

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

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