

Housing Capacity Paper February 2020

1. Introduction

The Strategic Growth Plan (SGP) (2018) provides the framework for housing delivery in the Leicester and Leicestershire Housing Market Area (HMA). Across the HMA, it identifies a need for 96,580 dwellings for the period 2011-2031, increasing to a need for 117,900 dwellings for the period 2011-2036. For the period 2031-2050, the SGP identifies a need for 90,516 dwellings. These figures were based upon the joint Housing and Economic Development Needs Assessment undertaken in 2017. In broad terms, the SGP agreed the principle of accommodation of unmet City housing needs up to 2031, and up to around two thirds of the City's whole supply 2031-2050, on the basis that the City Council seeks to minimise unmet need through the preparation and adoption of this Draft Plan, and that this work can be evidenced as being robust and in line with Government policy requirements. Redistribution would need to be subject to the necessary Statements of Common Ground, but progress has already been made as shown in Appendix C which sets out the current state of play with regard to existing and emerging Local Plans across the HMA.

Local plans are now required to comply with the revised NPPF (published 2019) and calculate the housing requirement based on standard methodology. HMA wide housing need based on standard methodology in 2019 was 82,739 homes over a period of 17 years from 2019-36¹.

This Paper focuses on the work undertaken (Regulation 18 Plan) and planned (Regulation 19 Plan) on the capacity of Leicester to deliver housing growth during the period covered by the consultation draft Local Plan (2020), which is 2019-2036. This is a 17 years plan period.

2. Housing Requirement

The housing requirement in the consultation draft Local Plan has been calculated using the Government's standard methodology. The requirement so calculated is for 1,712 dwellings per annum. Projected across the 17 years plan period the total requirement is therefore for 29,104 dwellings between 2019 and 2036.

¹ Appendix C: Working supply table 2019-36 for the HMA

The draft Local Plan has the Local Housing Need based on 2019 as base year. This will be revised and revisited with 2020 as the base year before the Reg 19 consultation in order to be in compliance with Government guidance.

In addition, the Reg 19 consultation Plan will need to address:

- uncertainties over the Government's new standard methodology and latest update of component national statistics;
- the scale and extent of housing sites introduced and withdrawn as a result of the City Council's response to the Reg 18 Consultation;
- responses to the Character Assessment and Tall Buildings work the subject of the Reg 18 Consultation;
- revisions resulting from delivery dialogue with site promoters (trajectory in particular);
- the content and consequences of the City's Local Housing Needs Assessment currently in preparation but not subject of this consultation, particularly the implications of inclusion of those aspiring to buy and the outcome of the Government's 'First Homes' Consultation, and new student housing demand and supply projections; and
- progress in scoping and agreeing a Statement of Common Ground on the scale and distribution of housing needs across the HMA.

In the light of the above uncertainties the City council has adopted a proportionate approach to supply and capacity work at this Reg 18 Plan stage.

The City Council welcomes the prospect of constructive advice via this Planning Advisory Service (PAS) led review process which might to help shape the scope and content of future work commissions to address any issues of soundness, and give HMA partners the necessary re-assurance they require to support the Plan through Examination in Public and towards adoption.

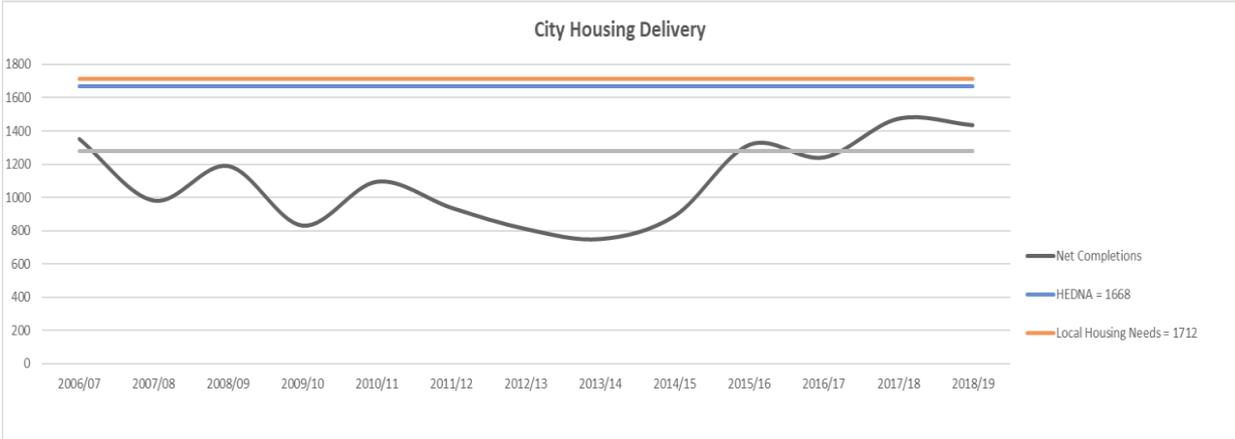
3. Historic Housing Delivery Performance

Figure 1 below (also attached in Appendix A) shows the City's net housing completions for period 2006/07 to 2018/19. Also shown on Figure 1 are: the Leicester Core Strategy (2014) target of 1,280 dwellings per annum; the Leicester & Leicestershire Housing and Economic Development Needs Assessment (HEDNA) (2017) City target of 1,692² dwellings per annum; and the 'Local Housing Needs' standard methodology requirement of 1,712 dwellings per annum.

² This is the HEDNA target for Leicester to 2031. The HEDNA target for the City to 2036 is 1,668 dwellings per annum.

The net completions line shows that housing delivery slowed substantially at the time of the global financial crisis and that performance has fluctuated over the years that followed. Only in recent years has the net completions line returned to pre-crisis levels above the Core Strategy target. Even now, it remains below the HEDNA target and standard methodology requirement

Figure 1: Leicester City Net Completions (all accommodation types) and Housing Requirements 2006/07-2018/19

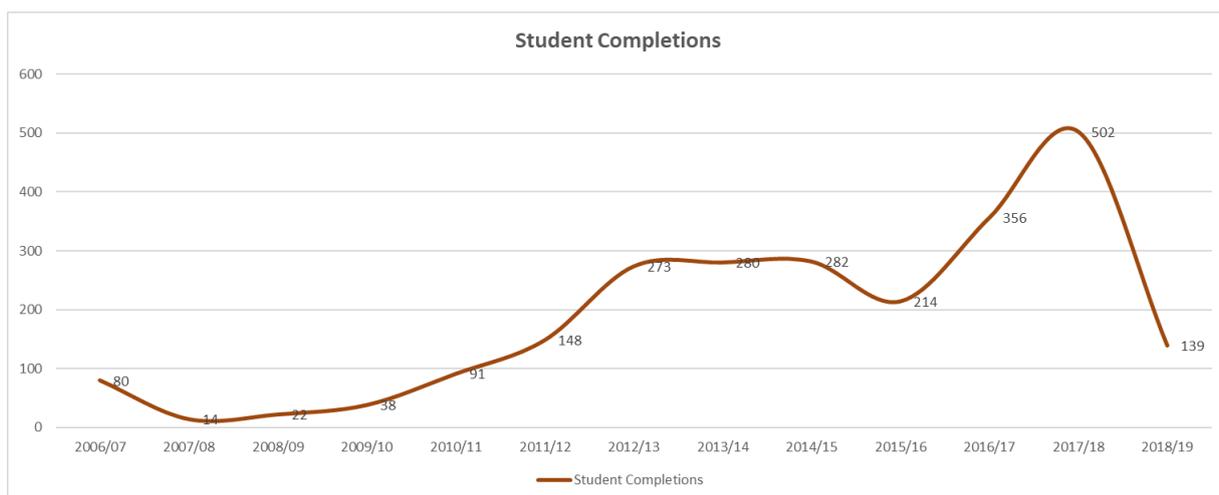


In recent years developments of purpose-built student accommodation, typically comprising self-contained studio flats or cluster flats, has made a significant contribution to the City’s net housing completions. Figure 2 below shows the number of student housing units³ completed in the City for period 2006/07 to 2018/19.

The net completions line shows a particularly pronounced increase in student development in recent years, followed by a sudden drop in 2018/19. The Housing Needs Assessment currently under preparation will consider future demand for further student development in the City and this will inform work to progress the Local Plan towards Reg 19 consultation.

Figure 2: Leicester City Net Completions (student accommodation) 2006/07-2018/19

³ From 2018/19 each self-contained student studio flat is counted as 1 dwelling. Shared student flats and other forms of communal accommodation for students are counted on a ratio of 2.5 bedrooms = 1 dwelling.



4. Sources of Supply 2019-2036

Table 1 below shows the sources of new housing supply for the consultation draft Local Plan (2020) plan period.

Table 1: Leicester City Sources of New Housing Supply 2019-2036

| Source | Number of Dwellings |
|---|---------------------|
| Commitments | 9,827 |
| Windfall Allowance | 2,550 |
| Draft Local Plan Allocations – Non Strategic | 1,486 |
| Draft Local Plan Allocations - Strategic | 2,594 |
| Draft Local Plan – Central Development Area | 4,905 |
| Total Sources of Supply 2019-2036 | 21,362 |
| Requirement (standard method) for plan period | 29,104 |
| Balance | -7,742 |

Commitments

The **9,827** committed dwellings are derived from sites with full planning permission⁴ (3893 dwellings, 1,121 student dwellings and 258 older people's dwellings⁵) and sites with outline planning permission (4,555 dwellings).

⁴ For the purposes of this Paper, full planning permission includes development permitted through 'prior approval' consents.

⁵ From 2018/19 each self-contained older people's flat is counted as 1 dwelling. Communal accommodation for older people is counted on a ratio of 2.0 bedrooms = 1 dwelling.

Of these commitments, 3,347 dwellings (including 744 student dwellings) with full planning permission and 1,868 dwellings with outline planning permission are within the Central Development Area (CDA). The combined committed 5,215 dwellings within the CDA represents 53% of the total committed dwellings.

Windfall

An allowance of 150 dwellings per annum is made for windfall development for the duration of the draft Local Plan period. Over the 17 years plan period this totals **2,550** dwellings.

Table 2 below shows completions on small⁶ sites for the period 2009-2019. The average completions achieved for this period is 182 dwellings per annum.

Table 2: Leicester City Completions on Small Sites 2009/10-2018/19

| Year | Number of Dwellings |
|----------------|----------------------------|
| 2009/10 | 216 |
| 2010/11 | 211 |
| 2011/12 | 100 |
| 2012/13 | 123 |
| 2013/14 | 132 |
| 2014/15 | 72 |
| 2015/16 | 202 |
| 2016/17 | 214 |
| 2017/18 | 313 |
| 2018/19 | 236 |
| Total | 1,819 |
| Average | 182 |

Officers will review the 150 dwellings per annum allowance for windfall development as part of work to progress the Local Plan towards Reg 19 consultation. Factors that we plan to take into account include:

- the scope for permitted changes of use (such as office to residential particularly in the City Centre) to continue to deliver dwellings; the scope for new permitted development (such as the mooted ‘right to height’ relaxations) to unlock new sources of supply;
- the implications of new draft Local Plan policies subject to their likely confirmation (for example tall buildings, density, space standards and conversion of houses to flats) on windfall capacity; and

⁶ Small sites here means those capable of accommodating fewer than 10 dwellings, and includes those delivered through the conversion/change of use of existing buildings as well as through new build

- the potential future spatial distribution of windfall development (between the Central Development Area and the rest of the City).

Officers would welcome views on whether there are other factors that should be taken into account. Also welcome would be exemplars of recent post 2019 NPPF compliant studies or assessments completed in similar city authorities where methodologies applied could be reviewed to inform work the City is currently planning to undertake in the coming months.

Draft Local Plan Allocations – Non-Strategic

The draft Local Plan proposes 74 non-strategic site allocations. Of these, 64 are proposed either solely for housing, or for a mix of uses that includes housing. The combined housing capacity of the non-strategic site allocations is estimated as **1,486** dwellings.

The approach applied to the estimation of housing capacity on individual sites is explained in the Sites Methodology document.

The non-strategic site allocations and sites methodology evidence base documents can be viewed via the Council's consultation portal:

<https://consultations.leicester.gov.uk/sec/local-plan-2019-2036>

Officers will review the non-strategic site allocations as part of work to progress the Local Plan towards Reg 19 consultation.

This will include:

- the densities used to estimate housing capacity;
- the deliverability of sites having regard to evidence of viability and any site-specific infrastructure and open space/ecology mitigation requirements;
- the need to deliver different types of housing as will be evidenced by the Housing Needs Assessment currently under preparation;
- the need to retain green space as will be evidenced by a review of existing open space standards and supply;
- Reg 18 consultation responses;
- and the availability (and suitably) of any new sites that may come to light in the intervening period.

Draft Local Plan Allocations – Strategic Sites

The draft Local Plan identifies six strategic development opportunities (made up from 9 individual sites). Of these, five strategic development opportunities (made up from 7 individual sites) are proposed either solely for housing or for a mix of uses that includes

housing. The combined housing capacity of the strategic development opportunities is estimated as **2,594** dwellings.

The approach applied to the estimation of housing capacity on individual sites is explained in the Sites Methodology document.

The strategic site allocations and sites methodology evidence base documents can be viewed via the Council’s consultation portal:

<https://consultations.leicester.gov.uk/sec/local-plan-2019-2036>

Again, officers will review the strategic site allocations as part of work to progress the Local Plan towards Reg 19 consultation. In addition to the matters for consideration listed under non-strategic sites (above), officers will have regard to evidence prepared by site promoters that demonstrates the deliverability and illustrates the masterplanning of these strategic opportunities.

Central Development Area (CDA)

The draft Local Plan proposes a new Central Development Area (CDA) designation, which includes the City Centre, the housing capacity of the CDA over the plan period is estimated as **4,905** dwellings. The capacity of the CDA has been estimated from a number of site typologies as shown in Table 3 below:

Table 3: Leicester CDA New Housing Supply by Source 2019-2036

| Site Typology | Number of Dwellings |
|--|----------------------------|
| Pre-application discussions ongoing (confidential) | 667 |
| Current planning application | 1,162 |
| Recent ⁷ planning permission | 1,317 |
| Officers’ urban capacity assessment | 1,759 |
| Total | 4,905 |

Officers will review their assessment of the sources of supply set out at Table 3 as part of work to progress the Local Plan towards Reg 19 consultation. In particular, officers’ urban capacity assessment will need to take into account some of the factors pertinent to the review of policy (tall building/character area), responses to Call for Sites and windfall development referred to above and Reg 18 consultation responses.

The draft Local Plan defines a number of character areas (and leaves residual remaining areas) within the CDA. The character areas include: Belgrave Gateway;

⁷ Post 31st March 2019, to avoid double-counting the supply captured in ‘Commitments’.

Leicester Royal Infirmary and De Montfort University; Mansfield Street; New Walk; Old Town; St. George's; St. Margaret's; Wharf Street; Abbey Meadows; University of Leicester; Railway Station; and Waterside.

Figure 3: Central Development Area Character Areas

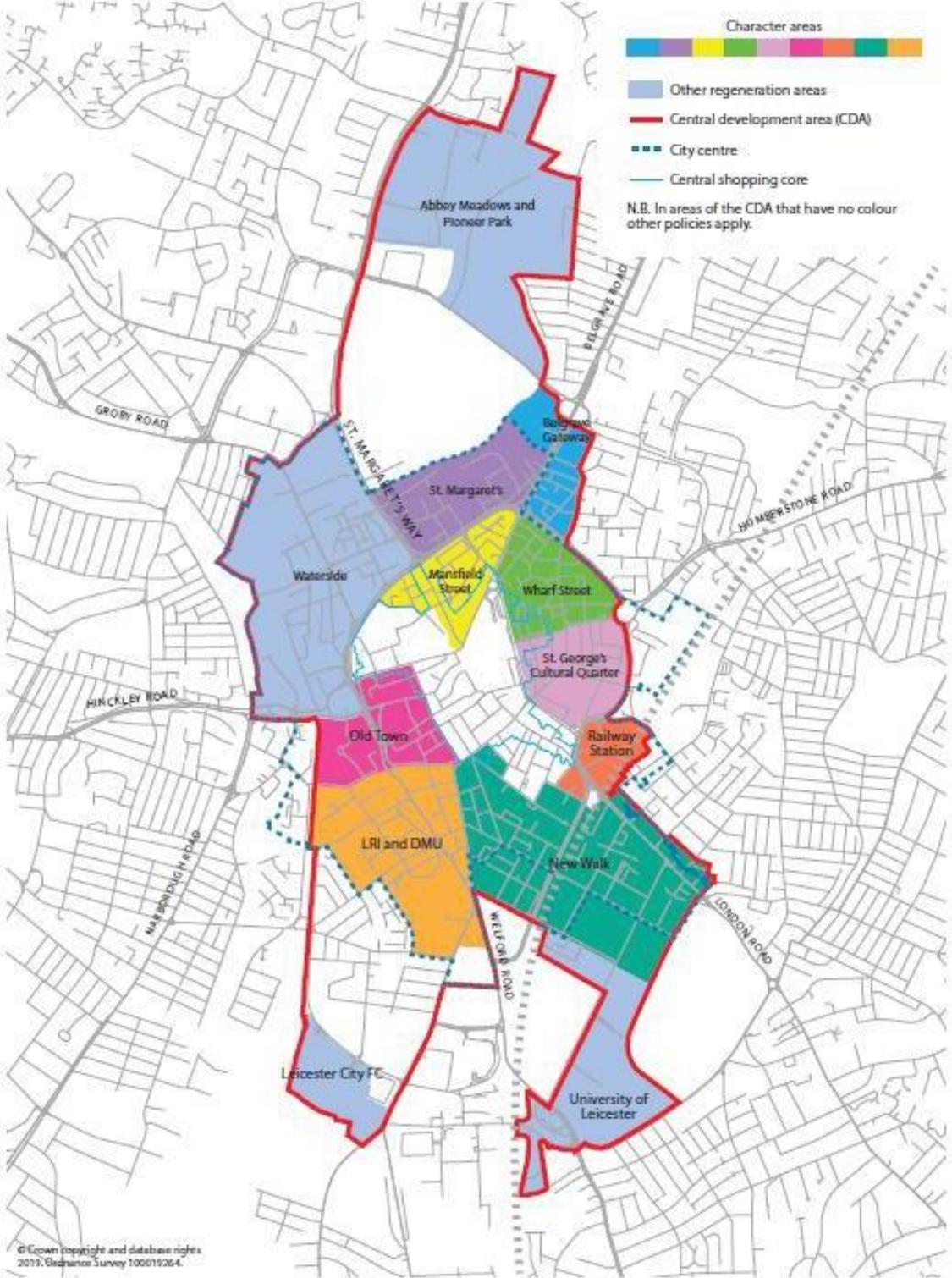


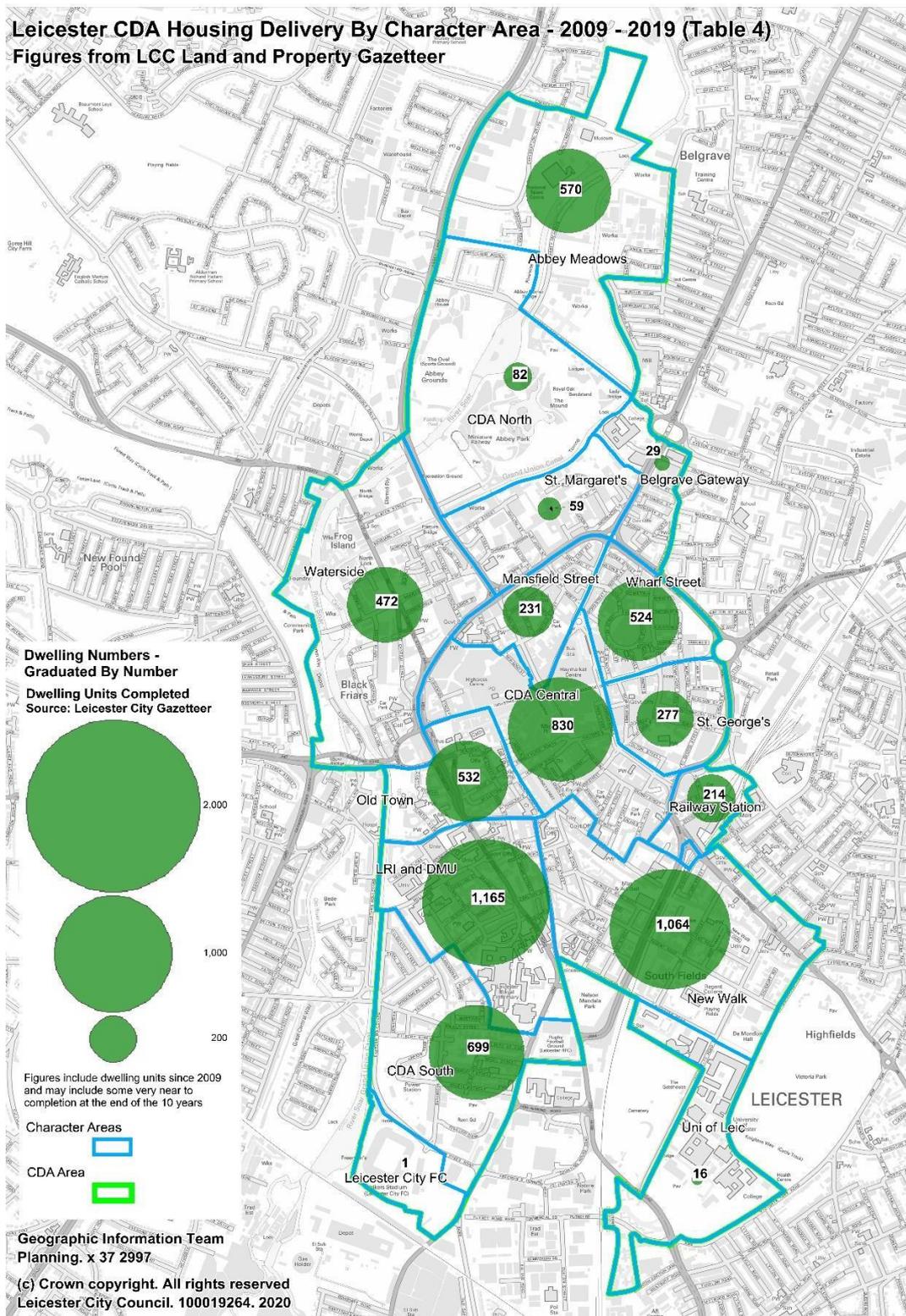
Table 4 below and Figure 4 below show the City Council has enjoyed substantial success in promoting delivery in the CDA in recent years. Stalled sites have been pushed to delivery through pro-active regeneration activity including large scale CPO promotion in the Waterside in particular. As a result, commitments and supply have been fed into the officer assessment of capacity and deliverability work. However, the extent of future supply of this nature is considered to be more constrained than that secured in the current plan period as shown below.

Table 4: Leicester CDA Housing Delivery by Character Area 2009-2019

| CDA Area | Number of Dwellings |
|--|----------------------------|
| Belgrave Gateway | 29 |
| Leicester Royal Infirmary and De Montfort University | 1,165 |
| Mansfield Street | 231 |
| New Walk | 1,064 |
| Old Town | 532 |
| St. George's | 277 |
| St. Margaret's | 59 |
| Wharf Street | 524 |
| Abbey Meadows | 570 |
| University of Leicester | 16 |
| Railway Station | 214 |
| Waterside | 472 |
| Remaining Areas | 1,611 |
| Total | 6,764 |

Source: Historic data, Leicester City Council (Local Land and Property Gazetteer – dwellings built since 2009 – may include some very nearing completion at the end of the period)

Figure 4 Leicester CDA Housing Delivery by Character Area 2009-2019



However the CDA does not comprise an inexhaustible supply of developable land, and the capacity of some of the character areas, such as the Leicester Royal Infirmary and De Montfort University, New Walk and the Old Town, are considered to have peaked in the preceding ten year period with limited future potential when other commitments and constraints, as shown in the Character Appraisals, are considered.

Table 5 and Figure 5 below show the officer assessment of the future supply potential of the Character Areas. This is made up of the sources of supply listed at Table 3 above. The Council will be contacting landowners of sites the subject of officers' urban capacity assessment during the course of the forthcoming Reg 18 consultation. The Council will share its assessment of the capacity of sites within the CDA for the purposes of the PAS assessment but has chosen not to make this information public for the purposes of the PAS presentation pending the aforementioned dialogue with site owners.

Table 5: Leicester CDA New Housing Supply by Character Area 2019-2036

| CDA Area | Number of Dwellings |
|--|----------------------------|
| Belgrave Gateway | 23 |
| Leicester Royal Infirmary and De Montfort University | 299 |
| Mansfield Street | 668 |
| New Walk | 243 |
| Old Town | 118 |
| St. George's | 252 |
| St. Margaret's | 286 |
| Wharf Street | 636 |
| Abbey Meadows | 161 |
| University of Leicester | 480 |
| Railway Station | 0 |
| Waterside | 1,029 |
| Remaining Areas | 710 |
| Total | 4,905 |

The Council intends to refine the CDA capacity assessments as set out above following the Reg 18 consultation.

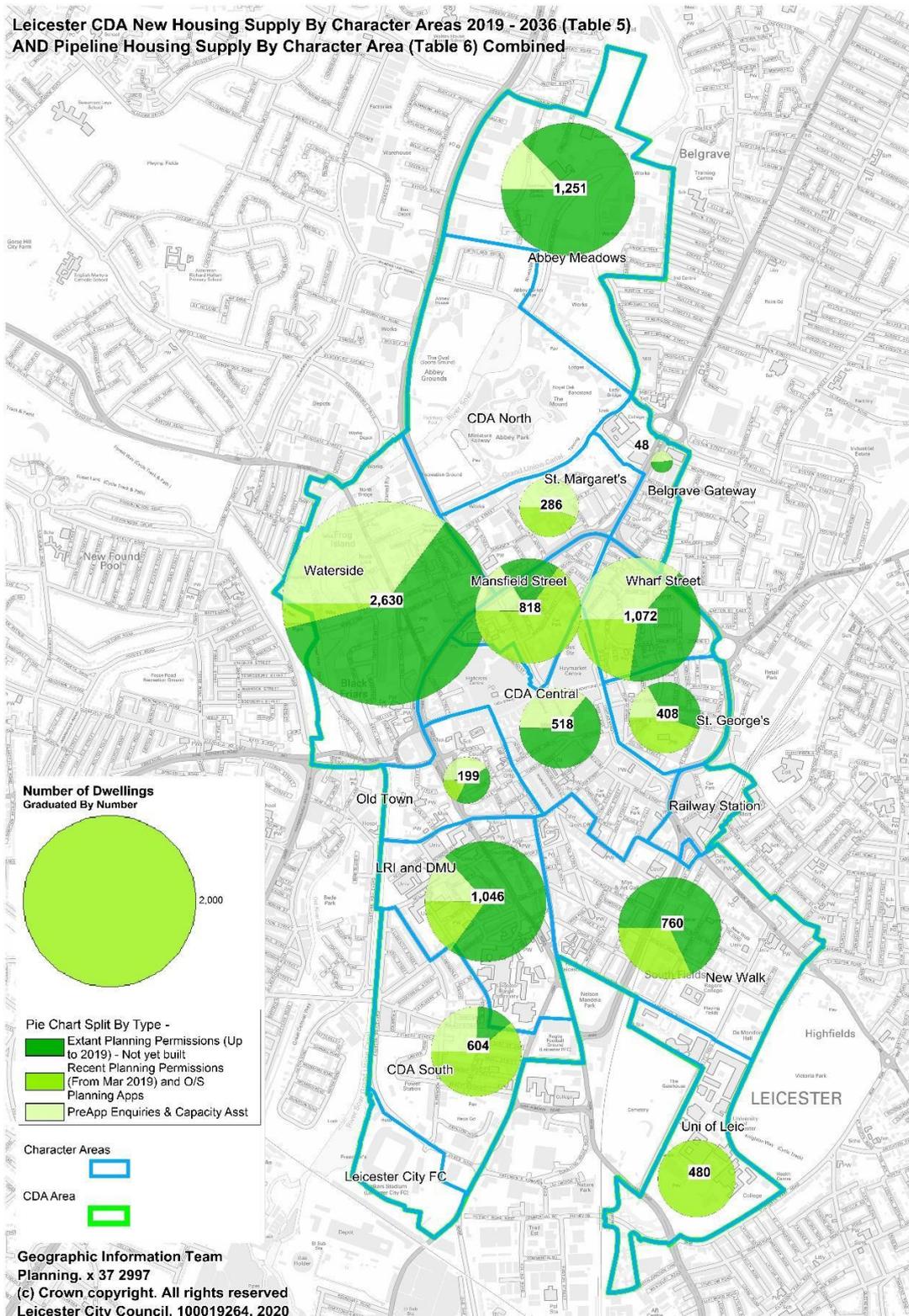
Table 6 and Figure 5 show the **pipeline capacity** of the CDA by Character Area. It should be noted that part of this capacity is already captured in the form of commitments as part of the housing supply (as shown in Table 1) for the Plan period.

Table 6: Leicester CDA Pipeline Housing Supply by Character Area as at 31st March 2019

| CDA Area | Number of Dwellings |
|--|----------------------------|
| Belgrave Gateway | 25 |
| Leicester Royal Infirmary and De Montfort University | 747 |
| Mansfield Street | 150 |
| New Walk | 517 |
| Old Town | 81 |
| St. George's | 156 |
| St. Margaret's | 0 |
| Wharf Street | 436 |
| Abbey Meadows | 1,090 |
| University of Leicester | 0 |
| Railway Station | 0 |
| Waterside | 1,601 |
| Remaining Areas | 412 |
| Total | 5,215 |

Figure 5 below shows the pipeline supply from March 2019 onwards and the housing supply from 2019-36 in each Character Area. (excludes some units nearing completion)

Figure 5: Housing supply by character areas from 2019-36 (Tables 5 & 6)



5. Initial Trajectory

Appendix B shows an initial trajectory of housing delivery for the draft Local Plan period 2019-2036. It provides an initial balance of projected housing delivery for each year over the plan period relative to Leicester's annual housing requirement which again will be refined further as the Plan and dialogue with site promoters is progressed.

Commitments: Sites with full planning permission have been assessed as deliverable within the first five years and the total has been attributed in equal portions to each of the constituent years for this stage. Sites with outline planning permission have been assessed as deliverable within years 6-11 and, again, the total has been attributed in equal portions to each of the constituent years. This will be further revised as part of the overall deliverability / developability information update recognising the need for more considered assessment of outline consents.

Windfall: As noted above, an allowance of 150 dwellings per annum is made for windfall development.

Draft Local Plan Allocations: The trajectory is founded on officers' initial informal assessment of the likely deliverability timescale of sites and, as such, should be treated with as preliminary at this stage.

Central Development Area: the deliverability of CDA sites has been assessed in five year tranches and, for the purposes of this draft Local Plan trajectory, the total for each five year tranche has been attributed in equal portions to each of the constituent years. Again, therefore, the trajectory should be treated as preliminary at this stage.

Officers will review the initial housing trajectory as part of work to progress the Local Plan towards Reg 19 consultation. Of particular relevance will be engagement with the development industry and site promoters as part of the Reg 18 consultation, and evidence of viability and any site-specific infrastructure requirements.

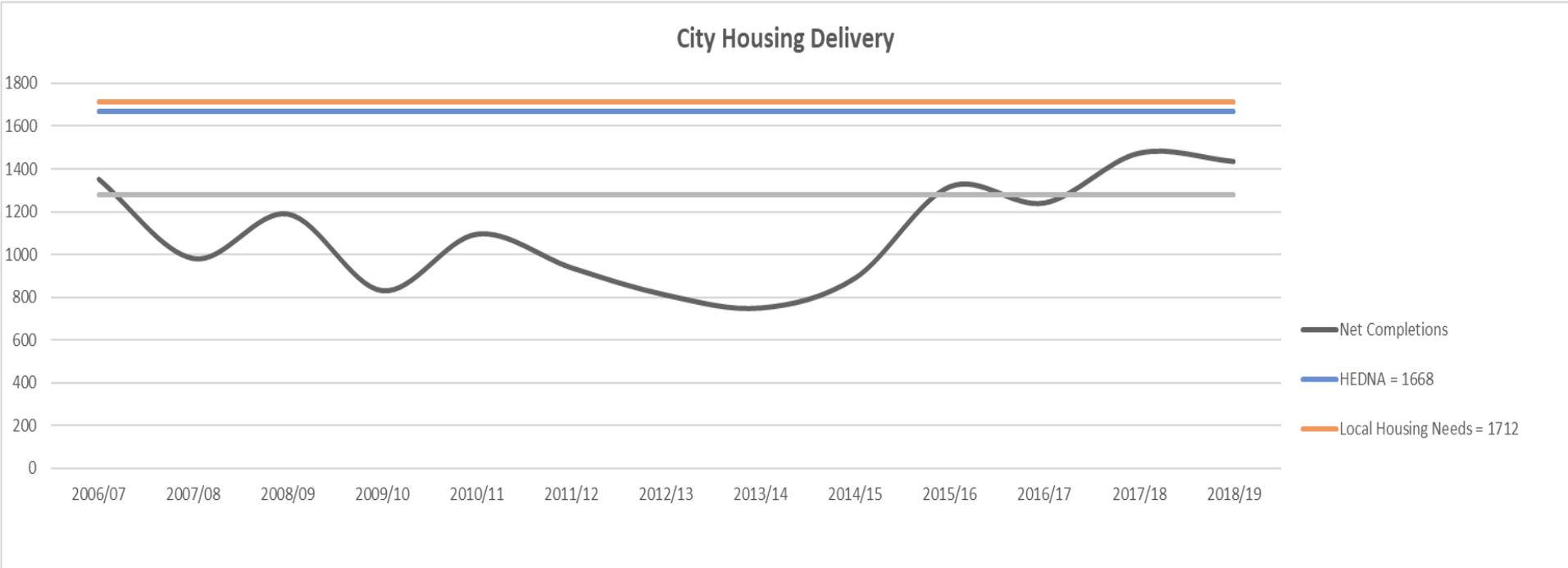
6. Post 2036 Capacity

Officers' urban capacity assessment of the CDA has identified longer term potential for continued housing delivery post-2036. This is estimated as **3,233** dwellings. Windfall development may also contribute to post-2036 housing delivery within the CDA.

Beyond the CDA, it is anticipated that windfall development will continue to make a modest contribution to housing delivery post-2036.

The City Council is looking forward to refining and developing this future longer-term picture through SGP dialogue and the required 5 yearly Local Plan review processes.

APPENDIX A:



Appendix B:

Leicester Draft Local Plan Initial Housing Delivery Trajectory 2019-2036

| | 19/20 | 20/21 | 21/22 | 22/23 | 23/24 | 24/25 | 25/26 | 26/27 | 27/28 | 28/29 | 29/30 | 30/31 | 31/32 | 32/33 | 33/34 | 34/35 | 35/36 | totals |
|---------------------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|------------|------------|------------|------------|------------|------------|------------|--------------|
| Draft Local Plan Allocati | 0 | 0 | 26 | 106 | 135 | 320 | 460 | 421 | 421 | 481 | 429 | 321 | 327 | 304 | 193 | 94 | 42 | 4080 |
| Windfall | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 2550 |
| CDA | 529 | 529 | 529 | 529 | 530 | 154 | 154 | 154 | 154 | 153 | 298 | 298 | 298 | 298 | 298 | 0 | 0 | 4905 |
| Commitments | 1054 | 1054 | 1054 | 1054 | 1056 | 911 | 911 | 911 | 911 | 911 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 9827 |
| Total supply | 1733 | 1733 | 1759 | 1839 | 1871 | 1535 | 1675 | 1636 | 1636 | 1695 | 877 | 769 | 775 | 752 | 641 | 244 | 192 | 21362 |
| Requirement | 1712 | 1712 | 1712 | 1712 | 1712 | 1712 | 1712 | 1712 | 1712 | 1712 | 1712 | 1712 | 1712 | 1712 | 1712 | 1712 | 1712 | 29104 |
| Balance | 21 | 21 | 47 | 127 | 159 | -177 | -37 | -76 | -76 | -17 | -835 | -943 | -937 | -960 | -1071 | -1468 | -1520 | -7742 |

APPENDIX C: HMA WORKING TABLE SHOWING PLAN PROGRESS

| 2019 - 2036 | | | | | | | | | | | | |
|---------------------|---|--|---|---|---|---|--|--|---|---|--|---|
| Authority | Standard Methodology | | (c) Commitments projected for delivery 2019- 36 | (D) Emerging commitment s projected for delivery 2019-36 | (E) Allocations in adopted Local Plan projected for delivery 2019-36 | (F) Allowance for small site or windfall 2019-36 | (G) Emerging allocations in a draft plan projected for delivery 2019-36 | (H) Projected total delivery to 2036 (C+D+E+F+G) | (I) Shortfall/over provision (H - B) | (J) Estimated SHLAA Capacity (less commitments, allocations and windfall) | (K) Total Theoretical Capacity 2019- 36 (H + J) | (L) Shortfall/over provision (K - B) |
| | (A) Annual Requirement 2019-36 | (B) Total requirement 2019-36 (A x 17) | | | | | | | | | | |
| Blaby | 339 | 5,763 | 5,151 | 163 | 878 | 480 | 0 | 6,672 | 909 | 15003 | 21,675 | 15,912 |
| Charnwood | 1,082 | 18,394 | 10,451 | 23 | 1,990 | 1,120 | 0 | 13,584 | -4,810 | 20,733 | 34,317 | 15,923 |
| Harborough | 542 | 9,214 | 3,972 | 92 | 5,526 | 640 | 0 | 10,230 | 1,016 | 8,975 | 19,205 | 9,991 |
| Hinckley & Bosworth | 457 | 7,769 | 2,229 | 1,720 | 185 | 938 | 0 | 5,072 | -2,697 | 30,114 | 35,186 | 27,417 |
| Leicester City | 1,712 | 29,104 | 5,272 | 4,555 | 0 | 2,550 | 8,985 | 21,362 | -7,742 | 0 | 21,362 | -7,742 |
| Melton | 201 | 3,417 | 2,288 | 79 | 3,886 | 358 | 0 | 6,611 | 3,194 | 2531 | 9,142 | 5,725 |
| NW Leics | 379 | 6,443 | 7,736 | 39 | 1,317 | 560 | 0 | 9,652 | 3,209 | 13707 | 23,359 | 16,916 |
| Oadby & Wigston | 155 | 2,635 | 753 | 38 | 1,449 | 159 | 0 | 2,399 | -236 | 0 | 2,399 | -236 |
| HMA total | 4,867 | 82,739 | 37,852 | 6,709 | 15,231 | 6,805 | 8,985 | 75,582 | -7,157 | 91,063 | 166,645 | 83,906 |



**REPORT TO THE LEICESTER & LEICESTERSHIRE
AUTHORITIES IN RESPECT OF
THE LEICESTER CITY HOUSING CAPACITY REVIEW**

Report by Intelligent Plans and Examinations (IPE) Ltd

Author: Laura Graham BSc MA MRTPI

14 April 2020

1. Introduction

- 1.1 Intelligent Plans & Examinations (IPE) has been commissioned by the Planning Advisory Service (PAS) to provide advice to the Leicester & Leicestershire authorities in relation to the Leicester Housing Capacity Review.

2. Background and Context

- 2.1 The National Planning Policy Guidance (NPPG) sets out the method for assessing housing and economic land availability. It states that the assessment needs to identify all (my emphasis) sites and broad locations.....in order to provide a complete audit of available land. I have considered the 2017 Strategic Housing and Economic Land Availability Assessment (SHELAA) and the other documents you have supplied against the assessment stages set out in the NPPG. For the avoidance of any doubt, my comments are based on the information available to me, primarily the information available via the City Council's website, at the time of writing this report.

3. Stage 1 - Determine assessment area and site size

- 3.1 The assessment area is the administrative area of the City, which complies with the NPPG guidance. The guidance suggests that the assessment should consider all sites and broad locations capable of delivering 5 or more dwellings or economic development on sites of 0.25 hectares (or 500sq m floorspace) and above, but states that alternatives can be used. Leicester has used a larger site size of 10 dwellings as this is what has been previously done and taking into account resources available. I comment again on this under Stage 3 below.
- 3.2 The NPPG requires a desktop review of existing information as well as a call for sites, and expects a proactive approach to be taken to identify as wide a range of sites and broad locations for development as possible. A wide range of types of site and potential data sources is listed in the table in paragraph ID: 3-011-20190722. Paragraph ID 3-010-20190722 states that: 'Identified sites, which have particular constraints (such as Green belt), need to be included in the assessment for the sake of comprehensiveness but with the constraints set out clearly'.
- 3.3 Information on the Leicester City website comprises the SHELAA & Five Year Land Supply Update 2017, which does not list individual sites; and the Leicester SHELAA Summary of Sites 2017, which appears to be a list of about 147 sites which are considered deliverable and developable; and a methodology paper which broadly sets out the requirements of National Policy and Guidance, with some (limited) commentary on how this will be applied in Leicester. The updated methodology paper (2020) states that an updated Stage 1 assessment comprises 418 available sites, but I have not, to date, seen any evidence which would appear to comprise a full Stage 1 identification of sites and broad locations which would meet the guidance in the NPPG. Without this, you may be vulnerable to criticism that you haven't provided a robust evidence base in accordance with the NPPG methodology.
- 3.4 Paragraph 31 of the National Planning Policy Framework (NPPF) requires policies to be underpinned by relevant and up-to-date evidence. 'Up-to-date' is not defined but a recently published advice note by PAS¹ states (at page 7) that evidence base documents, especially those relating to development needs and land availability, that date from two or more years before the submission date may be at risk of having been overtaken by events, particularly as they may rely on data that is even older. There is a significant risk, therefore, that the 2017 SHELAA may be considered out of date,

¹ View at: <https://www.local.gov.uk/pas/pas-topics/evidence-plan-making-focus-upon-proportionality-february-2020>

even though some limited updating has taken place such as removing sites where development has completed.

- 3.5 I note, from the Housing Capacity Paper (February 2020), that Leicester intend to do further work on housing capacity before reaching Regulation 19 consultation and I would strongly advise that Leicester consider a comprehensive update of the 2017 SHELAA evidence base, to avoid potential criticism that this aspect of the evidence base is out-of-date. In addition, it would be helpful if the methodology paper could be expanded to describe in more detail how the exercise was undertaken, for example which of the sources of evidence set out in NPPG were used to identify sites.
- 3.6 The site size threshold used is 10 dwellings, twice the size of the recommended threshold in the NPPG. Leicester have explained that this is because it is the size used in the past, and taking into account resources available it was felt to be a pragmatic approach to continue in the same way. The NPPG does allow for a different size threshold to be used, so long as it can be justified. In all the circumstances, I think it unlikely that an Inspector would criticise this relatively minor departure from the NPPG but it does have a consequential impact on the role of windfall sites (see below), which are an inherently less reliable source of new housing, and I note that in the updated methodology paper 2020 it is intended to use a threshold of 5 dwellings which will bring the assessment fully into line with the NPPG.

4. Stage 2 - Site/broad location assessment

- 4.1 The NPPG indicates that there may be some sites which, when taking into account national policy and designations, can be discounted before Stage 2 (the site/broad location assessment). The explanation in the 2017 HELAA methodology paper regarding sites that were excluded before the Stage 2 assessment was undertaken (Appendix A) seems reasonable and, in my view, accords with the NPPG advice.
- 4.2 The current brief I am working to does not allow sufficient time for me to assess each of the sites individually. Such a task would require site visits to most, possibly all, sites. My comments are therefore of a generalised nature, to prompt you to consider elements of the approach.

Approach to green wedge policy

- 4.3 I note that a number of sites have been rejected, with conflict with green wedge policy cited as a substantive reason for rejection. I recognise that green wedges are a local planning designation that has been used in Leicester and Leicestershire for some considerable time. The Green Wedge Review identifies four purposes for Green Wedges, namely:
- Preventing the merging of settlements
 - Guiding Development Form (which seems to relate closely to the first function)
 - Providing a Green Lung into urban communities
 - Acting as a recreational resource
- 4.4 The NPPF at paragraph 170 onwards offers strong support for a range of measures to conserve and enhance the natural environment and at paragraph 174 onwards for protecting biodiversity and geodiversity, including wildlife corridors and ecological networks. Furthermore, paragraph 91 of the NPPF supports policies for the provision of green infrastructure, and paragraphs 96 onwards stress the importance of access to a network of high quality open spaces and opportunities for sport and physical activity. My view is that it would strengthen the justification for retaining green wedges if the purposes were to be brought more into line with those factors supported by the NPPF and less emphasis was given to preventing the merging of settlements. I am not

suggesting this purpose should be disregarded, but it may be better expressed in terms of protecting the character of settlements, rather than preventing merging. I think such an approach would be easier to defend at examination.

- 4.5 The Methodology Paper sets out how the development potential of sites has been calculated. Gross to Net development ratios have been used, which vary according to site size, and densities applied to the net site size. This methodology has been agreed by the Leicestershire authorities, and is likely to be appropriate for small and medium sized sites but may be criticised when applied to 'strategic' sites. Such sites are likely to be more vulnerable to site specific requirements for infrastructure and/or requirements for service providers e.g. education. For example, a large site may be the only opportunity to provide a secondary school or health care facility to serve a wider area. Such demands may reduce the number of houses that can be delivered. This issue can be overcome by carrying out a basic masterplanning exercise. This would not need to be the kind of detailed masterplan that would inform a planning application but should be detailed enough to inform a site-specific calculation of development potential. I recognise that there are resource implications in carrying out a basic masterplanning exercise, but as there is a limited number of strategic allocations it should not be an overwhelming task and would significantly strengthen the evidence base in a critical area.

Central Development Area/Character Areas

- 4.6 Paragraph 122 of NPPF requires planning policies and decisions to support development that makes efficient use of land, taking into account various factors including: the scope to promote sustainable modes of travel; and the desirability of maintaining an area's prevailing character and setting. Paragraph 123 goes on to say that where there is a shortage of land for meeting identified housing need, (as is the case for Leicester City), it is especially important that planning policies and decisions avoid homes being built at low densities, and ensure that developments make optimal use of the potential of each site. To this end, the draft Leicester City Local Plan (LP), Policy Ho05 sets density requirements of 50 dwellings per hectare (dph) or more for new dwellings in the proposed Central Development Area (CDA), and a minimum of 30 dph elsewhere. Establishing minimum densities is encouraged in NPPF, because it allows for a design-led approach to deliver higher densities, where appropriate, through the development of tall buildings for example.
- 4.7 As well as defining the CDA, which includes the City Centre, the draft Local Plan also defines a number of Character Areas (CA). Policies in the draft plan, including CDA02 and CDA03 give further guidance on the kind of development that will be permitted in the CAs, although detailed requirements seem to be delegated to Supplementary Planning Guidance (SPG). CDA02 states that 'New buildings and extensions to existing buildings will be expected to be built to a height no higher than the identified proposed building height except in areas which have been identified with potential for tall development'. However, as far as I can ascertain, the areas with potential for tall development are not identified in the draft Plan. There is a significant amount of information in the separate document 'Tall development in Leicester', and the separate character area documents (presumably early drafts of the intended SPG) but it is quite hard to understand how this information will be used in a development management setting prior to the adoption of SPG.
- 4.8 There is a risk that the draft Plan will be criticised for a lack of clarity on this point and a failure to ensure the efficient use of land. I note that Leicester City intend to review the assessment of housing supply in the CDA and designated Character Areas in the light of the results of the Reg18 consultation, and discussion with landowners. At this stage, my view is that the general approach to assessing housing capacity in the CDA is in conformity with the requirements of NPPF, but without more detailed information on the individual sites which form part of the officers' assessments it is difficult to make

any comment on how robust that assessment may be. Paragraph 123 of NPPF indicates that, where there is a shortage of land for meeting identified housing needs, policies to optimise the use of land and meet as much of the identified need as possible 'will be tested robustly at examination' (my emphasis). It is likely that some representors, particularly those with land interests in the CDA will seek to demonstrate that higher densities than those anticipated can be achieved, although those observations can probably be countered by a clear explanation that the use of minimum densities does not preclude schemes proposing higher densities providing they can be demonstrated to be acceptable in other ways, for example impact on heritage assets. However, other representors, notably those with land interests outside the central area, may seek to suggest that the estimate of housing supply in the central area is unrealistically high, to support an argument that land elsewhere should be released for development. Officers will therefore wish to make sure that the evidence base supporting the assessment is both transparent and robust, and able to withstand the level of scrutiny that is likely to occur at the examination.

5. Stage 3 - Windfall assessment

- 5.1 Windfall sites are expected to contribute about 12% of the total supply over the Plan period. The evidence of delivery on small sites since 2009/10 averages 182 dwellings per annum (dpa). On this basis, the choice of 150dpa seems reasonable, and I note Leicester are intending to review this once they have received the Regulation 18 consultation responses. It's very sensible to review this figure, bearing in mind the factors they mention including the likely scope for office to residential permitted development and the implications of new draft Local Plan policies. If these factors indicate that a discounted rate would be justified, they may wish to adjust the figure down from 150dpa. In addition, the change to the threshold from 10 to 5 dwellings will require an adjustment to the annual rate that can be justified. Given the generally less predictable nature of windfall development, it may also be important to consider adding some indication in the draft Local Plan of the action that would be taken if windfall developments did not achieve the anticipated rate over a consecutive period of years, leading to a shortfall of overall housing delivery. Such action could include revisiting the SHELAA and bringing forward a partial review of the Local Plan to address the problem.

6. Stage 4 – Assessment review

- 6.1 The work to date indicates that Leicester City will be unable to meet locally identified housing and employment land needs. This is unsurprising given the physical and other constraints of the City's administrative area. On the basis of information available so far, the unmet need appears to be about 7,700 dwellings. Leicester have been working with the other authorities in the Leicester and Leicestershire Housing Market Area (HMA) to establish how this unmet need can be met elsewhere in the HMA. I will be providing advice on the process of preparing and content of Statement(s) of Common Ground (SCG) in due course.
- 6.2 The evidence indicates that there is also an unmet need for employment land of about 23 hectares. This will also need to be addressed through a SCG.

7. Stage 5 – Final evidence base

- 7.1 As I indicate above, the list of sites compiled at Stage 1 of the assessment should be published as the NPPG requires 'a list of all sites or broad locations considered, cross-referenced to their locations on maps'.

8. Example of recent studies in a similar city authority

- 8.1 Oxford City is a useful example of work carried out by a City in a similar position to that of Leicester City. Like Leicester, Oxford is unable to meet its housing need within its own boundaries. The Local Plan examination is not yet completed (main modifications consultation is currently underway) but the Inspectors' interim conclusions are available via the Oxford City Council website.²
- 8.2 These conclusions support the Council's housing requirement, which is based on a housing capacity study. It appears that the figure was updated by the Council during the course of the examination and a higher figure than that given in the submission draft Plan was proposed, by the Council, as a modification, and this has been accepted by the Inspectors. (Nb: The Inspectors' letter makes reference to the Council's statement for Matter 4, it should read Matter 2.) You may wish to note, in particular, the seventh paragraph in the Inspectors' letter which commences: *We discussed in the hearings the need for the Council to maximise opportunities to deliver housing..... That discussion led to the Council proposing modifications including adding minimum housing numbers to site allocations.*
- 8.3 However, the Inspectors' overall conclusion is that these changes will assist in introducing flexibility but will not make a significant difference to the scale of the City's unmet housing need. The City Council's housing capacity assessment was reviewed twice by independent consultants who undertook a more extensive site by site review than I have been able to do. It's not entirely clear, but the rationale for this seems to have been a need to satisfy other authorities that the level of unmet housing need was correct. In the case of Leicester City, there appears to have been a greater level of cooperation amongst the authorities in the HMA, including agreeing a standard methodology for carrying out SHELAA's across the HMA. Hopefully that should result in a greater degree of acceptance of the calculated unmet housing need, and avoid the need for further scrutiny.

9. Conclusions

- 9.1 As I indicate above, there is a real risk that the 2017 SHELAA may be considered to be out-of-date if you do not undertake an exercise to update the base data, including consideration of any new sites that may come forward through the Regulation 18 consultation. Subject to this, and the other points I raise above, including the need to publish the full list of sites considered at Stage 1 of the SHELAA, and to undertake some basic masterplanning of the strategic allocations, I consider that the SHELAA is a robust piece of work which appears to comply with Government policy and guidance.

Laura Graham
April 2020

² View at:
https://www.oxford.gov.uk/info/20286/local_plan_examination/1312/local_plan_2016-36_examination_library

**Strategic Growth Plan Members’
Advisory Group**

NOTES OF MEETING held on 15 July 2020.

Virtual meeting held using Microsoft Teams

Attendance:

| | |
|------------------------------|---|
| Cllr Trevor Pendleton | Leicestershire County Council (Chair) |
| Cllr Terry Richardson | Blaby District Council (Vice Chair) |
| Norman Proudfoot (NP) | Chair of Strategic Planning Group |
| Cat Hartley (CH) | Blaby District Council |
| Cllr Richard Bailey | Charnwood Borough Council |
| Eileen Mallon (EM) | Charnwood Borough Council |
| Cllr Phil King | Harborough District Council |
| Cllr David Bill | Hinckley & Bosworth Borough Council |
| Matthew Bowers (MB) | Hinckley & Bosworth Borough Council |
| Sir Peter Soulsby | Leicester City Council |
| Grant Butterworth (GB) | Leicester City Council |
| Ann Carruthers (AC) | Leicestershire County Council (Highways) |
| Simon Lawrence (SL) | Leicestershire County Council (Growth Unit) |
| Cllr Joe Orson | Melton Borough Council |
| Chris Elston (CE) | North West Leicestershire District Council |
| Cllr John Boyce | Oadby and Wigston Borough Council |
| Stephen Hinds (SH) | Oadby and Wigston Borough Council |
| Rob Thornhill (RT) | Joint Strategic Planning Manager for L&L |
| Nicola Sworowski (NS) | Planning Advisory Service (PAS) |
| Stephen Barker (SB) | Planning Advisory Service (PAS) |
| Laura Graham (LG) | Intelligent Plans and Examinations (IPe) |
| Sharon Wiggins (SW) | Support to the Joint Strategic Planning Manager |

| ITEM | | LEAD/ ACTION |
|------|---|-----------------|
| 3 | <p><i>Item 3.2 PAS Sense check of Leicester’s housing capacity</i></p> <p>RT confirmed Laura Graham had joined the call.</p> <p>RT explained the work had been carried out by a former Planning Inspector with over 20 years of experience dealing with complex Local Plan Examinations, including in areas with unmet need. Unmet need is relatively recent issue for L&L, but it is common in other areas across the country. The process of identifying land available for development is long established in planning policy and guidance, and it is important to bear in mind that the test of an authorities development capacity is a planning one.</p> <p>The next steps for dealing with Leicester’s unmet need, includes progressing work on a Sustainability Appraisal.</p> <p>Cllr Richardson asked how crucial are the points made relating to the Strategic Housing and Employment Land Availability Assessment (SHELAA)? We are already seeing the impact of COVID-19 on offices for example and there could be less student accommodation required in the future.</p> | |

GB advised the City are planning to revise and update their SHELAA after their (Draft Local Plan Regulation 18) consultation (due to take place Autumn 2020). They will also look at retail going forward, and short, medium and long-term trends for employment. He referred to the Tall Building information the City Council has produced which may generate conversations during the consultation.

Cllr King suggested the City should consider dropping down to a five unit threshold for sites in SHELAA, as every small site helps. Noting communities in Harborough District have been unhappy with development over the last 20 years and with planned future growth over next 20 years.

Cllr Pendleton noted the 5,000 vacant dwellings figure for the City within the context of the 7,750 dwelling unmet need figure. GB responded that the vacant dwellings are already in the supply and it is the need figure which the City is having to respond to in its emerging Local Plan.

Cllr Bill noted high number of cases for COVID-19 in the City and the potential impact of a local lockdown, which could impact the reputation of the City. This could have an impact on housing demand and will need to be considered.

Cllr Pendleton referred to the top down nature of housing figures and need to take them into account.

Cllr Orton referred to the action across the L&L HMA which already shows co-operation.

GB advised the COVID-19 pandemic may support open space provision but could work against higher density and noted pre-application discussions and planning applications numbers are increasing. Also noted the time and effort and compulsory purchase orders being used to bring vacant homes back into use in the City.

Cllr Boyce noted it is quite right for the City to be under pressure to deliver new homes, but they are going to have an unmet need at some point, and this is why the SGP is so important.

MAG agreed to progress the Sustainability Appraisal based on an unmet need of 7,750 dwellings and 23 Hectares of employment land.

