



LEICESTER AND LEICESTERSHIRE STRATEGIC GROWTH PLAN

Scrutiny Commission Oct 2018

Comments by CPRE Leicestershire

The Campaign to Protect Rural England in Leicestershire welcomes the opportunity to submit further evidence to the Scrutiny Panel in relation to the Strategic Growth Plan (SGP) for Leicestershire.

While there are elements of the Plan we continue to support from the draft and some minor improvements to the final text (in relation to Public Transport, for example) we believe the SGP remains fundamentally flawed and are urging Local Councils not to sign it off but to request an urgent re-examination of its assumptions.

This is particularly in the light of the new national household projections from the Office of National Statistics which were not available when the draft plan was produced and which significantly reduce the housing need for the county.

Such a material change to the level of housing required, based on the Government's own formula, should lead to a review of the Plan.

However, this is not only theoretical, there are four very practical reasons why we advocate this approach:

1. It leads to the delivery of the correct level and type of housing, economic development and transport.
2. It avoids the long-term social impacts of over-provision of the wrong kind of development in the wrong place.
3. It helps protect the Environment and Landscape of the county.
4. It ensures Leicestershire is doing everything it can to meet the challenge of Climate Change.

CPRE, along with many concerned residents, submitted detailed reasons into the consultation as to why the plan needs to be substantially rewritten and properly tested at a Public Examination. In the event only marginal changes have been made and very little appears to have been done to address our more serious concerns.

Given that is the case this evidence does not reproduce our detailed comments to the Scrutiny Panel in February 2018. These are still valid and are available to view on our website, along with the full response we made to the Draft Plan.¹

Accordingly we set out the five grounds on which we believe the current plan should be reviewed.

1. The Level of housing need is exaggerated

The attached note sets out the 2016 Household Projections from the Office of National Statistics, along with the calculations required by National Planning Policy Guidance to establish housing need.

The latest 2016 housing projections show lower housing need in Leicestershire compared to the 2014 projections. This is for a number of reasons including changed assumptions about birth and deaths and about immigration.

There is also a change in the way the projected size of households is calculated. This relies less heavily on trends back to the 1970s and takes account of the fact that the size of households has not been reducing at the same rate in the last decade. While there is some debate about how much this is due to the recession and how much it reflects longer term economic and social changes, we believe this represents a more realistic approach to future household size.

As a result the Plan is proposing nearly 20% more housing in Leicestershire than the local authorities need to provide to meet Government requirements for the next 20 years. The figures are also over 40% more than the numbers of people who will need new houses according to the Office of National Statistics latest figures.

These changes need to be taken into account. If too much housing is allocated in the county it is likely to lead to a disproportionate increase in the loss of green fields to housing as developers get permission to build in the countryside.

Furthermore, since not all this housing appears to be genuinely needed, an increase in housing on green fields will impact on whether development on brownfield sites goes ahead.

¹ <http://www.cpreleicestershire.org.uk/news-sp-461057384/item/2290-cpre-concerns-about-strategic-plan-voiced-in-submission-to-county-council-scrutiny-commission>

<http://www.cpreleicestershire.org.uk/news-sp-461057384/item/2292-robust-response-to-strategic-growth-plan-consultation>

The problem will only be worsened if our criticisms of housing supply, as set out in our consultation response, are correct and the actual brownfield supply is greater and the opportunities provided by windfall sites more widespread.

The change in housing projections is most marked in Leicester itself where the new figures show a 50% reduction in household need over 20 years (a reduction of 14,472). The SGP is predicated on Leicester not being able to meet its need so that other local authorities have to provide housing in the city's place.

The new figures would suggest that is not the case. However, it does not mean a future plan should ignore the pressing need to regenerate Leicester and to provide housing in the city to meet the needs of its population. What it does allow is that this should be primarily on brownfield land with a stronger urban regeneration focus.

It is also worth repeating that the economic analysis of housing need in the Housing and Economic Development Needs Assessment (HEDNA) by Oxford Economics did not suggest an economic requirement for the level of housing set out in the SGP. So reducing the overall housing requirement need not damage the economy (See detail in attached note).

This statistical change has happened since the draft plan was consulted on so it is new evidence that needs to be addressed.

In our view, the plan should not go ahead until the housing figures are reviewed in the light of these new Government projections. If local authorities continue without reviewing these figures they risk sacrificing countryside and undermining brownfield development when they do not need to do so. It is also no longer the case that they cannot reduce their figures for fear they will not meet Government's housing targets.

However it remains important to consider the type and tenure of housing. The aging population means that much of the overall household growth is in the age-ranges over 65 (and particularly the very elderly). Providing the right kind of homes for that group will be important not just for them but for the wider working of the housing market.

At the same time, the provision of suitable accommodation for those needing first-time housing will also be important. An emphasis on affordable housing will be critical.

It should lastly be noted that the Government is expected to consult on reviewing the housing numbers methodology in January because of concerns about this reduction in need. It may be argued that the authorities should hold off reviewing housing numbers on the assumption that they will go up again. There is no guarantee this will be the case and it is something which should be addressed when, and if, this occurs.

2. Those exaggerations are amplified by extending the time period beyond 2031

The SGP chooses to extend the housing numbers to 2050, using its own 2011-2031 annual figures. The claim in the SGP is that this is a best guess of future need. In fact, the annual average goes down even if you simply extend the SGP calculation period to 2036.

Now, with the new household projections, it appears that even the housing figures up to 2031 are too high. To extend them to 2050 simply compounds an error and is likely to generate a housing need which simply does not exist.

This approach further threatens to skew actual housing provision towards Green Field sites which are poorly located in sustainability and environmental terms and undermine long term support for urban regeneration. It risks undermining climate change goals and is likely to lead to further invasive road building, as we explained in detail in our response to the draft SGP.

3. The need for large scale warehousing has been exaggerated due to double counting

The SGP continues to support the provision of large scale warehousing in line with the assumption, first articulated in the HEDNA, that 472 hectares (or between 4-8 large sites of 50-100 hectares) were needed in the county.

This, itself, was based on a previous study by MDS Transmodal in 2014. As we explained in our response to the draft SPG, this figure is not one we have accepted as a correct assessment of need.

This was firstly because it was based on the highest level of provision considered in the report and secondly because it included 139 hectares of existing commitments.

Furthermore, the HEDNA figure does not take account of applications to the National Infrastructure Commission, including the Hinckley National Rail Freight Terminal which would amount to 315 hectares, and to other large competing sites in the Midlands such as the major proposal at Four Ashes in Staffordshire of 270 hectares, which would serve the same need.

In other words the need for large logistics sites is being exaggerated.

The practical risk is that an overprovision of such sites will lead to excessive loss of countryside and amenity, while at the same time new sites will only be partially developed while existing sites which need renewal are simply abandoned.

We understand the difficulty the authorities face when there is no overarching and up to date assessment of logistics needs across the Midlands. A review of large-scale

logistics need across the wider Midlands is required to establish a robust assessment of need. This cannot be an excuse for double-counting need in the meantime.

4. Proposals for the A46, and other new road building, are being developed without detailed evidence that is open to scrutiny and without considering the implications on local roads

Despite the concerns we raised the plan continues to rely heavily on new strategic road building, particularly the proposed A46 Expressway around Leicester.

However, as yet there is no line for that road, so its environmental impacts cannot be assessed. There is also no robust assessment of the road which takes account of the additional traffic it will generate or the impact on local roads.

There is no assessment of the impact on climate change or on the likelihood that people will move out of Leicester and then commute in.

There does not appear to have been any robust assessment of alternative approaches and there is a view that any local congestion problems will be addressed when the road is in place.

Indeed, there is a fundamental failure to consider the impact of the existing travel patterns and the over-reliance on the car, particularly for journeys into Leicester and what impact new road building would have on that.

The role and function of the A46 Expressway is also unclear, whether it is being developed as a through route to bypass Leicester or as a distributor for local housing development. The latter, of course, relies on the construction of large amounts of housing along the route, which, for the reasons set out above, we do not believe is needed or desirable.

In support of its proposals the SGP relies on an unpublished Midlands Connect Report on the wider A46 corridor but these have not been open to public scrutiny or debate. We understand a 'summary' will be produced in November but that it will be similar to the existing Midlands Connect/Highways England summary for the 'Midlands Motorway Hub Study', which is in effect, a glossy bidding document with no robust justification.

While we welcome some new references to public transport provision in the final SGP, in our view the plan should not be agreed until there has been a thorough and objective assessment of the impacts of road building, particularly the A46 Expressway.

5. There are unacceptable impacts on the environment and landscape

Pillar 5 (Protecting our Environmental, Historic and Other Assets) pays lip-service to protecting the environment but is couched in terms of national environmental designations being 'constraints'.

It goes on to claim: 'Balancing the need for growth with protection of our assets has been a critical consideration'. However, we find little evidence for this. The need for growth seems to have outweighed all other considerations.

The Strategic Environmental Assessment (SEA), for example, did not consider options involving lower levels of housing, something we now know would be consistent with real housing need.

The statements that difficult choices have had to be made, and that unplanned development is worse, all suggest the authors are aware of the impacts on the environment but consider them acceptable.

Indeed, a cursory visit to High Leicestershire, for example, should make plain the high landscape cost of a large scale housing and road building programme in that area and the limited opportunities to mitigate the impact.

Looking to the longer term we can find no reference to Climate Change in the Plan or any actions to address its causes or mitigation. However, the effect of the plan is likely to be more dispersed communities which will, all else being equal, have higher impacts on the climate.

The Plan should not go ahead until there has been a detailed examination of the impacts on the environment, the landscape and climate change, which considers not just the proposals as they stand but alternatives which involve less dispersed development.

Conclusions

In CPRE's view the SGP should not be endorsed.

Instead it should be reviewed against the latest Government housing need projections.

At the same time the level of Logistics provision, the need for the A46 Expressway and the wider environmental and climate change impacts of the plan should all be reviewed.

There is still, in our view, a large democratic deficit in the approach to this plan. A pause would allow time to properly present a Statutory Plan with a sound evidence base. It would ensure local councillors, residents and interested parties had a proper opportunity to put their view forward and be listened to.

NOTE ON LEICESTERSHIRE HOUSING FIGURES AND STANDARD METHODOLOGY

	A	B	C	D	E	F	G		H	I		J	K
	2011	2031	2036	31-11	36-11	Affordability Ratio	Adjustment		31-11 Adj	31-11 SGP		36-11 Adj	36-11 SGP
Blaby	38627	45902	47423	7275	8796	7.52	0.22	8875.5	8876	7400	10731.12	10731	9025
Charnwood	66320	82012	85423	15692	19103	7.3	0.20625	18928.48	18928	20620	23042.99	23043	24850
Harborough	34963	43276	45066	8313	10103	9.66	0.35375	11253.72	11254	10640	13676.94	13677	12850
Hinckley	45310	54982	56830	9672	11520	7.36	0.21	11703.12	11703	9420	13939.2	13939	11350
Leicester	121891	136937	142078	15046	20187	5.99	0.124375	16917.35	16917	33840	22697.76	22698	41700
Melton	21441	23471	23890	2030	2449	7.66	0.22875	2494.363	2494	3720	3009.209	3009	4240
NW Leicestershire	39071	47818	49577	8747	10506	7.24	0.2025	10518.27	10518	9620	12633.47	12633	11200
Oadby	21288	21797	22343	509	1055	7.94	0.24625	634.3413	634	2960	1314.794	1315	3875
Total	388911	456195	472630	67284	83719				81324	96580		101045	117900
Leicestershire County	267019	319257	330501	52238	63482	7.67	0.229375	64220.09	64220		78043.18	78043	

Fig 1. Standard Methodology using 2016 Household Figures.

Figure 1 sets out the housing need predicted for each of the Leicestershire Districts according to the ONS 2016 household projections for 2011 -2031 and 2036. Column A-C are the total household projections. Column D-E the additional projected houses, that is to say the demographic need. (Column B-A gives Column D for 2031 and Column C-A gives Column E for 2036)

The Affordability Ratio (Column F), as required for the Standard Methodology calculation, is taken from the most up to date 2017 Ratio of House Prices to Workplace Earning Tables for 2017. Column G gives the adjustment resulting from application of the standard methodology (See NPPG: <https://www.gov.uk/guidance/housing-and-economic-development-needs-assessments>).

Column H and J give the adjusted housing need adding the adjustment percentage. They can be compared with Column I and K which are the figures included in the Leicestershire Strategic Growth Plan (SGP).

I have not applied any individual local authority cap to the figures (as set out in the NPPG) but these could further reduce the overall need in Columns H and J.

The figures are calculated at a local authority level and then totaled up across Leicestershire (The Housing Market Area (HMA) for purposes of the SGP). A final row uses the overall Leicestershire County figure (excluding Leicester) calculation, which would lead to a similar result if Leicester is added.

The calculation shows that the 2031 SGP housing need figure is 29,296 (44%) above the predicted demographic need (Total in Column I - Total in Column D) and 15,256 (19%) above the Standard Methodology requirement (which includes an additional allowance for affordability) (Total in Column I - Total in Column H).

The resulting adjusted total annual requirement for the HMA would be 4066 (101044/25)

The calculation shows that the 2036 SGP housing need figure is 34,181 (41%) above the predicted demographic need (Total in Column K - Total in Column E) and 16,855 (17%) above the Standard Methodology requirement (which includes an additional allowance for affordability) (Total in Column K - Total in Column J).

The resulting adjusted total annual requirement for the HMA would be 4042 (81324/20)

The effect of excessive housing numbers is likely to have a disproportionate impact on the need for green field housing development allocations, especially if the supply side criticisms CPRE Leicestershire made of the HEDNA are correct, (which includes underestimating windfalls, for example) since the additional housing in the SGP stretch need beyond the HEDNA's calculation of brownfield supply.

The justification that additional housing is needed to support economic growth is also weakened by the inclusion in the standard methodology of a significant additional amount of housing above demographic need. Since this is happening in other areas as well, there is, of course, a question mark about whether all local authorities can justify housing above their demographic need. Both figures remain significantly above the Economic Requirement for housing identified in the HEDNA (taken from Oxford Econometric calculations) which only showed an annual requirement in the HMA of 3608 dwellings per annum to meet economic need.

And while the change in household projections partly reflects changes in the approach of ONS in terms of the trend period it relies on household formation rates, which may be impacted by the recession period. There may also be underlying societal and housing market changes which will ensure these trends remain. Lower overall housing numbers should not mean that specific areas of housing need are not addressed by the type and tenure of houses provided.

A further problem to note is that the SGP does not only assume this level of housing growth up to 2036, it extends it to 2050, using the assumptions in the 2031 figures, that is to say the higher of the two SGP annual requirement of 4829 (and despite the fact that even in the five years from 2031-2036 this requirement declines). That figure extrapolated over twenty years amounts to 96,580 homes. If that was reduced in line with predicted need to 2031 it would only be 77,254 (4066 x 19) including the standard methodology adjustment. In other words the assumptions to 2050 are an extrapolation of the SGP figures, and so risk exacerbating the exaggeration of need further.

	A	B	C	F	G		H		I		K
	2018	2028	18-28	Affordability Ratio	Adjustment		18-28 Adj	20yr	31-11 SGP	25 yr	36-11 SGP
Blaby	41440	44963	3523	7.52	0.22	4298.06	4298		7400		9025
Charnwood	72123	79752	7629	7.3	0.20625	9202.481	9202		20620		24850
Harborough	38024	42155	4131	9.66	0.35375	5592.341	5592		10640		12850
Hinckley	49083	53789	4706	7.36	0.21	5694.26	5694		9420		11350
Leicester	125486	133702	8216	5.99	0.124375	9237.865	9238		33840		41700
Melton	22266	23225	959	7.66	0.22875	1178.371	1178		3720		4240
NW Leicestershire	42275	46673	4398	7.24	0.2025	5288.595	5289		9620		11200
Oadby	21004	21489	485	7.94	0.24625	604.4313	604		2960		3875
Total	411701	445748	34047				41095	82180	96580	102740	117900

Fig 2. Standard Methodology using 2016 Household Figures (10 year calculation)

Figure 1 compares 20 and 25 year assessments. Figure 2 uses the same calculation but based on a ten year time frame. The result is very slightly higher but leads to a similar conclusion but based on the timescale identified in NPPG.

Figure 3 shows what a similar calculation looks like using the now defunct 2014 housing projections. While it has now superseded I include this for comparison sake.

As was said at the Draft SGP stage by Officers the overall (adjusted) need when using the formula was similar for those projections to the SGP figures (Totals in Columns H and I for 2031 and J and K for 2036).

The difference with the 2016 figures is that, while the impact on individual local authorities varies, the overall HMA total has gone down. What is particularly noticeable is the fall in the projected increase in households generated in Leicester and, therefore, the reduced need to provide compensating housing elsewhere within the HMA.

	A	B	C	D	E	F	G		H	I		J	K
	2011	2031	2036	31-11	36-11	Affordability Ratio	Adjustment		31-11 Adj	31-11 SGP		36-11 adj	36-11 SGP
Blaby	38769	44344	45545	5575	6776	7.52	0.22	6801.5	6802	7400	8266.72	8267	9025
Charnwood	66445	85282	89239	18837	22794	7.3	0.20625	22722.13	22722	20620	27495.26	27495	24850
Harborough	35070	43158	44797	8088	9727	9.66	0.35375	10949.13	10949	10640	13167.93	13168	12850
Hinckley	45498	53113	54617	7615	9119	7.36	0.21	9214.15	9214	9420	11033.99	11034	11350
Leicester	123031	152549	159377	29518	36346	5.99	0.124375	33189.3	33189	33840	40866.53	40867	41700
Melton	21562	24668	25326	3106	3764	7.66	0.22875	3816.498	3816	3720	4625.015	4625	4240
NW Leicestershire	39255	45297	46581	6042	7326	7.24	0.2025	7265.505	7266	9620	8809.515	8810	11200
Oadby	21289	23256	23894	1967	2605	7.94	0.24625	2451.374	2451	2960	3246.481	3246	3875
Total	390919	471667	489376	80748	98457				96409	96580		117512	117900

Fig 3. Standard Methodology using 2014 Household Figures.

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

Fig 4. Adjustment formula for Standard Methodology Calculation.