Housing Capacity in Leicester City

Leicestershire County Council Scrutiny Commission
7th February 2018

Strategic Growth Plan- City Contribution?

	OAN*[1] (2011- 2031)	OAN*[1] (2011 - 2036)	Theoretical Total Capacity*[2]
Blaby	7,400	9,025	24,096*[3]
Charnwood	20,620	24,850	34,756*[3]
Harborough	10,640	12,850	30,578*[3]
Hinckley & Bosworth	9,420	11,350	25,498*[3]
Leicester City	33,840	41,700	26,230*[3]
Melton	3,720	4,250	36,650*[3]
Northwest Leics	9,620	11,200	26,301*[3]
Oadby & Wigston	2,960	3,875	2,960*[3]
HMA Total*[4]	96,580	117,900	207,069*[3]

*[1] The OAN is set out in the agreed HEDNA (January 2017)

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

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

*[4] The Total received OAN for the HMA is lower than the sum of the OAN for individual authorities because the OAN for Melton BC and North West Leicestershire DC has been increased in the HEDNA to meet economic needs locally.

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New Leicester Local Plan will answer this question

- New plan will include a new evidence based housing target and viable land allocations to meet it to 2031
- All land will be seriously considered for development – exhaust all options
- Balance with employment needs, jobs, open space provision, transport provision

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New Leicester Local Plan - Timetable

- Completed first stage consultation - July to December 2017
- Draft Local Plan: Summer/Autumn 2018
- Public Examination and plan adopted: End 2019
- Good alignment with Strategic Growth plan timetable

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Substantial Increase in City Housing Need

- HEDNA – **1,692** homes per year to 2031 (33,840)
- Or **1,668** to 2036 (41,700)

This represents a significant increase on:

- 2016 Housing Market Assessment – **1350** Houses per annum
- Core Strategy 2010/14 – **1280** Houses per annum

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City Housing Delivery

City Housing Delivery

- City Council has much of its own land for housing development through Local Plans
  - Allotments
  - Ashton Green
  - playing fields
  - farm land
  - Velodrome
  - former school sites
- Have also invested heavily to improve attractiveness of city to encourage greater investment in city living.
  - Connecting Leicester – e.g. Jubilee Square, Market Square
  - Waterside
  - Abbey Meadows
  - Improvements to city centre

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Existing Supply

Supply	
Completions 2011-2017	5,955
Under Construction	2,800
Sites with planning permission	3,000
Sites with Outline permission	4,000
Remaining allocations (Largely SRA)	3,900
Estimated supply small sites (150/yr)	2,100
Total	21,755 = A shortfall of 12,085 to 2031 or 863 per annum

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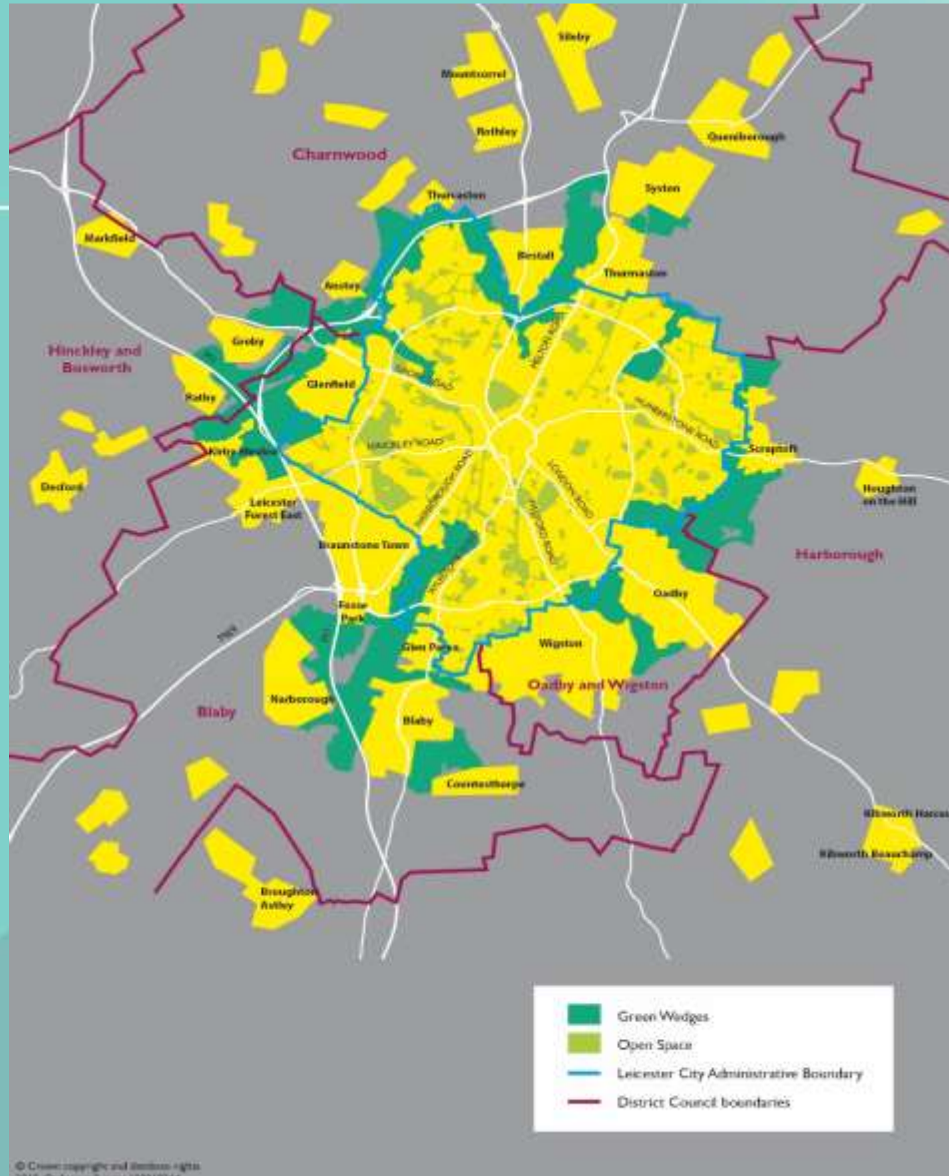

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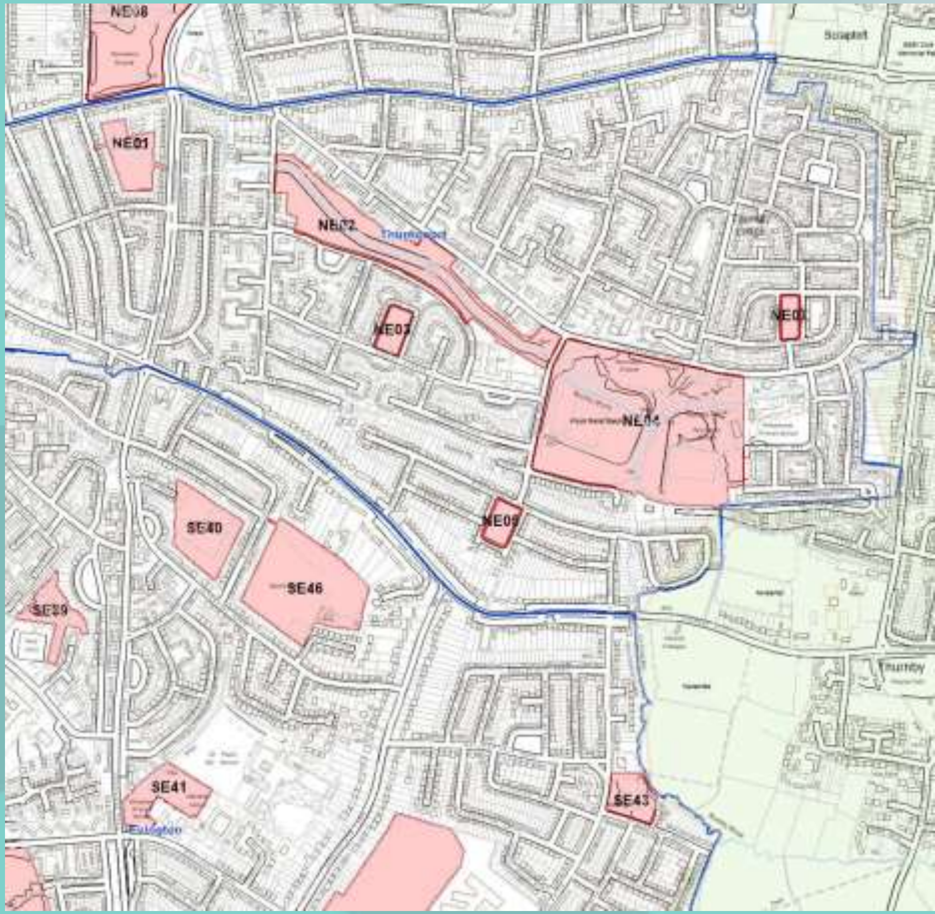
Additional Supply to 2031

- New Local Plan allocations will be made
- Consultation considered 270 consultation sites (mostly LCC owned- c. 85%)
- City centre delivery has been significant in recent years- but this is not a limitless opportunity
- Detailed urban design capacity work underway
  - Implications of space standards
  - Prior approvals



Additional Supply to 2036 (i.e. post emerging Local Plan)

- Very limited – some left at Ashton Green – 1,000
- Assume emerging local Plan will develop the last remaining substantial opportunities
- Loss of further open space, recreational and sports land not likely to be acceptable
- City centre regeneration sites ‘completed’
- Only other windfalls and intensification – infill, redevelopment etc.

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Additional Supply to 2050

- As to 2036 – limited capacity but even more difficult
- This is why a Strategic Growth plan is essential to provide agreed direction and support for all future L&L Local Plans
- Current draft SGP envisages 550 dpa provision by City post 2031
- In everyone's interest that this figure is achievable- Government will punish under delivery by requiring under delivering authorities to plan for additional 20%

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Student Housing- a reducing component of supply

- Was 45% of our provision
- Now around 30% (allowing for new 1:3 ratio)
- Student growth has slowed down
- Brexit?

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Employment Need- conurbation supply not being delivered

- Leicester's employment land shortage known since 2006 (Leicester's first Employment Land Study)

- 50ha was agreed in PUA (25ha in both Blaby and Charnwood) for the B2 industrial expansion of companies in the city.

- The market has not delivered this: The employment allocation in Charnwood's Neo L SUE is not due to be delivered until after 2025.

- Strong demand for Strategic Distribution B8 use has used up the land in Blaby.

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Employment Need- City pressures

- Industrial vacancy rate has plummeted from 10% in 2006 to 3% in 2016

- Employment and residential land values are comparable

- Leicester employers report huge difficulties in securing expansion land

- For the Leicester industrial property market to brought back to “equilibrium” around 128,809 sq. m needed

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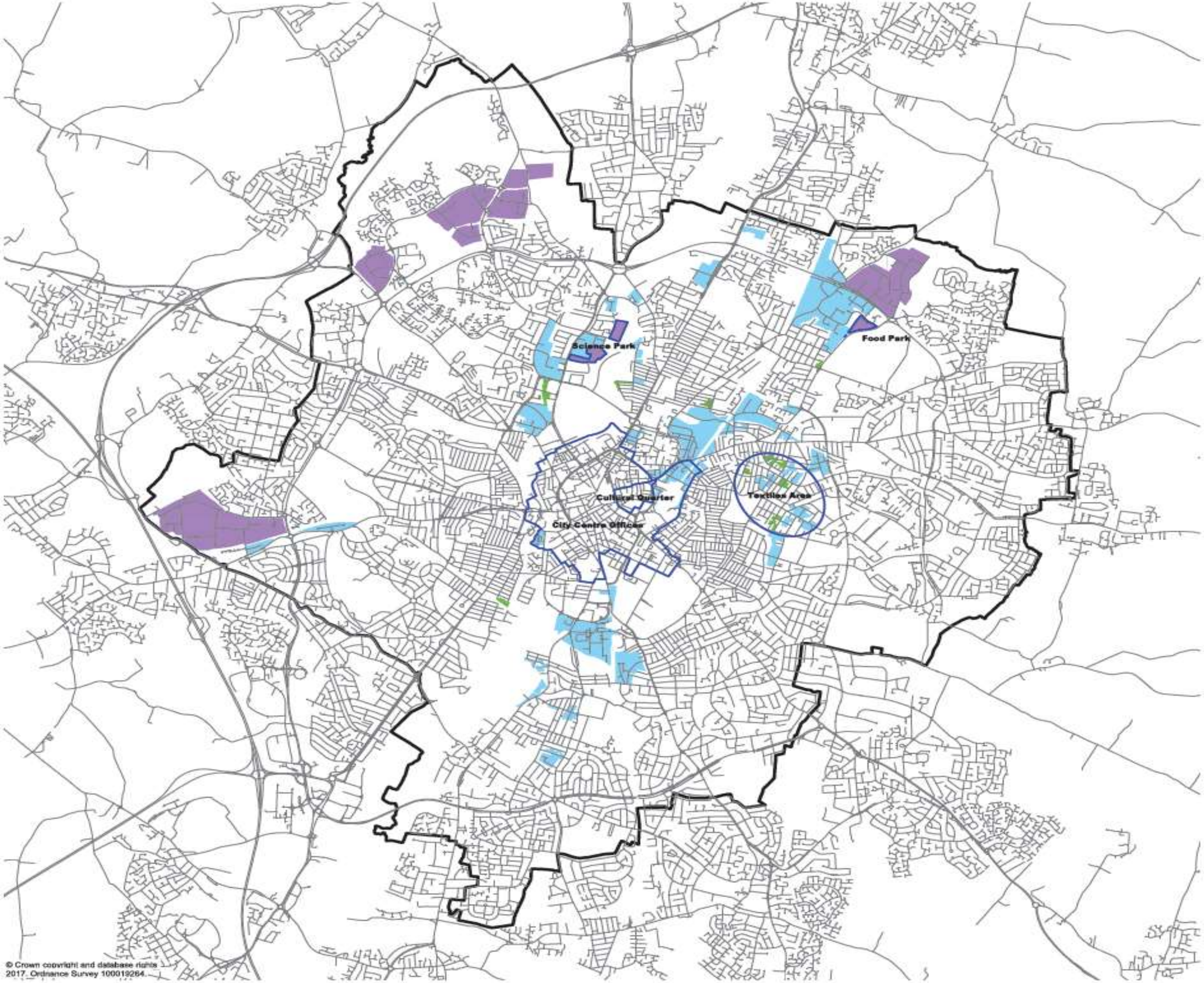
Economic Development Areas (EDA's)

Grading Map

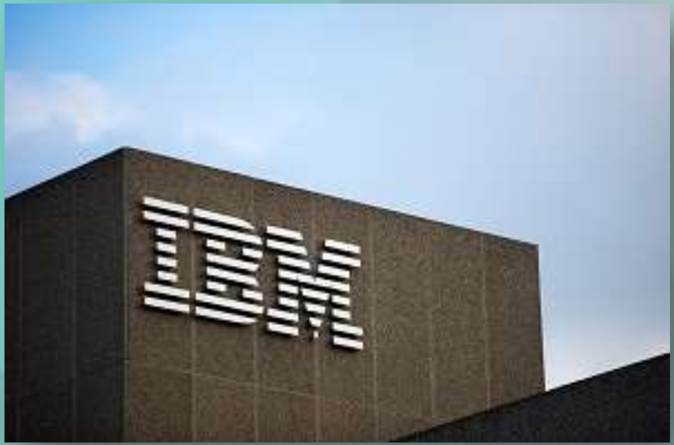


- High quality EDA's
- General EDA's
- Neighbourhood EDA's
- Sector - property sub-market areas

Employment Need

City Centre Offices

- Growing confidence and strength in the city economy- Major inward investments and thousands of new jobs, (e.g. IBM and Hastings Insurance)
- Prior approval residential conversions are reducing office stock



Industrial units

- High employment land prices constraining growth - LLEP's database of inward investment records huge demand for employment land.
- Textiles: Resurgence in smaller "poor quality land" around Spinney Hills, North Evington

Conclusions

- Strong evidence to keep most old employment land, rather than release to housing and need at least 45ha of new (ELS 2017)
- Strong need to keep City as economic hub

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Open Space

- 1102 ha of public open space in the city
- All of the publically accessible spaces are being consulted (plus non publically accessible sites)
- We have a standard of 2.88ha/per 1000 population. Low compared to other cities, Liverpool, Cambridge, Blackburn, Sheffield
- Big pressure anticipated to retain the target in new Local Plan
- Additional allocations on green space and increased population will make this impossible

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Public Health

Key data indicators	Leicester	England
Life expectancy (males/females)	77 / 82	80 / 84
Healthy life expectancy (males/females)	59 / 60	63 / 64
Density of fast food outlets (Outlet per 100,000 population)	127	88
Utilisation of outdoor space for exercise/health reasons	12%	18%
Air pollution: fine particulate matter*	10	8
Living Environment deprivation**: % living in most deprived 20% areas nationally.	46%	20%
Overcrowded households (% of households)	10%	5%
Fuel Poverty (% experiencing fuel poverty)	14%	10%
Parkland and open spaces	22%	

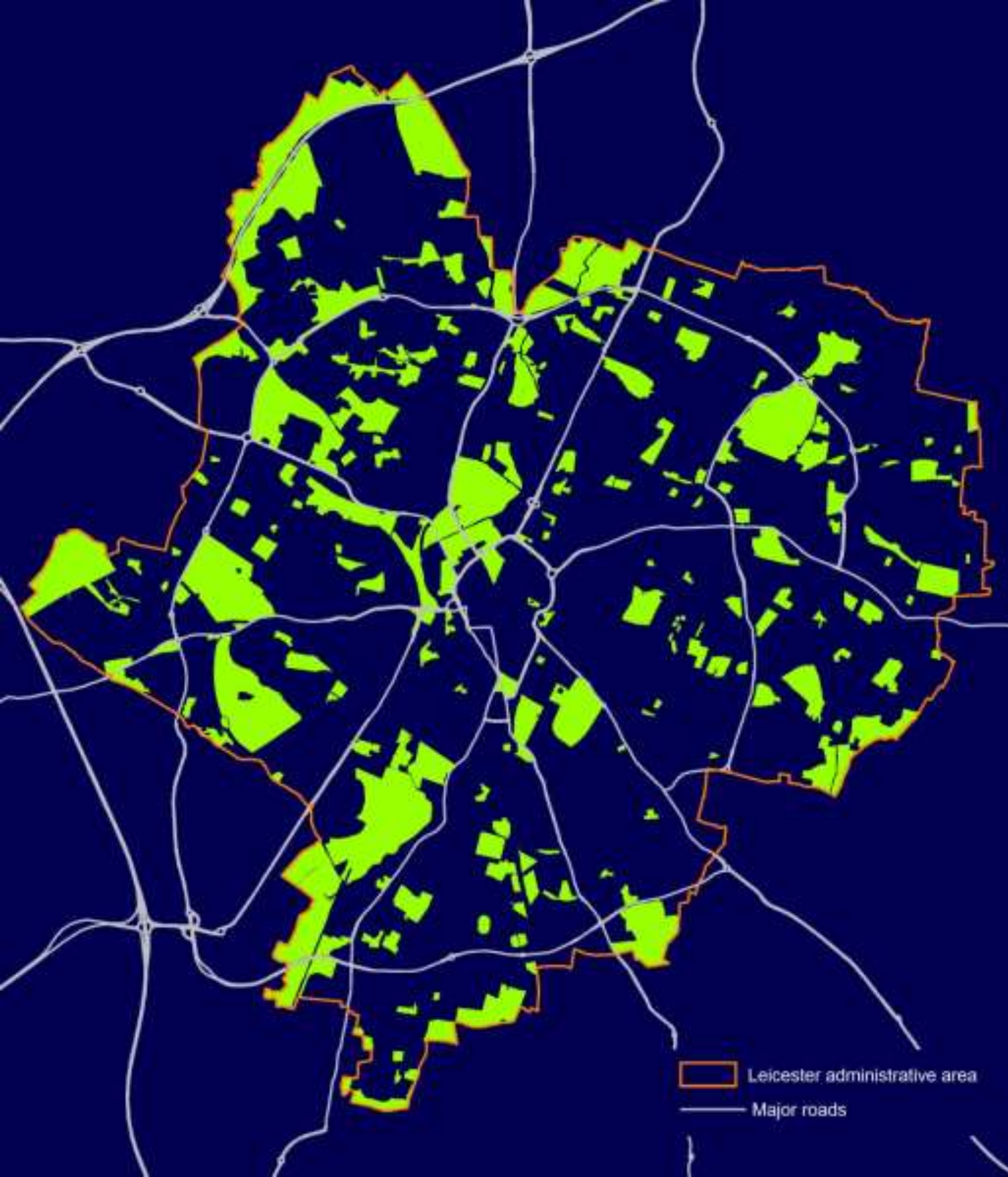
**Concentration of human-made fine particulate matter at an area level, adjusted to account for population exposure, micrograms per cubic metre (µg/m3). Leicester has a higher concentation compared to England, authorities in the East Midlands and our CIPFA comparators.*

***Living environment considers housing, air quality and road traffic accidents.*

Significantly worse	
No significant difference	
Significantly better	

How do we compare to England?

Division of Public Health, Leicester City Council



Recent Consultation

Plan showing all potential sites

270 sites in total

Many of these have constraints such as flooding, Heritage, Biodiversity

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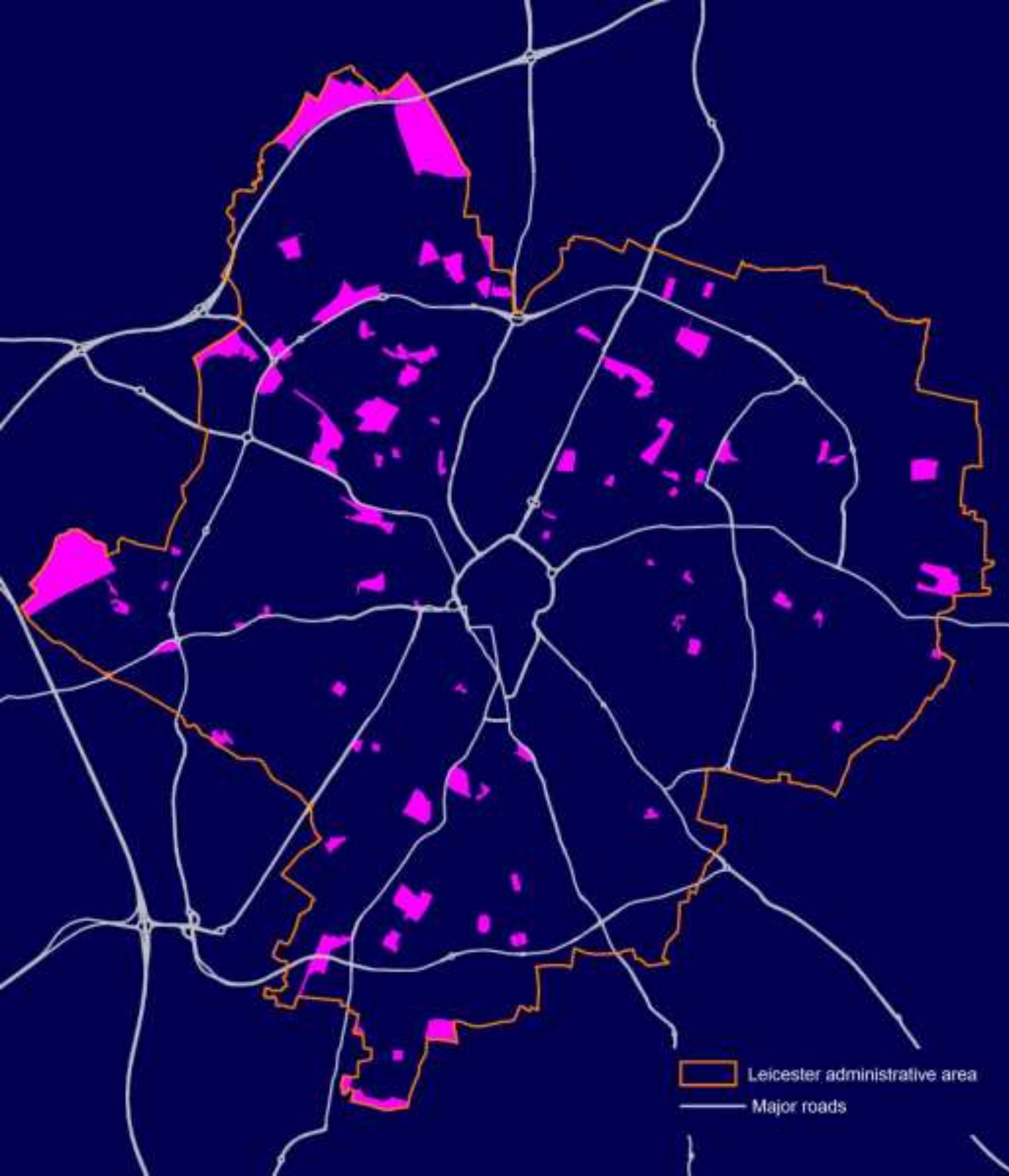

Recent Consultation

Plan shows sites without significant flooding, heritage and biodiversity constraints

These sites currently being assessed further to determine whether they are suitable for development

Also need to consider consultation response

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Infrastructure

- Shortage of Secondary schools- expansion of 8 existing schools to meet immediate need
- Further 3 New secondary schools by 2020 – large buildings and sites being considered which will put pressure on options for allocations
- Green space adjacent to schools needs to be safeguarded to meet future demand
- Traffic and transport impacts (including air quality) will be a further constraint

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Conclusion

- Average delivery is c. 1000 pa- this cannot be sustained with limited supply of land and constraints

- Viability and deliverability challenge needs to be played in

- HEDNA OAN = 33,840 (based on HEDNA scenario 2011-2031)
  - Potential supply = Around 25,000

  - Potential shortfall = 11-13,000 to 2031

- Notional Guidance figure we are working to is additional allocations in next Local Plan for c. 3,000 houses (plus allocations to be rolled forward from current plan)