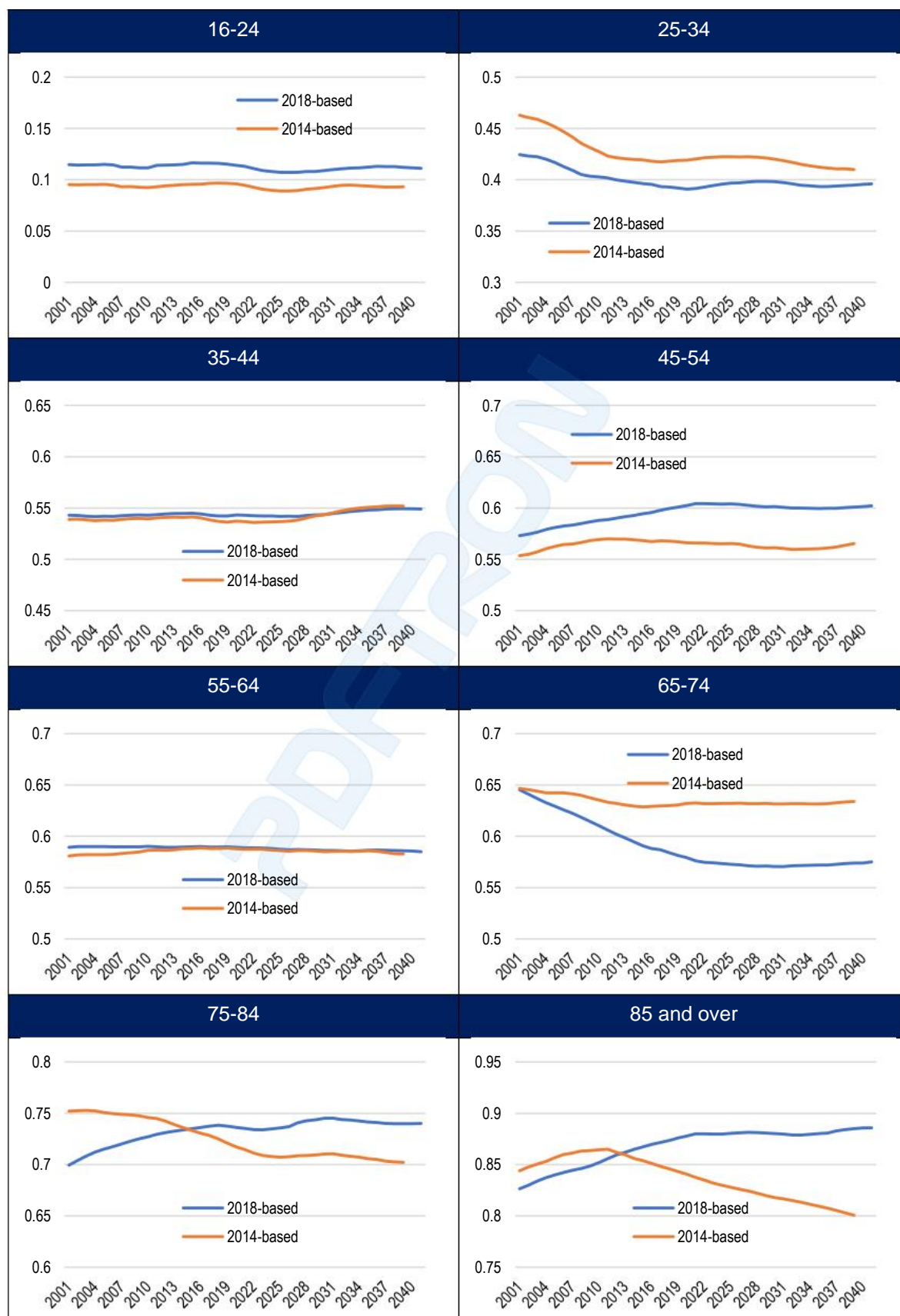
- 5.42 Projections for household formation are required to relate growth in population to households. To do this the concept of household representative rates (HRR) is used. HRRs can be described in their most simple terms as the number of people who are counted as heads of households (or in this case 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. Icení 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 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.

6.3 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**.

6.4 **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

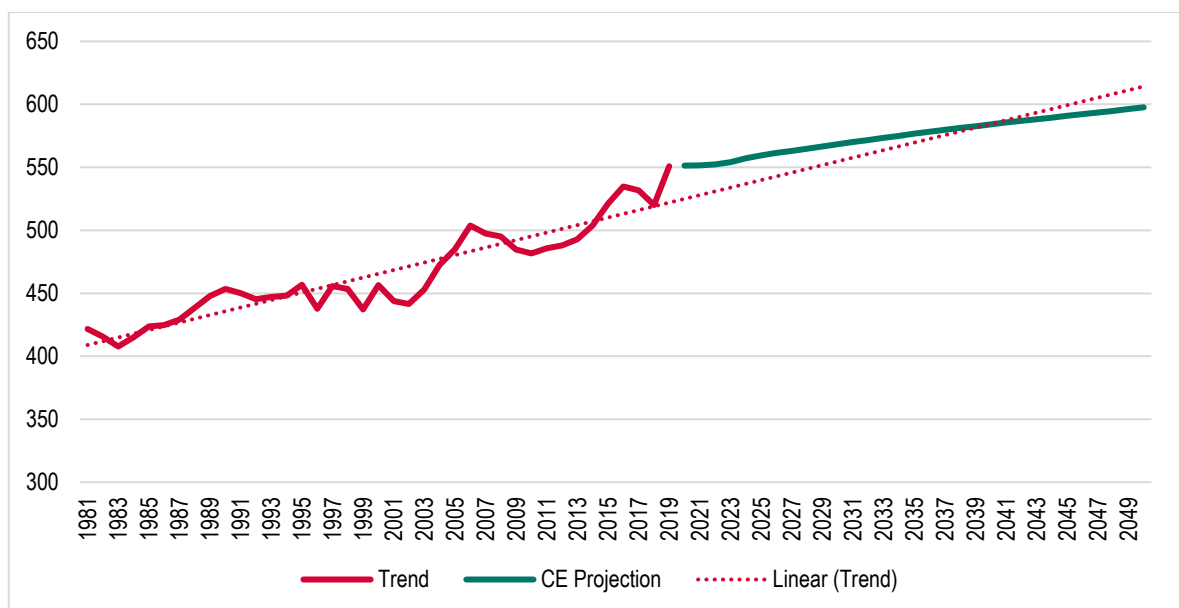
- 6.7 The baseline projections assumed that lockdown and social distancing measures will follow the Government's envisaged 'road map', with lockdown formally ending in late-March, social distancing to progressively ease over spring and the domestic economy to open fully by mid/late summer (with all UK 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 supply-side 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 ('000s)	Employment Projection, 2020-41	% Change
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

6.21 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.

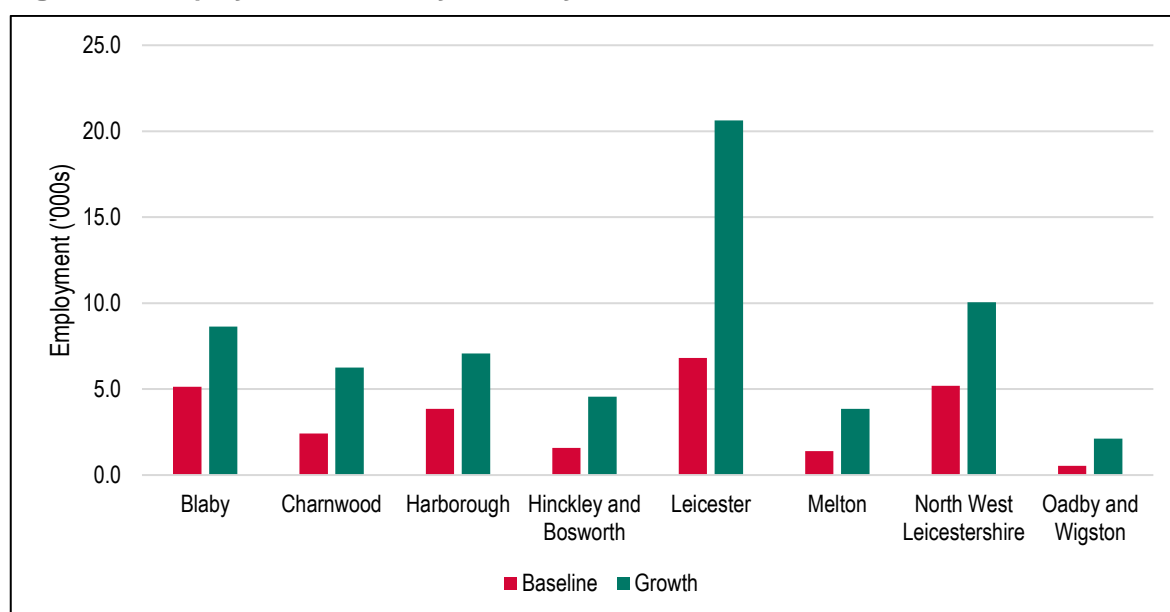
- 6.22 The Growth Scenario recognises the sub-region's universities are important innovation assets and support the growth potential in key sectors; with the potential that a scenario is aligned to driving forward both GVA and productivity; increasing innovation activities; and supporting sustainable 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.
- 6.24 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.

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

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

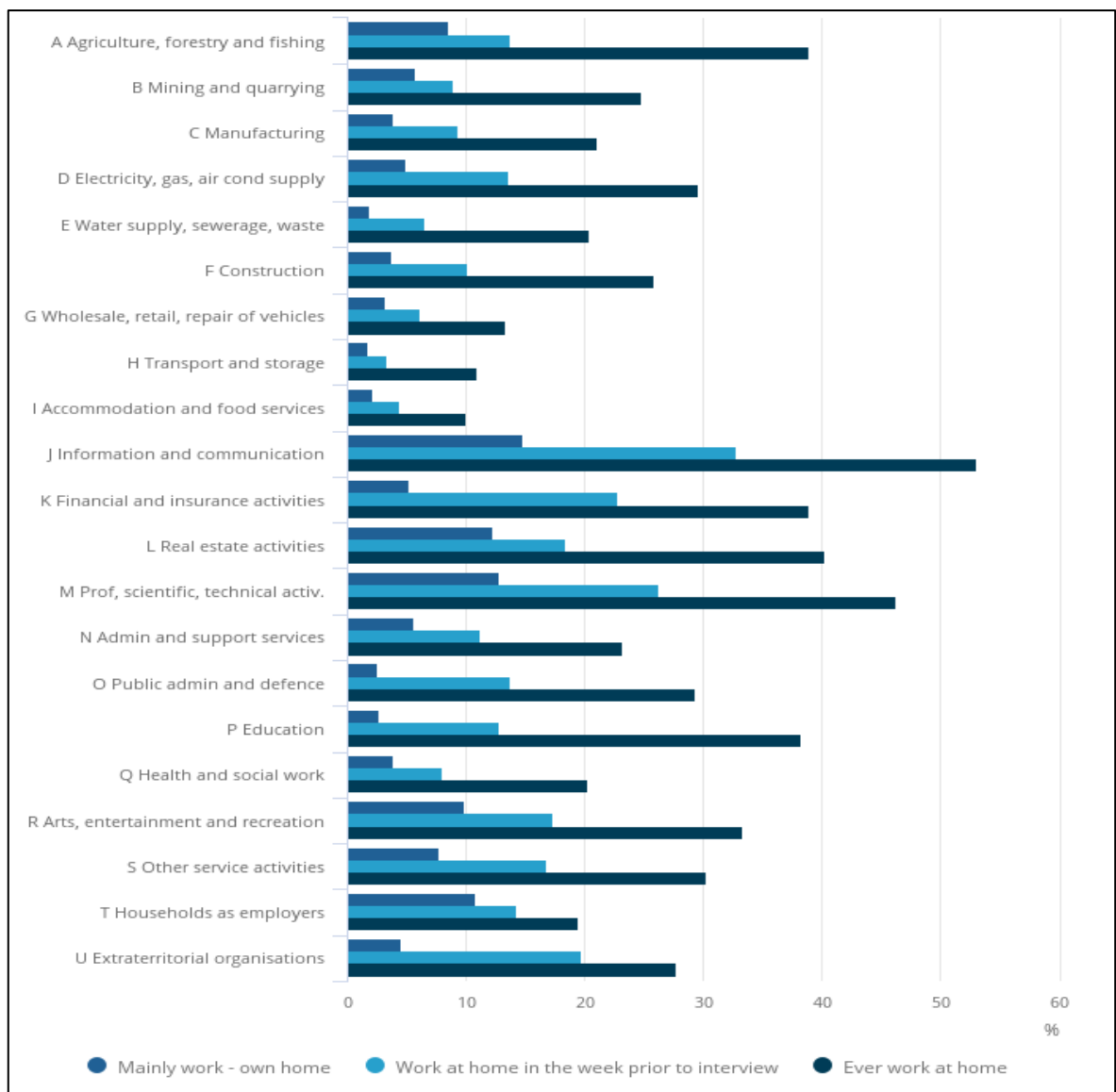
- 7.5 Using the baseline and growth employment forecasts from CE (see previous section), Iceni has developed a set of employment floorspace requirements. They relate to the floorspace and land required to accommodate net growth in jobs. Provision for flexibility of supply and replacement demand is then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

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

¹² <https://www.lstrategicgrowthplan.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

	Offices		R&D		Industrial		Distribution	
	Basel.	Growth	Basel.	Growth	Basel.	Growth	Basel.	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	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

Source: CE/ Icenl

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

	Offices		R&D		Industrial		Distribution	
	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/ Icenl

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

	Offices		R&D		Industrial		Distribution	
	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/ Icenl

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

	Offices		R&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

Source: CE/ Icenl

Table 7.5 Labour demand land needs 2021-2041, ha

	Offices		R&D		Industrial		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

Source: CE/ Icenl

Table 7.6 Labour demand land needs 2021-2050, ha

	Offices		R&D		Industrial		Distribution	
	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

Source: CE/ Icen

- 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 seem to be a likely move to greater home working.
- 7.20 On balance, Icen 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

	Offices							
	Standard need				Need reduced 30%			
	2021-36		2021-41		2021-36		2021-41	
	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

Source: CE/ Icen

- 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, Icen 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

	Gross				Net			
	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

	Gross				Net			
	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

	Gross				Net			
	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)

	Offices			
	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.
- 7.28 It is of note that the completions trends are not directly comparable with the labour demand for warehousing as strategic developments (strategic distribution units of > 9000 sq.m) have been excluded from the monitoring data.

Table 7.12 Employment needs 2021-2036, sqm

	Offices				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

Source: CE/ Iceni

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

Table 7.13 Employment needs 2021-2041, sqm

	Offices				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	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

Source: CE/ Icenl

* 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				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	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

Source: CE/ Iceni

* 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.

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: Icenl

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: Icenl

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: Icen

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 & Bosworth	800	3,800	6,200	10,800
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: Icen (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

	Offices				Industrial / Distribution				
	Vacancy %	Availability %	Stock (m sqm)	m sqm req'd for 7.5% V.	Vacancy %	Availability %	Stock (m sqm)	m sqm req'd for 7.5% V.	Ha req'd 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: Icen / 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: Icenl (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

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 mid-sized 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 mid-sized 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

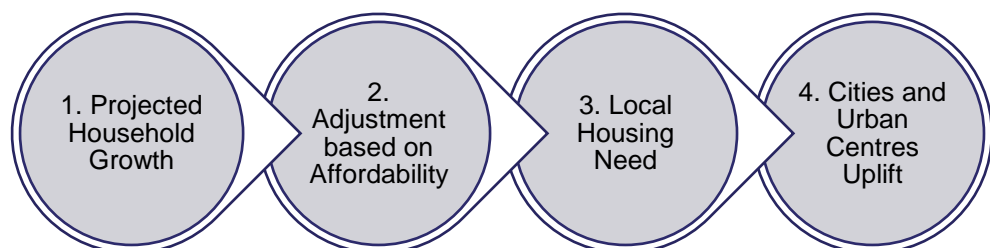
8. OVERALL HOUSING NEEDS

- 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:

$$\text{Adjustment factor} = \left(\frac{\text{Local affordability ratio} - 4}{4} \right) \times 0.25 + 1$$

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.*"¹⁷ (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

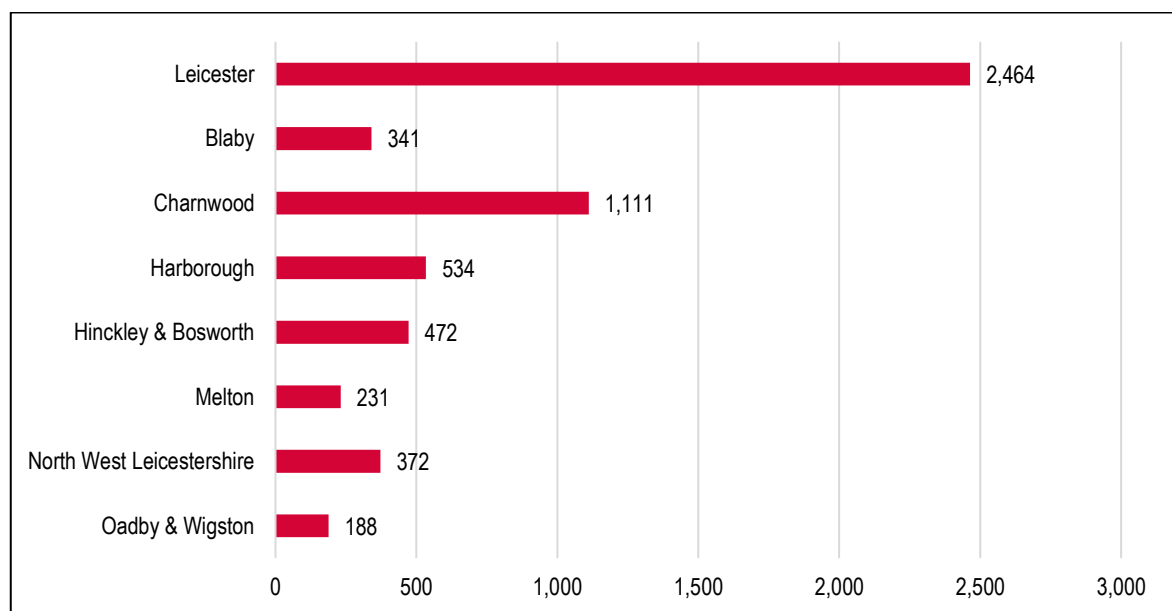
¹⁸ Rounded to the nearest 10 dwellings

Table 8.1 Standard Method Calculations – Minimum Local Housing Need

	Leicester	Blaby	Charnwood	Harborough	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. Icení 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 has been 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 Icení 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 Method 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.

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.

Table 8.5 Implications of Aspirational Growth Scenario on Housing Need, 2020-41

	Jobs Growth ('000s)	Housing Need - Aspirational Growth Scenario (dpa)		Housing Need - Standard Method Comparator (dpa)
		Census Commuting	1:1 Commuting	
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.

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.

PART 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 in temporary accommodation)	MHCLG Statutory Homelessness data	Household in temporary accommodation at end of quarter.
Households in overcrowded housing	Census table LC4108EW	Analysis undertaken by tenure and updated by reference to national changes (from the English Housing Survey (EHS))
Concealed households	Census table LC1110EW	Number of concealed families
Existing affordable housing tenants in need	Modelled data linking to past survey analysis	Excludes overcrowded households – tenure estimates updated by reference to the EHS
Households from other tenures in need	Modelled data linking 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 multi-generational 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.

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

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 households	Existing households 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.

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- 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 in 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.

Table 9.10 Estimated Need for Social/Affordable Rented Housing by local authority (per annum) – excluding existing households

	Current need	Newly forming households	Existing households 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.

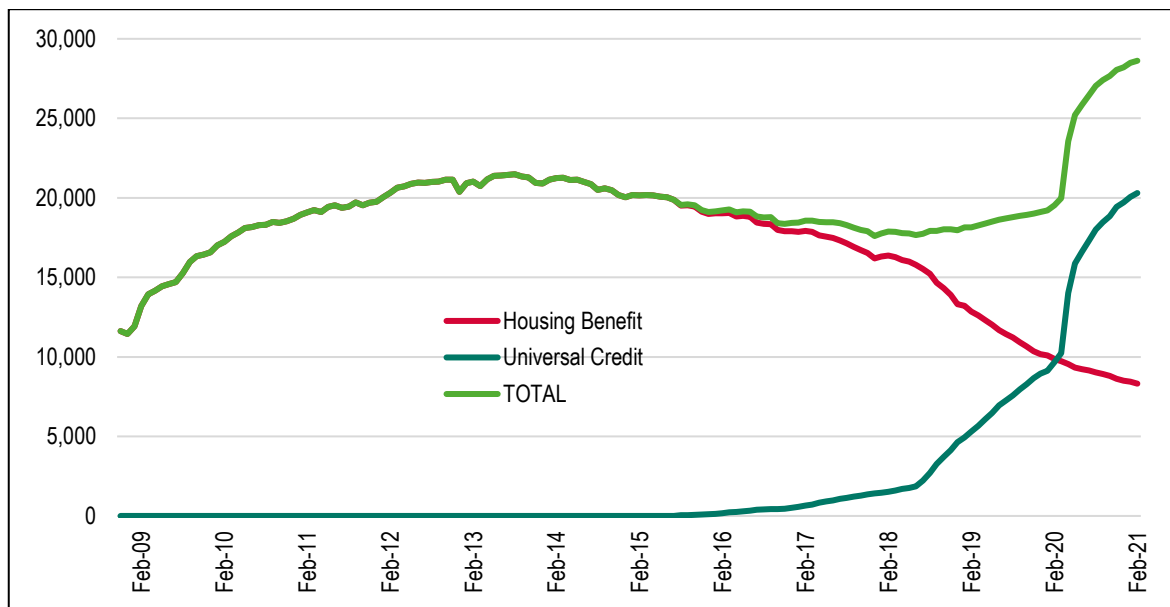
9.50 The table below shows the number of households in each authority claiming Housing Benefit or Universal Credit where there is a housing entitlement (in the PRS). The figure below the table shows the trend in the number of claimants for the whole study area. This shows there has been a notable increase 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).

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- 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.

Table 9.14 Estimated Gross Need for Affordable Home Ownership by local authority (per annum) – Leicester & Leicestershire

	Current need	Newly forming households	Existing households falling into need	Total Gross 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

*Numbers may not add up due to rounding

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.

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

*Numbers may not add up due to rounding

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

- 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				Private rented			
	2001	2011	Change	% change	2001	2011	Change	% change
Leicester	37,455	33,152	-4,303	-11.5%	14,025	27,999	13,974	99.6%
Blaby	18,810	16,564	-2,246	-11.9%	1,444	3,876	2,432	168.4%
Charnwood	27,227	24,232	-2,995	-11.0%	5,026	9,396	4,370	86.9%
Harborough	15,000	13,849	-1,151	-7.7%	1,800	3,922	2,122	117.9%
H & B	19,709	17,967	-1,742	-8.8%	2,261	5,156	2,895	128.0%
Melton	8,549	7,770	-779	-9.1%	1,836	3,054	1,218	66.3%
NWL	15,331	14,779	-552	-3.6%	1,933	4,411	2,478	128.2%
O & W	10,316	8,170	-2,146	-20.8%	1,183	2,117	934	79.0%
Leicestershire	114,942	103,331	-11,611	-10.1%	15,483	31,932	16,449	106.2%
L & L	152,397	136,483	-15,914	-10.4%	29,508	59,931	30,423	103.1%

Source: Census (2001 and 2011)

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- 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 OMV	Estimated Discount 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 OMV	Estimated Discount 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 OMV	Estimated Discount 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 OMV	Estimated Discount 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).

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- 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

Source: Data based on Housing Market Cost Analysis

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

Source: Data based on Housing Market Cost Analysis

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

Source: Data based on Housing Market Cost Analysis

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

Source: Data based on Housing Market Cost Analysis

- 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 workers	% of workers	Resident workers	% of workers	% of workers	% of 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 couple	Cohabiting couple	Lone parent	Other household (with dependent s)	All other households (no dependent children)	Total	Total with dependent children
Leicester & Leicestershire	No.	65,077	16,010	25,411	12,016	272,045	390,559	118,514
	%	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.

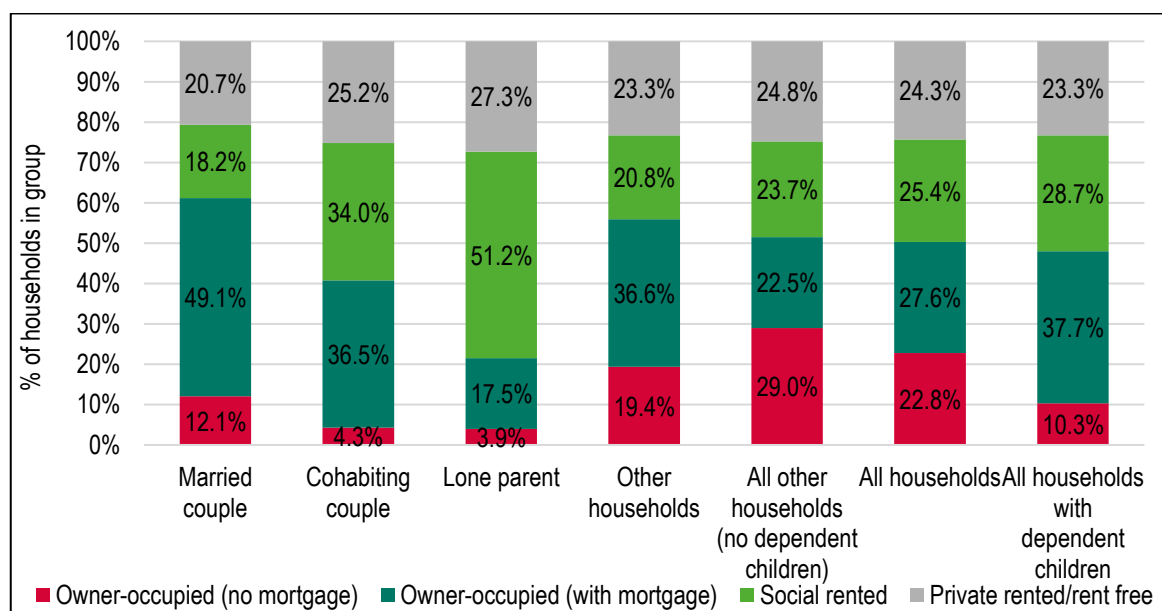
Table 10.2 Households with dependent children (2011) – local authorities

	Married couple	Cohabiting couple	Lone parent	Other households	All other households	Total	Total with 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)

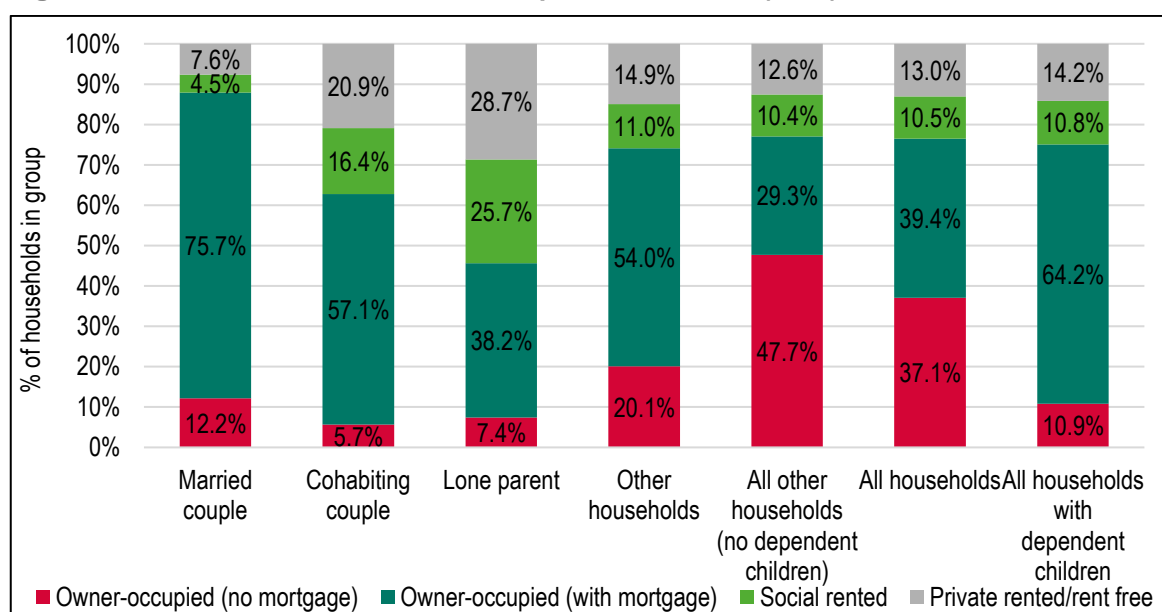
- 10.5 The figures below show the current tenure of households with dependent children. There are some considerable differences by household type with lone parents having a very high proportion living in the social rented sector and also in private rented accommodation. In Leicester, only 21% of lone 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)

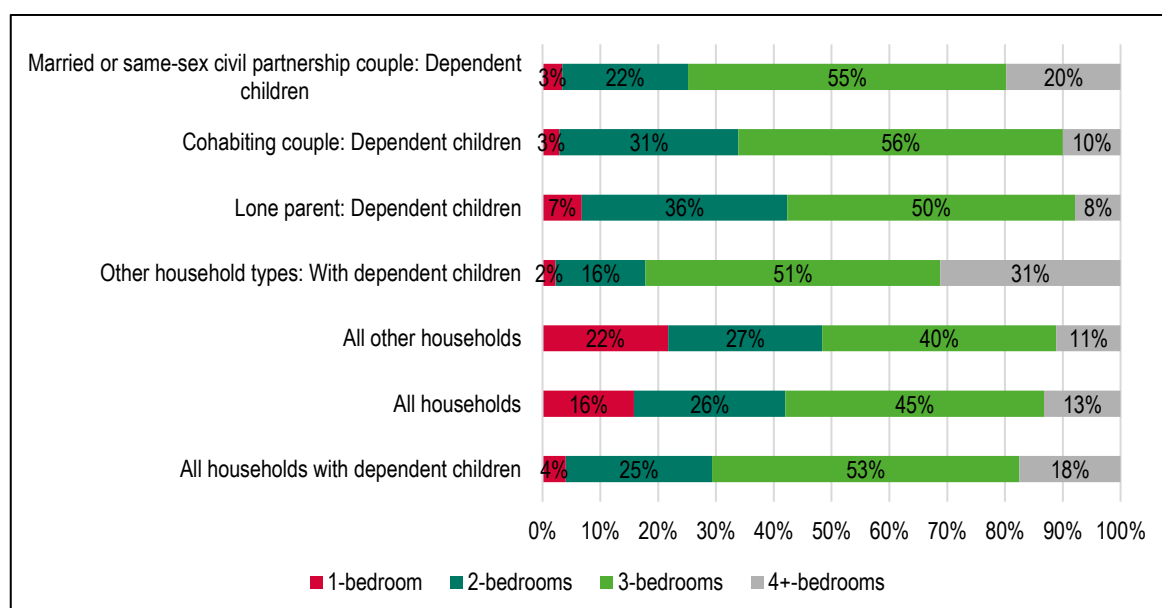
Figure 10.2 Tenure of households with dependent children (2011) – Leicestershire



Source: Census (2011)

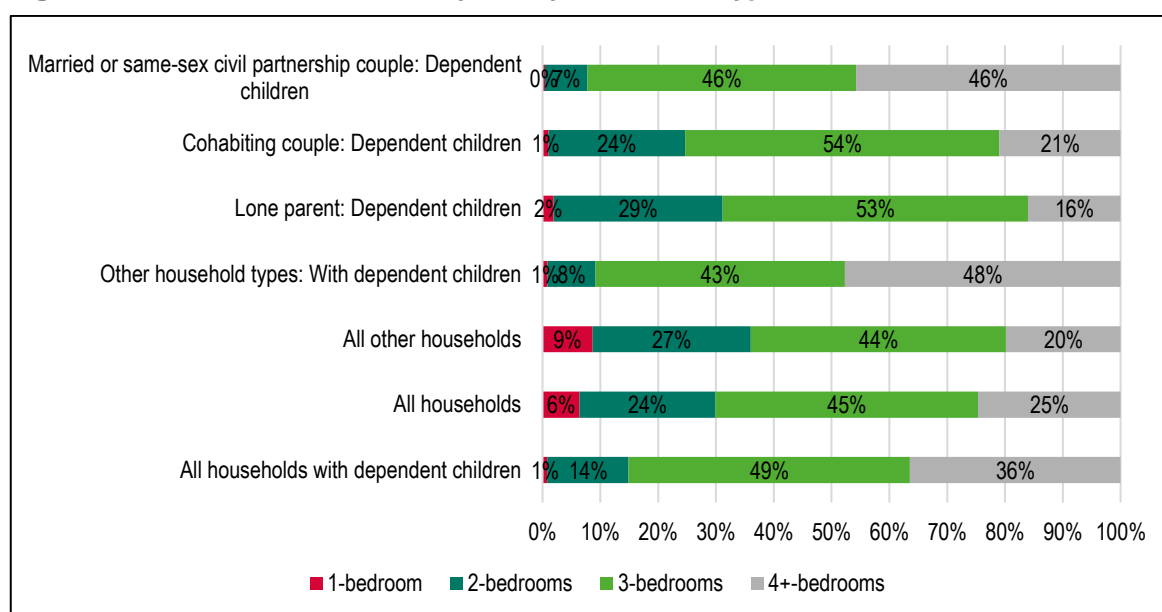
- 10.6 The figures below show the number of bedrooms for family households at the point of the 2011 Census. The analysis shows the differences between married, cohabiting and lone parent families. Across the study area, the tendency is for family households to occupy 3-bedroom housing with varying degrees 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 through 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 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-occupied	1-bedroom	3%	2%	2%	4%
	2-bedrooms	21%	20%	22%	23%
	3-bedrooms	58%	49%	51%	48%
	4+-bedrooms	19%	30%	26%	25%
	Total	100%	100%	100%	100%
Social rented	1-bedroom	33%	31%	29%	31%
	2-bedrooms	29%	32%	34%	34%
	3-bedrooms	33%	34%	34%	31%
	4+-bedrooms	5%	3%	3%	4%
	Total	100%	100%	100%	100%
Private rented	1-bedroom	25%	13%	15%	23%
	2-bedrooms	34%	39%	39%	39%
	3-bedrooms	30%	35%	35%	28%
	4+-bedrooms	11%	13%	11%	10%
	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-wood	Har-boro.	H&B	Melton	NWL	O&W
Owner-occupied	1-bedroom	1%	2%	2%	2%	1%	2%	2%
	2-bedrooms	17%	21%	18%	23%	17%	19%	21%
	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 rented	1-bedroom	38%	39%	32%	23%	29%	22%	29%
	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 rented	1-bedroom	10%	15%	14%	16%	12%	13%	10%
	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

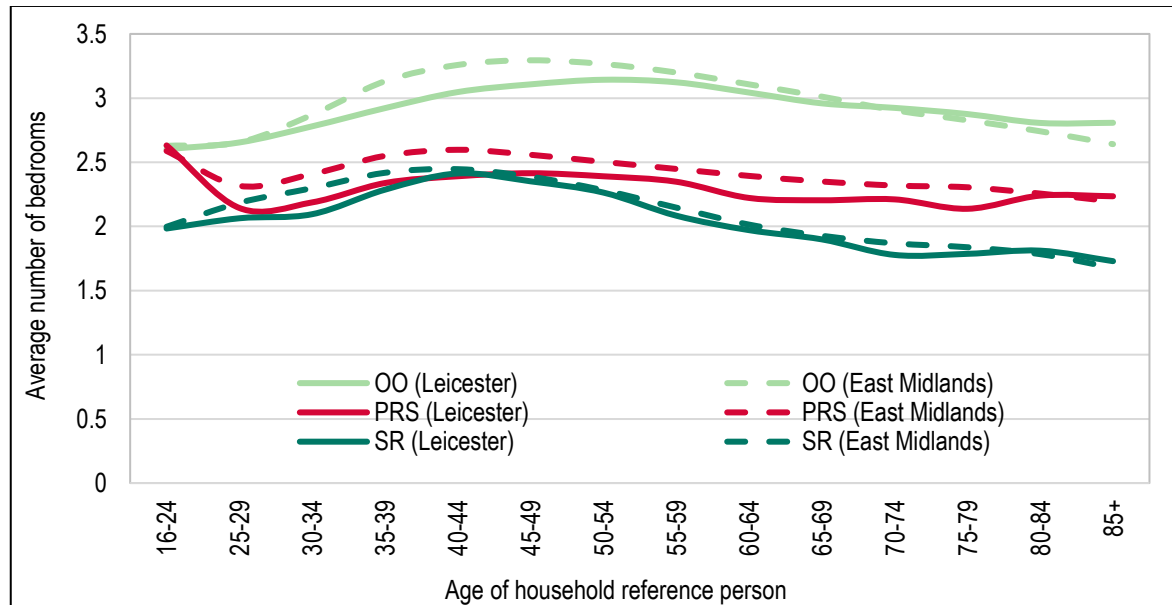
- 10.11 The method to consider future housing mix looks at the ages of the Household Reference Persons and how these are projected to change over time. The sub-sections to follow describe some of the key analysis.

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

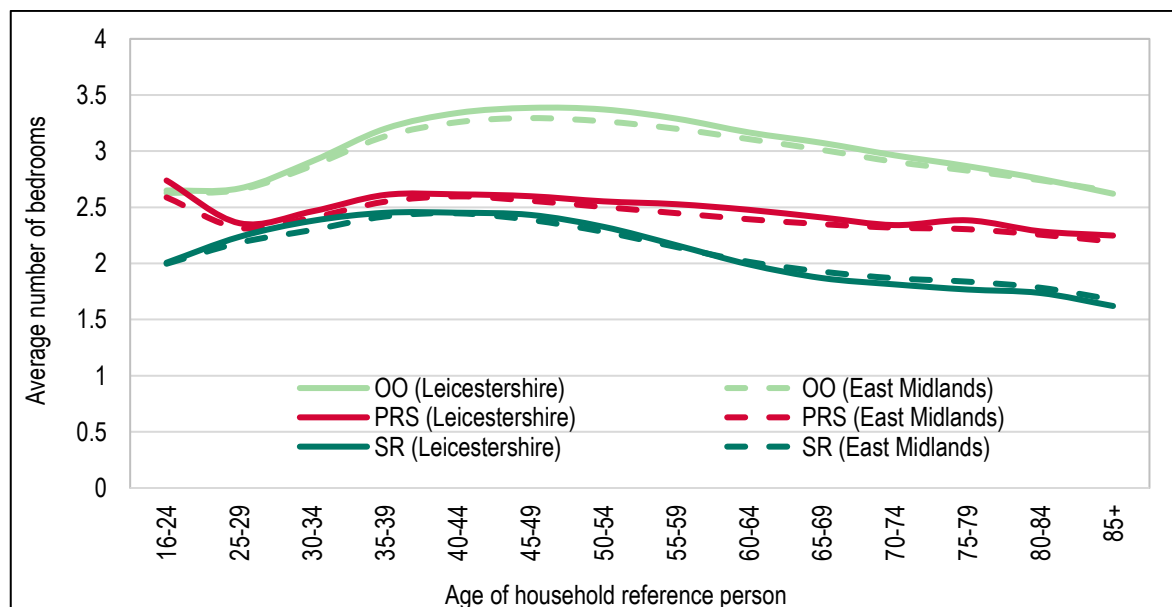
– as typically some households downsize as they get older. The analysis identifies some small differences between Leicester and Leicestershire and the region, with Leicester typically having smaller dwelling sizes the market sector and the opposite being true across Leicestershire.

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 rating	Number of bedrooms				
	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 rating	Number of bedrooms				
	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 rating	Number of bedrooms				
	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 under-occupancy 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 rating	Number of bedrooms				
	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 rating	Number of bedrooms				
	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 rating	Number of bedrooms				
	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 under-occupation 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 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 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.

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- 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					All
	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					All
	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.

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- 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 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.

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 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>

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- 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."

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 prevent need through universal services and promoting well-being; reduce need through targeted interventions for those at risk; delay need through reablement, rehabilitation and recovery; and finally meet need 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

²¹ <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 adaptations 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.*"

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- 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*

²² <https://resources.leicestershire.gov.uk/sites/resource/files/field/pdf/2019/10/25/Building-accommodation-to-meet-the-needs-of-people-in-Leicestershire.pdf>

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)

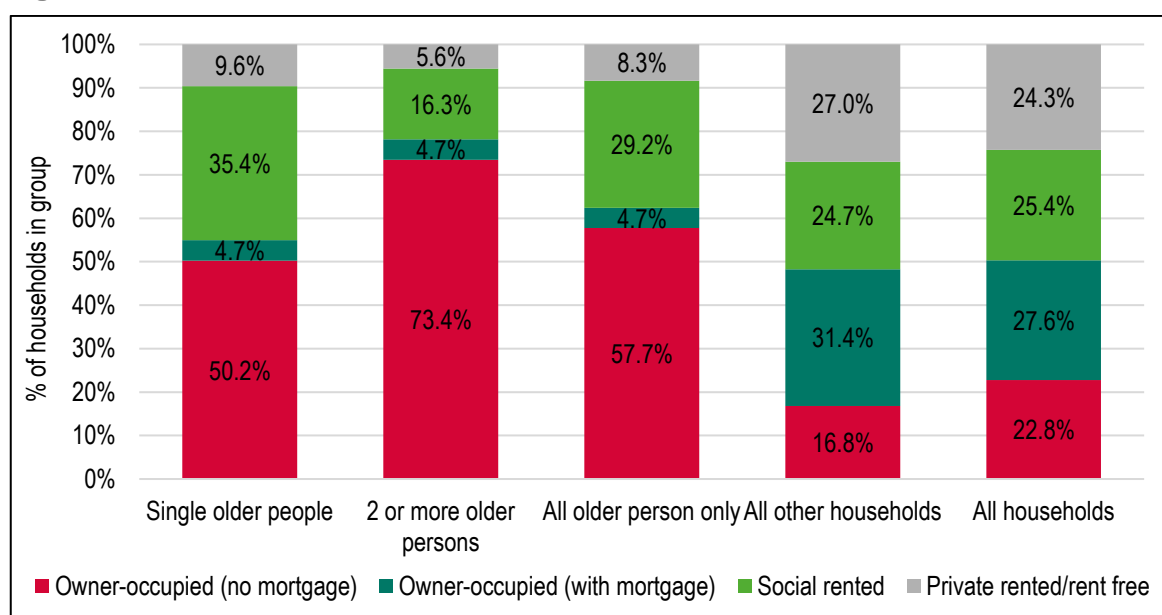
	2020	2041	Change in population	% change
Under 65	564,037	610,221	46,184	8.2%
65-74	79,735	96,019	16,284	20.4%
75-84	48,755	78,326	29,571	60.7%
85+	18,999	35,671	16,672	87.7%
Total	711,526	820,237	108,711	15.3%
Total 65+	147,489	210,016	62,526	42.4%
Total 75+	67,754	113,997	46,242	68.2%

Source: Demographic Projections

Characteristics of Older Person Households

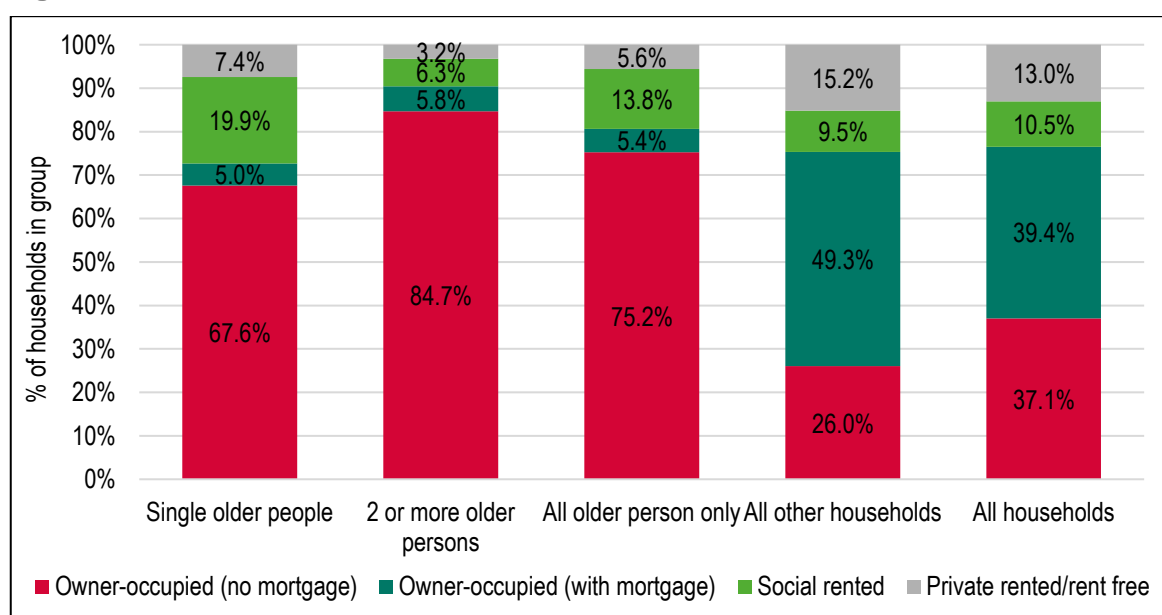
- 11.45 The tenures in which older persons currently live provides a useful indication of the potential tenure profile of demand for new-build development.
- 11.46 The figures below show the tenure of older person households. The data has been split between single older person households and those with 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.

Figure 11.1: Tenure of Older Persons Households in Leicester, 2011



Source: 2011 Census

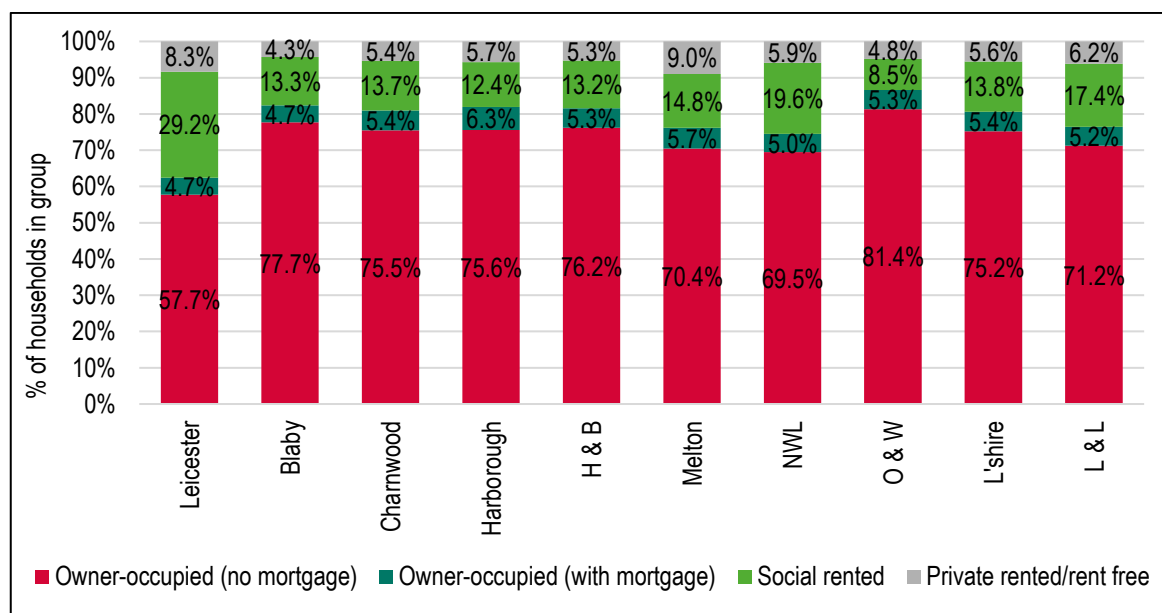
Figure 11.2: Tenure of Older Persons Households in Leicestershire, 2011



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.

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

	Households Containing Someone with a Health 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.

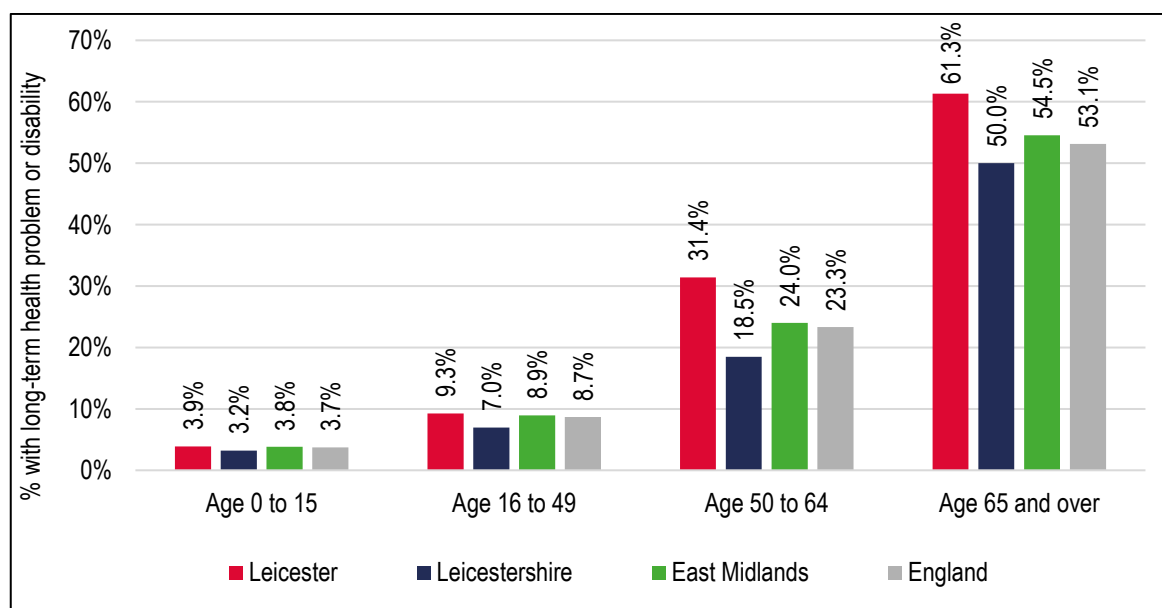
Table 11.6 Households and People with a Long-Term Health Problem or Disability, 2011 – local authorities – Leicester & Leicestershire

	Households Containing Someone with a 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.

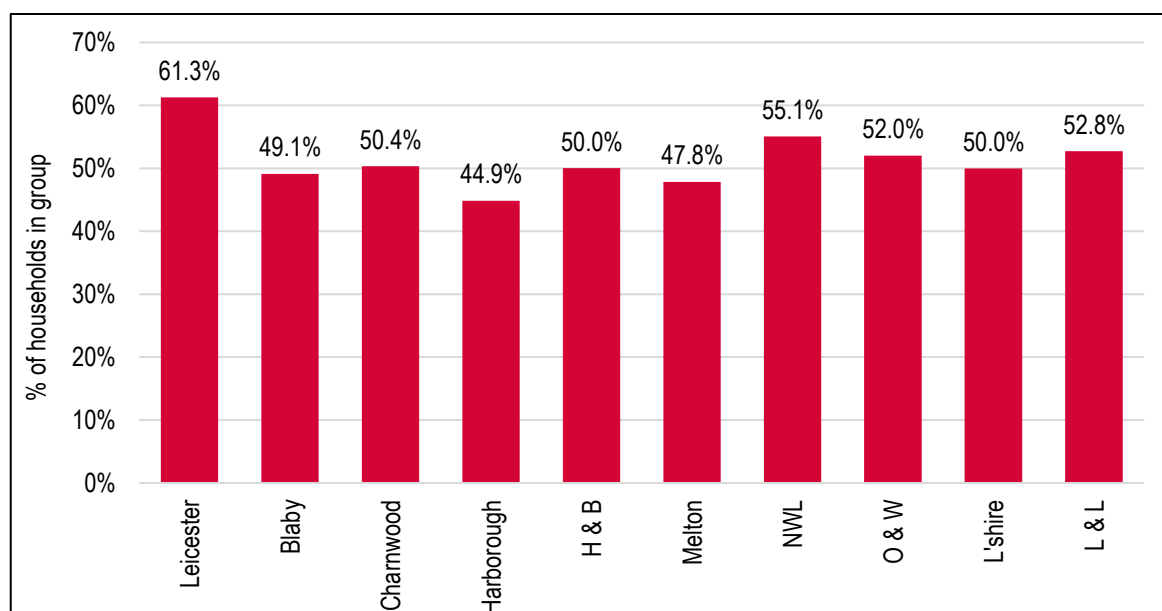
Figure 11.3: Population with Long-Term Health Problem or Disability by Age



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.

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 & Bosworth	Dementia	1,584	2,665	1,080	68.2%
	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 Leicestershire	Dementia	1,415	2,477	1,062	75.1%
	Mobility problems	3,828	6,311	2,483	64.8%
Oadby & Wigston	Dementia	971	1,425	454	46.8%
	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.

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- 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.

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.

²⁴ Based on the More Choice Greater Voice publication of 2008

(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.

²⁵ https://www.housinglin.org.uk/_assets/Resources/Housing/Support_materials/Toolkit/Housing_in_Later_Life_Toolkit.pdf

- 11.71 Icení 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 with support		Housing with care		Residential care	Nursing care
	Market	Affordable	Market	Affordable		
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 75+	Current supply	Current demand	Current shortfall/surplus (-ve)	Additional demand to 2041	Shortfall/surplus by 2041
Housing with support	Market	33	206	625	419	414	833
	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 care)		52	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

Source: Derived from Demographic Projections and Housing LIN/EAC

*Numbers may not add up due to rounding

Table 11.14 Specialist Housing Need using adjusted SHOP@Review Assumptions, 2020-41 – Leicestershire

		Housing demand per 1,000 75+	Current supply	Current demand	Current shortfall/surplus (-ve)	Additional demand to 2041	Shortfall/surplus by 2041
Housing with support	Market	66	1,565	4,506	2,941	3,071	6,012
	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

*Numbers may not add up due to rounding

11.78 The series of tables below provide the same information for each local authority (excluding Leicester).

Table 11.15 Specialist Housing Need using adjusted SHOP@Review Assumptions, 2020-41 – Blaby

		Housing demand per 1,000 75+	Current supply	Current demand	Current shortfall/surplus (-ve)	Additional demand to 2041	Shortfall/surplus by 2041
Housing with support	Market	71	107	697	590	423	1,013
	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

Source: Derived from Demographic Projections and Housing LIN/EAC

*Numbers may not add up due to rounding

Table 11.16 Specialist Housing Need using adjusted SHOP@Review Assumptions, 2020-41 – Charnwood

		Housing demand per 1,000 75+	Current supply	Current demand	Current shortfall/surplus (-ve)	Additional demand to 2041	Shortfall/surplus by 2041
Housing with support	Market	66	446	998	552	697	1,249
	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		81	914	1,228	314	857	1,171

Source: Derived from Demographic Projections and Housing LIN/EAC

*Numbers may not add up due to rounding

**Table 11.17 Specialist Housing Need using adjusted SHOP@Review Assumptions, 2020-41 –
Harborough**

		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 support	Market	69	339	678	339	554	893
	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

Source: Derived from Demographic Projections and Housing LIN/EAC

*Numbers may not add up due to rounding

**Table 11.18 Specialist Housing Need using adjusted SHOP@Review Assumptions, 2020-41 –
Hinckley & Bosworth**

		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 support	Market	63	351	719	368	498	866
	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

*Numbers may not add up due to rounding

Table 11.19 Specialist Housing Need using adjusted SHOP@Review Assumptions, 2020-41 – Melton

		Housing demand per 1,000 75+	Current supply	Current demand	Current shortfall/surplus (-ve)	Additional demand to 2041	Shortfall/surplus by 2041
Housing with support	Market	63	41	333	292	241	533
	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

Source: Derived from Demographic Projections and Housing LIN/EAC

*Numbers may not add up due to rounding

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)	Additional demand to 2041	Shortfall/surplus by 2041
Housing with support	Market	66	96	608	512	481	993
	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

*Numbers may not add up due to rounding

Table 11.21 Specialist Housing Need using adjusted SHOP@Review Assumptions, 2020-41 – Oadby & Wigston

		Housing demand per 1,000 75+	Current supply	Current demand	Current shortfall/surplus (-ve)	Additional demand to 2041	Shortfall/surplus by 2041
Housing with support	Market	69	185	443	258	206	464
	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

Source: Derived from Demographic Projections and Housing LIN/EAC

*Numbers may not add up due to rounding

- 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 in Tables 12.18 – 12.26 is 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.

Table 11.22 Estimated proportion of need as older persons housing – linking to baseline projections

	Housing with care/support	Bedspace allowance	Total need	Indicative % all 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 at the current time 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 health 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

	% of age group with day to day activities limited a lot		Leicester as % of England	Prevalence rate (per 1,000 population)
	Leicester	England		
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 activities limited a lot		Leicestershire as % of England	Prevalence rate (per 1,000 population)
	Leicestershire	England		
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 (2020-41)	Total current and future need	Housing need (2020-41)	% of Housing 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 users, 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.

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 Apartment	2-Bed Apartment	2-Bed Terrace	3-Bed Semi- Detached	4-Bed Semi- 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 Range	2020	2041	Change	% 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 Range	2020	2041	Change	% 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

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](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.

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
Owens outright	26,241	28,018	1,777	6.8%
Owens 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 households	2011 households	Change	% change
Owens outright	82,848	99,100	16,252	19.6%
Owens 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
Owens outright	6.8%	19.6%	16.5%	16.4%	13.0%
Owens 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.

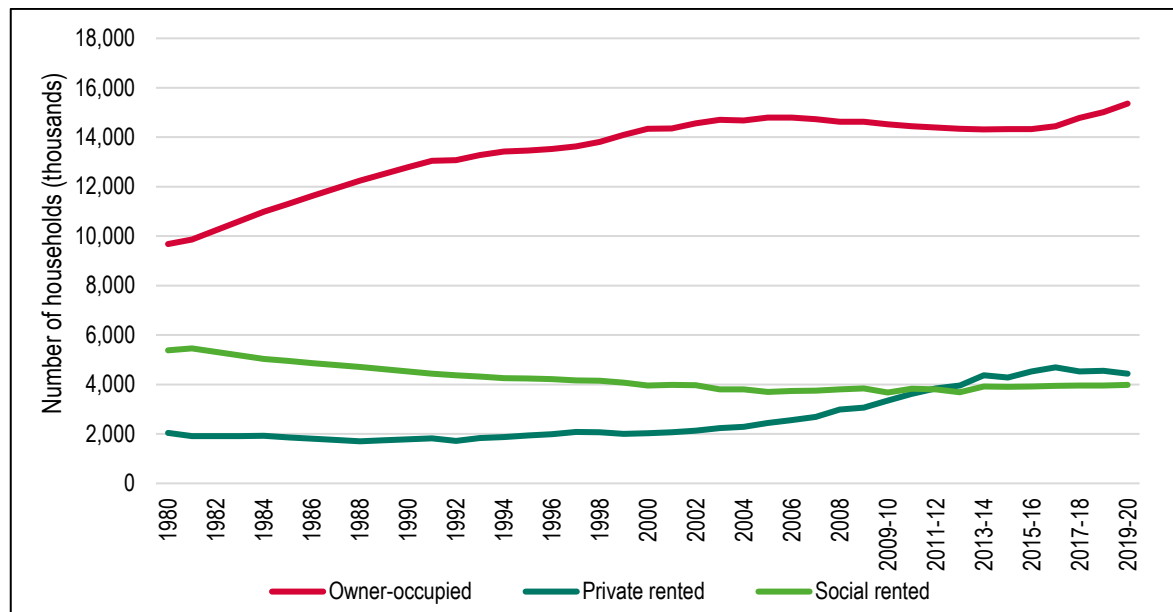
Table 12.6 Change in Tenure (2001-11) – local authorities in Leicestershire

	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.

Figure 12.1: Trends in Tenure, 1980 to 2019-20 – England

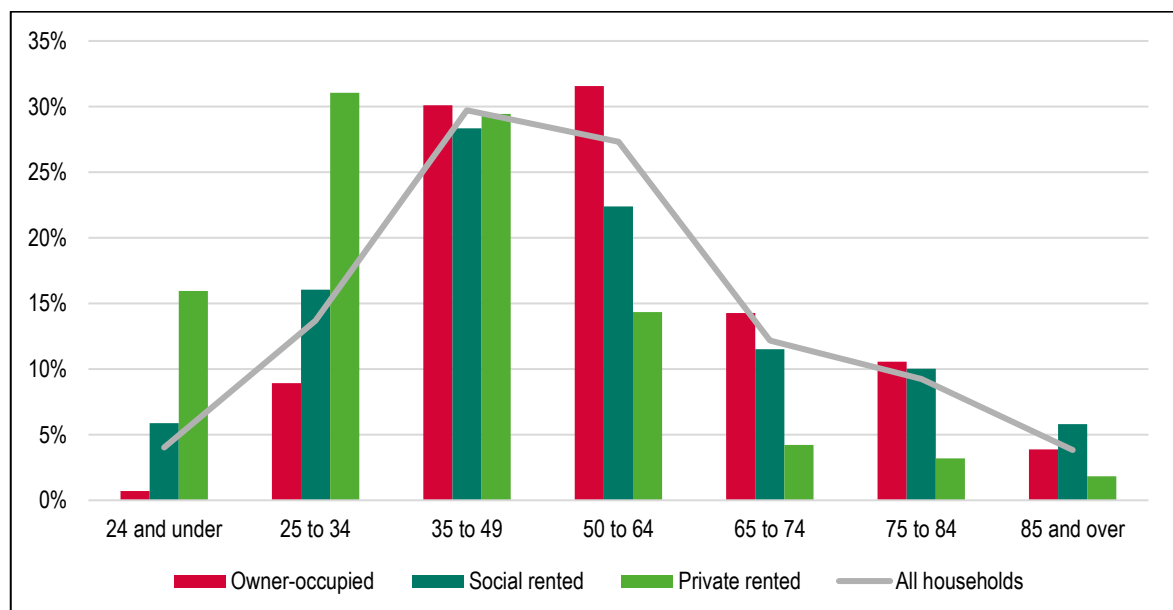


Source: English Housing Survey

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 & Leicestershire



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 for 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.

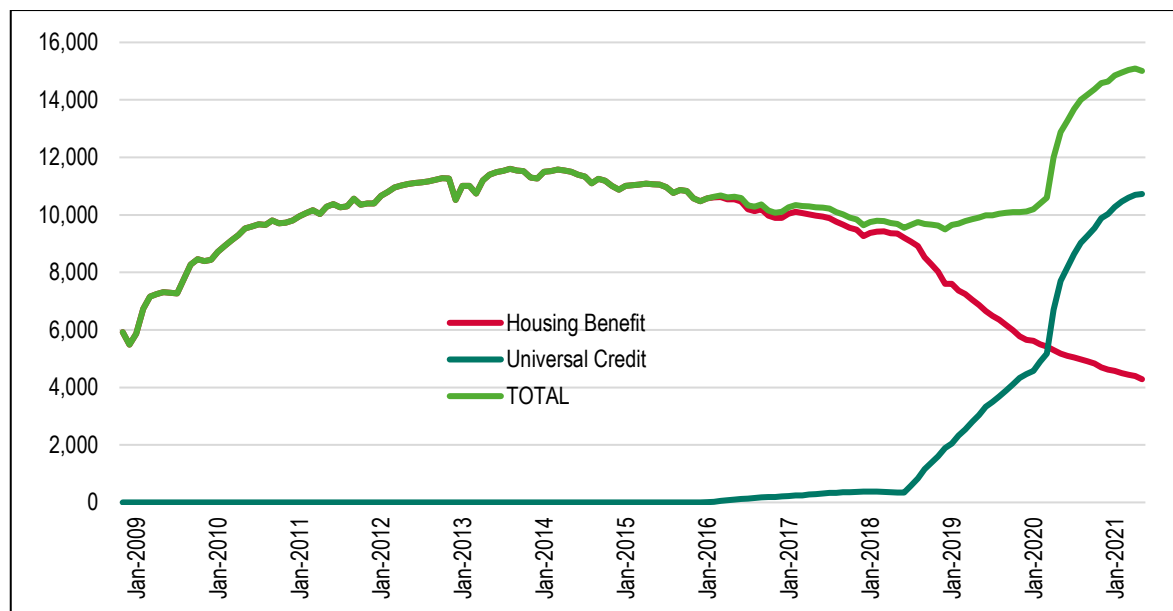
Housing Benefit Claimants

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).

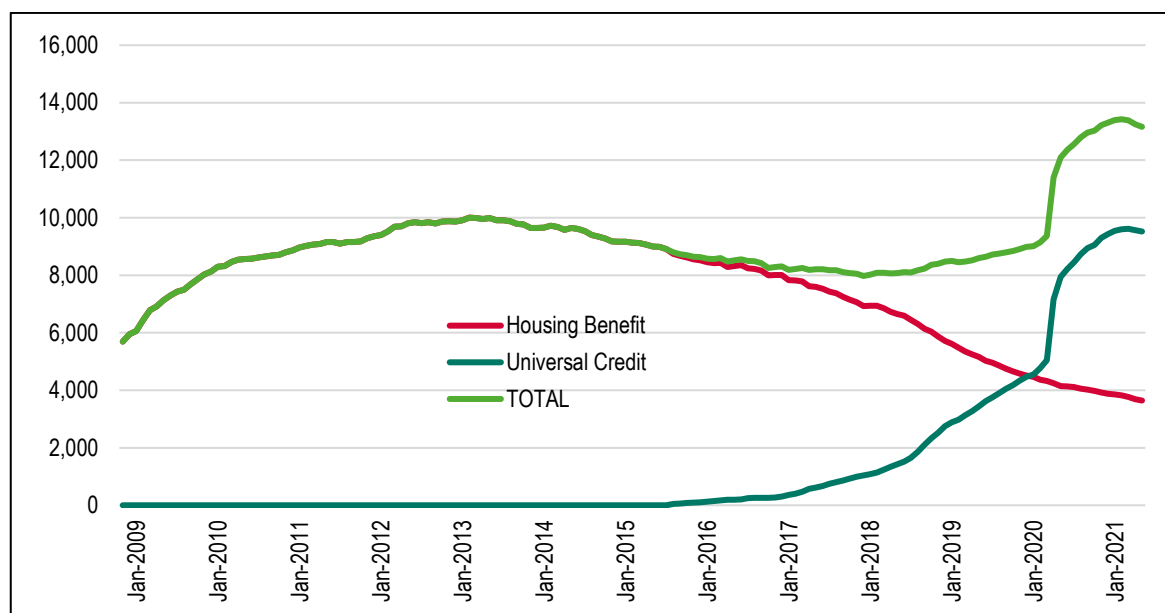
- 12.22 The analysis shows that from 2008, the number of claimants in the PRS rose steadily to peak at just under 12,000 in 2013 in Leicester and around 10,000 in Leicestershire. Since then the number of claimants has generally fallen (until about 2018/19). There has been a notable increase since March 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.

Figure 12.4: Number of Housing Benefit claimants in the Private Rented Sector – Leicester



Source: Department of Work and Pensions

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).

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.

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- 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 on 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 60th 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 Wulcomb – 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)

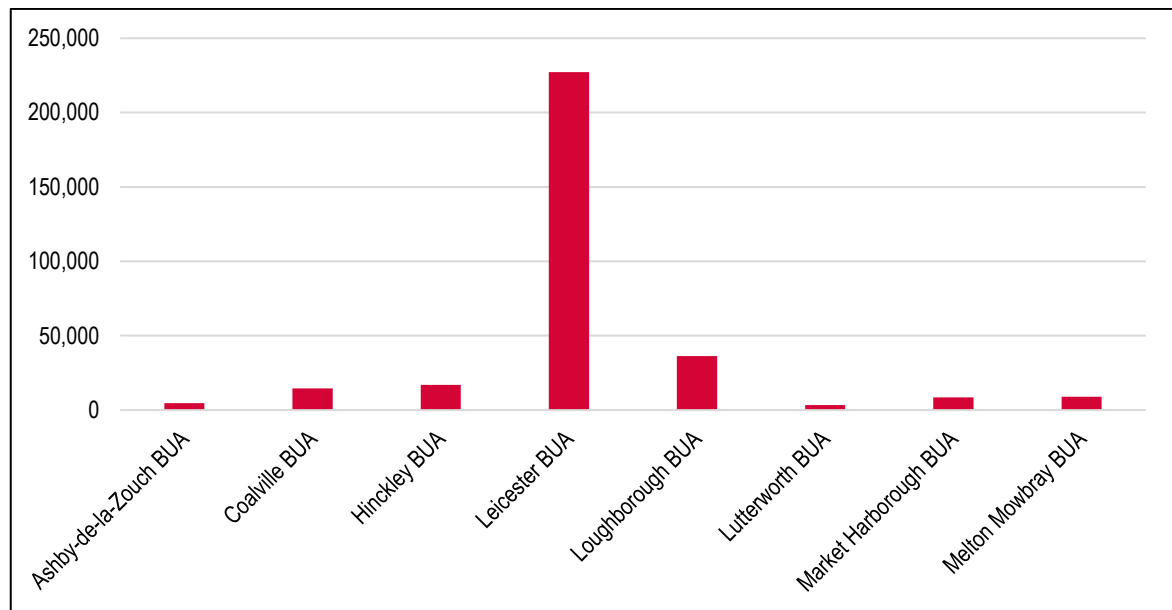
	Under 16	Aged 16-24	Aged 25-34	Aged 35-44	Aged 45+
Ashby-de-la-Zouch BUA	19.5%	8.7%	10.1%	13.0%	48.7%
Coalville BUA	18.2%	9.2%	13.3%	12.3%	47.0%
Hinckley BUA	18.0%	8.6%	12.6%	12.7%	48.1%
Leicester BUA	20.4%	14.4%	14.8%	12.5%	37.9%
Loughborough BUA	14.4%	26.0%	15.9%	10.9%	32.9%
Lutterworth BUA	18.2%	8.8%	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
Page 322 of 698

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

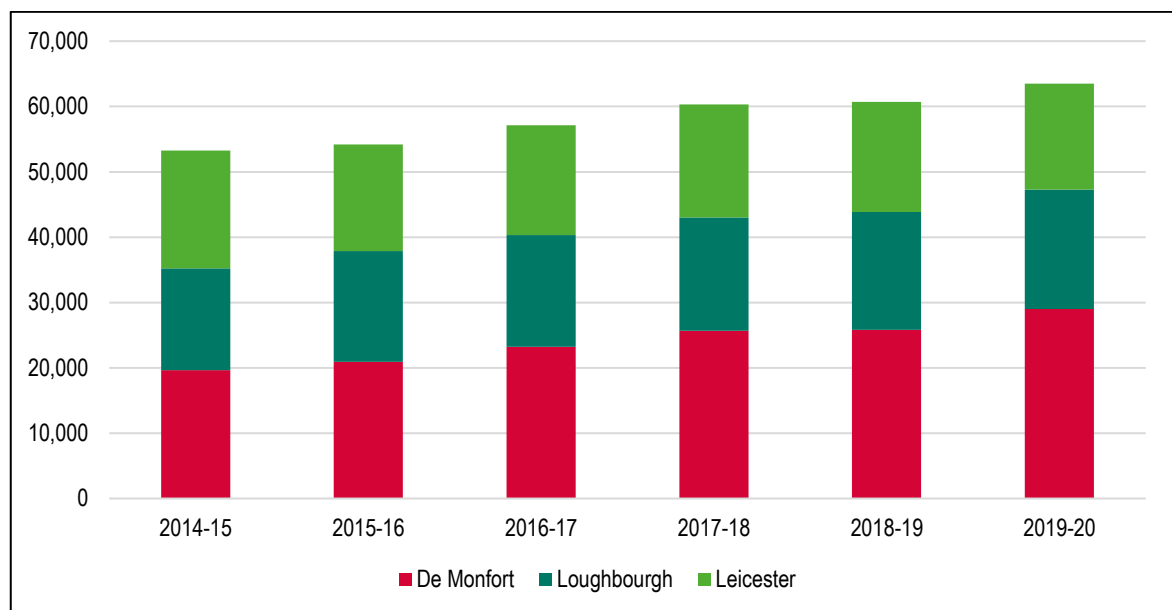
- 12.55 Based on the identified costs only around 5% to 18% of the population would fall in the income gap between median rents and lower quartile resale.
- 12.56 As a purely mathematical exercise, as other factors will be at play, if 10% of the 8,300 growth in the population aged 25-34 in Leicester 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 Wulcomb, 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).

Figure 12.9: Change in Domicile 2014/15-2019/20

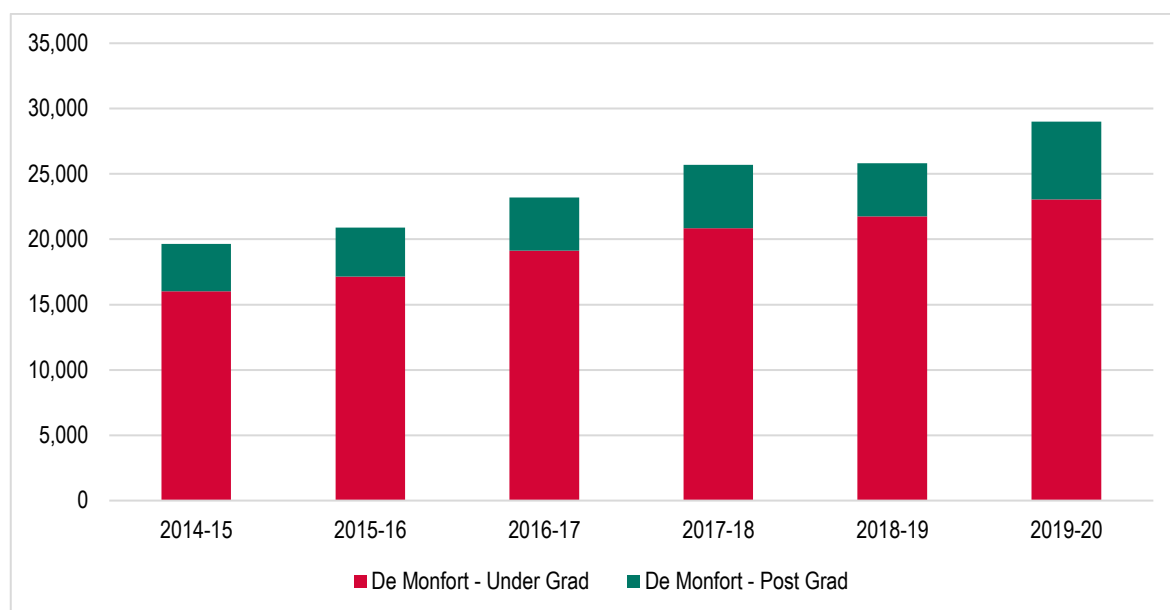


Source: Higher Education Statistics Authority, 2020

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.

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 managed 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.

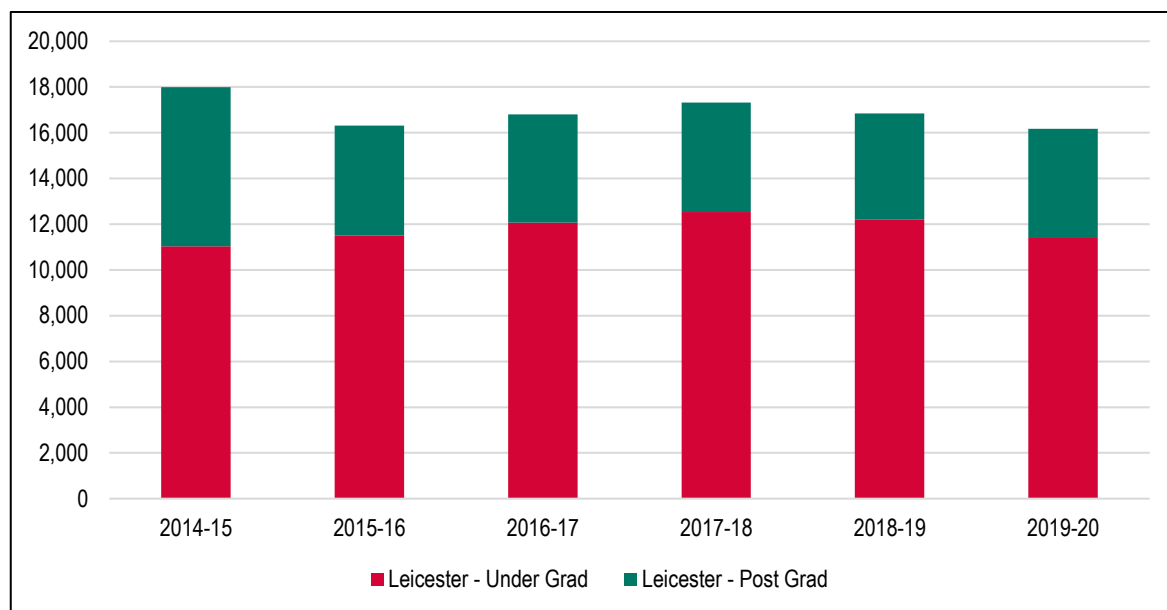
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- 12.71 The second and third year population are largely accommodated within PBSA and HMO. There appears to have been a notable shift over the last 10 years of students using more PBSA and less HMOs. The PBSA offer now seems to dominate most of the 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

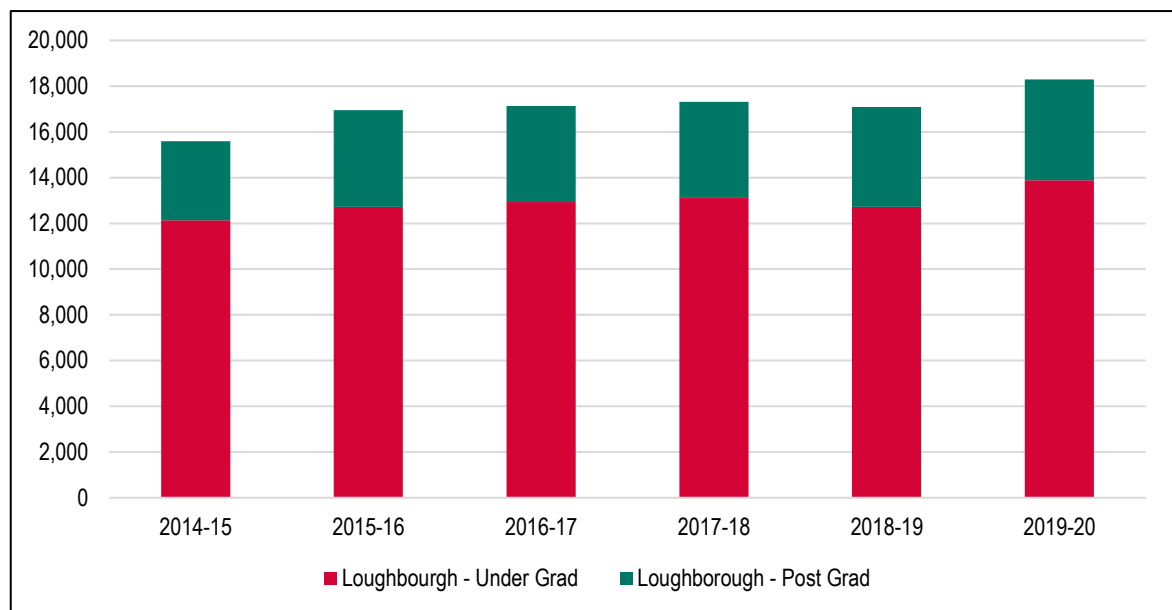
be a new peak for the University and is expected to be sustained. All of the growth in student accommodation is expected to occur in Leicester rather than Oadby & Wigston.

- 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 Freeman'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 Freeman'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 multi-storey 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 managed 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.

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- 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 unexpectedly 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 in Loughborough (equivalent of 206 dwellings) and is comprised of the following developments:

- Land to the West of Aumbery 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 custom-build 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.

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.

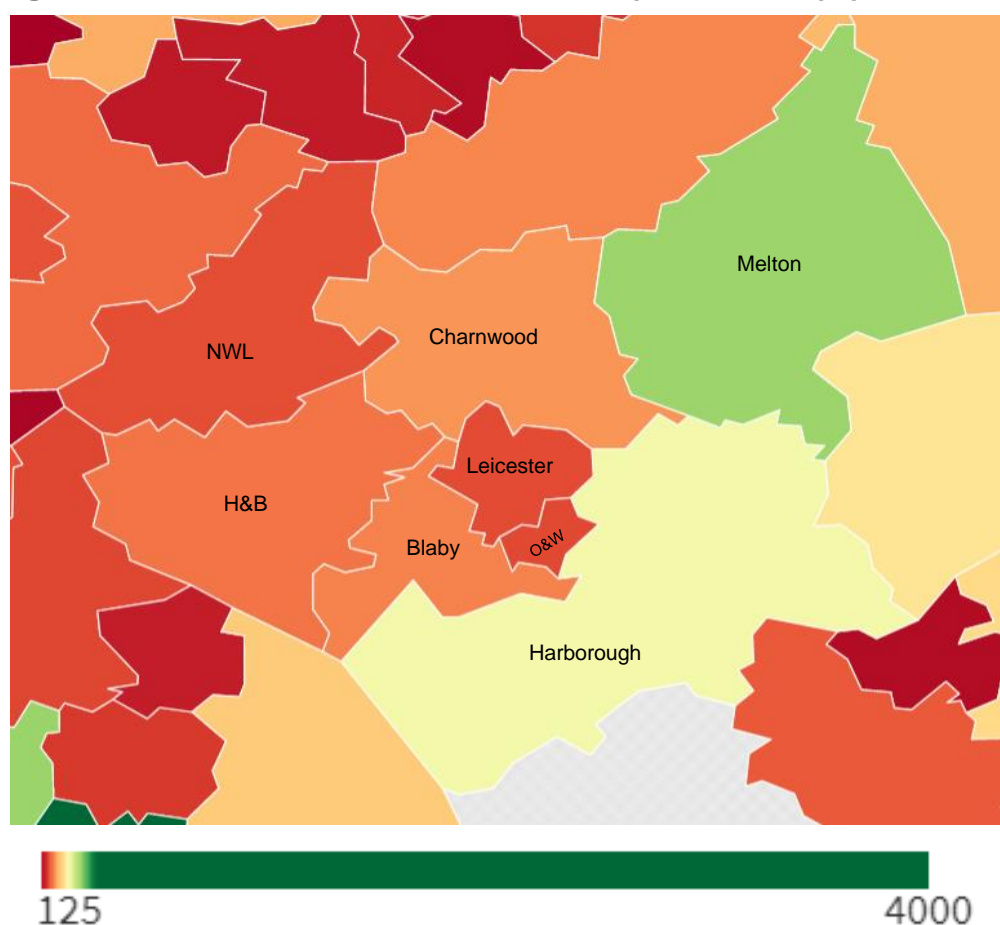
12.129 In November 2018, NaCSBA used a Freedom of Information request to 336 English councils that found that 40,000 people had signed up to Right to Build registers, but that 'there was a postcode lottery of activity'. The data was drawn from registers on 30th October 2018 and 310 Councils responded.

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 'Survey of Self Build Intentions 2016' – this survey questioned nearly 2,000 people about their self-build ambition and activity

Page 337 of 698

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 its smaller population size. This compares to around 20 people being on the self- and custom-build register.

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 inter-relationships. 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 semi-detached 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). Icen'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. Icen 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

	Leicester	Blaby	Charnwood	Harborough	H & B	Melton	NWL	O & W	L & L
Total need (per annum)	2,464	341	1,111	534	472	231	372	188	5,713

- 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 Icenis 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 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 housing need 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

⁴² <https://www.lstrategicgrowthplan.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.

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- 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.

- 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 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.



APRIL 2022,
UPDATED
JUNE 2022

Leicester & Leicestershire Housing & Economic Needs Assessment

Executive Summary

Iceni Projects Limited on behalf of Leicester &
Leicestershire Local Authorities

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ON BEHALF OF LEICESTER
& LEICESTERSHIRE LOCAL
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Page 355 of 698

Leicester & Leicestershire Housing &
Economic Needs Assessment
EXECUTIVE SUMMARY

CONTENTS

1. INTRODUCTION 1

2. ECONOMIC & PROPERTY MARKET DYNAMICS 1

3. FUTURE DEVELOPMENT NEEDS 3

4. NEED FOR DIFFERENT TYPES OF HOMES 9

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 Icen 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 sub-region, 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-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.
- 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 Icení 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 Icení 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 Icení'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.llestrategicgrowthplan.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

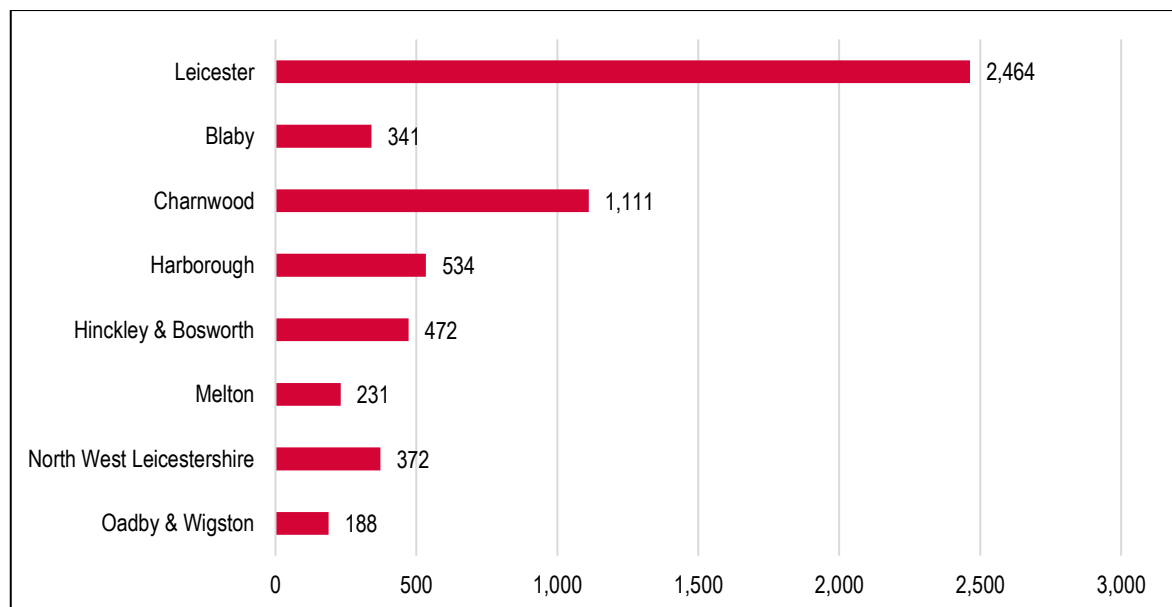
Locational Approach to Meeting Needs

- 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.

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



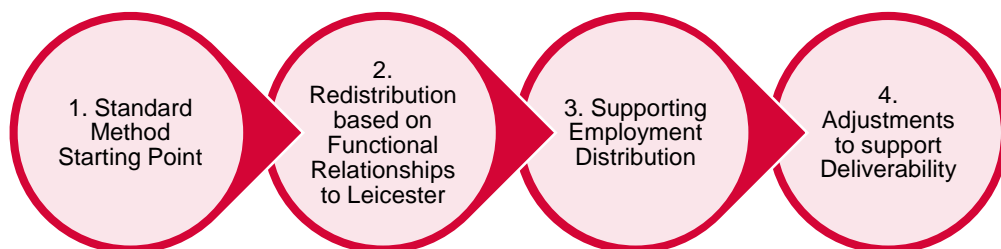
- 3.18 The demographic analysis undertaken does not point to any exceptional circumstances to depart from the standard method. Consideration has been given to whether there are factors which might result in an upward adjustment to the overall housing need; with the evidence finding no such factors across 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.

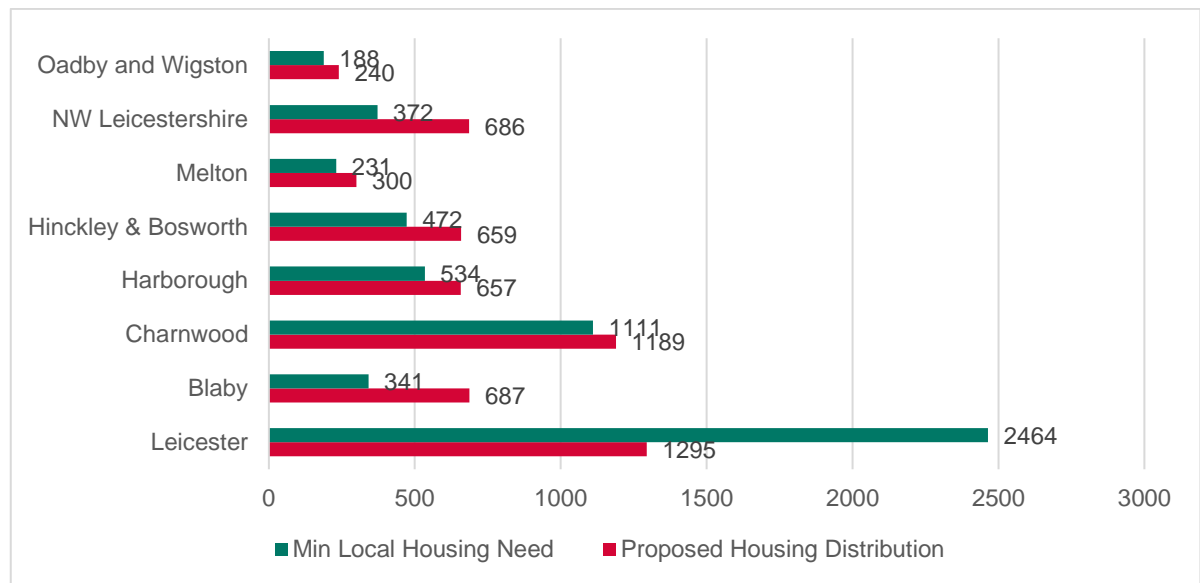
- 3.20 The long-term distribution of development in the sub-region is to be informed by the review of the Strategic Growth Plan, which was first published in 2018. However as there is a lead-in time to the delivery of major strategic sites/ growth locations, which can be 10 years or more, the HENA proposes 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

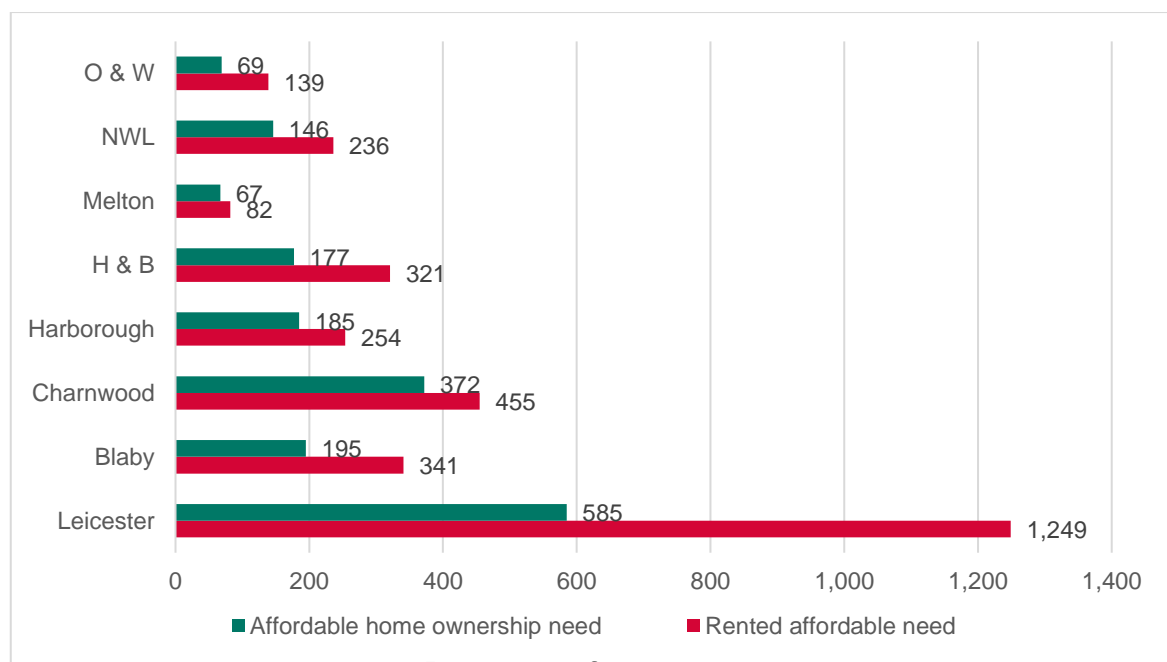


4. NEED FOR DIFFERENT TYPES OF HOMES

Need for Affordable Housing

- 4.1 The HENA has assessed affordable housing need taking account of the NPPF definition of affordable housing and the latest information, including on housing costs. It finds a need for 3,076 rented 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



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- 4.2 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.
- 4.8 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 /surplus by 2041		Leicester	Blaby	C'wood	H'boro	H&B	Melton	NWL	O&W
Housing with support	Market	833	1,013	1,249	893	866	533	993	464
	Affordable	2,263	-347	487	127	579	-152	-188	197
Total (housing with support)		3,096	666	1,736	1,021	1,445	381	805	661
Housing with care	Market	485	417	767	428	513	258	520	273
	Affordable	986	97	299	119	258	72	252	116
Total (housing with care)		1,470	514	1,066	547	771	329	772	389
Residential care bedspaces		238	22	356	273	323	60	387	34
Nursing care bedspaces		651	599	815	391	695	220	578	237
Total bedspaces		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

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- 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.



APRIL 2022,
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Leicester & Leicestershire Housing & Economic Needs Assessment

Housing Distribution Paper

Iceni Projects Limited on behalf of
Leicester & Leicestershire Local
Authorities

April 2022, amended June 2022

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Page 373 of 698

Leicester & Leicestershire Housing &
Economic Needs Assessment
HOUSING DISTRIBUTION PAPER

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

1. INTRODUCTION

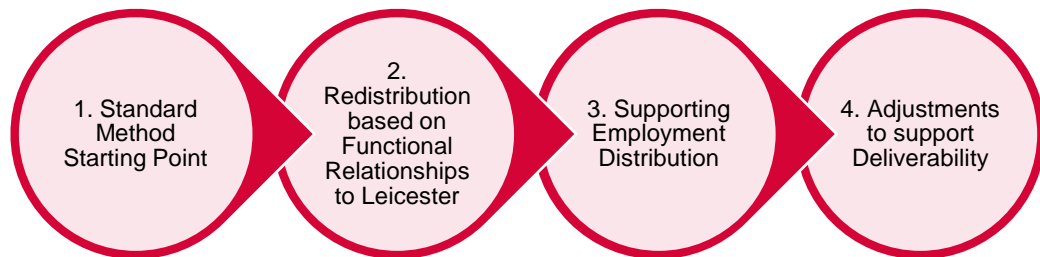
- 1.1 The authorities within Leicester and Leicestershire have prepared a Strategic Growth Plan (SGP), which was published in 2018, and sets out a long-term strategy for growth in the sub-region. There are a number of other workstreams in progress which will inform a review of the SGP including the HENA 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.

2. OVERVIEW OF APPROACH

- 2.1 Icen, 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.
- 2.2 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.

2.6 These steps are summarised in the diagram below.

Figure 2.1: Overview of Housing Distribution Methodology



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.*"¹ 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.

² Leicester & Leicestershire Authorities - Statement of Common Ground relating to Housing and Employment Land Needs (March 2021)

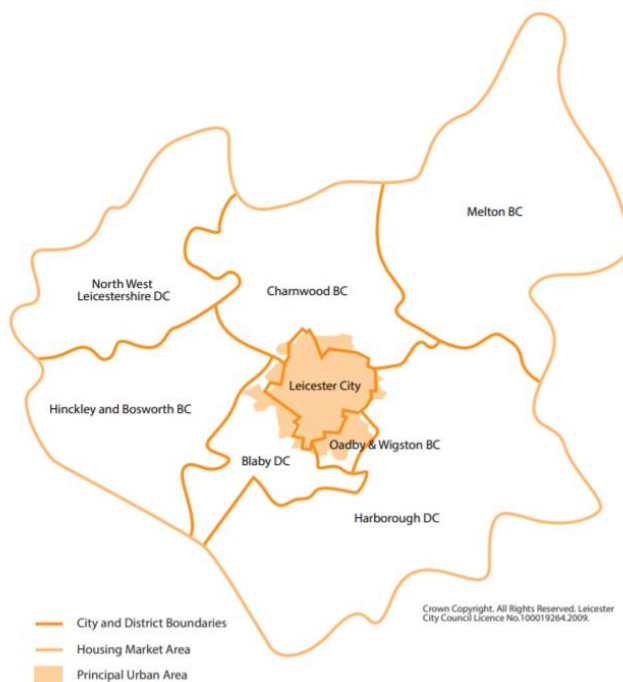
4. DISTRIBUTION BASED ON FUNCTIONAL RELATIONSHIPS

- 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.

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 Scraftoft).
- 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 to Leicester	% Leicestershire Total	Out- Commuting from City	% to Authority
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 out-commuting 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 Icen 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 Relationship to Leicester	Initial Redistribution 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

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.**
- 5.4 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

NB: Totals may not sum due to rounding

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.
- 6.3 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

NB: Totals may not sum due to rounding

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

- 6.6 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

	Commitments	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

NB: Totals may not sum due to rounding

- 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 Re-distribution (dpa)	Economic Adjustments (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

NB: Totals may not sum due to rounding

- 6.12 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%

NB: Totals may not sum due to rounding

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%

NB: Totals may not sum due to rounding

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%

NB: Totals may not sum due to rounding

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 Leicestershire 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.

Table 6.9 Proposed Interim Distribution of Housing Provision to 2036

dpa	Leicester	Blaby	Charnwood	Harborough	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%

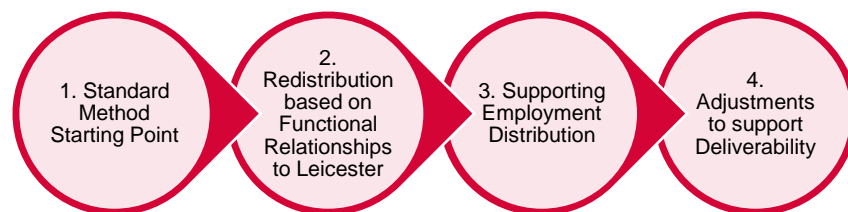
NB: Totals may not sum due to rounding

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.

-
- 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, 2020-36⁷	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).

⁷ The dpa figures are rounded to the nearest integer



APRIL,
AMENDED
JUNE 2022

Leicester & Leicestershire Housing & Economic Needs Assessment

Employment Distribution Paper

Iceni Projects Limited on behalf of
Leicester & Leicestershire Local
Authorities

April, amended June 2022

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Page 401 of 698

Leicester & Leicestershire Housing &
Economic Needs Assessment
EMPLOYMENT DISTRIBUTION PAPER

1. EMPLOYMENT DISTRIBUTION

- 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

	Need		Supply		Balance		Notes*
	B1	B2/B8 (small)	B1	B2/B8 (small)	B1	B2/B8 (small)	
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 mid-sized 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, Icenl 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	Ian McCluskey Associate Director	Alastair Peattie Technical Director

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Table of contents

1 Introduction1

2 Scoping.....6

3 Description of the options.....11

4 Methodology for appraising options32

5 Appraisal Findings: Housing Options35

6 Appraisal Findings: Employment Options43

7 Appraisal of the preferred approach45

8 Monitoring48

9 Next Steps51

Appendix A: Appraisal of Housing Options

Appendix B: Appraisal of Employment Options

Appendix C: Detailed appraisal of the preferred approach

Appendix D: Schedule of Compliance

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.

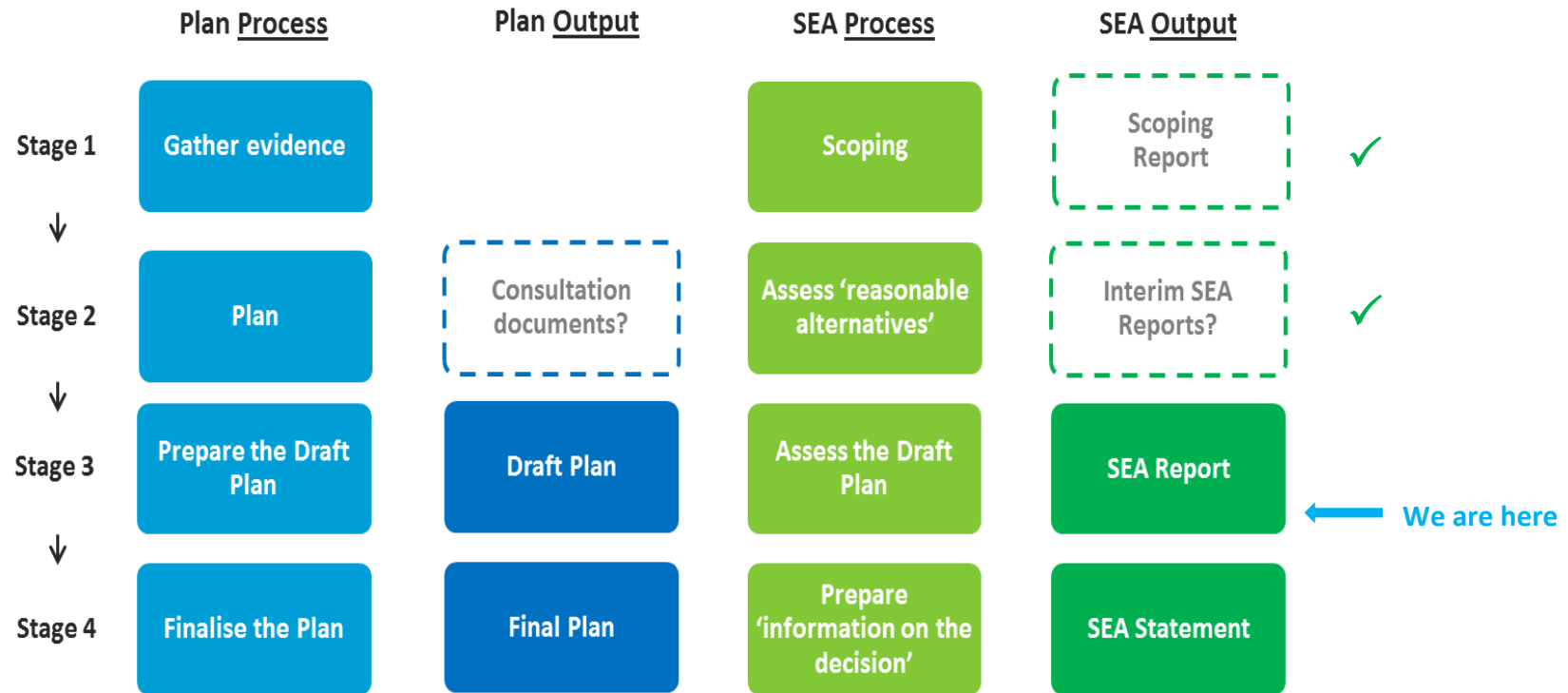
1.2 Summary of the SA process

- 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

Figure1.1: 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

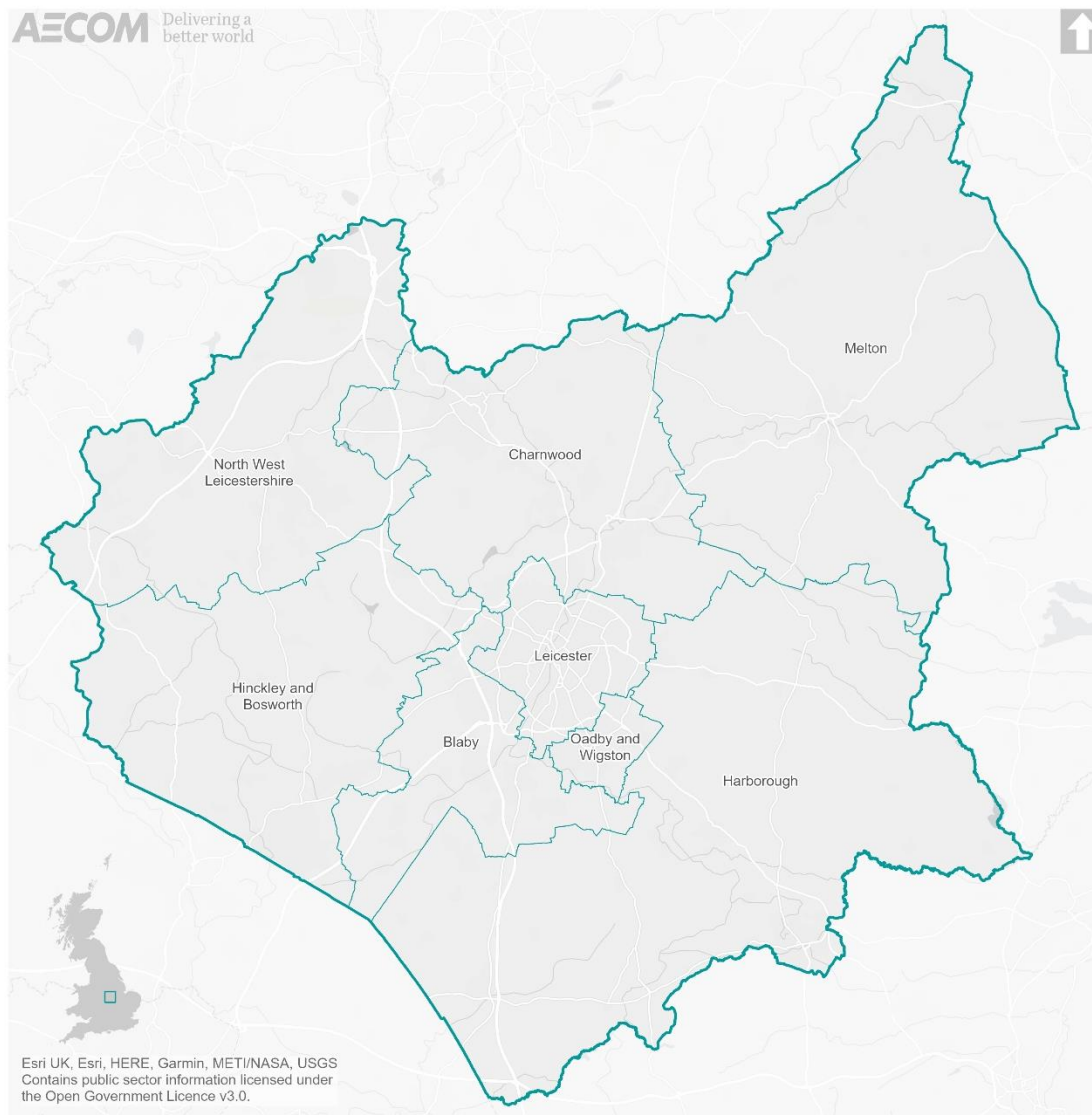
Section 8 – Next Steps

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
<p>Biodiversity and geodiversity</p> <p>The County has a relatively low level of designated biodiversity sites. However, these are in a mostly favourable or recovering position.</p> <p>Opportunities to strengthen ecological networks should therefore be taken advantage of.</p> <p>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.</p>	<p>1. Create new, protect, maintain and enhance habitats, species and ecological networks.</p>
<p>Health and wellbeing</p> <p>The population is ageing, with impacts for the delivery of health services.</p> <p>Another key issue due to a rising population is the provision of sufficient and appropriate housing within the HMA / districts.</p>	<p>2. Maintain and improve levels of health, whilst reducing health inequalities</p>
<p>Housing</p> <p>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.</p> <p>Housing affordability is an issue across the HMA.</p> <p>There is an increasing need to provide housing suitable for an ageing population.</p>	<p>3. Secure the delivery of high quality, market and affordable homes, to meet Objectively Assessed Need.</p>

Key issues	SA Objective
<p>Employment and economy</p> <p>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.</p> <p>Unemployment rates are falling across the HMA, though remain the highest within the city.</p>	<p>4. Support the continued growth and diversification of the economy.</p>
<p>Transport and travel</p> <p>Accessibility to services, facilities and jobs is poor in rural areas.</p> <p>Access to strategic employment sites by public transport is not ideal.</p> <p>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.</p>	<p>5. Improve accessibility to services, jobs and facilities by reducing the need to travel, promoting sustainable modes of transport and securing strategic infrastructure improvements.</p>
<p>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.</p>	<p>6. Minimise exposure to poor air quality, whilst managing contributing sources.</p>
<p>Climate change</p> <p>There are opportunities to increase the amount of low carbon and renewable sources of energy above the relatively low baseline position.</p>	<p>7. Contribute to a reduction in greenhouse gas emissions and an increase in the use of low carbon energy.</p>

Key issues	SA Objective
<p>Landscape and land</p> <p>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.</p> <p>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.</p>	<p>8. Protect, maintain and enhance landscapes whilst promoting their value to sustainable growth.</p> <p>9. Protect high quality agricultural land from permanent development.</p>
<p>Cultural heritage</p> <p>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.</p> <p>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.</p>	<p>10. Conserve and enhance the historic environment, heritage assets and their settings.</p>

Key issues	SA Objective
<p>Water</p> <p>The quality of many water resources across the Plan area is in need of improvement, yet could come under increased pressure from new development.</p> <p>SUDs should be encouraged to support the natural and sustainable management of water resources.</p> <p>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.</p>	<p>11.Steer development away from the areas at the greatest risk of flooding, whilst supporting schemes that reduce the risk and impacts of flooding.</p> <p>12.Protect, maintain and enhance the quality of water resources.</p>
<p>Waste and minerals</p> <p>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.</p> <p>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.</p> <p>There are mineral resources across the County, some of which could be sterilised by development. It is important to protect such reserves from sterilisation.</p>	<p>Waste – Scoped out. The trends are generally positive, and the planning for growth ought to be managed through the Leicester and Leicestershire Waste Plans.</p> <p>13.Protect mineral resources from sterilisation, and support their sustainable extraction.</p>

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. Equal share dispersed		A3.Strategic site focus	A4. Near Leicester Area focus		A5. HENA Distribution	
<i>Near Leicester Area</i>	5406 34%	<i>Blaby – 1081 Charnwood – 1081 Harborough – 1081 Hinckley – 1081 Oadby - 1081</i>	6110 38%	<i>Blaby - 1522 Charnwood – 772 Harborough – 772 Hinckley – 772 Oadby - 2271</i>	Blaby – 2770 Harborough – 3750 Hinckley – 450 Oadby - 1480	15900 dwellings 100%	<i>Blaby – 3330 Charnwood – 3330 Harborough – 3330 Hinckley – 3330 Oadby - 2582</i>	6045 38%	<i>Blaby - 3492 Charnwood – 354 Harborough – 647 Hinckley – 753 Oadby - 800</i>
<i>Market towns</i>	5247 33%	<i>Charnwood – 1049 Harborough – 1049 Hinckley - 1049 Melton – 1049 NWL – 1049</i>	5292 33%	<i>Charnwood – 750 Harborough – 750 Hinckley – 750 Melton - 1522 NWL – 1522</i>	Charnwood – 890 Harborough – 1242 Hinckley - 1242 Melton - 1242 NWL - 1242	0%		5859 37%	<i>Charnwood – 343 Harborough – 628 Hinckley – 1846 Melton - 884 NWL – 2158</i>
<i>Other Identified settlements</i>	5247 33%	<i>Blaby – 874 Charnwood – 874 Harborough – 874 Hinckley - 874 Melton - 874 NWL - 874</i>	4497 28%	<i>Blaby – 749 Charnwood – 750 Harborough – 750 Hinckley – 750 Melton – 750 NWL - 750</i>	Blaby - 1242 Charnwood - 352	0%		3996 25%	<i>Blaby – 1282 Charnwood – 343 Harborough – 628 Hinckley – 294 Melton – 436 NWL - 1014</i>
<i>Strategic site focus</i>	0%		0%		100%	0%		0%	

Table 3.3 Scenario B: 25% uplift on current unmet housing needs (20,000)

	B1. Settlement Pattern Spread		B2. Equal share dispersed		B3.Strategic site focus	B4. Near Leicester Area focus		B5. HENA Distribution	
<i>Near Leicester Area</i>	6800 34%	<i>Blaby – 1360 Charnwood – 1360 Harborough – 1360 Hinckley – 1360 Oadby - 1360</i>	7488 37%	<i>Blaby - 1945 Charnwood – 987 Harborough – 987 Hinckley – 987 Oadby - 2582</i>	Blaby – 2770 Harborough – 3750 Hinckley – 450 Oadby - 1480	20000 dwellings 100%	<i>Blaby – 4594 Charnwood - 4594 Harborough – 4594 Hinckley – 3637 Oadby - 2582</i>	6879 34%	<i>Blaby - 3589 Charnwood – 445 Harborough – 1086 Hinckley – 753 Oadby - 1006</i>
<i>Market towns</i>	6600 33%	<i>Charnwood – 1320 Harborough – 1320 Hinckley - 1320 Melton – 1320 NWL – 1320</i>	6764 34%	<i>Charnwood – 958 Harborough – 958 Hinckley – 958 Melton - 1945 NWL – 1945</i>	Charnwood – 890 Harborough – 1925 Hinckley - 1925 Melton - 1925 NWL - 1420	0%		7764 39%	<i>Charnwood – 432 Harborough – 653 Hinckley – 2591 Melton - 1112 NWL – 2976</i>
<i>Other Identified settlements</i>	6600 33%	<i>Blaby – 1100 Charnwood – 1100 Harborough – 1100 Hinckley - 1100 Melton - 1100 NWL - 1100</i>	5748 29%	<i>Blaby – 958 Charnwood – 958 Harborough – 958 Hinckley – 958 Melton – 958 NWL - 958</i>	Blaby - 1925 Charnwood – 1035 NWL - 505	0%		5356 27%	<i>Blaby – 2416 Charnwood – 432 Harborough – 653 Hinckley – 294 Melton – 548 NWL - 1014</i>
<i>Strategic site focus</i>	0%		0%		100%	0%		0%	

Table 3.4 Scenario C: 50% of current unmet housing needs (7,950 dwellings)

	C1.Settlement Pattern Spread		C2.Equal share dispersed		C4. Near Leicester Area focus		C3.Strategic site focus
<i>Near Leicester Area</i>	2705 34%	<i>Blaby - 541 Charnwood -541 Harborough - 541 Hinckley – 541 Oadby - 541</i>	3029 38%	<i>Blaby - 757 Charnwood – 379 Harborough – 379 Hinckley – 379 Oadby - 1136</i>	7950 dwellings 100%	<i>Blaby – 1590 Charnwood 1590 Harborough – 1590 Hinckley 1590 Oadby – 1590</i>	<i>Blaby – 2770 Harborough – 3250 Hinckley – 450 Oadby - 1480</i>
<i>Market towns</i>	2625 33%	<i>Charnwood - 525 Harborough -525 Hinckley -525 Melton - 525 NWL – 525</i>	2650 33%	<i>Charnwood – 379 Harborough -379 Hinckley – 379 Melton – 757 NWL – 757</i>	0%		0%
<i>Other Identified settlements</i>	2625 33%	<i>Blaby – 437 Charnwood - 437 Harborough -437 Hinckley -437 Melton - 437 NWL - 437</i>	2271 26%	<i>Blaby – 379 Charnwood – 379 Harborough -379 Hinckley -379 Melton – 379 NWL – 379</i>	0%		0%
<i>Strategic site focus</i>	0%		0%		0%		7950 100%

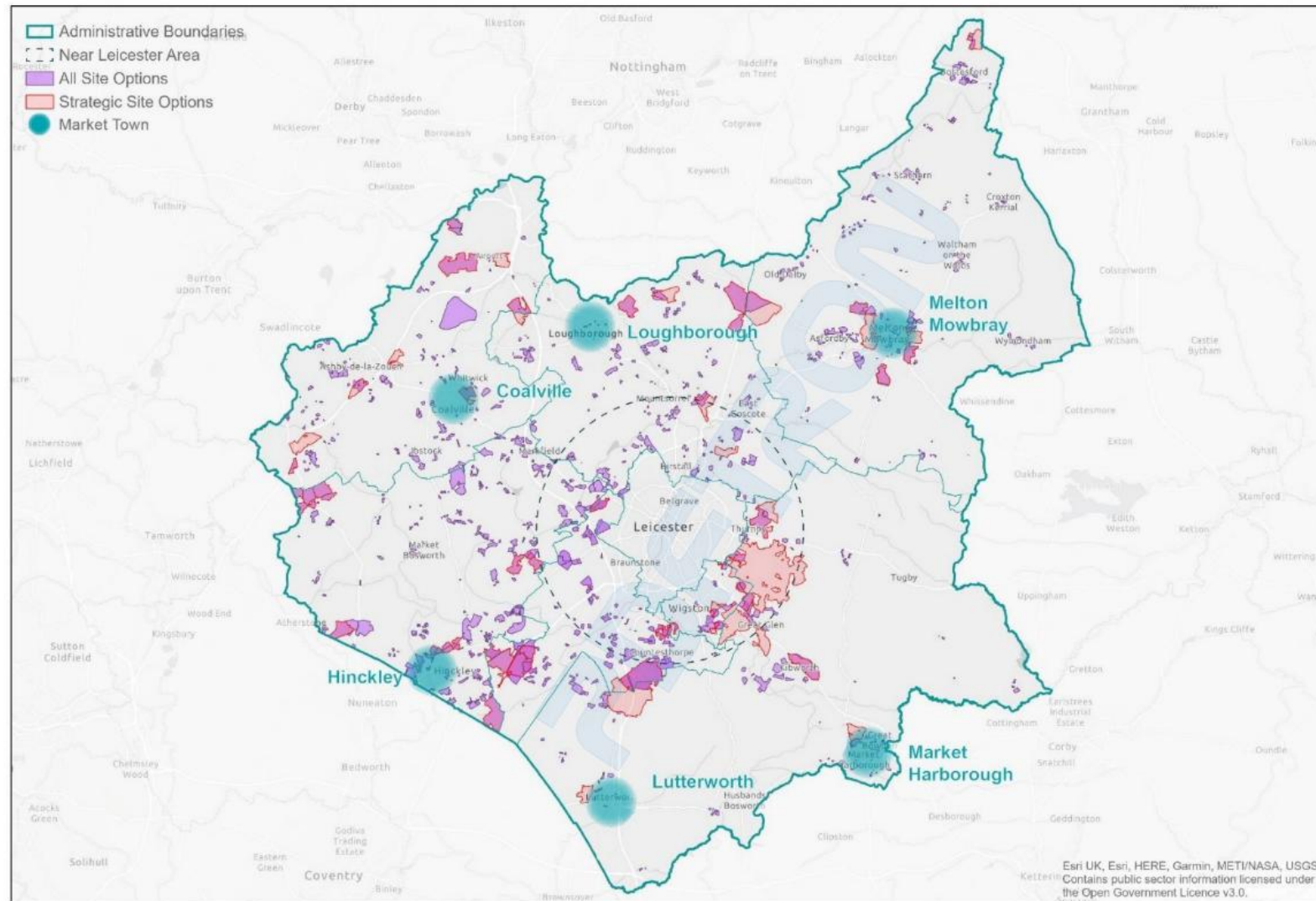
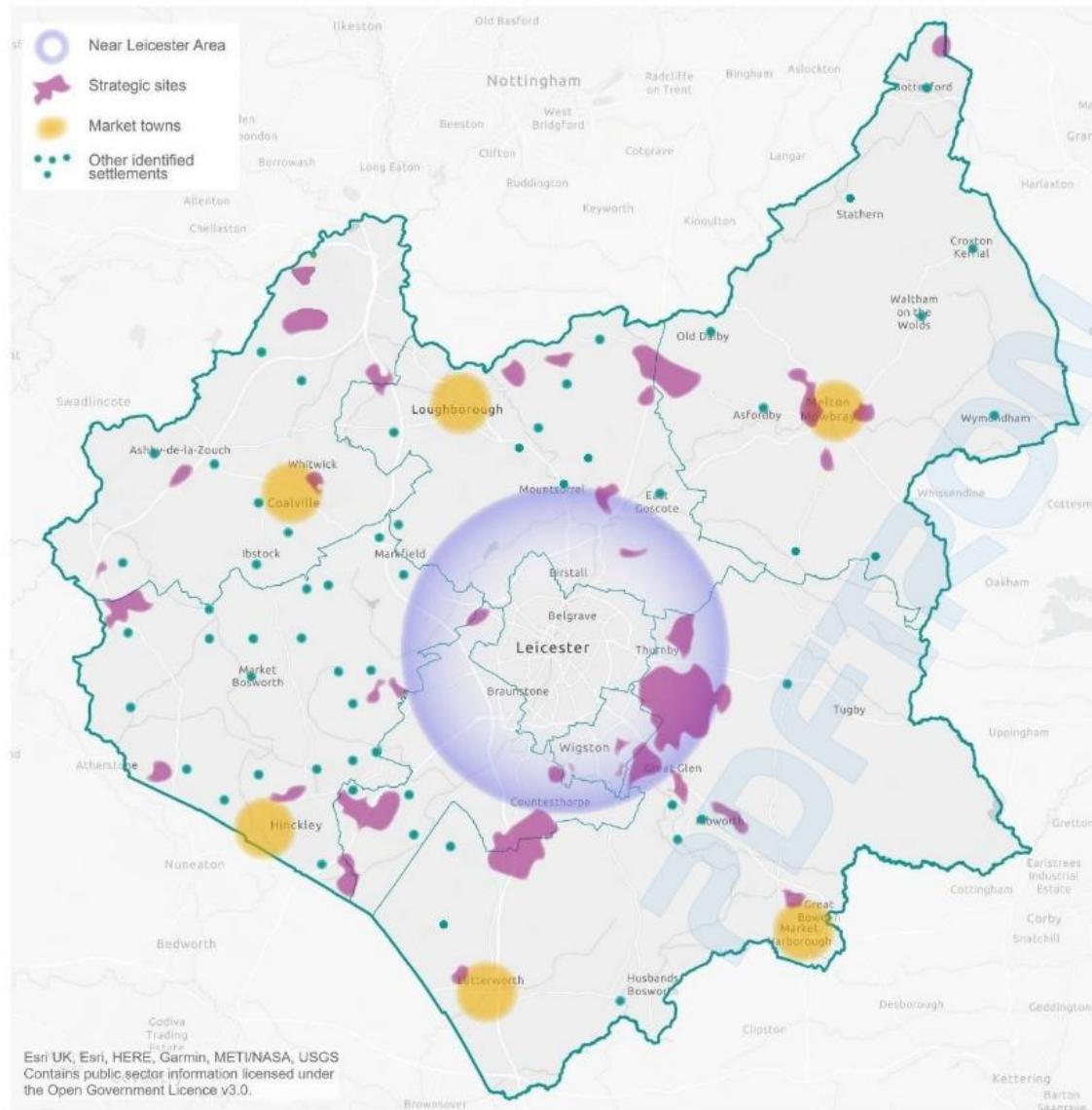
Figure 3.1: Potential site options (housing, employment and mixed use)

Figure 3.2: Distribution Option 1: Settlement Spread

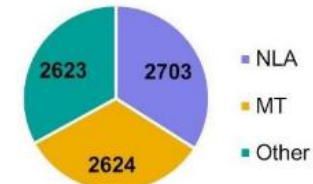




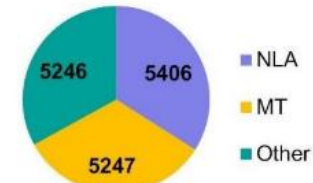
Distribution One Settlement Spread



Growth Scenario C 7,950 dwellings



Growth Scenario A 15,900 dwellings



Growth Scenario B 20,000 dwellings

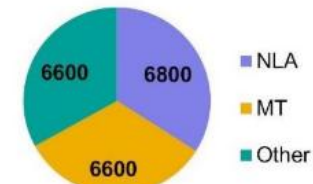
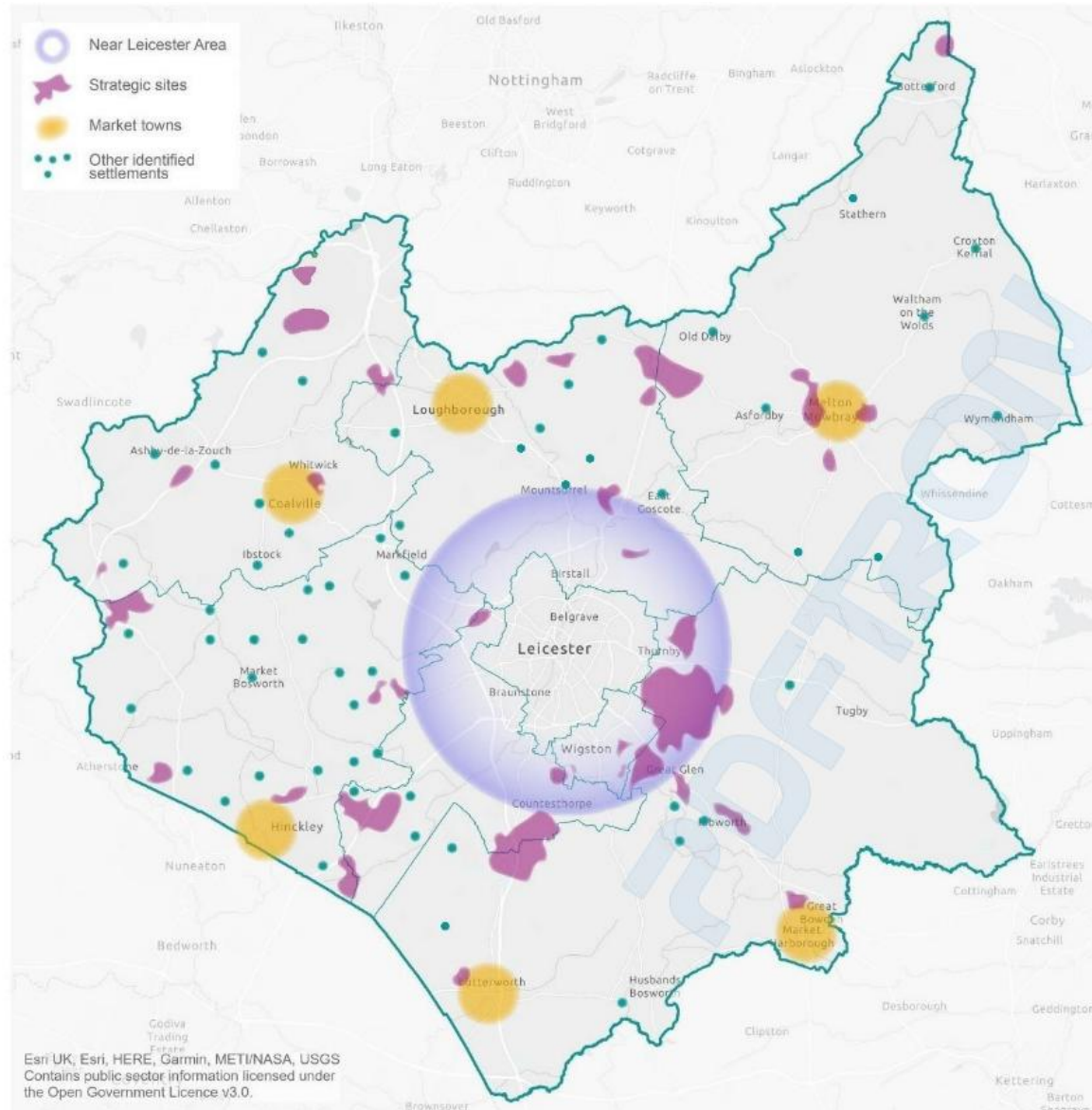


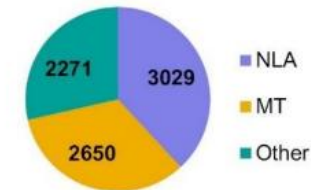
Figure 3.3: Distribution Option 2: Equal Share



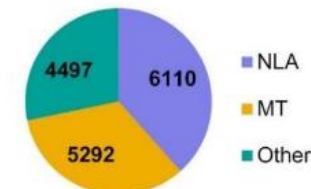
Distribution Two Equal Share



Growth Scenario C 7,950 dwellings



Growth Scenario A 15,900 dwellings



Growth Scenario B 20,000 dwellings

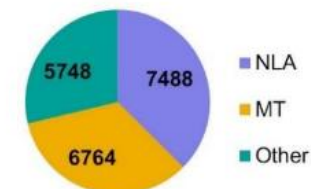


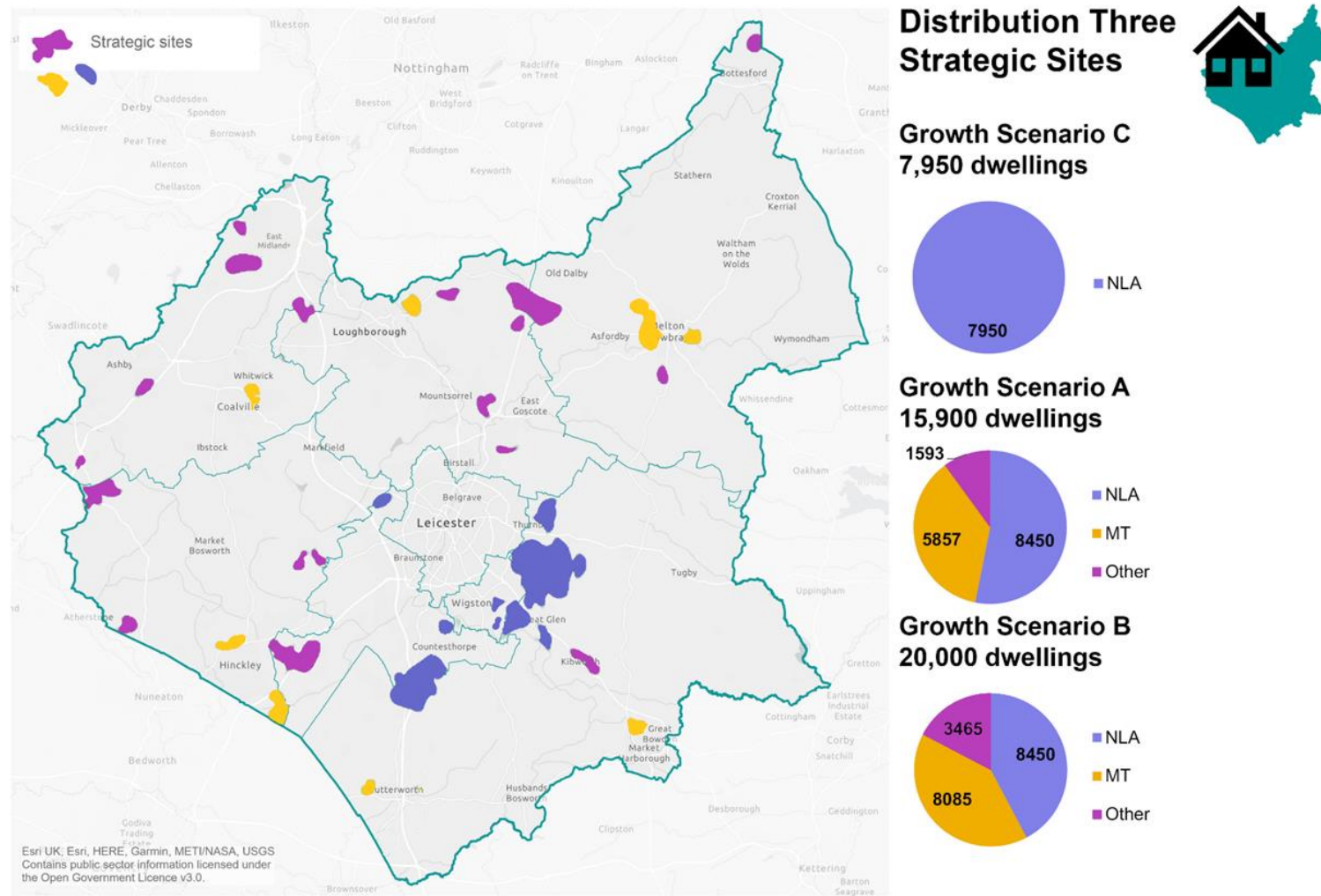
Figure 3.4: Distribution Option 3: Strategic site focus

Figure 3.5: Distribution Option 4: Near Leicester Area focus

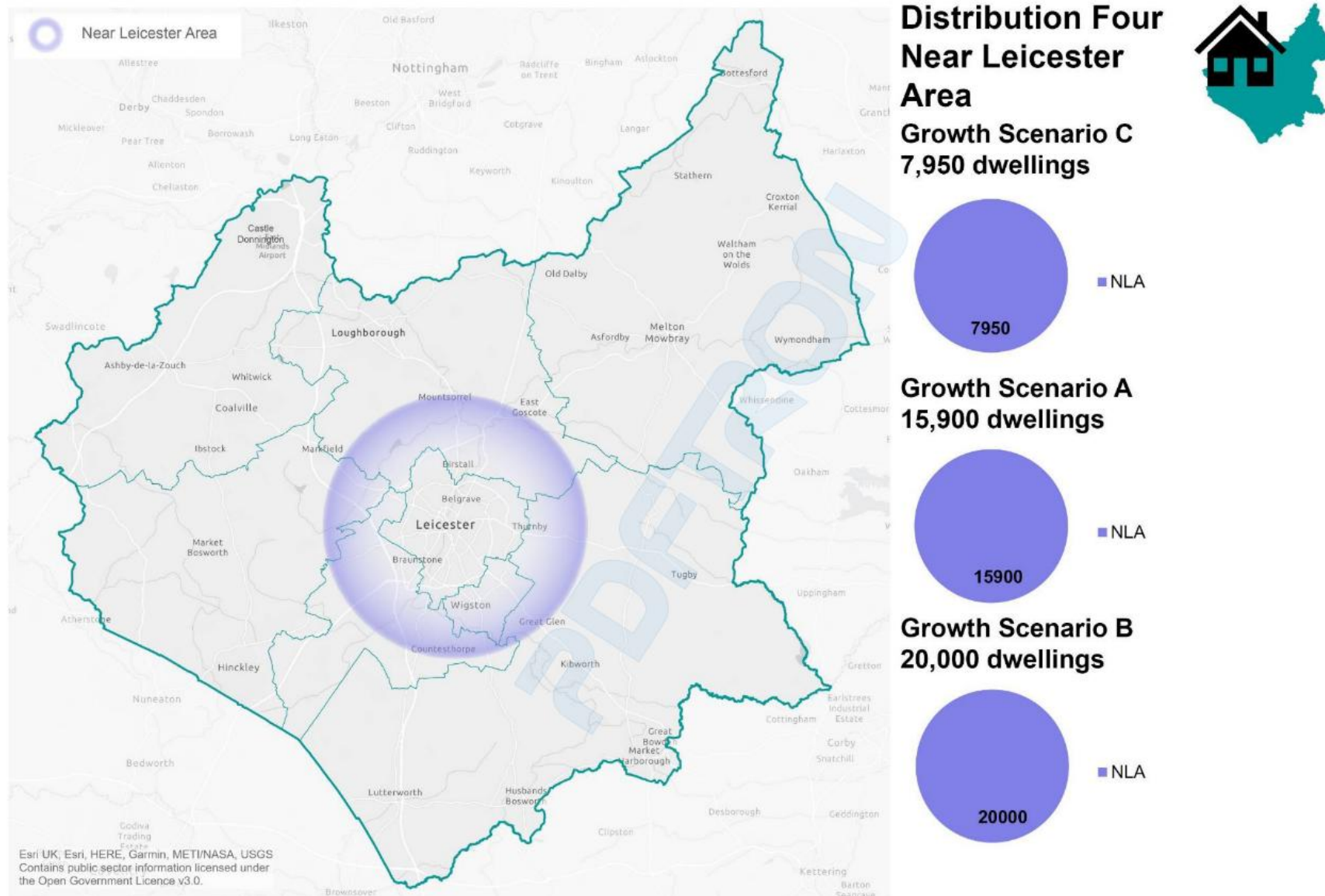
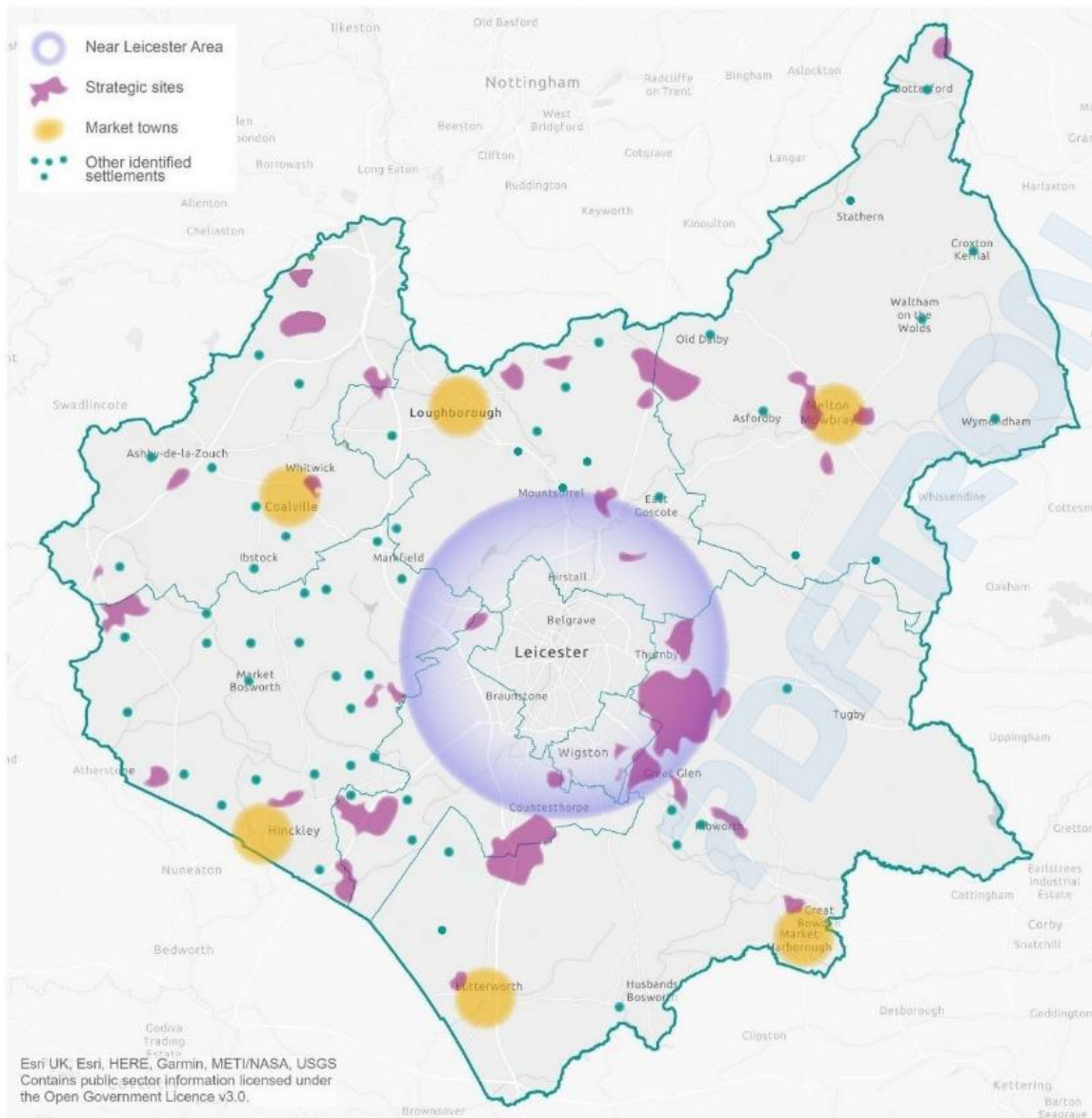


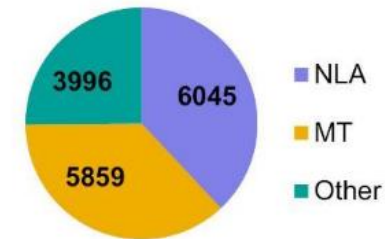
Figure 3.6: Distribution Option 5: HENA



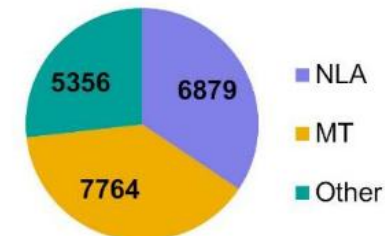
Distribution Five HENA Distribution



Growth Scenario A 15,900 dwellings



Growth Scenario B 20,000 dwellings



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*)

	Need		Supply		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 (Spread)	Leicester's unmet need is distributed equally between the seven Local Planning Authorities. 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.

3. Near Leicester Focus	100% of Leicester's unmet is distributed in the Near Leicester Area (NLA). 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

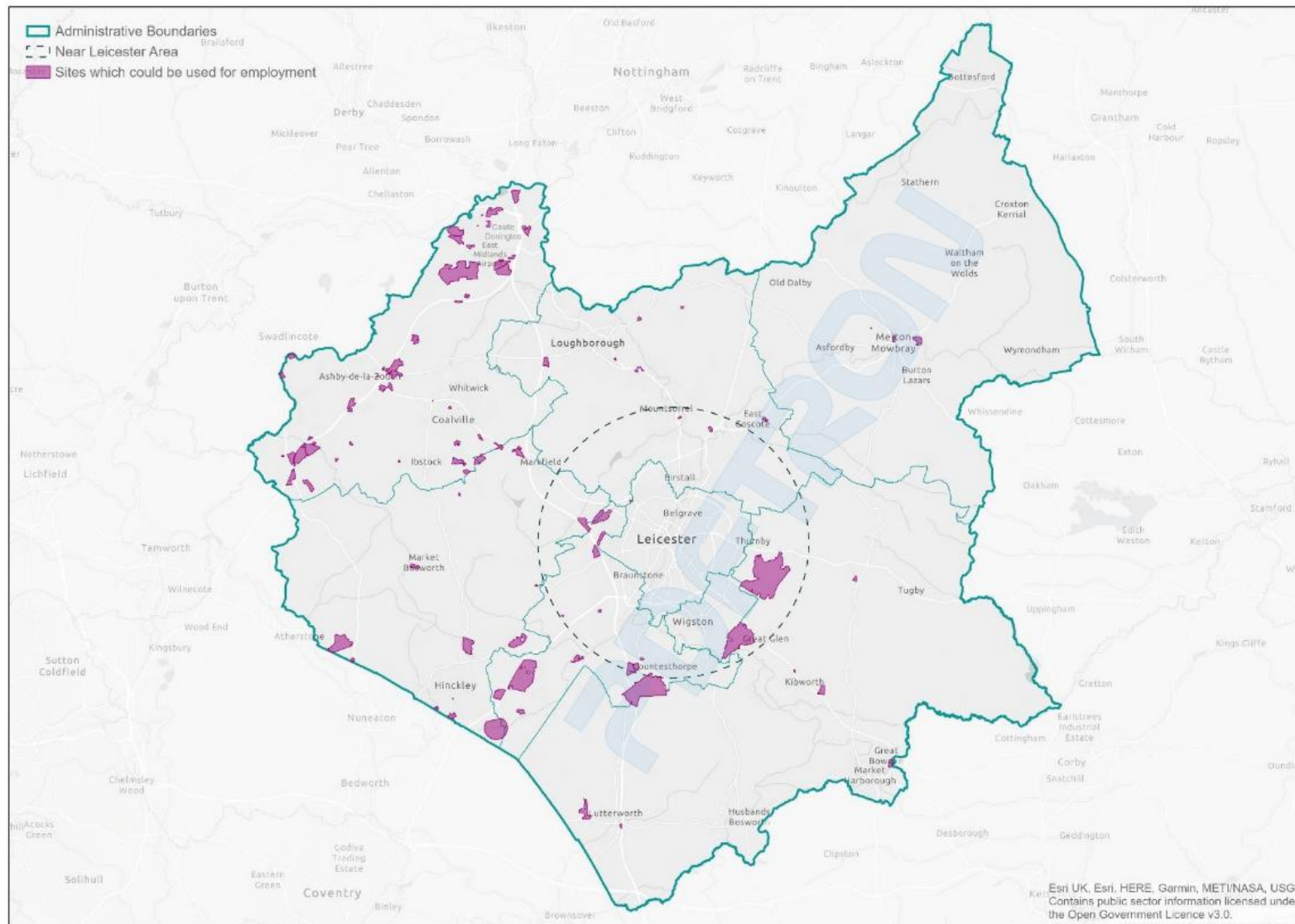
	Scenario A Current	Scenario B Higher	Scenario C Lower
1. Local Plan Roll Forward	A1 3.3 ha for each local authority	B1 6.6ha for each local authority	C1 1.7ha for each local authority
2. Strategic Sites	A2 11.5 ha for Blaby and Harborough only	B2 23ha for Blaby and Harborough only	C2 5.75ha for Blaby 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

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 employment 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 inequalities 6. 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
<i>Settlement tiers</i>	A1	✗	✗✗ [?] / ✓✓✓ [?]	✓✓✓✓ [?]	✓✓✓✓ [?]	✓✓✓/✗✗	✓	✗✗✗ [?]	✗✗ [?]	-	✗
<i>Equal Share</i>	A2	✗	✗✗ [?] / ✓✓✓	✓✓✓✓ [?]	✓✓✓✓ [?]	✓✓✓/✗✗	✓	✗✗✗ [?]	✗✗ [?]	✗ [?]	✗
<i>Strategic Sites</i>	A3	✗ / ✓	✗/✓✓✓✓ [?]	✓✓✓✓ [?]	✓✓✓✓	✓✓✓/✗	✓✓✓	✗✗✗ [?]	✗✗	✗ [?]	✗
<i>Near Leicester Area</i>	A4	✗	✗ / ✓✓✓	✓✓✓✓	✓✓✓✓	✓✓✓✓ [?] /✗ ✗✗ [?]	✓	✗✗ [?]	✗	✗ [?]	✗ [?]
<i>HENA distribution</i>	A5	✗	✗✗ / ✓✓✓	✓✓✓✓	✓✓✓✓	✓✓✓/✗✗	✓✓ [?]	✗✗	✗✗	✗ [?]	✗

- 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
<i>Settlement tiers</i>	B1	✗	✗✗ / ✓✓	✓✓✓	✓✓✓	✓✓/✗✗	✓	✗✗✗	✗✗	✗?	✗
<i>Equal Share</i>	B2	✗✗?	✗✗ / ✓✓	✓✓✓	✓✓✓	✓✓/✗✗	✓	✗✗✗	✗✗	✗	✗
<i>Strategic Sites</i>	B3	✗✗? / ✓✓?	✗✗? / ✓✓✓	✓✓✓	✓✓✓	✓✓/✗✗?	✓✓	✗✗✗	✗✗✗?	✗?	✗✗?
<i>Near Leicester Area</i>	B4	✗✗	✗✗ / ✓✓	✓✓✓	✓✓✓	✓✓✓/✗✗✗	✓✓?	✗✗	✗	✗	✗
<i>HENA distribution</i>	B5	✗✗	✗✗ / ✓✓	✓✓✓	✓✓✓	✓✓/✗✗	✓✓?	✗✗✗	✗✗	✗?	✗✗?

- 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
<i>Settlement tiers</i>	C1	-	✗ / ✓	✓✓/✗✗✗?	✓/✗	✓/✗	✓?	✗✗?	✗	-	✗?
<i>Equal Share</i>	C2	-	✗ / ✓	✓✓/✗✗✗?	✓/✗	✓/✗	✓?	✗✗?	✗	-	✗?
<i>Strategic Sites</i>	C3	✗ / ✓	✗ / ✓✓?	✓✓/✗✗	✓✓/✗	✓✓/✗	✓✓?	✗✗?	✗	✗?	✗
<i>Near Leicester Area</i>	C4	-	✓	✓✓/✗✗	✓✓/✗	✓✓/✗✗	✓	✗	✗?	-	-

- 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
1. <i>Dispersed</i>	A1	-	✓?	-	✓?	✗?	✗?	✗?	✗?	✗?	✗?
	B1	✗	✓	-	✓	✗	✗	✗	✗	✗	✗
	C1	-	-	-	-	-	-	-	-	-	-
2. <i>Strategic sites</i>	A2	-	✓✓?	-	✓✓	✗✗? / ✓✓?	✓	✗	✗	-?	✗?
	B2	✗?	✓✓	-	✓✓✓?	✗✗ / ✓✓	✓✓?	✗✗	✗	✗?	✗
	C2	-	✓	-	✓	✗	-	✗?	✗?	-	-
3. <i>Near Leicester Area</i>	A3	-	✓?	-	✓	✗ / ✓	-	✗	✗?	-	-
	B3	-	✓	✗?	✓✓?	✗✗ / ✓	-	✗	✗	-	-
	C3	-	✓?	-	✓?	-	-	✗?	-	-	-
4. <i>HENA distribution</i>	A4	-	-	-	-	-	-	-	-	-	-
	B4	✗	✓?	-	✓	✗? / ✓?	-	✗	-	-	✗
	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)

Authority	Difference between HENA and Local Housing Need	Near Leicester Area (commitments in brackets)	Market Towns (commitments in brackets)	Other Settlements (commitments in brackets)
O & W	832	832	0	0
HMA	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	✓?	✓✓ / ✗	✓✓? / ✗	✓ / ✗	✓✓ / ✗
Housing	✓	✓✓	✓	✓	✓✓✓?
Employment and Economy	✓	✓	✓	✓?	✓✓?
Transport and Travel	✓ / ✗?	✓ / ✗?	- / ✗?	✗?	✓ / ✗?
Climate Change mitigation	/	/	/	/	✓?
Landscape and Land	-	✗✗	✗✗?	✗✗?	✗✗?
Heritage	-	✗	✗	✗	✗
Water	-	✗?	✗?	-?	✗?
Minerals	-	✗?	✗?	✗?	✗?

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
✗	✓✓ / ✗	✓✓✓?	✓✓?	✓ / ✗?	✓?	✗✗?	✗	✗?	✗?

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	<ul style="list-style-type: none"> • 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	<ul style="list-style-type: none"> • 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	<ul style="list-style-type: none"> • Rates of housing delivery. • Percentage of affordable housing delivered. • Availability of land for strategic development opportunities in the key locations.
Economy and employment	<ul style="list-style-type: none"> • 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	<ul style="list-style-type: none"> • 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	<ul style="list-style-type: none"> • Change in the amount of carbon emissions generated from transport and the built environment (per capita).
Landscape and land	<ul style="list-style-type: none"> • 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	<ul style="list-style-type: none"> • 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	<ul style="list-style-type: none"> • Percentage of new development within flood zones 2 and 3. • SUDs schemes incorporated into new developments. • Development in nutrient sensitive zones
Minerals	<ul style="list-style-type: none"> • 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

Biodiversity

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, Scraftoft 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 Scraftoft, 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.

Biodiversity

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.

Biodiversity

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)

Biodiversity

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 potential 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.

Biodiversity

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 Scraftoft, Thurnby and Bushby that contain or provide important ecological connectivity to habitats of biodiversity value. However, cumulatively this would result in a

Biodiversity

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 uncertain **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 1.5miles 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.

Biodiversity

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

Biodiversity

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 exists. 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

Biodiversity

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.

Biodiversity

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

Biodiversity

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 potential **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 potential **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 potential **moderate negative effect** is highlighted. As

Biodiversity

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

Biodiversity

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, potential **moderate negative effects** are predicted alongside potential **moderate positive effects**.

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

Biodiversity

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, uncertain **minor negative effects** 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.

Biodiversity

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 where 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.

Biodiversity

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 **potential moderate positive** and **potential 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 Settlement tiers	A1 HENA	-	×	×	×	×
	B1 Higher	-	×	×	×	×

Biodiversity						
Option 2 <i>Equal Share</i>	C1 Lower	-	-	x?	-?	-
	A2 HENA	-	x	x	x	x
	B2 Higher	-	xx?	xx	x	xx?
	C2 Lower	-	-	-	-?	-
Option 3 <i>Strategic Site focus</i>	A3 HENA	-	x / ✓	x / ✓	xx? / ✓✓?	x / ✓
	B3 Higher	-	x / ✓	xx? / ✓✓?	xx / ✓✓?	xx? / ✓✓?
	C3 Lower	-	x / ✓	-	-	x / ✓
Option 4 <i>Near Leicester Area focus</i>	A4 HENA	x	xx	-	-	x
	B4 Higher	x	xxx?	-	-	xx
	C4 Lower	-	x?	-	-	-
Option 5 <i>HENA Distribution</i>	A5 HENA	-	x	x	x?	x
	B5 Higher	-	xx	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 for benefits ought to be higher. This is likely to derive **minor positive effects** for options involving higher levels of growth in the NLA (A4/B4) and potential **minor positive effects** or **neutral effects** for those with a lower focus on the NLA.

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.

Health and Wellbeing

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.

Health and Wellbeing

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, Thurmaston 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

Health and Wellbeing

predicted to be distributed in a less centric form and therefore development in most locations would add pressures to existing community provision.

Cumulatively, a potential **major positive effect** 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 **moderate negative effect** 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

Health and Wellbeing

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 potential **major positive effect** and potential **major negative effect** is predicted.

Health and Wellbeing

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 potential **moderate negative effect** is predicted mainly due to the significant harm from high level of growth in Blaby. A potential **moderate positive effect** 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 Scraftoft, 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

Health and Wellbeing

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 Hinkley, 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

Health and Wellbeing

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 Scraftoft, 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 potential 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.

Market Towns

Growth scenario A - 15,900 dwellings (Current unmet housing need)

Option A1 and A2

Health and Wellbeing

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 on-site 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 on-site 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 potential **moderate negative effect** 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 potential **moderate positive effects**.

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

Health and Wellbeing

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.

Health and Wellbeing

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, potential moderate positive effects are likely to arise as a result of affordable housing provision and contributions to social infrastructure. However, minor negative effects 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 potential major positive and moderate negative effects are predicted.

Option B4 involves no growth at the market towns and hence neutral effects are predicted.

Health and Wellbeing

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.

Health and Wellbeing

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 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.

Health and Wellbeing

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, potential **minor negative effects** 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 **minor positive effects**, 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.

Health and Wellbeing

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 uncertain 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,

Health and Wellbeing

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

Health and Wellbeing

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 certain 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 which 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

Health and Wellbeing

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 potential **minor positive effects**, 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.

Health and Wellbeing

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 <i>Settlement tiers</i>	A1 HENA	-	x / ✓	xx [?] / ✓✓✓ [?]	x [?] / ✓	xx [?] / ✓✓✓ [?]
	B1 Higher	-	x / ✓	xx / ✓✓✓	x / ✓	xx / ✓✓✓
	C1 Lower	-	x / ✓	x [?] / ✓	✓ [?]	x / ✓
Option 2 <i>Equal Share</i>	A2 HENA	-	x / ✓	xx [?] / ✓✓✓ [?]	x [?] / ✓	xx [?] / ✓✓✓
	B2 Higher	-	x / ✓	xx / ✓✓✓	x / ✓	xx / ✓✓✓
	C2 Lower	-	x / ✓	x [?] / ✓	✓ [?]	x / ✓
Option 3 <i>Strategic Site focus</i>	A3 HENA	✓ [?]	x / ✓✓✓	x / ✓✓✓	x / ✓	x / ✓✓✓✓ [?]
	B3 Higher	✓ [?]	x / ✓✓✓	xx / ✓✓✓✓ [?]	x / ✓✓✓	xx [?] / ✓✓✓✓
	C3 Lower	✓ [?]	x / ✓✓✓	-	-	x / ✓✓✓ [?]
Option 4 <i>Near Leicester Area focus</i>	A4 HENA	x / ✓	xx / ✓✓✓✓ [?]	-	-	x / ✓✓✓
	B4 Higher	x / ✓	xxx [?] / ✓✓✓✓ [?]	-	-	xx / ✓✓✓
	C4 Lower	-	x / ✓✓✓ [?]	-	-	✓
Option 5 <i>HENA Distribution</i>	A5 HENA	x / ✓	x / ✓	x / ✓✓✓ [?]	x [?] / ✓	xx / ✓✓✓
	B5 Higher	x / ✓	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

Housing

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.

Housing

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

Housing

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.

Housing

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.

Housing

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.

Housing

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 uncertain **major negative effects**. 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 **moderate negative effects**. Despite there being negative effects overall as discussed above, there would also be benefits in those locations where 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

Housing

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 <i>Settlement tiers</i>	A1 HENA	✓	✓	✓✓	✓	✓✓✓?
	B1 High	✓	✓✓	✓✓	✓	✓✓✓
	C1 Low	✓/xxx?	✓	✓	✓	✓✓/xxx?
Option 2 <i>Equal Share</i>	A2 HENA	✓	✓	✓✓	✓	✓✓✓?
	B2 High	✓	✓✓	✓✓	✓	✓✓✓
	C2 Low	✓/xxx?	✓	✓	✓	✓✓/xxx?
Option 3 <i>Strategic Site focus</i>	A3 HENA	✓	✓✓	✓✓	✓	✓✓✓?
	B3 High	✓	✓✓	✓✓✓	✓	✓✓✓
	C3 Low	✓/xx	✓✓	-	-	✓✓/xx
Option 4 <i>Near Leicester Area focus</i>	A4 HENA	✓	✓✓✓	-	-	✓✓✓
	B4 High	✓✓	✓✓✓	-	-	✓✓✓
	C4 Low	✓/xx	✓✓	-	-	✓✓/xx
Option 5: <i>HENA Distribution</i>	A5 HENA	✓	✓✓	✓✓	✓✓	✓✓✓
	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 potential **moderate positive effects** 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 potential **moderate positive effects**.

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

Employment and Economy

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 Hinckley 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 seen 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.

Employment and Economy

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. Where this option would limit housing delivery to a scale which would not meet the identified housing need, this could lead to economic

Employment and Economy

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 uncertain **moderate positive effects** 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

Employment and Economy

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 Hinckley 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

Employment and Economy

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 **potential moderately**

Employment and Economy

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

Employment and Economy

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 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. The positive 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**.

Employment and Economy

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 757 dwellings 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 benefit 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 potentially be some **minor positive effects** 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

Employment and Economy

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 potentially be some **minor positive effects** 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

Employment and Economy

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.

Employment and Economy

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 <i>Settlement tiers</i>	A1 HENA	✓✓?	✓✓	✓✓	✓	✓✓✓?
	B1 Higher	✓✓	✓✓	✓✓	✓	✓✓✓
	C1 Lower	✓/✗	✓	✓	✓	✓/✗
Option 2 <i>Equal Share</i>	A2 HENA	✓✓?	✓✓	✓✓	✓	✓✓✓?
	B2 Higher	✓✓	✓✓	✓✓	✓	✓✓✓
	C2 Lower	✓/✗	✓	✓	✓	✓/✗
Option 3 <i>Strategic Site focus</i>	A3 HENA	✓✓	✓✓	✓✓	✓	✓✓✓
	B3 Higher	✓✓	✓✓	✓✓✓	✓	✓✓✓
	C3 Lower	✓✓/✗	✓✓	-	-	✓✓/✗
Option 4 <i>Near Leicester Area</i>	A4 HENA	✓✓	✓✓✓	-	✓?	✓✓✓
	B4 Higher	✓✓✓	✓✓✓	-	✓?	✓✓✓
	C4 Lower	✓✓? /✗	✓✓?	-	-	✓✓/✗
Option 5: <i>HENA Distribution</i>	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.

Transport and Travel

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, potential **major negative effects** 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 potential **major positive effects**.

Transport and Travel

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.

Transport and Travel

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.

Transport and Travel

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.

Transport and Travel

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. Potential **moderate positive** and potential **moderate negative effects** 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

Transport and Travel

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

Transport and Travel

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

Transport and Travel

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 Loughborough would be likely to split the growth between Market Loughborough 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 Loughborough 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 Loughborough 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 Loughborough 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 Loughborough 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 Loughborough. 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 Loughborough 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**

Transport and Travel

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 potentially lead to **major positive** and **major negative** 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

Transport and Travel

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 this 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 potential **moderate negative effects** and **minor positive effects** 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.

Transport and Travel

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 **potentially moderate negative effects** and **minor positive 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, **potential moderate positive** and **minor negative 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 than 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 potential **minor negative effects** 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 **minor positive effects** 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
Option 1 Settlement tiers	A1 HENA	✓✓/xx	✓✓/xx	✓✓/xx	✓/xx?	✓✓/xx
	B1 Higher	✓✓/xx	✓✓/xx	✓✓/xx	✓/xx	✓✓/xx
	C1 Lower	✓/x	✓/x	✓/x	✓/x?	✓/x
Option 2 Equal Share	A2 HENA	✓✓/xx	✓✓/xx	✓✓/xx	✓/xx?	✓✓/xx
	B2 Higher	✓✓/xx	✓✓/xx	✓✓/xx	✓/xx	✓✓/xx
	C2 Lower	✓/x	✓/x	✓/x	✓/x?	✓/x
Option 3	A3 HENA	✓✓/x	✓✓/x	✓✓/xx	✓/x	✓✓/x

Transport and Travel						
<i>Strategic Site focus</i>	B3 Higher	✓✓/xx?	✓✓/xx?	✓✓✓?/xxx?	✓ ✓? /x	✓✓/xx?
	C3 Lower	✓✓/x	✓✓/x	-	-	✓✓/x
Option 4 <i>Leicester urban periphery focus</i>	A4 HENA	✓✓✓?/xxx?	✓✓✓?/xxx?	-	-	✓✓✓?/xxx?
	B4 Higher	✓✓✓/xxx	✓✓✓/xxx	-	-	✓✓✓/xxx
	C4 Lower	✓✓/xx	✓✓/xx	-	-	✓✓/xx
Option 5: <i>HENA Distribution</i>	A4 HENA	✓✓/xx	✓✓/xx	✓✓/xx	✓/xx?	✓✓/xx
	B5 Higher	✓✓/xx	✓✓/xx	✓✓✓?/xxx?	✓/xx	✓✓/xx

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

Climate Change Mitigation

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 vice-versa. 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

Climate Change Mitigation

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 be 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

Climate Change Mitigation

growth on strategic sites is likely to produce substantial economies of scale enabling new sustainable transport infrastructure and potential for renewable energy 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 to 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 **potential 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.

Climate Change Mitigation

Growth Scenario C - 7950 dwellings (50% of current unmet housing needs)

Option C1 would involve dispersed delivery of growth. 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 potential **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).

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 potential **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).

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

Climate Change Mitigation

(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 potential 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.

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

Climate Change Mitigation

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.

	<i>City</i>	<i>Near Leicester Area</i>	<i>Market towns</i>	<i>Other settlements</i>	<i>Strategic Sites</i>	Overall effects
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Climate Change Mitigation							
Option 1 <i>Settlement tiers</i>	A1 HENA	/	/	/	/	/	✓
	B1 higher	/	/	/	/	/	✓
	C1 lower	/	/	/	/	/	✓?
Option 2 Equal Share	A2 HENA	/	/	/	/	/	✓
	B2 higher	/	/	/	/	/	✓
	C2 lower	/	/	/	/	/	✓?
Option 3 Strategic Sites focus	A3 HENA	/	/	/	/	/	✓✓
	B3 higher	/	/	/	/	/	✓✓
	C3 lower	/	/	/	/	/	✓✓?
Option 4 <i>Near Leicester Area focus</i>	A4 HENA	/	/	/	/	/	✓
	B4 higher	/	/	/	/	/	✓✓?
	C4 lower	/	/	/	/	/	✓
Option 5 HENA Distribution	A5 HENA	/	/	/	/	/	✓✓?
	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.

Landscape and Land

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.

Landscape and Land

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.

Landscape and Land

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 potential **major negative effect** 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

Landscape and Land

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 Thurstaston 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.

Landscape and Land

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.

Landscape and Land

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 potential / uncertain **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

Landscape and Land

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 potential / uncertain **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

Landscape and Land

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.

Landscape and Land

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.

Landscape and Land

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

Landscape and Land

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 potential / uncertain **major negative effect** is predicted overall.

Growth scenario B - 20,000 dwellings (25% uplift on current unmet housing needs)

Landscape and Land

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 cause 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

Landscape and Land

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 Hinckley, 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 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. 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.

Landscape and Land

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

Landscape and Land

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 Thurmaston. 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.

Landscape and Land

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 **potential 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)

Landscape and Land

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 Thurmaston. 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.

Landscape and Land

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

Landscape and Land

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 potential **major negative effect** 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 potential **moderate negative effect** 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.

Landscape and Land

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 uncertain moderate negative effect is predicted for both options overall.

Option C3 is predicted to have a potential / uncertain 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
Option 1 Settlement tiers	A1 HENA	-	xx	xxx	xx?	xxx?
	B1 Higher	-	xx	xxx	xxx?	xxx
	C1 Low	-	x?	xx?	x?	xx?
Option 2 Equal Share	A2 HENA	-	xx?	xxx	xx	xxx?
	B2 Higher	-	xx	xxx	xxx?	xxx
	C2 Lower	-	x	xx?	x?	xx?
Option 3	A3 HENA	-	xxx	xxx	xx?	xxx?

Landscape and Land						
Strategic Sites	B3 <i>Higher</i>	-	xxx	xxx	xxx?	xxx
	C3 <i>Lower</i>	-	xxx?	-	-	xx?
Option 4 <i>Near Leicester Area</i>	A4 HENA	-	xxx?	-	-	xx?
	B4 <i>Higher</i>	-	xxx	-	-	xx
	C4 <i>Lower</i>	-	xx	-	-	x
Option 5 HENA Distribution	A5 HENA	-	xx	xxx?	xx	xx
	B5 <i>Higher</i>	-	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 Thurmaston, 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 Thurgarton 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 potential **moderate negative effects** 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 Harbrough and Blaby the effects are highlighted as moderately negative.

Option A4

The NLA across Charnwood includes a number of small settlements (such as Thurstaston 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 Thurstaston 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 Harbrough 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 Harbrough and Blaby, but this does not substantially alter the overall conclusions for the Leicester area of minor negative effects.

Cultural Heritage

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 leaving 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

Cultural Heritage

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.

Cultural Heritage

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 Thurgarton, 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

Cultural Heritage

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.

Cultural Heritage

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 potential moderate negative effect 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 need to be addressed, particularly in Market Harborough due to the greater utilisation of capacity and the cumulative

Cultural Heritage

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.

Cultural Heritage

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 Loughborough (Lutterworth and Market Loughborough) 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 Loughborough 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 800m 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 predicted.

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

Cultural Heritage

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, uncertain **minor** to **moderate negative effects** 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 Elmeesthorpe. 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, uncertain **moderate negative effects** are anticipated..

Cultural Heritage

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.

Cultural Heritage

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

Cultural Heritage

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 <i>Settlement tiers</i>	A1 HENA	-	×	××	××	××
	B1 Higher	-	×	××	××	××
	C1 Lower	-	×	-	×	×
Option 2 <i>Equal Share</i>	A2 HENA	-	×	×	××	××
	B2 Higher	-	×	×	××	××
	C2 Lower	-	×	-	×	×
Option 3 <i>Strategic Sites focus</i>	A3 HENA	-	××	××	×	××
	B3 Higher	-	××	××	××	××
	C3 Lower	-	××	-	-	×
Option 4 <i>Near Leicester Area</i>	A4 HENA	-	×	-	-	×
	B4 Higher	-	××	-	-	×
	C4 Lower	-	×	-	-	×
Option 5 <i>HENA Distribution</i>	A5 HENA	-	×	×	××	××
	B5 Higher	-	×	×	××	××

Appraisal findings: Water

The findings relating to the Sustainability Topic 'Water' are presented in the following tables.

Water

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

Water

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 **potential minor negative effect** 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

Water

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

Water

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, potential **minor negative effects** 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 potential **minor negative effect** 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

Water

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.

Water

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 uncertain **minor negative effect** 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, uncertain effects 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, potential **minor negative effects** 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

Water

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 potential **minor negative effect** 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 there 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, uncertain effects 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, potential **minor negative effects** 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 where 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

Water

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**).

Water

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.

Water

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 uncertain **minor negative effects**. 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, **neutral effects** 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)

Water

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 potential **minor negative effects** 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	-	-	-	-	-
Option 2 Equal Share	A2 HENA	-	-	x [?]	-	x [?]
	B2 Higher	-	-	x	-	x
	C2 Lower	-	-	-	-	-
Option 3 Strategic Sites	A3 HENA	-	x [?]	?	-	x [?]
	B3 Higher	-	x [?]	?	-	x [?]
	C3 Lower	-	x [?]	-	-	x [?]
Option 4 Near Leicester Area	A4 HENA	-	x [?]	-	-	x [?]
	B4 Higher	-	x	-	-	x
	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 volcanoclastic 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

Minerals

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 as 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 uncertain **minor negative effects** 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, uncertain **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.

Minerals

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, uncertain **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 Thurmaston 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

Minerals

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 potential **minor negative effect** 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 Hinkley 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

Minerals

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,

Minerals

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 potential **minor negative effects** 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).

Minerals

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)

Minerals

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

Minerals

sites. Nevertheless, the likelihood of significant effects is low, and the magnitude of effects is small. Therefore, only uncertain **minor negative effects** are predicted for each of these options.

		City	Near Leicester Area	Market towns	Other settlements	Overall effects
Option 1 <i>Settlement tiers</i>	A1 HENA	-	-	x	x	x
	B1 Higher	-	x	x	x	x
	C1 Lower	-	-	x?	x?	x?
Option 2 <i>Equal Share</i>	A2 HENA	-	-	x	x	x
	B2 Higher	-	x	x	x	x
	C2 Lower	-	-	x?	x?	x?
Option 3 <i>Strategic Sites focus</i>	A3 HENA	-	x	x	-	x
	B3 Higher	-	x	xx?	-	xx?
	C3 Lower	-	x	-	-	x
Option 4 <i>Near Leicester Area focus</i>	A4 HENA	-	x?	-	-	x?
	B4 Higher	-	xx?	-	-	x
	C4 Lower	-	-	-	-	-
Option 5 <i>HENA Distribution</i>	A5 HENA	-	x?	xx?	x	x
	B5 High	-	x	xx	x	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	<p>A1 3.3 ha for each local authority</p> <p>For the following authorities, there is sufficient oversupply to accommodate growth from committed sites: <i>Charnwood</i> and <i>North West Leicestershire</i>. 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).</p>	<p>B1 6.6ha for each local authority</p> <p>For the following authorities, there is sufficient oversupply to accommodate growth from committed sites: <i>Charnwood</i>. 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).</p>	<p>C1 1.7ha for each local authority</p> <p>For the following authorities, there is sufficient oversupply to accommodate growth from committed sites: <i>Charnwood Harborough, Oadby and Wigston, North West Leicestershire</i>. Therefore, additional effects would only be noted in Blaby, Melton, and Hinckley and Bosworth.</p>
2. Strategic Sites	<p>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.</p>	<p>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.</p>	<p>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.</p>
3. Near Leicester Focus	<p>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</p>	<p>B3 23 ha for Blaby, which would need to be met on additional sites 23ha for Charnwood that could be met through existing commitments</p>	<p>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</p>

4 HENA Distribution	<p style="text-align: center;">A4</p> <p>23ha for Charnwood only that could be met through existing commitments</p>	<p style="text-align: center;">B4</p> <p>46 ha for Charnwood, of which 31.1ha could be met through existing commitments with the remaining needing to be met on additional sites.</p>	<p style="text-align: center;">C4</p> <p>11.5ha for Charnwood that could be met through existing commitments</p>
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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
Option 1: Dispersed	A: Current	Neutral	-
	B: Higher	Minor negative	✗
	C: Lower	Neutral	-
Option 2: Strategic sites	A: Current	Neutral	-
	B: Higher	Potential Minor negative	✗?
	C: Lower	Neutral	-
Option 3: Near Leicester Area focus	A: Current	Neutral	-
	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

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.

Health and Wellbeing

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

Health and Wellbeing

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 potential **minor positive effects** are predicted.

Option 4 – HENA Distribution

Health and Wellbeing

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 **uncertain minor positive effects**.

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	-
Option 2: Strategic sites	A: Current	Potential Moderate positive	✓✓?
	B: Higher	Moderate positive	✓✓
	C: Lower	Minor positive	✓
Option 3: Near Leicester Area focus	A: Current	Potential minor positive	✓?
	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
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Housing			
Option 1: Dispersed	A: Current	Neutral	-
	B: Higher	Neutral	-
	C: Lower	Neutral	-
Option 2: Strategic sites	A: Current	Neutral	-
	B: Higher	Neutral	-
	C: Lower	Neutral	-
Option 3: Near Leicester Area focus	A: Current	Neutral	-
	B: Higher	Potential minor negative	✗?
	C: Lower	Neutral	-
Option 4: HENA Distribution	A: Current	Neutral	-
	B: Higher	Neutral	-
	C: Lower	Neutral	-

Economy and Employment

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

Economy and Employment

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 SHELAs 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.

Economy and Employment

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 potential **major positive effects** 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

Economy and Employment

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, potential **moderate positive effects** 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 potential **minor positive 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 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

Economy and Employment

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
Option 1: Dispersed	A: Current	Potential minor positive effect	✓?
	B: Higher	Minor positive effect	✓
	C: Lower	Neutral effect	-
Option 2: Strategic sites	A: Current	Moderate positive effect	✓✓
	B: Higher	Potential major positive effects	✓✓✓?
	C: Lower	Minor positive effect	✓
Option 3: Near Leicester Area focus	A: Current	Minor positive effect	✓
	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	-

Transport and Travel

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

Transport and Travel

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.

Transport and Travel

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 uncertainty. 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,

Transport and Travel

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	✗?

Transport and Travel

	<i>B: Higher</i>	Minor negative	✗
	<i>C: Lower</i>	Neutral effect	-
Option 2: Strategic sites	<i>A: Current</i>	Potential moderate negative / potential moderate positive	✗✗ [?] / ✓✓ [?]
	<i>B: Higher</i>	Moderate negative / Moderate positive	✗✗ / ✓✓
	<i>C: Lower</i>	Minor negative / Minor positive	✗
Option 3: Near Leicester Area focus	<i>A: Current</i>	Minor negative / Minor positive	✗ / ✓
	<i>B: Higher</i>	Moderate negative / Minor positive	✗✗ / ✓
	<i>C: Lower</i>	Neutral effect	-
Option 4: HENA Distribution	<i>A: Current</i>	Neutral effect	-
	<i>B: Higher</i>	Potential minor negative / potential minor positive	✗ [?] / ✓ [?]
	<i>C: Lower</i>	Neutral effect	-

Climate Change

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

Climate Change

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, potential **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 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.

Climate Change

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 **potential moderate positive effect** 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.

Climate Change

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

Climate Change

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	✗?
	B: Higher	Minor negative	✗
	C: Lower	Neutral effect	-
Option 2: Strategic sites	A: Current	Minor positive effect	✓
	B: Higher	Potential Moderate positive	✓✓?
	C: Lower	Neutral effect	-
Option 3: Near Leicester Area focus	A: Current	Neutral effect	-
	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

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 uncertain **minor negative effects** are predicted.

Landscape and Land

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.

Landscape and Land

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,

Landscape and Land

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, uncertain **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
Option 1: Dispersed	A: Current	Potential minor negative	✗?
	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	✗?
Option 3: Near Leicester Area focus	A: Current	Minor negative	✗
	B: Higher	Minor negative	✗
	C: Lower	Potential minor negative	✗?
Option 4: HENA Distribution	A: Current	Neutral effect	-
	B: Higher	Minor negative	✗
	C: Lower	Neutral effect	-

Cultural Heritage

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 potential for **minor negative effects** 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.

Cultural Heritage

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 a new 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 through 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

Cultural Heritage

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 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, uncertain **minor negative 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.

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 uncertain **minor negative effects** are recorded.

Cultural Heritage

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	Symbol
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Cultural Heritage			
Option 1: Dispersed	A: Current	Potential minor negative	✗?
	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	✗?
Option 3: Near Leicester Area focus	A: Current	Potential minor negative	✗?
	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 uncertainty 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, potential **minor negative** 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
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Water			
Option 1: Dispersed	A: Current	Potential minor negative	✗?
	B: Higher	Minor negative	✗
	C: Lower	Neutral effect	-
Option 2: Strategic sites	A: Current	Uncertain Neutral effect	?
	B: Higher	Potential minor negative	✗?
	C: Lower	Neutral effect	-
Option 3: Near Leicester Area focus	A: Current	Neutral effect	-
	B: Higher	Neutral effect	-
	C: Lower	Neutral effect	-
Option 4: HENA Distribution	A: Current	Neutral effect	-
	B: Higher	Neutral effect	-
	C: Lower	Neutral effect	-

Minerals

Minerals

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, uncertain **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.

Minerals

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.

Minerals

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
Option 1: Dispersed	A: Current	Potential minor negative	✗?
	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	-
Option 3: Near Leicester Area focus	A: Current	Neutral effect	-
	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 Elmhurst, 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).

	<i>City</i>	<i>Near Leicester Area</i>	<i>Market towns</i>	<i>Other settlements</i>	Overall effects
Summary of effects	-	x	x	x	x

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 potential **minor positive effects** 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, potential **moderate positive effects** are likely to arise as a result of affordable housing provision and contributions to social infrastructure. However, **minor negative effects** 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
	✓?	✓✓ ✗	✓✓? ✗	✓ ✗	✓✓ ✗

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 uncertainty is recorded in relation to the effects being **major positives**.

	<i>City</i>	<i>Near Leicester Area</i>	<i>Market towns</i>	<i>Other settlements</i>	Overall effects
Summary of effects	✓	✓✓	✓	✓	✓✓✓?

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, potential **minor positive effects** 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, potential **moderate positive effects** are predicted.

	<i>City</i>	<i>Near Leicester Area</i>	<i>Market towns</i>	<i>Other settlements</i>	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 potential for **minor negative effects**.

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**.

	<i>City</i>	<i>Near Leicester Area</i>	<i>Market towns</i>	<i>Other settlements</i>	Overall effects
Summary of effects	✓ / ✗?	✓ / ✗?	- / ✗?	✗?	✓ / ✗?

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 potential **minor positive effect** is predicted given that growth ought to be located in broadly accessible locations, and through strategic sites could promote sustainably designed new communities.

	<i>City</i>	<i>Near Leicester Area</i>	<i>Market towns</i>	<i>Other settlements</i>	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 potential **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.

	<i>City</i>	<i>Near Leicester Area</i>	<i>Market towns</i>	<i>Other settlements</i>	Overall effects
Summary of effects	-	xx	xx?	xx?	xx?

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 Elmeesthorpe. 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 be 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.

	<i>City</i>	<i>Near Leicester Area</i>	<i>Market towns</i>	<i>Other settlements</i>	Overall effects
Summary of effects	-	x	x	x	x

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 **potential 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 uncertain **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 uncertainty (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.

	<i>City</i>	<i>Near Leicester Area</i>	<i>Market towns</i>	<i>Other settlements</i>	Overall effects
Summary of effects	-	x?	x?	-?	x?

Minerals

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, potential **minor negative effects** 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**.

Minerals

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, potential **minor negative effects** 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.

	<i>City</i>	<i>Near Leicester Area</i>	<i>Market towns</i>	<i>Other settlements</i>	Overall effects
Summary of effects	-	x [?]	x [?]	x [?]	x [?]

APPENDIX D: SCHEDULE OF COMPLIANCE

Schedule 2 requirements	Evidence
<i>An outline of the contents and main objectives of the plan or programme, and of its relationship with other relevant plans and programmes.</i>	<p>Presented in full within the Scoping Report and summarised in this report.</p> <p>Section 1.5 presents the area affected by the SOCG.</p>
<i>The relevant aspects of the current state of the environment and the likely evolution thereof without implementation of the plan or programme.</i>	<p>Presented in full within the Scoping Report and summarised in this report.</p> <p>Summarised within the appraisal tables in Appendix A, Appendix B and Appendix C</p>
<i>The environmental characteristics of areas likely to be significantly affected.</i>	<p>Presented in full within the Scoping Report and summarised in this report.</p> <p>Summarised within the appraisal tables in Appendix A, Appendix B and Appendix C</p>
<i>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.</i>	<p>Presented in full within the Scoping Report and summarised in this report.</p> <p>Summarised within the appraisal tables in Appendix A, Appendix B and Appendix C</p>

Schedule 2 requirements	Evidence
<i>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.</i>	Presented in full within the Scoping Report and summarised in this report.
<i>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.</i>	<p>The effects associated with the reasonable alternatives are presented in Appendix A and Appendix B.</p> <p>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.</p>
<i>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.</i>	Recommendations are presented for each sustainability topic within Section 5.5
<i>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.</i>	<p>Section 3 sets out the rationale for selecting housing and employment options</p> <p>Section 4 sets out the appraisal methodologies including difficulties.</p> <p>Sections 5.6 and 6.2 present the outline reasons for the selection of the preferred approach in light of reasonable alternatives.</p>
<i>A description of the measures envisaged concerning monitoring in accordance with regulation 17.</i>	Table 8.1

Schedule 2 requirements	Evidence
<i>A non-technical summary of the information provided under paragraphs 1 to 9.</i>	Separate document prepared for final report.

Sustainability Appraisal for the Leicester and Leicestershire Statement of Common Ground



Non-Technical Summary

June 2022

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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

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.

Page 670 of 698

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.



Page 671 of 698

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.

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.

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.

Page 673 of 698

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



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 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)

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.

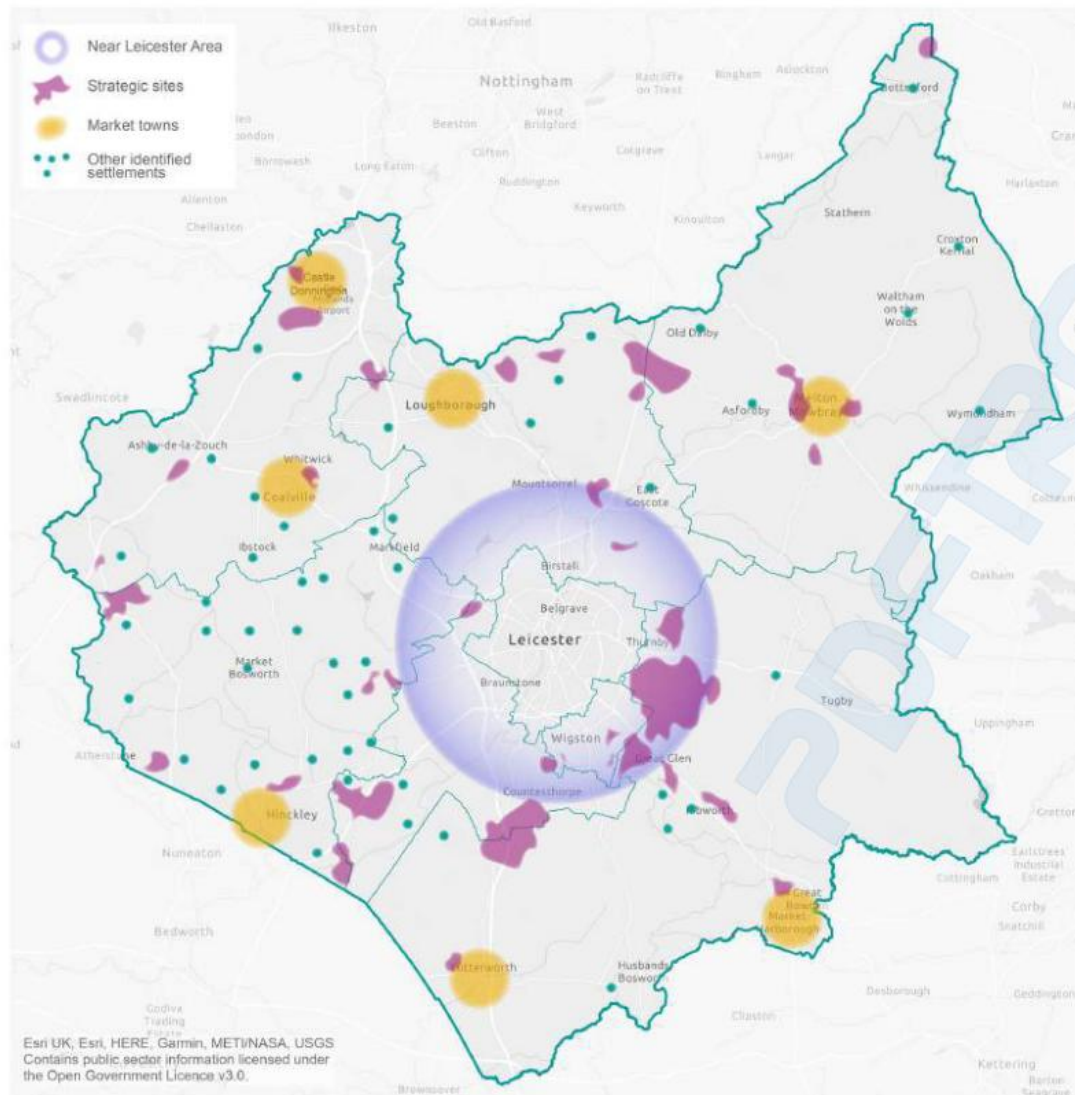
1. **Roll forward of local plan settlement patterns**
2. **Equal share of needs between each authority**
3. **Focus on strategic sites**
4. **Focus on growth near to the Leicester urban area**
5. **HENA distribution**

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

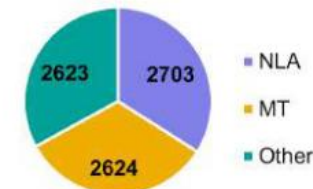
Local Plan Roll Forward: Leicester's unmet need is distributed to the NLA, Market Towns and Other Identified Settlements, with a third of growth allocated to each settlement type.



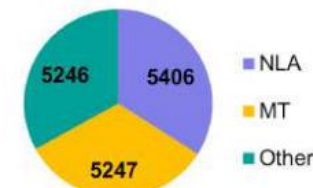
Distribution One Settlement Spread



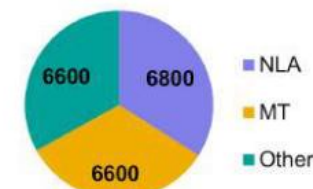
Growth Scenario C 7,950 dwellings



Growth Scenario A 15,900 dwellings

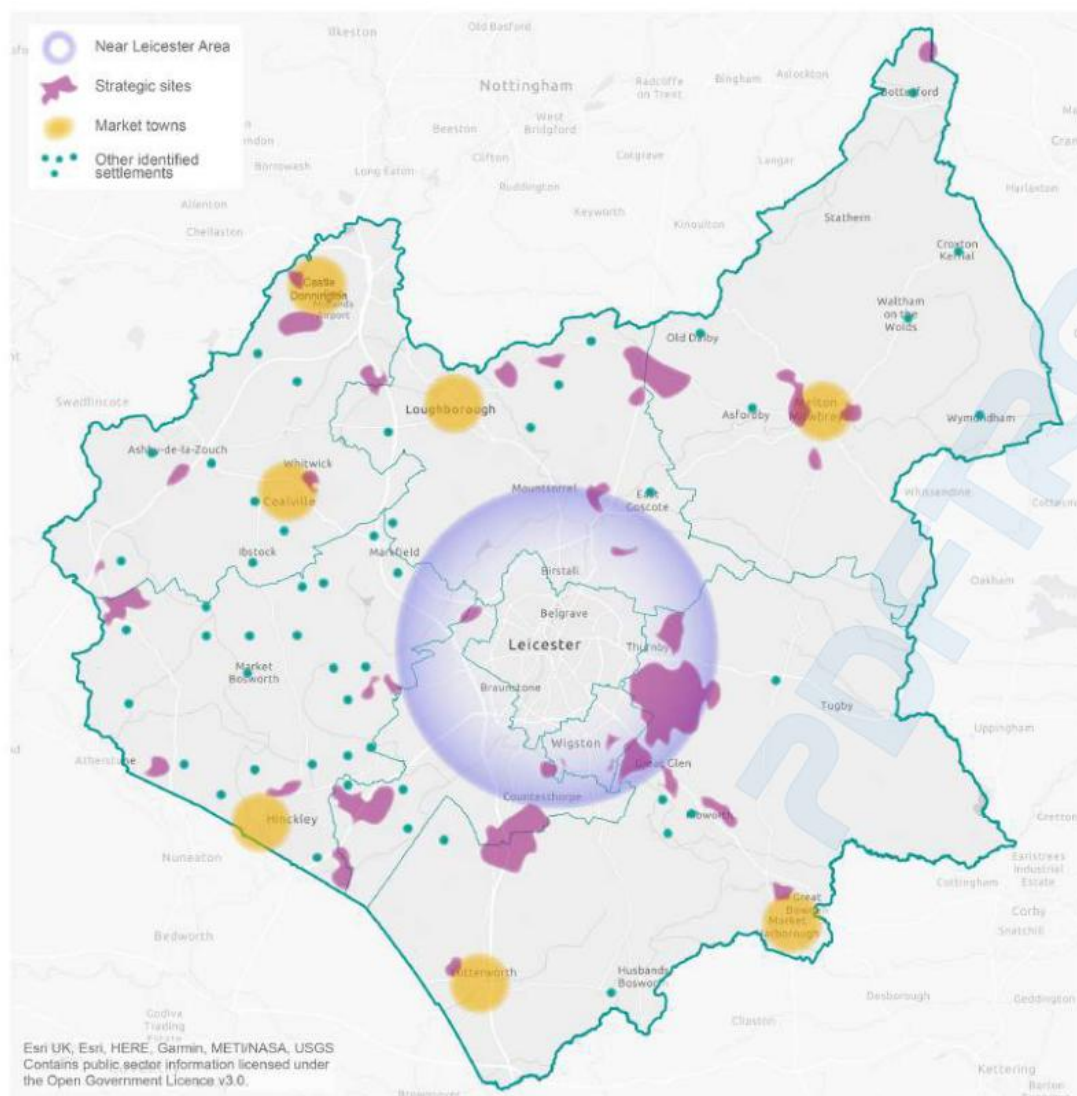


Growth Scenario B 20,000 dwellings



Options Maps: Distribution Two

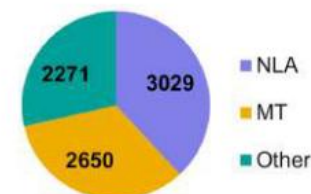
Spread (equal share): Leicester's unmet need is distributed 'equally' between the Local Planning Authorities with potential capacity. The split is not based upon area size or population size.



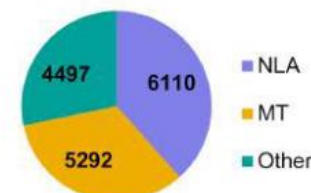
Distribution Two Equal Share



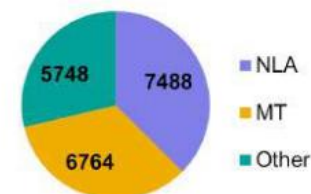
Growth Scenario C 7,950 dwellings



Growth Scenario A 15,900 dwellings

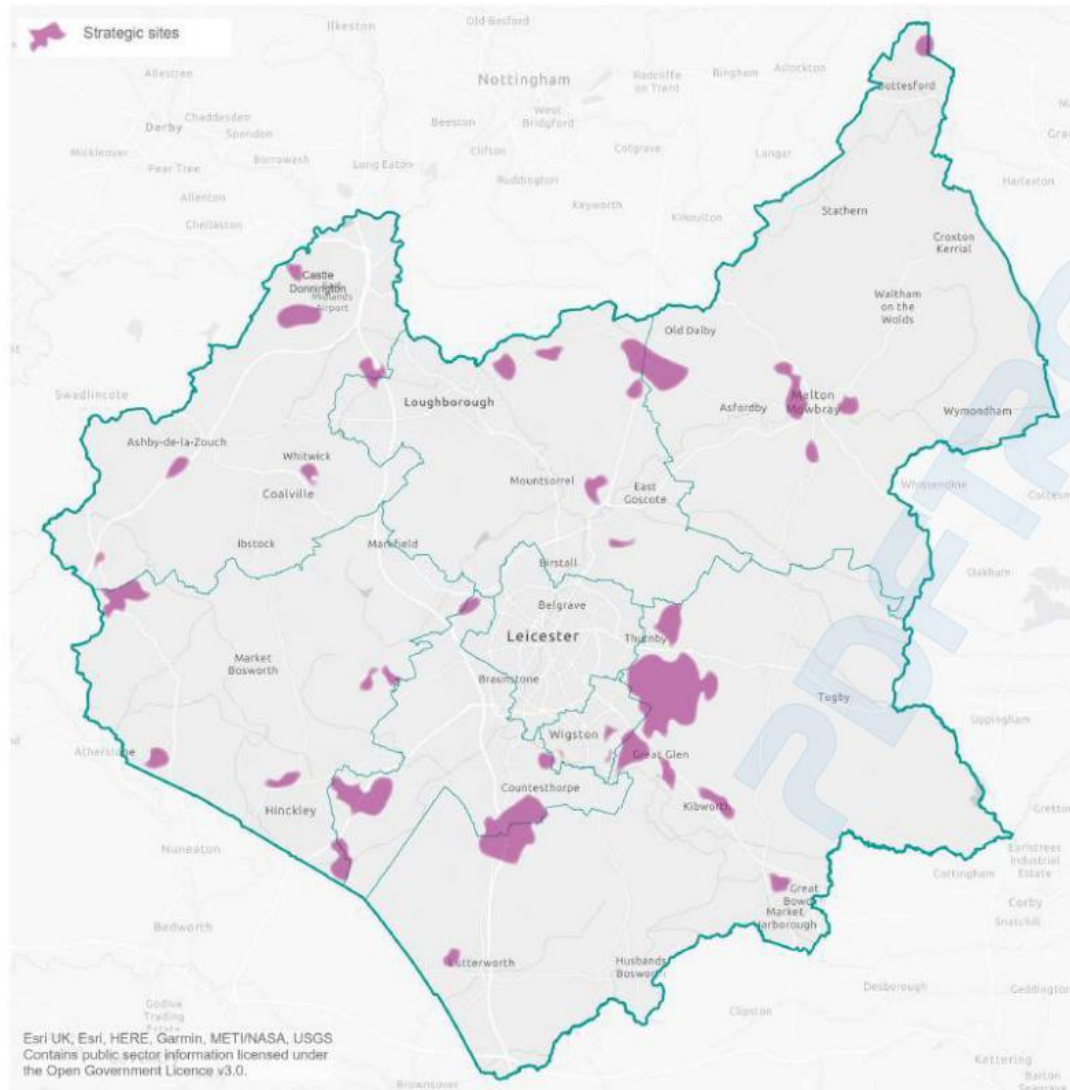


Growth Scenario B 20,000 dwellings



Options Maps: Distribution Three

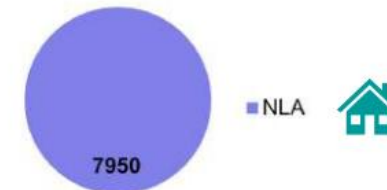
Strategic Sites: Leicester's unmet need is directed to Strategic Sites. The preference is to locate Leicester's unmet need to Strategic Sites within or close to the NLA in the first instance.



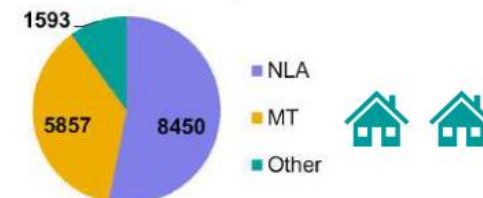
Distribution Three Strategic Sites



Growth Scenario C 7,950 dwellings



Growth Scenario A 15,900 dwellings

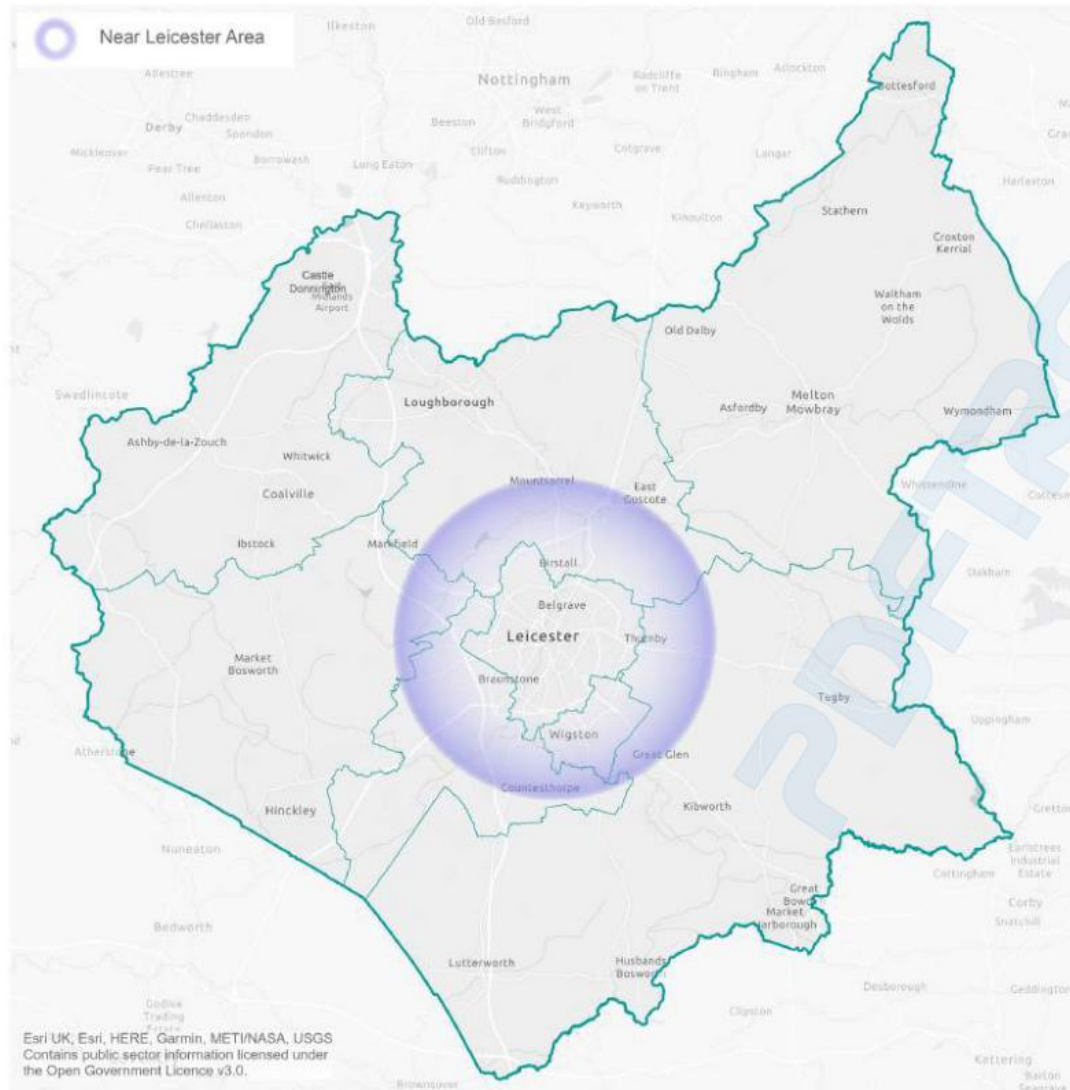


Growth Scenario B 20,000 dwellings



Options Maps: Distribution Four

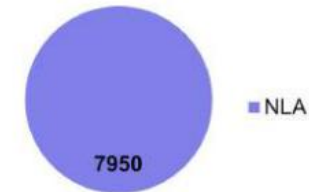
Near Leicester Area: 100% of Leicester's unmet need is distributed in the Near Leicester Area.



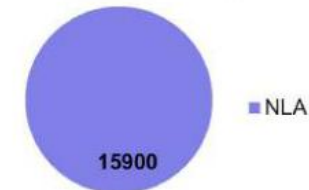
Distribution Four Near Leicester Area



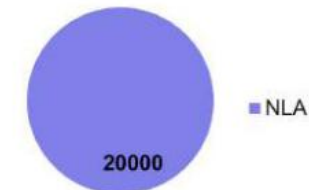
Growth Scenario C
7,950 dwellings



Growth Scenario A
15,900 dwellings

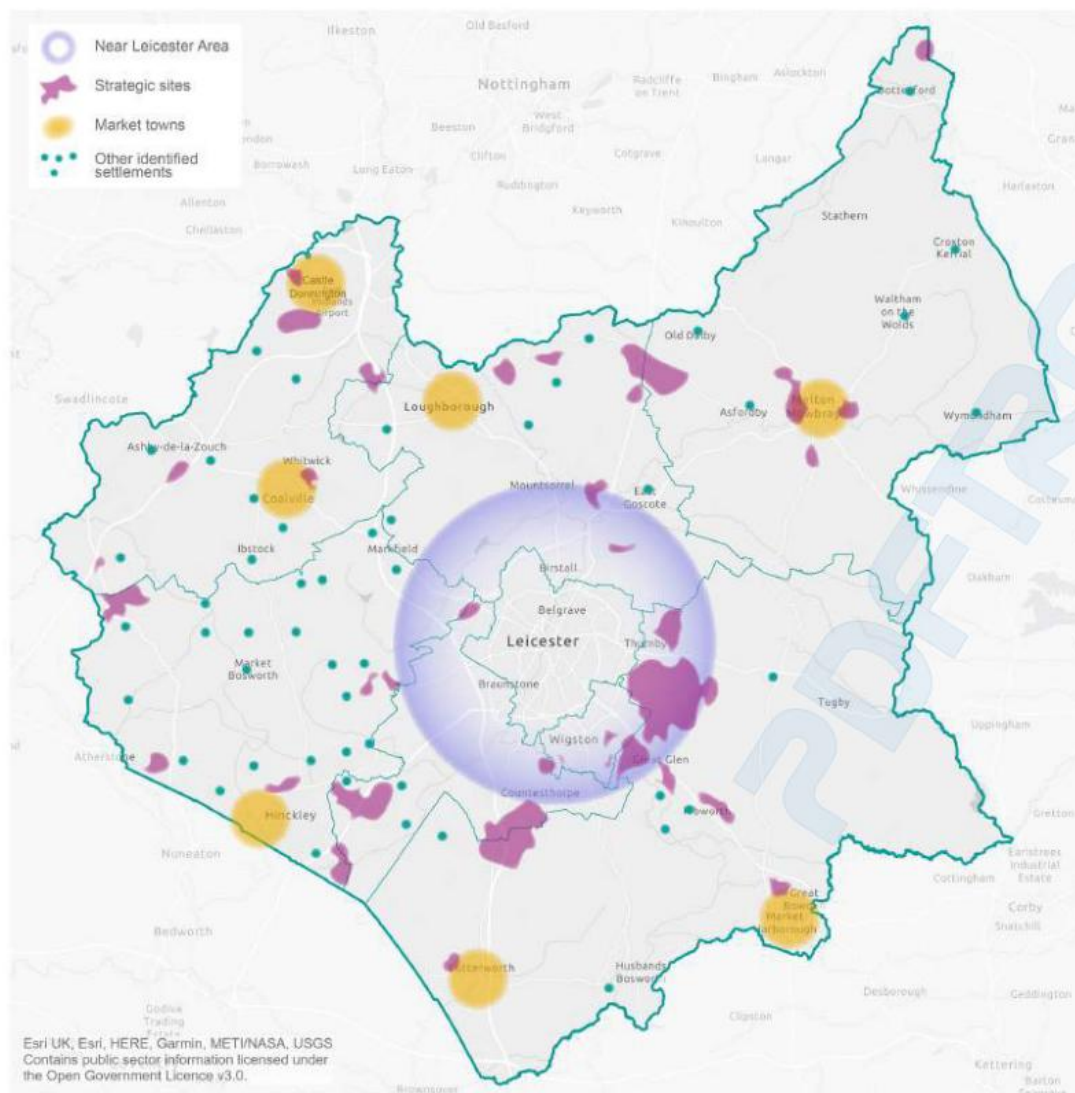


Growth Scenario B
20,000 dwellings



Options Maps: Distribution Five

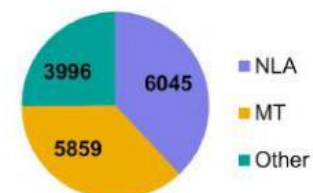
HENA Distribution: Leicester's unmet need is distributed according to the HENA evidence base for specific needs relating to jobs growth, functional connectivity with Leicester, deliverability and market capacity.



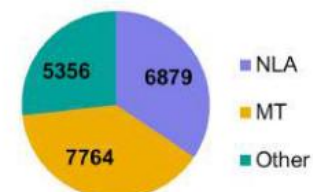
Distribution Five HENA Distribution



Growth Scenario A 15,900 dwellings



Growth Scenario B 20,000 dwellings



Appraisal Findings

The below table shows the scores recorded for the reasonable alternatives (all distribution options, across three scales of growth).

✓✓✓	Major positive	?	Uncertain
✓✓	Moderately positive	x	Minor negative
✓	Minor positive	xx	Moderately negative
-	Neutral	xxx	Major negative

	Growth Scenario	Option	Biodiversity	Health & wellbeing	Housing	Economy & employment	Transport & travel	Climate change	Landscape and land	Cultural heritage	Water	Minerals
Settlement tiers	A (15,900)	A1	x	xx ² / ✓✓ ²	✓✓✓ ²	✓✓✓ ²	✓✓/xx	✓	xxx ²	xx ²	-	x
Equal Share		A2	x	xx ² / ✓✓	✓✓✓ ²	✓✓✓ ²	✓✓/xx	✓	xxx ²	xx ²	x ²	x
Strategic Sites		A3	x / ✓	x / ✓✓✓ ²	✓✓✓ ²	✓✓✓	✓✓/x	✓✓	xxx ²	xx	x ²	x
Near Leicester Area		A4	x	x / ✓✓	✓✓✓	✓✓✓	✓✓✓ ² / xx ²	✓	xx ²	x	x ²	x ²
HENA distribution		A5	x	xx / ✓✓	✓✓✓	✓✓✓	✓✓/xx	✓✓ ²	xx	xx	x ²	x
Settlement tiers	B (20,000)	B1	x	xx / ✓✓	✓✓✓	✓✓✓	✓✓/xx	✓	xxx	xx	x ²	x
Equal Share		B2	xx ²	xx / ✓✓	✓✓✓	✓✓✓	✓✓/xx	✓	xxx	xx	x	x
Strategic Sites		B3	xx ² / ✓✓ ²	xx ² / ✓✓✓	✓✓✓	✓✓✓	✓✓/xx ²	✓✓	xxx	xxx ²	x ²	xx ²
Near Leicester Area		B4	xx	xx / ✓✓	✓✓✓	✓✓✓	✓✓✓ / xx ²	✓✓ ²	xx	x	x	x
HENA distribution		B5	xx	xx / ✓✓	✓✓✓	✓✓✓	✓✓/xx	✓✓ ²	xxx	xx	x ²	xx ²
Settlement tiers	C (7,950)	C1	-	x / ✓	✓✓/xx ²	✓/x	✓/x	✓ ²	xx ²	x	-	x ²
Equal Share		C2	-	x / ✓	✓✓/xx ²	✓/x	✓/x	✓ ²	xx ²	x	-	x ²
Strategic Sites		C3	x / ✓	x / ✓✓ ²	✓✓/xx	✓✓/x	✓✓/x	✓✓ ²	xx ²	x	x ²	x
Near Leicester Area		C4	-	✓	✓✓/xx	✓✓/x	✓✓/xx	✓	x	x ²	-	-

The following page will summarise the key effects across the distribution options and scales of growth.



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)

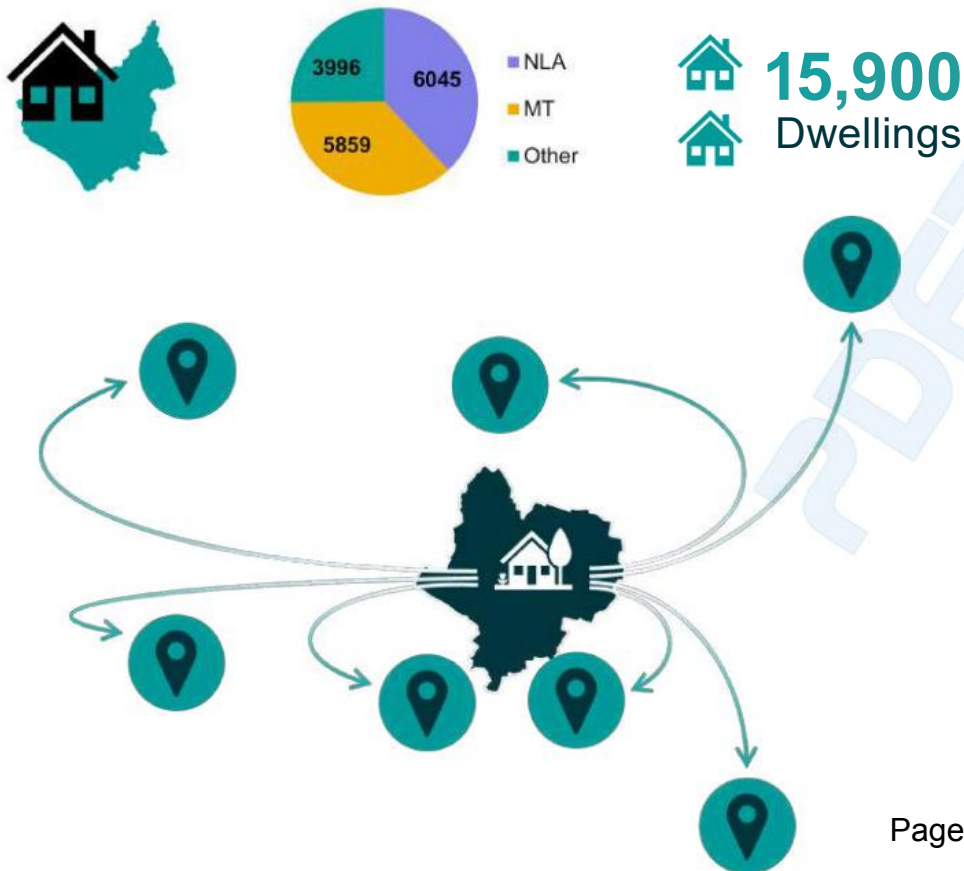
This reduced scale of growth offers some more distinctive effects than seen under higher growth scenarios. In terms of housing and economy, the positive effects are only moderate alongside potential major negative effects arise given that there could be a shortage of homes. This is offset to an extent 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).



Page 683 of 698

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



Page 684 of 698

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
✓✓	Moderately positive	×	Moderately negative
✓	Minor positive	×	Major negative
?	Uncertain		

		Biodiversity	Health & wellbeing	Housing	Economy & employment	Transport & travel	Climate change	Landscape and land	Cultural heritage	Water	Minerals
1. Dispersed	A1	-	✓?	-	✓?	×?	×?	×?	×?	×?	×?
	B1	×	✓	-	✓	×	×	×	×	×	×
	C1	-	-	-	-	-	-	-	-	-	-
2. Strategic sites	A2	-	✓✓?	-	✓✓	××? / ✓✓?	✓	×	×	?	×?
	B2	×?	✓✓	-	✓✓✓?	×× / ✓✓	✓✓?	×	×	×?	×
	C2	-	✓	-	✓	×	-	×?	×?	-	-
3. Near Leicester Area	A3	-	✓?	-	✓	× / ✓	-	×	×?	-	-
	B3	-	✓	×?	✓✓?	×× / ✓	-	×	×	-	-
	C3	-	✓?	-	✓?	-	-	×?	-	-	-
4. HENA distribution	A4	-	-	-	✓?	-	-	-	-	-	-
	B4	×	✓?	-	✓	×? / ✓?	-	×	-	-	×
	C4	-	-	-	-	-	-	-	-	-	-

The following page will summarise the key effects across the distribution options and scales of growth.

Appraisal Findings



There were no major effects predicted to arise from any of the employment growth or distribution options which were appraised.

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	✓✓ / x	✓✓✓?	✓✓?	✓ / x?	✓?	xx?	x	x?	x?

Page 687 of 698

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).



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.



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.



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.



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Statement of Common Ground relating to Housing and Employment Land Needs FAQs

1. What is housing and employment need?

Housing and employment need refers to the number of homes and employment land a local authority needs to meet future demand. For housing need, the figures are based on standard methodology set by Government. Where a local authority does not have sufficient land available to accommodate its housing and employment land needs in full, it is considered to have an ‘unmet need’.

2. What is the background to this Statement of Common Ground? What has happened so far?

Leicester City Council first declared an unmet housing need in February 2017. Subsequent evidence undertaken in support of Leicester’s Draft Local Plan indicated a potential unmet need of 7,742 homes and 23 hectares of employment land. However, in December 2020 the Government published a new standard method for calculating housing need, which resulted in a 35% uplift for the 20 largest cities and urban centres in England. As a result, Leicester City Council’s unmet housing need increased substantially to a point where it cannot be delivered within its administrative boundaries. When this situation occurs, the Government expects other authorities within the wider Housing Market Area/ Functional Economic Area to work together to plan for and deliver the homes and employment needed.

In June 2021 each authority in Leicester and Leicestershire agreed (through a Statement of Common Ground) to a programme of evidence work for apportioning Leicester’s unmet need to the surrounding authorities. The relevant evidence work has now been completed and informs this Statement of Common Ground (SoCG).

3. What is a Statement of Common Ground?

Local planning authorities are bound by a statutory ‘duty to cooperate’ to engage constructively with other authorities when planning for strategic cross-boundary matters. In this context, Statements of Common Ground are produced during the local plan process to demonstrate to a local plan inspector that effective co-operation with other authorities has been undertaken. In this respect, they provide a written record of progress made on strategic cross-boundary matters and indicate where agreements have (or have not) been reached.

4. What strategic matters are covered by this Statement of Common Ground?

The key strategic matters addressed in this SoCG are the housing and employment needs for Leicester and Leicestershire to 2036; the identified unmet need to 2036; and the apportionment of unmet need across the Leicestershire to 2036

The table below sets out the local housing need for each authority (per year) for the period 2020 – 2036 and how Leicester’s unmet need will be redistributed across the Leicestershire authorities.

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

A	B	C	D	E
Authority	Local Housing Need	Unmet need	Proposed redistributed Housing Provision	Difference (D - B)
Leicester	2,464	1,169	1,295	0
Blaby	341		687	346
Charnwood	1,111		1,189	78
Harborough	534		657	123
Hinckley and Bosworth	472		659	187
Melton	231		300	69
NW Leicestershire	372		686	314
Oadby and Wigston	188		240	52
L&L Total	5,713		5,713	1,169

5. Which Authorities are party to this Statement of Common Ground?

This SoCG has been prepared jointly by Leicester City Council and all Leicestershire authorities - Blaby District Council; Charnwood Borough Council; Harborough District Council; Hinckley & Bosworth Borough Council; Melton Borough Council; North West Leicestershire District Council; Oadby & Wigston Borough Council; and Leicestershire County Council.

The SoCG will be considered by each individual authority through their governance processes.

6. What is the status of this Statement of Common Ground? Once agreed, does it become legally binding?

The SoCG is not legally binding on any of the authorities. However, it sets out a clear and positive direction on housing and employment needs to inform ongoing strategies and local plan making.

7. What is the evidence work that has informed the Statement of Common Ground?

The Statement of Common Ground is informed by two key pieces of evidence – The Housing and Economic Needs Assessment (HENA) and the Sustainability Appraisal (SA). In summary, The HENA provides an evidence-based approach to redistributing Leicester’s unmet need to the Leicestershire

authorities. The SA tests the proposed distribution option set out in the HENA alongside other distribution options.

8. What is the relationship between this Statement of Common Ground and the Leicester & Leicestershire Strategic Growth Plan to 2050?

The Strategic Growth Plan was published in 2018 and provides a long-term vision for Leicester and Leicestershire for the period 2031 to 2050. The Statement of Common Ground covers the distribution of Leicester's unmet housing and employment need in the shorter term up to 2036. Since the Strategic Growth Plan was published, Leicester's unmet needs have been quantified and are now much larger than previously anticipated (due to changes to the government's method for calculating housing need). There is relatively short overlap of 5 years between the periods of the SoCG (2020 to 2036) and the Strategic Growth Plan (2031 to 2050). As such, the SoCG would not prevent the long-term vision of the Strategic Growth Plan from being achieved.

9. What is the relationship between this Statement of Common Ground and the June 2021 Statement of Common Ground?

The June 2021 SoCG set out the process for redistributing Leicester's unmet need in which authorities agreed to carry out a programme of evidence work. This SoCG sets out how the unmet housing and employment need will be apportioned across the authorities following the completion of the evidence work - the Housing & Economic Needs Assessment (HENA) and the Sustainability Appraisal (SA).

10. Why does Leicester City have an unmet housing and employment land need?

Leicester City's urban area extends beyond the boundaries of the City Council's administrative area. As is common for local authorities where this is the case, there is insufficient land available within the administrative area of Leicester City to accommodate its housing and employment land needs in full. As such, Leicester City has an unmet housing and employment need and is required to work with the other authorities in Leicestershire to address the unmet need and agree an alternative distribution of housing and employment provision.

11. How has the proposed apportionment of the housing and employment figures across the Leicestershire authorities been reached?

The methodology used for apportioning the housing and employment need is set out in detail the Housing and Economic Needs Assessment (HENA). It has regard to a whole range of factors, including the functional relationship of each authority area with Leicester City, the balance of jobs and homes in each authority area and deliverability of the distribution of development. Different distribution options have been tested through the Sustainability Appraisal (SA), which demonstrates that the HENA distribution option performs as well or better than the alternatives for most sustainability topics.

12. Why does each authority need a Statement of Common Ground on unmet need?

In order to get a local plan in place, each individual planning authority must be able to demonstrate they have complied with the statutory 'duty to cooperate' and policy guidance set out in the National Planning Policy Framework (NPPF). In this respect, the SoCG will be a critical part of each individual authority's local plan evidence to demonstrate compliance with the aforementioned legal and policy requirements.

13. What impact will the delivery of the proposed housing and employment figures have on the Leicester and Leicestershire authority areas e.g. impact on local infrastructure, green space, ecology etc. ?

The housing and employment figures will be tested through the preparation of Local Plans by each authority during which a careful balance will need to be struck between delivering economic, social and environmental objectives. A Sustainability Appraisal (SA) has been undertaken which sets out the economic, social and environmental effects of accommodating the unmet needs for homes and employment across Leicester and Leicestershire. At this stage the SA indicates that the proposed apportionment of growth to each individual authority can be accommodated in a broadly sustainable way. However, the precise distribution of housing and employment and the sustainability impacts will be subject to further testing through each authority's Local Plan process.

14. Will there be an opportunity to comment on the level and apportionment of the housing and employment numbers proposed?

Yes. As noted above, the housing and employment figures set out in the SoCG will be subject to testing through each authority's local plan process. These local plan preparation processes will include stages of public consultation that will enable all interested parties to provide comments to any planning authority that is preparing a local plan.

15. What if an authority's local plan process identifies that it is unable to provide for the housing or employment land needs apportioned in this statement?

If an authority's local plan evidence demonstrates that they are unable to accommodate their own needs and their apportionment of unmet need from Leicester in full, the SoCG will be jointly reviewed and updated as necessary.

16. Why can't local authorities delay their Local Plan process and wait for potential changes to Government guidance?

The Leicester and Leicestershire authorities acknowledge that the Government intend to reform the planning system and have previously consulted on potential future changes through 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. 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. In addition, a revised National Planning Policy Framework detailing a replacement for the duty to cooperate, new housing demand methodology, new National Development Management Policies and replacement Environmental Assessment rules will all need to be drafted, consulted upon and implemented before the transitional arrangements to any new system can be actioned.

Government advice remains that authorities should get up-to-date Local Plans in place and not use this period as a reason to delay plan making activities. The successful progression of well advanced Local Plans in Leicester and Leicestershire remains a priority for partners and the SoCG remains essential for these plans to proceed.

17. Why were the Statement of Common Ground and supporting evidence documents withdrawn from the Strategic Growth Plan website in May?

Following the publication of the original documents in May, an error was identified in the Housing and Economic Needs Assessment (HENA) in relation to the calculation of land requirements to accommodate future employment floorspace needs. Updated calculations and corrections have since been undertaken and all documents have been updated to reflect this.

18. What happens next?

The Statement of Common Ground will be considered by each individual authority through their governance processes. The figures will then be tested through each authority's Local Plan process. If an authority's Local Plan evidence demonstrates they are not able to accommodate their own needs and their apportionment of unmet need from Leicester in full, the SoCG will be jointly reviewed and updated as necessary.

