

## **HEDNA Frequently Asked Questions (FAQs)**

### **1. What is the Housing and Economic Development Needs Assessment (HEDNA)?**

The HEDNA is a study that seeks to identify the future quantity of housing and employment land needed in Leicester and Leicestershire up to 2031 and 2036. In terms of housing, the HEDNA identifies the overall amount of housing and the type, tenure and size requirements. In terms of employment land it seeks to identify the future quantity and type of employment land needed and gaps in the current supply.

### **2. How does it differ from the Strategic Housing Market Assessment (SHMA)?**

The HEDNA differs from the SHMA in that it considers both future housing and employment requirements, whereas the SHMA looked exclusively at housing. It is more up to date and based on new demographic evidence and economic forecasts.

### **3. Why has this work been done?**

The HEDNA has been produced for several reasons, including:

- To provide up to date and robust evidence for Councils to plan for the amount and type of housing and employment that they need;
- To use updated population and household projections (ONS/CLG 2014-based Population and Household Projections) which were produced in spring/summer 2016 (i.e. after the 2014 SHMA);
- To allow an opportunity to consider the relationship between housing and employment growth in a single coordinated document.

### **4. Do the Councils have to follow its advice?**

Government Guidance states that Councils' plans should meet the 'Objectively assessed needs for housing'. The HEDNA provides the best assessment of this need and Councils would need very strong reasons not to follow its advice. Where Councils cannot meet the amount of housing required in their own area they need to co-operate with other Councils to make sure this is provided elsewhere.

### **5. How many homes are required over this period?**

The HEDNA indicates that a total of 96,580 houses are required in Leicester and Leicestershire between 2011 & 2031 (4,829 houses per year) and 117,900 between 2011 & 2036 (4,716 per year).

## 6. How are these homes split across Leicester and Leicestershire?

The starting point is to consider the demographic need based on 10 year trends. Adjustments to improve affordability (between 5% to 20% depending on the authority) have been overlaid on this. This has then been compared with the economic-driven scenarios for housing need, with additional upward adjustments made in Melton and North West Leicestershire to ensure sufficient workforce is available to support economic growth in these areas.

For the period to 2036, the economic adjustments result in an additional 16 dwellings per annum in Melton and 32 dwellings per annum in North West Leicestershire over and above the adjustments made to improve affordability. For the period to 2031 the economic adjustments are 25 dwellings per annum in Melton and 56 dwellings per annum in North West Leicestershire. The objectively assessed need for individual authorities is shown in Table 6 and 7 extracted from the HEDNA Executive summary

**Table 6: Objectively-Assessed Housing Need, Dwellings per annum, 2011-36**

	Demographic Need (10 Year Migration Trends)	Affordability Adjustment	Supporting Economic Growth	Objectively-Assessed Need
Leicester	1516	152		1668
Blaby	301	60		361
Charnwood	947	47		994
Harborough	447	67		514
Hinckley & Bosworth	413	41		454
Melton	134	20	16	170
NW Leicestershire	378	38	32	448
Oadby & Wigston	129	26		155
<b>HMA</b>	<b>4265</b>	<b>451</b>		<b>4716</b>

*\*Note the HMA total does not match the sum of its LA parts.*

Source: HEDNA Executive Summary

**Table 7: Objectively-Assessed Housing Need, Dwellings per annum, 2011-31**

	Demographic Need (10 Year Migration Trends)	Affordability Adjustment	Supporting Economic Growth	Objectively-Assessed Need
Leicester	1,538	154		1,692
Blaby	308	62		370
Charnwood	982	49		1,031
Harborough	463	69		532
Hinckley & Bosworth	428	43		471
Melton	140	21	25	186
NW Leicestershire	386	39	56	481
Oadby & Wigston	123	25		148
<b>HMA</b>	<b>4,368</b>	<b>461</b>		<b>4829*</b>

*\* Note the HMA total does not match the sum of its LA parts.*

Source: HEDNA Executive Summary

## **7. How do you decide where houses should be built?**

The HEDNA does not tell Local Authorities 'where' the houses should be built. It is a matter for individual Councils to decide the most suitable and sustainable locations for development in conjunction with communities and other stakeholders. The emerging Strategic Growth Plan, Local Plans and Government guidance will help to provide a context for identifying suitable sites

## **8. Will there have to be greenfield developments?**

This will need to be determined by individual authorities but, given the scale of growth, it is likely that greenfield sites will be required to deliver some of the required level of development.

## **9. How much of a role does migration have in fuelling this demand for houses?**

The need for new housing is a combination of both 'natural growth' (more people being born than are dying) and net migration. The HEDNA indicates that migration (from both within and outside of the UK) accounts for approximately 50% of the need for new housing in Leicester and Leicestershire but there are significant variations for individual authorities.

## **10. What will happen if Leicester and Leicestershire don't build enough houses?**

There are many consequences of not building enough houses, these include:

- Increased homelessness;
- Overcrowding;
- House price inflation (with young people being 'priced-out' of home ownership or delayed ownership); and
- Planning permission being granted for houses on less appropriate sites.

## **11. How much land is required for employment use?**

The HEDNA indicates a requirement for:

- Between 142 & 198 hectares of office space (between 2011 & 2031) and 177 & 215ha (between 2011 & 2036);
- Some 132 hectares of 'industrial' land (between 2011 & 2031) and 165 hectares (between 2011 & 2036); and
- Some 93 hectares of 'small-scale storage and distribution' land (between 2011 & 2031) and 117 hectares (between 2011 & 2036).

In addition, HEDNA refers to a separate study which indicates an additional requirement for some 361 hectares of 'large-scale storage and distribution' land between 2011 & 2031 and 472 hectares between 2011 & 2036.

## **12. How many jobs are likely to be created in the next 25 years?**

Employment growth of 99,200 jobs is expected (2011 to 2036) representing growth of 0.7% per annum, matching that expected nationally and exceeding regional performance. This significantly exceeds the historical growth rate of 0.4% per annum (1993 to 2010).

This includes considerable uplift in Leicester, North West Leicestershire and Charnwood.

**Table 19: Employment Growth Scenarios, 2013-36**

	1993-2010	Baseline 2011-36		Planned Growth 2011-36	
	% pa	No.('000s)	% pa	No. ('000s)	% pa
<b>Leicester</b>	-0.3%	9.3	0.2%	20.7	0.5%
<b>Blaby</b>	1.4%	16.4	1.1%	16.5	1.1%
<b>Charnwood</b>	0.0%	12.9	0.7%	18.5	1.0%
<b>Harborough</b>	1.8%	10.5	0.9%	10.8	0.9%
<b>Hinckley and Bosworth</b>	0.5%	8.5	0.7%	11.4	0.9%
<b>Melton</b>	0.9%	1.2	0.2%	2.4	0.4%
<b>North West Leicestershire</b>	1.9%	12.4	0.8%	19.2	1.2%
<b>Oadby and Wigston</b>	-0.3%	-0.2	0.0%	-0.2	0.0%
<b>HMA</b>	0.4%	70.8	0.5%	99.2	0.7%
<b>East Midlands</b>	0.8%		0.5%		0.5%
<b>UK</b>	0.8%		0.7%		0.7%

Source: HEDNA Main Report

In total the planned growth employment projections results in level of jobs growth which is 23,700 jobs higher than the baseline forecasts for the FEMA by 2031 and 28,400 by 2036. The differences between performance to 2031 and 2036 is shown below.

**Table 20: Differences Job growth in Baseline and Planned Growth Scenario**

	2011-2031			2011-2036		
	Baseline	Planned Growth	Difference	Baseline	Planned Growth	Difference
<b>Leicester</b>	11,700	20,400	8,700	9,300	20,700	11,400
<b>Blaby</b>	14,500	15,100	700	16,400	16,500	100
<b>Charnwood</b>	13,200	17,700	4,400	12,900	18,500	5,600
<b>Harborough</b>	9,200	9,500	300	10,500	10,800	300
<b>Hinckley &amp; Bosworth</b>	8,000	10,800	2,800	8,500	11,400	2,900
<b>Melton</b>	1,200	2,200	1,000	1,200	2,400	1,300
<b>NWL</b>	10,900	16,700	5,800	12,400	19,200	6,800
<b>Oadby &amp; Wigston</b>	-500	-400	100	-200	200	400
<b>FEMA</b>	68,200	91,900	23,700	70,800	99,200	28,400

Source: Oxford Economics, 2016 \* Numbers may not add due to rounding

Source: HEDNA Main Report

Oadby and Wigston still has a negative employment forecast within the Planned Growth Scenario but has had its employment projections nominally revised upwards. This reflects a relatively high level of manufacturing employment.

For more information on jobs growth see Chapter 4 of the HEDNA Main Report.

### 13. How is employment land split across Leicester and Leicestershire?

In addition to that set out in the table below local authorities will also have to seek to meet the need from strategic warehousing and distribution uses.

**Table 19: Employment Land Needs (Ha)**

	2011-2031			2011-2036		
	B1a/b	B1c/B2	Small B8	B1a/b	B1c/B2	Small B8
Leicester	2-6	36	15	3-7	45	19
Blaby	37-45	15	10	47-48	19	12
Charnwood	14-37	21	11	17-40	26	13
Harborough	14-21	22	8	17-24	28	9
H&B	11-32	14	16	13-34	17	20
Melton	10-18	21	14	10-23	26	17
NWL	45-46	3	17	50-56	4	21
O&W	1	0	4	2	0	5
<b>FEMA</b>	<b>142-198</b>	<b>132</b>	<b>93</b>	<b>177-215</b>	<b>165</b>	<b>117</b>

Source: GL Hearn, 2016

#### 14. What would happen if this development doesn't take place?

There are many consequences of not providing enough employment land, these include:

- Unsustainable commuting patterns;
- Limitations on employment opportunities;
- Constraining local economic growth, including local business growth; and
- Loss of investment into the area.

#### 15. What's the next step in this (strategic growth plan) process?

The HEDNA forms a key piece of evidence, which will be used to inform the preparation of Local Plans and a draft Strategic Growth Plan for Leicester and Leicestershire.