Lambert Smith Hampton

SPATIAL OPTIONS FOR HOUSING STRATEGY

Hinckley and Bosworth Borough Council

July 2024

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This document has been prepared and checked in accordance with the Lambert Smith Hampton Quality Assurance procedures and authorised for release.

Signed:

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For and on behalf of Lambert Smith Hampton

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CONTENTS PAGE

1.0 INTRODUCTION

1.1 Overview

1.1.1 Hinckley and Bosworth Borough Council (HBBC) is in the process of preparing a new Local Plan (LP) for the period 2020-2041. An essential aspect of the LP is the preparation of policy to guide the delivery of new homes in the borough.

1.1.2 In developing their LP, HBBC have commissioned LSH to assess a range of spatial options regarding future development in the borough.

1.1.3 The purpose of this study is to

- undertake an examination of different spatial options with regard to future residential development,
- establish an appropriate distribution of dwellings in the borough, and
- establish any clear barriers to meeting LHN.

1.1.4 A total of six different spatial options have been assessed as part of this study. The spatial options assessed in this study align with those in the existing Sustainability Appraisal (SA) which accompanies the relatively recent Regulation 18 and Regulation 19 Local Plan consultations.

1.1.5 The 6 spatial options considered are as follows

- Option 1: Neighborhood Development Plan (NDP) led spatial distribution
- Option 2: Core Strategy approach
- Option 3: Key Transport and Accessibility Corridors
- Option 4: Garden Village/New Town
- Option 5: Proportionate Growth of Key Rural Centres
- Option 6: A mix of the above options

1.1.6 Initially the report will provide some context through the review of Policy and relevant literature, as well as the economic context.

1.1.7 The report will then provide a profile of each of the four sub areas of the borough that have been devised in conjunction with the Council and used in this study, for the purpose of distinguishing between market areas.

1.1.8 Subsequently, the report will review the demand for homes through the analysis of a range of indicators as well as a review of locational preferences of a range of different household groups.

1.1.9 The report will then investigate the supply of homes across the Borough over the past 10 or so years. The review of supply will include location analysis of past development, as well as the trends in development over time. This section will also investigate housing delivery in neighboring Local Planning Authorities.

1.1.10 The review of the supply of homes has also assessed the speed at which respective developments have come forward and been delivered and guide build out rates (GBORs) have been developed as a result. This section of the report informs which sites have been delivered faster dependent upon variables such as location, site size and the type of land upon which they are built.

1.1.11 In addition to the above, market signals will also be reviewed to assess housing market dynamics and areas of strength and weakness.

1.1.12 The report then goes on to assess the housing need over the Local Plan period as well as the six spatial options and which of these best meets this identified need.

1.1.13 Finally, the report will conclude by drawing on the evidence, with the aim of highlighting where demand is, and the likely timescales at which any proposed development may come forward.

2.0 POLICY CONTEXT AND LITERATURE REVIEW

2.1 National Planning Policy Framework (NPPF) (2023)

2.1.1 The NPPF requires that Local Planning Authorities should identify their Local Housing Need (LHN) figure, by using the standard method set out in Planning Practice Guidance (PPG). The resulting LHN provides the starting point with regards to housing need for respective authorities.

2.1.2 This is expressed as an annual number, which may be rolled forward by the number of years covered by respective Local Plans, to arrive at the minimum number of dwellings to be delivered over the course of the Plan period.

2.1.3 The NPPF also stipulates that planning authorities should show a supply of development land, setting out how the LPA proposes to meet the need for homes over the Plan period. This trajectory is divided into two broad sections, the 5-year housing land supply (5YHLS) and 6-15 years in the period beyond the 5YHLS.

2.1.4 Previous iterations of the NPPF required that authorities annually update a supply of sites that are deliverable over a 5-year period. Amendments to the NPPF in December 2023, mean that not all authorities are required to update Local Planning Authorities. Paragraph 76 stipulates that:

> *"Local planning authorities are not required to identify and update annually a supply of specific deliverable sites sufficient to provide a minimum of five years' worth of housing for decision making purposes if the following criteria are met:*
>
> *a) their adopted plan is less than five years old; and*
>
> *b) that adopted plan identified at least a five year supply of specific, deliverable sites at the time that its examination concluded."*

2.1.5 Paragraph 77 goes on to state that:

> *"In all other circumstances, local planning authorities should identify and update annually a supply of specific deliverable sites sufficient to provide either a minimum of five years' worth of housing…"*

2.1.6 Moreover, the provisions in paragraph 226 of the NPPF do not apply to HBBC, and therefore the LPA is required to update annually a supply of sites sufficient to deliver 5 years' worth of housing.

2.1.7 While the onus is on respective authorities to calculate LHN and develop their own Plans, ultimately, the NPPF requires that in addressing strategic matters that cross administrative boundaries, LPAs have a duty to co-operate with each other.

2.2 Local Policy – The Adopted Local Plan (ALP)

2.2.1 The ALP consists of a series of documents, including the Core Strategy (CS), and Site Allocations & Development Management Policies Development Plan Document (SADMDPD). The Plan period for the ALP is 2006 to 2026.

2.2.2 In relation to this study, section 4 of the CS (Adopted December 2009) identified that HBBC needed to deliver 9,000 homes over the period 2006 to 2026, equating to 450 dwellings per annum. The distribution of the homes throughout the borough was informed by the spatial strategy.

2.2.3 The spatial strategy consists of two branches. The first is an urban strategy (covering Hinckley, Burbage, Barwell, and Earl Shilton) in policies 1-4 of the CS.

2.2.4 A significant aspect of this strategy included two Strategic Urban Extensions (SUEs), to deliver a total of 4,100 homes, 1,600 in at the Earl Shilton SUE and 2,500 at the Barwell SUE.

2.2.5 These sites were allocated through the Earl Shilton and Barwell Area Action Plan (AAP), adopted in September 2014.

2.2.6 At a Planning Committee meeting in June 2024, two applications (21/01511/OUT and 23/00330/OUT) for 1,000 and 500 homes respectively, were granted outline consent, subject to S106 and planning conditions.

2.2.7 The CS and SADMDPD make residential allocations for 2,300 dwellings across a range of sites within the borough.

2.2.8 In terms of this study, the following policies in the CS are relevant:

- **Policy 15: Affordable Housing -** determines the provision of affordable housing provision on sites with different size thresholds and located in different areas of HBBC. The policy also outlines the tenure and mix of affordable dwellings required.
- **Policy 16: Housing Density, Mix and Design** – provides guidelines on the mix, density and design of new residential allocations.
- **Policy 17: Rural Needs** – fosters proportionate development that meets identified and evidenced local need.

2.2.9 The ALP and associated policies were informed by a range of evidence. The evidence base includes:

- Directions of Growth Report (September 2007)
- Leicester and Leicestershire Strategic Housing Market Assessment (2008)
- Hinckley & Bosworth Borough Council Strategic Housing Land Availability Assessment (2008).

2.3 Local Policy – The new Local Plan (LP)

2.3.1 HBBC in the process of reviewing its local plan. The LP aims to set out allocations and associated policy for the period 2020-2041.

2.3.2 Thus far, the Council have undertaken a Regulation 18 Issues and Options consultation (January 2018), followed by a Regulation 18 'New Directions for Growth' consultation (January 2019). In June and August of 2021, Regulation 18 consultation was carried out on a Draft Local Plan.

2.3.3 In February 2022, a Regulation 19 Local Plan was published for consultation, however ultimately not submitted for examination. Instead, the Council committed to further work on the Local Plan.

2.3.4 The latest Local Development Scheme (LDS) was published in February 2024 and sets out the following timetable with regards to progressing the LP.

- Regulation 18 consultation on Draft Plan: June – July 2024
- Regulation 19 consultation on Submission Draft Plan: January – February 2025
- Submission to Secretary of State: By 30th June 2025
- Examination (Anticipated): September 2025 – November 2025
- Programmed date for Adoption: January/February 2026.

2.4 Literature Review - Leicester & Leicestershire Strategic Growth Plan 2050: Our Vision for Growth (December 2018)

2.4.1 The Leicester and Leicestershire Strategic Growth Plan (LLSGP) was formally approved by the ten partners (responsible for its contents) in December 2018. These ten partners are;

- Leicester County Council;
- Leicester City Council;
- Blaby District Council;
- Charnwood Borough Council;
- Harborough District Council;
- Hinckley & Bosworth Borough Council (HBBC);
- Melton Borough Council;
- North West Leicestershire District Council;
- Oadby & Wigston Borough Council; and
- Leicester and Leicestershire Enterprise Partnership (LLEP).

2.4.2 The LLSGP website[1], states that the LLSGP itself:

> *"puts forward proposals for future development, including housing provision, that will be needed to support population change, meet housing needs and support economic growth from now until 2050."*

2.4.3 The LLSGP is non-statutory but outlines the strategy of the ten partner organisations in Leicestershire. It confirms that the strategy will be delivered through Local Plans.

2.5 The Local Plan Review, Regulation 19 document (LPR-R19), references the LLSGP. It states:

> *"The Hinckley & Bosworth Local Plan has been prepared in light of the Leicester and Leicestershire Strategic Growth Plan."*[2]

2.5.1 Of relevance to HBBC is the policy in LLSGP to identify the A5 as an improvement corridor. The LLSGP acknowledges that improvements are essential to reduce congestion in the borough. It also notes that the

[1] LLSGP Website. Accessed October 2023.

[2] HBBC Local Plan Regulation 19 Consultation (February 2022) (pg 9)

delivery of planned housing and major industrial sites, including allocations, are dependent upon improvements to the A5. The LLSGP also identifies Hinckley, to the northwest of the A5, as an area of growth, to be managed through the Local Plan.

2.5.2 The LPR – R19, states that the LLSGP is a product of the 'duty to cooperate' and forms the evidence base and justification for policy 'HT04 A5 Improvement Corridor' in the LPR-R19.[3]

2.5.3 The LLSGP initially provides some context for Leicestershire before identifying the challenges that the region will face and, finally, outlines how planning for future growth and infrastructure can help in addressing some of the challenges identified. It also includes a spatial strategy which directs growth around the services and infrastructure already in place in Leicester, whilst maintaining the relationships established with the nearby market towns.

2.5.4 Of the main characteristics of the Leicester and Leicestershire area, the LLSGP summarises that the following are all strengths:

- location;
- connectivity;
- historic and environmental assets;
- further education opportunities (in the form of three universities);
- diverse and developing economy; and,
- multicultural city at the centre.

2.5.5 Conversely, the main weaknesses were as follows:

- congestion on rail and road networks, not currently built for purpose;
- poor economic productivity per capita;
- high levels of commuting;
- ageing population; and,
- increasing pressures on local communities.

2.5.6 The LLSGP acknowledges the potential for growth in the area and, whilst the plan is non-statutory, it aims to

> *"…shape the future of Leicester and Leicestershire in the period to 2050."*[4]

2.5.7 The four "key matters"[5] are;

- "delivering new housing;
- supporting the economy;
- identifying essential infrastructure; and,

[3] HBBC Local Plan Regulation 19 Consultation (February 2022) (pgs, 208, 209)
[4] LLSGP (pg 4).
[5] LLSGP (pg4)

- protecting our environment and built heritage."

2.5.8 For the purposes of the LLSGP, the period 2011 – 2050 is broken up into two sections. These are 2011 – 2031 (and 2036[6]), and 2031 – 2050. This is primarily due to the complexity in forecasting and producing accurate estimates of growth beyond 2036.

2.5.9 The LLSGP calculates a LHN**F** for the first period (2011-2031) of the plan of 96,580 dwellings and 367-423 Ha of employment land (B1/B2/B8) across the area. For the second period (2031 – 2050) the LHNF is calculated as 90,516 dwellings, the employment land need is not quantified.

2.5.10 Ultimately the plan calculates a local housing need for some 187,096 dwellings from 2011 to 2050, across the plan area.

2.5.11 According to the LLSGP, due to the quantity of extant permissions, commitments, and the level of completions;

"…much of our housing and employment land is already provided for in the period 2011-31."[7]

2.5.12 In acknowledging that LLC have declared that they have identified an unmet need, the plan also states that any shortfall can be addressed through allocations in the Local Plans of other areas.

2.5.13 In delivering the identified need, the plan outlines four priorities;

- "creating conditions for investment and growth;
- achieving a step change in the way that growth is delivered;
- securing essential infrastructure that is needed to make this happen; and,
- delivering high quality development."[8].

2.5.14 The LLSGP goes on to address the proposed spatial strategy developed around Leicester City. It notes that the city has a 'pivotal role' at the centre and that it acts as a sub-regional hub for the road and rail network. However, it also accounts for commitments in other Local Plans. Beyond this, the LLSGP suggests it will:

'…maintain the close relationships between the City, the market towns and rural areas.'[9]

2.5.15 The plan includes four additional areas in which to focus growth:

- the A46 Priority Growth Corridor;
- the Leicestershire International Gateway;
- the A5 Improvement Corridor; and,
- Melton Mowbray: Key Centre for Regeneration and Growth

2.5.16 The A5 Improvement Corridor is of relevance to HBBC and runs parallel to the A5. The A5 forms the entirety of the southwestern boundary of the Borough. The boundary runs from south of Burbage and the M69 at the southernmost point, to Atherstone at the northernmost point of the boundary.

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[6] 2031 and 2036 to coincide with Local Plans in the area and their respective end dates.
[7] LLSGP (pg 6)
[8] LLSGP (pg 17)
[9] LLSGP (pg 21)

2.5.17 The LLSGP suggests that the A5 provides an established route which provides an alternative to the M6 motorway to the West, between Junction 12 and the M1 to the East. However, there are major congestion issues on the road, which currently lacks capacity to serve as a sufficient relief road for the M6. The LLSGP suggests that congestion issues are expected to worsen with the anticipated future traffic from the existing MIRA enterprise zone and technology park.

2.5.18 The plan emphasizes that improvements to the A5 corridor are crucial to not only reducing congestion in the area, but also in delivering housing growth that has already been planned in the area, including industrial sites allocated in Local Plans.

2.5.19 The LLSGP concludes that Hinckley and Market Bosworth contribute significantly to the local economy. However, both towns are already under severe pressure for development and have seen significant growth at their fringes in recent times. That said, the LLSPG suggests that much of this development remains incomplete and further housing growth will be dependent on the delivery of new infrastructure.

2.5.20 Conversely, the LLSGP states that future growth in villages and rural areas will be limited, despite high pressure for development.

2.6 Literature Review - Housing and Economic Development Needs Assessment (HEDNA) (January 2017)

2.6.1 The HEDNA was produced for the Leicester and Leicestershire authorities and Local Enterprise Partnership (LLEP). The objective of the HEDNA was

> *"…to assess future housing needs…between 2011 and 2031/36."*

2.6.2 The Leicester and Leicestershire Housing Market Area (LLHMA) and Functional Economic Market Area (FEMA) was identified as the appropriate assessment area.

2.6.3 The HEDNA forecast a population growth of 17,548 (16.7%) people for the borough between 2011-2036. This represents 9.2% of the population growth of 191,564 people across the LLHMA.

2.6.4 In Table 40, a forecast population growth resulted in a "demographic-led" need of 10,325 dwellings in HBBC over 2011-2036. This equates to 413 dwellings per annum (dpa). HBBC's total need represents 9.7% of the LLHMA need (106,625).

2.6.5 The HEDNA acknowledged that interaction between housing need and economic growth are complex, but that PPG encourages consideration of how economic growth potentially impacts housing need.

2.6.6 After the analysis of market signals and economic forecasts from the Office for Budget Responsibility (OBR) and Oxford Economics, the HEDNA adopted the 'middle range' (Experian) of jobs growth. Consequently, the HEDNA identified a need of 90,200 dwellings across the LLHMA between 2011-2036 (3,608 dpa) based on the number of units necessary to support this growth. The respective economic-led need for HBBC was 10,350 dwellings over the period (414 dpa).

2.6.7 The difference at the LLHMA level between housing need based on the demographic and employment need was 15%, with the former being the higher. The HEDNA, therefore, concluded that this demonstrated there was no need to adjust upward the level of housing provision based on demographic change to meet economic growth forecasts.

2.6.8 The difference between the two projections in HBBC was minimal. The economic-led projected housing need from 2011-2036 was 414 dwellings per annum or 10,350 dwellings in total. The economic-led projected dwelling need (10,350) is less than 0.3% higher than the demographic led projected dwelling need (10,325).

2.6.9 In addition, the HEDNA identified a need for 247 affordable dpa (AHN) in the borough over the period 2011-2036, equating to 6,175 over the period. To meet this need, the HEDNA (in Table 87) put forward a "notional housing provision required to meet AHN" of 988 dpa. This is based upon apportioning 25% of new homes as affordable.

2.6.10 The HEDNA noted that this "notional provision" is more than double that of the demographic-led housing need and, therefore, it was unrealistic to expect it to be met. That said, the report concludes that the Council should seek to maximize delivery of affordable homes where possible.

2.6.11 Moreover, the HEDNA advised an upward adjustment of the demographic-led need for HBBC of 10%. The 10% uplift, based upon the market signal analysis, was intended to increase affordable dwelling delivery and affordability.

2.6.12 The resulting Objectively Assessed Need (OAN) for HBBC in the 2017 HEDNA is outlined below.

Table 1. OAN HBBC 2011-2036 (dpa)

	Demographic-led need	Affordability adjustment	Objectively Assessed Need (OAN)
HBBC	413	41	454

Source: Extract from the HEDNA (January 2017)

2.6.13 This resulted in an objectively assessed need ("OAN") for HBBC of 11,350 dwellings between 2011-2036.

2.6.14 In analyzing the need for different types of home, indicators including, market dynamics, demographic trends, growth in student numbers and accommodation, and Government initiatives and ambition aimed at increasing home ownership, were assessed.

2.6.15 For HBBC, the HEDNA recommended the following mix of housing sizes in the private market.

Table 2. Recommended market housing mix, HBBC.

House size	Recommended mix
1 Bedroom	0-10%
2 bedrooms	35-45%
3 bedrooms	45-55%
4+ bedrooms	5-15%

Source: Extract from the HEDNA (January 2017)

2.6.16 The HEDNA also recommended the following mix of housing sizes in the affordable housing market for HBBC.

Table 3. Recommended affordable housing mix, HBBC.

House size	Recommended mix
1 Bedroom	30-35%
2 bedrooms	35-40%
3 bedrooms	20-25%
4+ bedrooms	5-10%

Source: Extract from the HEDNA (January 2017)

2.6.17 The HEDNA recommended a tenure split for affordable housing products in HBBC. The recommendation accounts for existing stock as well as what households could afford at the time.

Table 4. Recommended affordable housing products, HBBC

Affordable housing product	Recommended mix
Intermediate housing	21%
Social/Affordable rented	79%

Source: Extract from the HEDNA (January 2017**)**

2.6.18 The HEDNA also identified a need for specialist housing for older people ("SHOP") drawing on forecasts that the proportion of those aged 65+ within the HMA, is expected to increase by 75% over the period 2011-2036. The number of those with associated mobility problems and dementia was also forecast to increase.

2.6.19 Consequently, the HEDNA identified a need for 65 units of SHOP in the borough from 2011-2036. This equates to 1,626 specialist dwellings from 2011-2036, representing 13.8% of the total need in the LLHMA.

2.6.20 The HEDNA advised that affordable and specialist housing policy should consider this expression of need, allowing for existing stock; surrounding characteristics and site characteristics including accessibility.

2.6.21 However, the 2017 HEDNA has been superseded by the 2022 HENA.

2.7 Literature Review – Leicester & Leicestershire Housing & Economic Needs Assessment (HENA) (June 2022)

2.7.1 The HENA was produced for the Leicester and Leicestershire authorities and Local Enterprise Partnership (LLEP). The objective of the HENA was to:

> *"…provide updated evidence regarding the overall need for housing, and type and mix of housing needed…'*(pg 2)

2.7.2 A review of the geography used in the 2017 HEDNA found that the Leicester and Leicestershire authorities were still the appropriate geography to be used regarding housing needs.

2.7.3 The 2022 HENA calculates a minimum local housing need for all nine authorities using the standard method. It calculates this as 5,713 dpa or all the authorities. This quates to 119,970 dwellings over the period 2020-4041 for the whole HMA.

2.7.4 In relation to HBBC the HENA suggests that the total housing need per annum is 472 dpa.

2.7.5 Using Local Authority data from 2020 the HENA also provides an assessment of need of size of dwelling based upon those on the housing register at the time.

2.7.6 The table below is an extract from the HENA and reflects the number bedroom need breakdown of the housing register, as of 2020, for HBBC.

Table 5. Breakdown of Housing Register by Current Bedroom Need, 2020

1 Bedroom	2 Bedroom	3 Bedroom	4+ Bedroom
39%	39%	17%	5%

Source: Extract from the HENA (June 2022)

2.7.7 The figures in the table above suggest that the highest need of those on the housing register in HBBC in 2020, was for 1 and 2 bed properties, with relatively little need for 4+ bedroom properties.

2.7.8 This is interesting for the appraisal of the spatial options, as there may be certain sub areas which are more appropriate for a certain size of dwelling. However, it is noted that those on the housing register may only represent a small proportion of the overall need.

2.7.9 In analyzing the need for different types of home, indicators including, market dynamics, demographic trends, growth in student numbers and accommodation, and Government initiatives and ambition aimed at increasing home ownership, were assessed.

2.7.10 For HBBC, the HENA recommended the following mix of housing sizes in the private market.

Table 6. Recommended market housing mix, HBBC.

House size	Recommended mix
1 Bedroom	5%
2 bedrooms	35%
3 bedrooms	45%
4+ bedrooms	15%

Source: Extract from the HENA (June 2022)

2.7.11 The figures in the table above are not dissimilar to the 2017 HEDNA findings. Of the respective property sizes, the HENA recommends that the majority (45%) of market housing is for 3-bedroom homes, with the smallest proportion of 1 bed properties.

2.7.12 The HENA also recommended the following mix of housing sizes in the social and affordable rented housing market for HBBC.

Table 7. Recommended affordable housing mix, HBBC.

House size	Recommended mix
1 Bedroom	30%
2 bedrooms	40%
3 bedrooms	25%
4+ bedrooms	5%

Source: Extract from the HENA (June 2022)

2.7.13 As above, the findings are not too dissimilar to those of the 2017 HENA. However, the largest proportion of the recommended mix amongst social and affordable property is for 2 bedrooms (40%), where 3-bed property had the largest recommended proportion in market dwellings.

2.7.14 The recommended mix for affordable home ownership products was identified as follows for HBBC by the HENA.

Table 8. Recommended affordable home ownership mix, HBBC.

House size	Recommended mix
1 Bedroom	20%
2 bedrooms	40%
3 bedrooms	30%
4+ bedrooms	10%

Source: Extract from the HENA (**June 2022**)

2.7.15 Once again, the largest recommended proportion was in 2 bed properties.

2.7.16 The HENA concludes that the minimum local housing need for HBBC as calculated by the Standard Method was 472 dpa.

2.8 Literature Review – Housing Delivery Test Action Plan (June 2024)

2.8.1 The Housing Delivery Test (HDT) is an annual measurement of the degree to which local authorities in England have been able to meet housing need. It uses a rolling three-year period in which total completions are set against need for the same period.

2.8.2 HBBC was calculated to have achieved 89% of their overall housing need in the 2022 HDT measurement; as a result, they were required to produce an "action plan" to show how the risk of failure to meet evidenced need would be mitigated in future years. The HBBC HDT action plan (HDT_AP) was published in June 2024.

2.8.3 A key part of the evidence informing the conclusions of the HDT_AP was the input of a "Developer Panel". The developer panel included a range of stakeholders, including, land promoters and developers as well as infrastructure providers and registered providers.

2.8.4 The developer panel identified several reasons for under-delivery as follows:

1) The Council's Local Plan
   - lack of new sites and allocations, as part of a new Local Plan;
   - uncertainty surrounding housing growth in the absence of an adopted Local Plan;
   - limited proactive support for smaller and medium sized sites.
2) Significant delays to the delivery of the SUEs
   - SUEs have not been delivered, contributing to shortfall in housing delivery.
3) Application timeframes
   - Outline and full applications take an average of 13 and 8 months to determine, respectively
   - Lack of permissions have a knock-on effect for the rest of the industry and supply chain.
   - The panel raised concerns over the lack of engagement between Leicestershire County Council (LCC) and HBBC. This impacts application submission timeframes.
4) Section 106 Agreement Timeframes
   - Section 106 agreements are taking 'too long' to be signed and completed

5) Infrastructure

- Lack of engagement between LCC and HBBC in relation to highways and education

2.8.5 The developer panel also expressed a view on wider issues that were likely to be affecting delivery:

- The impact of BREXIT was no longer affecting the supply chain and material prices. However, several developers revealed that whilst supply of materials was improving, that costs had still increased, impacting upon land agreements prior to planning.
- Labour costs were identified as having an impact, however that they were a programmed business cost factored in from day one.
- Recent land price increases have had an impact upon small and medium sized housebuilders in a very competitive market.
- Developers suggested increased land prices are a result of the inability to deliver housing as quickly as they would wish. They, therefore, need to "…source more land in one go to plug the gap."[10]

2.8.6 The HDT_AP also included a virtual developer briefing which was held in June 2024, with a developer forum. Some of the questions raised were as follows:

- *'Further member training on planning committees to reduce the % of applications being overturned at committee when recommended for officer approval;*
- *Interim guidance on policy given the age of the adopted LP and the decision to go back to a Reg 18.*
- *PPAs were welcomed as a step in the right direction.'*[11]

2.8.7 The HDT_AP identifies a range of actions to address the issues raised by the developer panel. The actions were categorized into seven themes, each with separate tasks. The themes and associated actions can be seen in the table below, which is an extract based upon the published HDT_AP.

Table 9. Identified Actions

Action	Task	Expected Outcome	Progress at June 2024
Progress the NLP with a portfolio of housing allocations.	Prepare a draft Local Plan to bring forward new allocations.	A NLP submitted to PINS.	A Regulation 19 pre-submission consultation was undertaken from February-March 2022. At April 2022 the consultation responses were being reviewed. Regulation 18b Consultation to take place in late summer 2024.
	Local Plan to include a framework for housing development in neighbourhood development plan areas	A NLP submitted to PINS.	New action within this Action Plan
Enhanced Engagement with NDP Groups.	Continue to advise and support NDP groups on the requirements to meet housing need through robust planning practices. Advise them to	Allocation of reserved sites in NDPs.	Support for NDP groups is split amongst members of the Policy Team to provide a dedicated contact for groups.

[10] HDT_AP (June 2024) (pg 30)
[11] HDT_AP (June 2024) (pg 30)

	continue to engage through the production of the NDP with site promoters/developers.		This will continue to be monitored.
Progress the delivery of the SUEs.	Continue to push forward with parties involved to unlock issues surrounding their current delays.	Planning application for Earl Shilton SUE.	An outline planning application has been submitted on the site for 1000 homes (21/01511/OUT)
		Issue a decision notice for the Barwell SUE.	Progress has been made on this site. Additional highways and Environmental Statement work has been consulted on however highways mitigation work is still ongoing and a decision has not been issued.
Reduce planning application timeframes.	No specific action for this issue as this will be influenced by reducing the length of S106 agreements drafting as well as improving statutory stakeholder engagement	Reduction in planning process timeframes.	These timeframes have not been reduced and will continue to be monitored after the COVID pandemic.
Reducing section 106 agreement timeframes.	Standard templates and instructions to legal to be reviewed for section 106 agreements.	Reduction in Section 106 timeframes and therefore overall application process.	Standard templates and instructions have been reviewed and are being used. Overall timeframes have not reduced in the last year but this will continue to be monitored.
	Imposing time limits on drafting of S106 agreements before returning to planning committee and monitoring their success.		
	Introduce section 106 monitoring fees for HBBC in order to effectively manage and monitoring agreements to streamline the process.	Reduction in Section 106 timeframes and therefore overall application process.	New action within this Action Plan
Infrastructure – Improve Statutory Stakeholder engagement	Set up a project board for development sites, including providing feedback from the Developer Panel on issues being encountered.	Regular engagement would keep track of major applications and unlock potential barriers	Currently in the process of setting up a project board for Earl Shilton SUE. A formal project board for future housing allocations will be set up when the Local Plan is at the correct stage.
Improve developer engagement	Form an SME panel to support SME delivery in the Borough.	Support SMEs to retain delivery in the Borough	SMEs were contacted to ask if they wanted to join a specific panel however, uptake was limited. More SMEs joined the main panel this year so a separate panel will be initiated again this year.
	Ensure effective and proactive engagement with landowners and developers of sites within the Borough.	The aim of ongoing engagement is to ensure all parties are adequately informed of each other's position regarding their development sites as well as helping to unlock any barriers that may be present.	Officers engage with developers on sites where required and always make themselves available surrounding the delivery of sites.

Source: Extract from HBBC Housing Delivery Test Action Plan (June 2024)

2.8.8 The action plan stipulates that the whole planning department will be responsible for implementing any identified actions and tasks, with sub-departments assigned to each. The monitoring and delivery team are responsible for ensuring the delivery of each of the actions and associated outcomes.

2.8.9 The action plan will be reviewed annually with regards to its progress and as part of the Council's annual housing monitoring.

2.9 **Literature Review – Statement of Common Ground (SoCG) relating to Housing and Employment Land Needs (June 2022)**

2.9.1 In June 2022, Districts across the Leicestershire area, including HBBC, agreed to an approach for the distribution of new homes and employment land across the area to meet identified future needs. The particular need addressed in the SoCG was that of Leicester City, whose identified needs could not be met within the Leicester City Local Planning Authority (LCLPA) area.

2.9.2 The SoCG, informed by the Housing and Economic Needs Assessment (HENA) and Sustainability Appraisal (SA), covers eight District areas, which prepared the statement jointly. These areas are set out below:

- Blaby District Council
- Charnwood Borough Council
- Harborough District Council
- Hinckley & Bosworth Borough Council
- Leicester City Council (Unitary)
- Melton Borough Council
- North West Leicestershire District Council
- Oadby & Wigston Borough Council

2.9.3 In addition to the above, Leicester City Council (LCC) (Unitary) and Leicestershire County Council (LCC) are considered upper tier authorities.

2.9.4 At paragraph 3.13, the SoCG notes that:

> *"The authorities agree that Leicester City Council is the only authority in the HMA to have declared and quantified (with evidence) an unmet need 2020 to 2036. Assisting Leicester to meet its unmet need is therefore a key element of the Duty to Co-operate across the HMA."*[12]

2.9.5 The SoCG also states that LLC's Draft Local Plan identifies a potential unmet need of 7,742 homes from 2019 to 2036.

2.9.6 However, the standard method for calculating housing need was amended in December 2020 to introduce an "urban centres uplift".[13] The effect of this was to add 35% to Leicester Cities' LHN. This equates to an additional 9,712 homes over the period 2020 – 2036, or 607 dwellings per annum.

2.9.7 The SoCG acknowledges that the supply of homes in Leicester may change as the Local Plan progresses. However, the provision of the number of additional homes above would require housing allocations to

[12] Leicester & Leicestershire Authorities – Statement of Common Ground relating to Housing and Employment Land Needs (June 2022)(pg 4)

[13] PPG (Housing and Economic Needs Assessment) Ref ID: 2a-033

double, and therefore LCC, in accordance with PPG, sought a SoCG, in relation to the delivery of the anticipated unmet housing need.

2.9.8 Table 1 of the SoCG outlines that the total housing need from 2020 – 2036 for the Leicester and Leicestershire Housing Market Area (HMA) is 91,408, equating to 5,713 dwellings per annum.

2.9.9 Within this, the total for HBBC is given as 7,552 dwellings from 2020 – 2036, equating to 472 dwellings per annum.

2.9.10 The SoCG goes on to suggest at paragraph 3.10 that:

> *"To 2036 there is a theoretical capacity for some 173,721 homes across the HMA as a whole (Appendix B). When set against the need of 91,408 (2020-36), the authorities agree there is flexibility to meet L&L housing need within the HMA, including unmet need."*[14]

2.9.11 Paragraph 3.19[15] identifies that LCC's total LHN from 2020 – 2036 is 39,424 dwellings, equating to 2,464 dwellings per annum. However, an identified capacity to meet need for 20,721 dwellings, results in an unmet need of 18,700 dwellings, for the same period.

2.9.12 Paragraph 3.20[16] points out that the relevant authorities accept that the amount of unmet need may change through the progression of the Local Plan, however, they also agree an unmet need of 18,700 homes from 2020 – 2036, as a '*working assumption*'.

2.9.13 The apportionment of the identified unmet need is based upon the existing balance of homes and jobs within the respective areas, their functional relationship with Leicester City and the deliverability of the proposed apportionment.

2.9.14 The Table below is taken from the SoCG and apportions LCC's unmet (annual) housing need across the seven authority areas remaining in Leicestershire.

Table 10. Average annual unmet housing need contribution by council 2020-2036, Leicester and Leicestershire HMA (Dwellings)

Council	Contribution
Blaby	346
Charnwood	78
Harborough	123
Hinckley and Bosworth	187
Melton	69
North West Leicestershire	314
Oadby and Wigston	52
Total	**1,169**

Source: Leicester & Leicestershire Authorities - Statement of Common Ground relating to Housing and Employment Land Needs (June 2022)

[14] Leicester & Leicestershire Authorities - Statement of Common Ground relating to Housing and Employment Land Needs (June 2022) (pg, 3)
[15] Leicester & Leicestershire Authorities - Statement of Common Ground relating to Housing and Employment Land Needs (June 2022) (pg, 5)
[16] Leicester & Leicestershire Authorities - Statement of Common Ground relating to Housing and Employment Land Needs (June 2022) (pg, 5)

* The figures are presented as annual averages 2020-36. This does not imply that an authority's unmet need apportionment must be phased evenly over this period. It will be for each Local Plan to determine appropriate phasing.

2.9.15 In relation to HBBC, the annual unmet need it has been apportioned is an annual average of 187 dwellings. This equates to 16% of the annual requirement and 2,992 dwellings over the period 2020-2036.

2.9.16 However, as per paragraph 4.1 and 4.2 of the SoCG, HBBC do not agree to this apportionment, nor the associated methodology used in the HENA to determine it.

2.9.17 HBBC have stated that, firstly, they do not regard the current apportionments to be deliverable; and, secondly, they do not consider local need or market demand. As an alternative, they feel that 102 dwellings per annum is;

> *"…an initial justified apportionment of Leicester's unmet need for HBBC to test through their local Plan work and through further strategic work"*

2.9.18 HBBC note that, the apportionment process of any unmet need was to be informed by the completion of four pieces of work. These were:

- Housing and Economic Needs Assessment (HENA);
- Strategic Growth Options and Constraints Mapping;
- Strategic Transport Assessment; and
- Sustainability Appraisal (SA).

2.9.19 However, at the time of the SoCG publication, only the HENA and SA have been completed.

2.9.20 The other seven authorities in the LLHMA consider that:

> *"…the apportionment of 187 dwellings per year…is justified by evidence."*

2.10 Policy Context and Literature Review - Summary

2.10.1 The NPPF specifies that the LHN, calculated by using the standard method by LPAs, provides a starting point for housing need. The LHN is expressed as an annual number which may be extrapolated over the length of the Plan period. The NPPF also stipulates that LPAs should indicate a supply of development land and how that will come forward over the Plan period to meet the LHN.

2.10.2 The NPPF emphasises that whilst it is for LPAs to calculate their LHN, that they have a duty to cooperate and work with Neighbouring LPA's when it comes to strategic matters.

2.10.3 The ALP is formed of the CS and SADMDPD and the Plan period for the CS is 2006 to 2026. The CS identified that HBBC needed to deliver 9,000 homes over the Plan period, equating to 450 dwellings per annum. The spatial strategy for this delivery was formed of an urban strategy and rural strategy.

2.10.4 HBBC are in the process of reviewing their ALP. The LP covers the period 2020-2041 and is well advanced and a Draft Plan is expected to be subject to Regulation 18 consultation in June-July 2024. Adoption is anticipated in January/February 2026.

2.10.5 The LLSGP was approved in 2018 by 10 partners throughout Leicestershire and concerns future development of the region, including housing provision up to 2050.

2.10.6 Of relevance to HBBC is that the A5 is identified as an improvement corridor, but that future developments are reliant upon improvements to this piece of infrastructure. Hinckley is also identified as an area of growth, to be managed through the Local Plan.

2.10.7 In identifying potential challenges, the LLSGP explains how these can be addressed through future growth. The spatial strategy in the LLSGP has a strong focus on Leicester whilst maintaining established relationships with surrounding market towns.

2.10.8 The LLSGP states that Hinckley and Market Bosworth make a significant contribution to the local economy. However, that both are under severe development pressure, with significant growth having been experienced in recent years. Conversely, the LLSGP states that future growth in villages and rural areas will be limited, despite high pressure for development.

2.10.9 The HENA (June 2022) calculated a minimum LHN for all nine authorities as 5,713 dpa, equating to 119,970 over the period 2020-2041.For HBBC the identified LHN was for 472 dpa.

2.10.10 The latest HDT_AP (June 2024) was produced on the back of HBBC's 2022 HDT measurement of 89%. A developer panel identified issues surrounding housing delivery in the borough. They included: lack of new sites and allocations as part of a LP, and associated uncertainty, limited support for smaller sites, non-delivery of the SUEs, application and S106 timeframes and the relationship between HBBC and the County Council. The panel also identified that wider market issues were also impacting housing delivery.

2.10.11 In June 2022 LPAs across Leicestershire agreed to help meet Leicester City Council's unmet need. HBBC were apportioned 187 dpa to account for part of Leicester City's unmet need. HBBC did not agree to this apportionment, nor the methodology to calculate it, stating that the agreed evidence base to inform the calculation was incomplete.

2.10.12 Instead, HBBC propose that 102 dpa is:

> *"…an initial justified apportionment of Leicester's unmet need for HBBC to test through their local Plan work and through further strategic work"*

3.0 SUB AREA PROFILES

3.1 Methodology

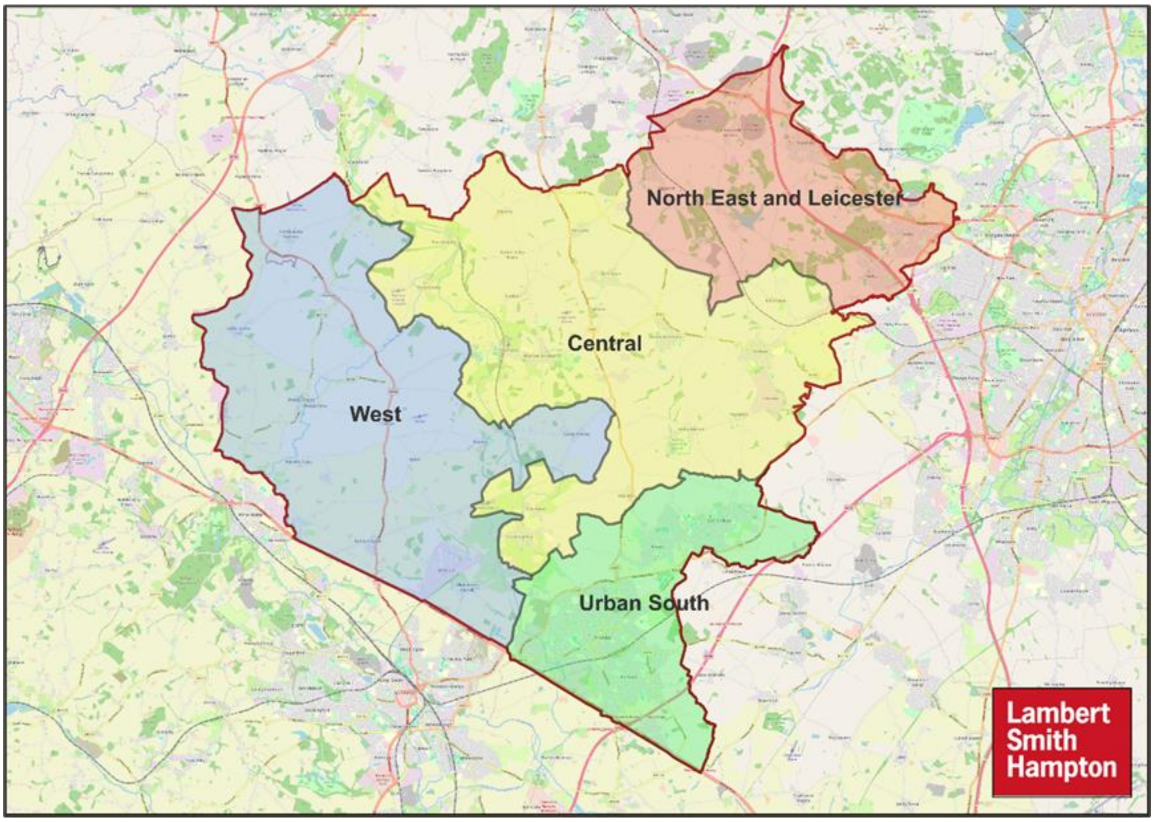
3.1.1 In evaluating the spatial options, sub area geographies were developed.

3.1.2 The sub-areas were developed in conjunction with HBBC and separate the borough into four-character areas. For data sourcing and analysis purposes the boundaries of the sub-areas in the figure below, align with the boundaries of existing Lower Super Output Areas (LSOAs) in the borough.

3.1.3 The figure below defines the four sub-areas used throughout the analysis in this report. The sub-areas are as follows:

- West;
- Central;
- Northeast and Leicester Suburbs (NELS); and
- Urban South

Figure 1. HBBC Sub Areas



Source: LSH

3.2 Area Geographical Profiles

3.2.1 The Urban South sub-area is characterised by the larger more urban settlements of Hinckley, Burbage, Earl Shilton and Barwell. These settlements are the largest in the borough by a clear margin. The urban south has good connections to the A5 to the west and the M69 to the east, in turn providing connections to Coventry to the south and Leicester to the northeast. The urban nature of the sub area means that the built-up settlements are relatively densely populated.

3.2.2 The NELS sub-area is adjacent to the suburbs of Leicester and is home to several settlements. Ratby, Groby and Markfield represent larger settlements where Thornton, Bagworth and Stanton Under Bardon represent smaller settlements in the sub-area. The sub area has good connections to the M1 and Leicester to the east. The proximity of Ratby and Groby in the east of the sub area, make this part of the sub area more developed. This probably reflects the proximity of this part of the sub area to Leicester. However, the sub area is relatively rural in comparison to the urban south.

3.2.3 The Central sub-area is arguably more rural than the NELS sub area, where a range of smaller settlements dotted throughout, make up the sparsely populated region. The larger settlements are Desford and Newbold Verdon to the west, with Market Bosworth at the centre. However, smaller settlements include Stapleton, Kirkby Mallory, Barlestone and Barton in the Beans, amongst others. The A447 runs up the centre of the sub area providing connections to Coalville and Asby de la Zouch to the north and Hinckley to the south.

3.2.4 The West sub area is by far the sparsest of the four sub areas. The relatively rural area is made up of smaller hamlets including Higham on the Hill, Fenny Drayton, Ratcliffe Culey, Sibson, Sheepy Magna and Twycross. The A444 runs up the centre of the sub area providing connections to Nuneaton to the south and Burton on Trent to the far north. Notably, the most distinguishing feature of the sub area is the presence of the MIRA enterprise zone site to the far south, near Higham on the Hill.

4.0 DEMAND FOR HOMES

4.1 Overview

4.1.1 This section reviews the demand for homes in HBBC and the four respective sub areas by reflecting upon indicators including:

- the age profiles of the respective sub areas over time,
- the number of households by sub area and how this has changed over time;
- how average household size in the respective sub areas and type has changed over time; and
- dwelling tenure and how this has changed during intercensal periods.

4.1.2 Experian Mosaic household types have also been used to map the demand for homes of various household types throughout the district. This exercise also helps in the analysis of locational preferences based upon a range of characteristics, including age, household composition and income.

4.1.3 The analysis of socio-demographic data and how this has changed in intercensal periods also helps provide insight into the characteristics of a particular sub area. Furthermore, review of how this has changed over time helps compose a picture of what may be likely to happen in the future.

4.2 Socio-Demographic Data Analysis

4.2.1 Data regarding the age structures of the respective sub areas can provide insight as to which areas may be popular with certain age groups, for instance, first time buyers or retirees.

4.2.2 The table below reflects the proportions of certain age categories within the sub areas as at the 2001 and 2011 Censuses, as well as for the 2021 Mid-Year Estimates (MYEs)[17].

Table 11. Sub area age profiles 2001,2011 and 2021

Area	Census	Aged 15 and under	Aged 16 to 24	Aged 25 to 44	Aged 45 to 64	Aged 65+	Aged 85+
HBBC	2001	19.06%	9.50%	28.29%	27.13%	16.01%	1.87%
	2011	17.70%	9.58%	25.31%	29.01%	18.40%	2.32%
	2021	17.27%	8.35%	24.28%	27.65%	22.45%	2.71%
West	2001	18.15%	7.34%	25.64%	31.31%	17.56%	2.25%
	2011	17.20%	7.74%	19.31%	33.80%	21.94%	2.34%
	2021	13.59%	8.91%	17.14%	33.71%	26.65%	2.45%
Central	2001	18.51%	8.74%	25.26%	30.76%	16.72%	2.08%
	2011	16.42%	8.66%	21.51%	32.20%	21.21%	2.56%

[17] Census 2021 data on population age is not available at the LSOA level and therefore the 2021 MYEs have been used.

	2021	16.77%	7.68%	20.13%	28.68%	26.74%	3.08%
NELS	2001	19.38%	8.72%	28.01%	27.03%	16.86%	2.00%
	2011	18.20%	9.40%	24.41%	28.91%	19.08%	2.20%
	2021	17.83%	8.23%	22.95%	27.11%	23.89%	2.86%
Urban South	2001	19.19%	10.10%	29.38%	25.87%	15.46%	1.75%
	2011	17.92%	10.01%	26.98%	27.88%	17.21%	2.30%
	2021	17.48%	8.53%	26.20%	27.15%	20.65%	2.59%

Source: Census 2001, 2011 and 2021 MYEs

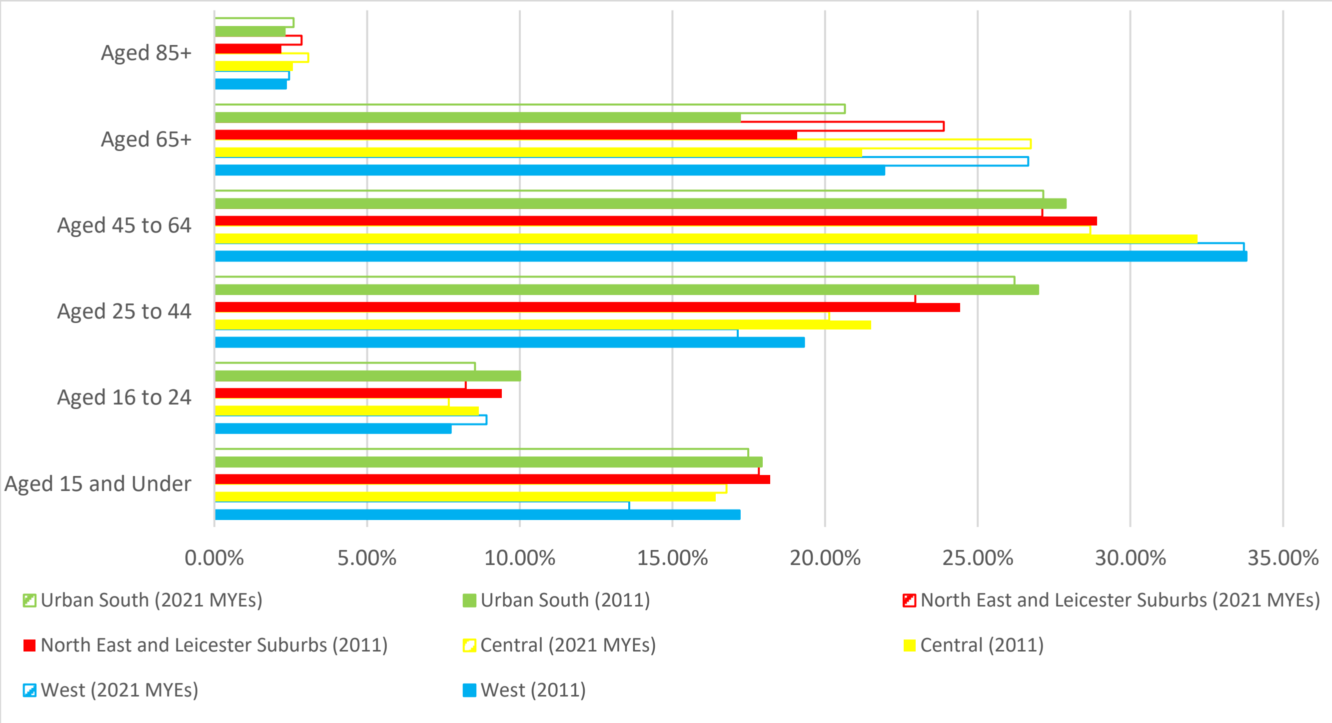
4.2.3 The highest proportion of those aged under 15 in 2021 was in the NELS sub area (17.83%) which was followed by 17.48% in the Uban South. These were both above the proportion of HBBC however have fallen consecutively in each of the periods, however, less so in the Urban South. Conversely, proportions in the Central and West sub areas are lower, especially the West, 13.59%.

4.2.4 First time buyers would have traditionally been part of the 16-24 age category. Once again, the Urban South (8.53%) and NELS (8.23%), have relatively high proportions of this age group (excluding HBBC as a whole) in 2021. However, the sub area with the highest proportion was the West with 8.91%. This may reflect the popularity of these areas to first time buyers in the case of NELS and the Urban South, and the relative affordability of the West as well. This is reflected in the Experian Mapping.

4.2.5 Conversely, proportions of those aged 65+ and 85+ have gradually increased from 2001 to 2021, where in 2021 the largest proportions of those aged 65+ were in the Central (26.74%) and the West (26.65%). Interestingly, the NELS and particularly the Urban South sub areas were noticeably below this. This reflects the points made above, in that the more rural Central and West sub areas may be attractive to retirees, potentially with higher disposable incomes. This is reflected in the Experian Mapping.

4.2.6 The figure below, illustrates some of the table above. For clarity, the 2001 and HBBC data in the table above, is not included.

Figure 2. Sub area age profiles 2011 and 2021



Source: Census 2011 and 2021 MYEs

4.2.7 The figure above compares the age profiles of the sub areas as per the 2011 and 2021 data. The more rural sub areas in the West and Central, dominate from age 45 and above. However, below this age, the more urban sub areas Urban South and NELS have larger proportions. It is evident that the age category 45 to 64 is dominant across all sub areas.

4.2.8 The table below includes the proportion of those of working age in each sub areas at the time of the 2001 and 2011 Census and the 2021 MYEs.

Table 12. Sub area working age proportions 2001, 2011, 2021

Area	Census	% of working age (16-64)
West	2001	64.29%
	2011	60.85%
	2021	59.76%
Central	2001	64.76%
	2011	62.37%
	2021	56.49%
NELS	2001	63.76%
	2011	62.72%
	2021	58.29%

Urban South	2001	65.35%
	2011	64.87%
	2021	61.88%

Source: Census 2011 and 2021 MYEs

4.2.9 In 2021, the area with the highest working age proportion was the Urban South with 61.88%. This reflects the employment opportunities in this area but also the fact that the elderly population (aged 65+) has increased in the more rural, Central and West sub areas. However, the West sub area still has a marginally higher proportion than the NELS sub area, however this may in part reflect the ability of more affluent individuals to commute to employment opportunities.

4.2.10 Indicators such as the number of households is a useful indicator of how much an area has developed where growth indicates that households are still forming.

4.2.11 The table below shows the number of households in each of the last three Censuses with percentage growth in the intercensal periods for HBBC and the respective sub areas.

4.2.12 Data was not available at the LSOA level to calculate the corresponding figures for 2001.

Table 13. Number of Households 2001, 2011, 2021 (HBBC and Sub Areas)

Area	Census	No. Of Households	Growth	% Growth
HBBC	2001	42,105	N/A	N/A
	2011	45,377	3,272	7.8%
	2021	49,446	4,069	9.0%
Totals			**7,341**	**17.4%**
West	2001	N/A	N/A	N/A
	2011	1,863	N/A	N/A
	2021	1,912	49	2.6%
Totals			**49**	**2.6%**
Central	2001	N/A	N/A	N/A
	2011	7,084	N/A	N/A
	2021	7,648	564	8.0%
Totals			**564**	**8.0%**
NELS	2001	N/A	N/A	N/A
	2011	8,283	N/A	N/A
	2021	8,793	510	5.2%
Totals			**510**	**5.2%**
Urban South	2001	N/A	N/A	N/A
	2011	28,147	N/A	N/A

	2021	31,092	2,945	10.5%
Totals			**2,945**	**10.5%**

Source: Census table ST048 (2001), Census table QS406EW (2011) and Census table TS041 (2021) and LSH Calculations

4.2.13 In 2021, the Urban South clearly has the largest proportion of households with just under 63% (62.88%).

4.2.14 The sub area has also seen the largest growth of the sub areas between 2011-2021, with 10.5%. Conversely, the sub area with the lowest growth was the West, with 2.6%.

4.2.15 There is a difference between the other two sub areas, however, this is not as stark, where the Central sub area has increased by 8% and the NELS, 5.2%.

4.2.16 This would suggest that there is far more demand to be in the Urban South, when compared to the West, which is far more sparsely populated.

4.2.17 Average household size is also a useful indicator and can reflect affordability and the ability of younger generations to leave their family homes.

4.2.18 Average household size has been calculated by dividing the number of usual residents in households by the number of households. The resulting figure is a useful indicator of how the composition of households may be changing.

4.2.19 The table below illustrates average household size across HBBC and how this changed over time.[18]

Table 14. Average Household Size 2001, 2011, 2021 (HBBC and Sub Areas)

Area	Census	Usual Residents in Households	Number of Households	Average Household Size	Numeric Change
HBBC	2001	99,452	42,105	2.36	N/A
	2011	104,275	45,377	2.30	-0.06
	2021	112,857	49,466	2.28	-0.02
Totals					**-0.08**
West	2001	N/A	N/A	N/A	N/A
	2011	4,347	1,863	2.33	N/A
	2021	4,489	1,912	2.35	0.02
Totals					**0.02**
Central	2001	N/A	N/A	N/A	N/A
	2011	16,562	7,084	2.34	N/A
	2021	17,911	7,648	2.34	-
Totals					**-**
NELS	2001	N/A	N/A	N/A	N/A
	2011	19,481	8,283	2.35	N/A
	2021	20,418	8,793	2.32	**-0.03**
Totals					**-0.03**
Urban South	2001	N/A	N/A	N/A	N/A
	2011	63,885	28,147	2.27	N/A
	2021	70,037	31,092	2.25	-0.02
Totals					**-0.02**

Source: Census table ST048 and ST001 (2001), Census table QS406EW and KS101EW (2011) and Census table TS041 and TS001 (2021) and LSH calculations.

[18] As per the household's data, the 2001 Census did not provide statistical analysis, down to LSOA level.

4.2.20 Since 2001, household size has become progressively smaller across the borough. In 2001 the average household size was 2.36 and in 2021 it was 2.28. This represents a decrease of 0.08 in average household size in 20 years.

4.2.21 A similar trend is illustrated in three of the four sub areas, where average household size has either fallen or remained the same. Namely, the Central, NELS and Urban South sub areas.

4.2.22 However, whilst only marginal, the West sub area has increased by 0.02 in the twenty years from 2001-2021. This could reflect that the sub area is slightly more expensive and therefore that potential first-time buyers tend to stay at home at parental residences. However, the increase is marginal, and the 2021 average household size (2.35) remains broadly consistent with that of the Central sub area.

4.2.23 Interestingly, the Urban South sub area records the lowest average household size in 2021 (2.25). This is lower than the borough wide figure (2.28) and is likely a reflection of relative affordability and the availability of housing stock.

4.2.24 For context, the table below also provides the average household sizes for Leicestershire, the East Midlands and England.

Table 15. Average Household Size 2001, 2011, 2021 (Leicestershire, East Midlands, England)

Area	Census	Usual Residents in Households	Number of Households	Average Household Size	Numeric Change
Leicestershire	2001	596,120	245,246	2.43	N/A
	2011	636,274	267,434	2.38	-0.05
	2021	698,434	296,408	2.36	-0.02
Leicestershire Total 2001 - 2021					**-0.08**
East Midlands	2001	4,095,557	1,732,482	2.36	N/A
	2011	4,442,192	1,895,604	2.34	-0.02
	2021	4,778,018	2,037,334	2.35	0.01
East Midlands Total 2001 - 2021					**-0.01**
England	2001	48,248,150	20,451,427	2.36	N/A
	2011	52,059,931	22,063,368	2.36	-
	2021	55,504,302	23,436,086	2.37	0.01
England Total 2001 - 2021					**0.01**

Source: Census table ST048 and ST001 (2001), Census table QS406EW and KS101EW (2011) and Census table TS041 and TS001 (2021) and LSH calculations.

4.2.25 In Leicestershire average household size has fallen from 2.43 (2001) to 2.36 (2021). There was also decrease in the household size in the East Midlands, however, this was marginal, falling from 2.36 (2001) to 2.35 (2021). Average household size has increased in England from 2.36 (2001) to 2.37 (2021).

4.2.26 Average household size, in 2021, in the HBBC sub areas is broadly consistent with those seen in Leicestershire, the East Midlands and England. However. The Urban South sub area is lower than the other geographies.

4.2.27 However, except for the Urban South, average household size in the sub areas is broadly similar to that of the County, the region and the Country.

4.2.28 The number of bedrooms in the dwelling stock helps indicate relative affluence, but we can also anticipate that the lower the number of bedrooms, the more likely it is that residential development is purpose-built flatted development.

4.2.29 The table below provides the dwelling stock by number of bedrooms in HBBC the sub areas at the 2011 and 2021 Censuses. Equivalent data for 2001 was unavailable.

Table 16. Number of Households by dwelling size 2011, 2021 (HBBC and Sub Areas)

Area	No. Of Bedrooms	2011		2021	
		#	%	#	%
HBBC	1 bedroom	2,640	5.8%	2,950	6.0%
	2 bedrooms	12,110	26.7%	12,801	25.9%
	3 bedrooms	20,629	45.5%	21,653	43.8%
	4 or more bedrooms	9,931	21.9%	12,042	24.4%
West	1 bedroom	68	3.7%	50	2.6%
	2 bedrooms	381	20.5%	364	19.0%
	3 bedrooms	772	41.4%	767	40.1%
	4 or more bedrooms	641	34.4%	733	38.3%
Central	1 bedroom	210	3.0%	196	2.9%
	2 bedrooms	1,549	21.9%	1,402	21.1%
	3 bedrooms	3,140	44.3%	2,775	41.7%
	4 or more bedrooms	2,174	30.7%	2,280	34.3%
NELS	1 bedroom	302	3.6%	349	4.0%
	2 bedrooms	2,421	29.2%	2,462	28.0%
	3 bedrooms	3,386	40.9%	3,577	40.7%
	4 or more bedrooms	2,159	26.1%	2,404	27.3%
Urban South	1 bedroom	2,060	7.3%	2,322	7.5%
	2 bedrooms	7,759	27.6%	8,355	26.9%
	3 bedrooms	13,331	47.4%	1,446	45.5%
	4 or more bedrooms	4,957	17.6%	6,282	20.2%

Source: Census table QS411EW (2011) and Census table TS050 (2021) and LSH calculations

4.2.30 In 2011, the Urban South had the largest proportion of 1 bed dwellings. This had grown by 0.2% since 2011, where it also had the largest proportion.

4.2.31 This may reflect that the Urban South may be more suited to purpose built flatted development which is smaller in nature.

4.2.32 Conversely, the area with the most 4 or more bed dwellings in 2021 was the West. Whilst the number of 4 or more bed dwellings is some 5,549 below that of the Urban South, the proportion (38.3%), is from a much smaller total. The proportion in the West was over 18% above that of the Urban South.

4.2.33 This highlights the disparity between the two sub areas, where the West is a far larger area, but much more rural and the Uban South is a smaller, more urban and relatively densely populated area.

4.2.34 In all the sub areas, the modal number of bedrooms, in both 2011 and 2021 was in the 3-bedroom category. However, the 2021 proportions represented a decline on the 2011 figure, in all sub areas.

4.2.35 Conversely the proportion of 1-bed dwellings increased in both the NELS and Urban south sub areas. It fell in the West and Central sub areas.

4.2.36 The figures highlight the disparity between the Urban South and West, however, the Central and NELS areas are broadly similar when it comes to the number of bedrooms. However, the NELS areas has a proportion of 2-bed homes that is nearly 7% (6.9%) above that for the Central sub area. This may reflect the slightly more urban nature of the area, its location in the wider suburbs of Leicester and the fact that, the area may be potentially better suited to smaller more dense plots. The proportion (28%) is also higher than that of the Urban south.

4.2.37 Figures concerning dwelling type help consolidate the patterns observed above around the demand for dwelling size and type., in the different sub areas.

4.2.38 The table below outlines the numbers and proportions of households by type of accommodation for the sub areas in respective Census years.

Table 17. Number of Households by dwelling type 2001, 2011, 2021 (HBBC and Sub Areas)

Area	Accommodation Type	2001		2011		2021	
		No.	%	No.	%	No.	%
HBBC	Detached	16,124	38.3%	17,025	37.5%	18,712	37.8%
	Semi-Detached	16,474	39.1%	17,419	38.4%	18,659	37.7%
	Terraced	6,525	15.5%	7,148	15.8%	7,741	15.7%
	Purpose built flats/tenement	2,128	5.1%	3,032	6.7%	3,299	6.7%
	Part of shared/converted house	248	0.6%	289	0.6%	314	0.6%
	Part of another converted building, for example, former school, church or warehouse	N/A	N/A	N/A	N/A	247	0.5%
	In a commercial building, for example, in an office building, hotel or over a shop	358	0.9%	313	0.7%	307	0.6%
	A caravan or other mobile or temporary structure	203	0.5%	132	0.3%	168	0.3%
West	Detached	1,097	59.4%	1,107	59.4%	1,155	60.4%
	Semi-Detached	531	28.7%	583	31.3%	590	30.8%
	Terraced	139	7.5%	134	7.2%	145	7.6%
	Purpose built flats/tenement	16	0.9%	15	0.8%	9	0.5%
	Part of shared/converted house	18	1.0%	11	0.6%	4	0.2%
	Part of another converted building, for example, former school, church or warehouse	N/A	N/A	N/A	N/A	6	0.3%
	In a commercial building, for example, in an office building, hotel or over a shop	11	0.6%	7	0.4%	2	0.1%
	A caravan or other mobile or temporary structure	35	1.9%	6	0.3%	2	0.1%
Central	Detached	3,155	47.1%	3,349	47.3%	3,680	48.1%
	Semi-Detached	2,508	37.5%	2,584	36.5%	2,757	36.0%
	Terraced	748	11.2%	851	12.0%	872	11.4%
	Purpose built flats/tenement	159	2.4%	208	2.9%	212	2.8%
	Part of shared/converted house	31	0.5%	36	0.5%	36	0.5%

	Part of another converted building, for example, former school, church or warehouse	N/A	N/A	N/A	N/A	23	0.3%
	In a commercial building, for example, in an office building, hotel or over a shop	45	0.7%	34	0.5%	37	0.5%
	A caravan or other mobile or temporary structure	31	0.5%	16	0.2%	32	0.4%
NELS	Detached	3,602	47.0%	3,876	46.8%	4,065	46.3%
	Semi-Detached	2,602	33.9%	2,871	34.7%	3,095	35.2%
	Terraced	1,160	15.1%	1,249	15.1%	1,313	14.9%
	Purpose built flats/tenement	178	2.3%	204	2.5%	208	2.4%
	Part of shared/converted house	16	0.2%	19	0.2%	13	0.1%
	Part of another converted building, for example, former school, church or warehouse	N/A	N/A	N/A	N/A	11	0.1%
	In a commercial building, for example, in an office building, hotel or over a shop	38	0.5%	32	0.4%	36	0.4%
	A caravan or other mobile or temporary structure	71	0.9%	32	0.4%	44	0.5%
Urban South	Detached	8,270	31.9%	8,693	30.9%	9,814	31.5%
	Semi-Detached	10,833	41.8%	11,381	40.4%	12,221	39.3%
	Terraced	4,478	17.3%	4,914	17.5%	5,412	17.4%
	Purpose built flats/tenement	1,772	6.8%	2,605	9.3%	2,870	9.2%
	Part of shared/converted house	185	0.7%	223	0.8%	62	0.8%
	Part of another converted building, for example, former school, church or warehouse	N/A	N/A	N/A	N/A	205	0.7%
	In a commercial building, for example, in an office building, hotel or over a shop	271	1.0%	240	0.9%	234	0.8%
	A caravan or other mobile or temporary structure	76	0.3%	78	0.3%	90	0.3%

Source: Census table UV056 (2001). Census table QS402EW (2011), and Census table TS044 (2021) and LSH calculations

4.2.39 At the time of the 2021 Census, detached dwellings represented most of the household stock in HBBC, at 37.8%. The same can be said for all the sub areas except for the Urban South. Of note, is that in the West sub area, detached dwellings represented nearly 60% of dwellings.

4.2.40 Conversely, in 2021, the West sub area has the lowest proportion of dwellings that are 'Purpose built flats/tenement' at 0.5%. This compares to 9.2% in the Urban South, which was the largest proportion in 2021. The borough wide figure was 6.7% in 2021.

4.2.41 The NELS and Central sub areas are broadly similar, where the largest difference, 3.5%, in 2021, was in the proportion of terraced dwellings. The Northeast and Leicester suburbs sub area recorded the larger proportion of the two.

4.2.42 The apportionments have remained broadly consistent in the intercensal periods, with some fluctuation. However, the sub area that saw the largest change in proportions from 2001 to 2021 was the Urban South. This sub area saw a 2.5% reduction in the proportion of semidetached homes in the period and a 2.4% growth in purpose built flat block and tenements.

4.2.43 Whilst there was an increase in the proportion of semidetached dwellings in the West sub area over the period 2001-2021. Across the borough, there was a 1.4% reduction in the proportion of semidetached dwellings.

4.2.44 Finally, the tenure of households in the respective sub areas can be a useful indicator of affluence, and where the different tenures of development may be more suited.

4.2.45 The table below illustrates the number of households and the respective proportions by tenure at each of the last three Censuses, for HBBC and the four sub areas.

Table 18. Tenure of Households 2001, 2011, 2021 (HBBC and Sub Areas)[19]

Area	Tenure	2001		2011		2021	
		No.	%	No.	%	No.	%
HBBC	Owned	33,810	82.3%	34,826	76.7%	36,789	74.4%
	Affordable Rented	4,363	10.6%	4,685	10.3%	5,049	10.2%
	Private Rented	1,910	4.6%	5,156	11.4%	7,114	14.4%
	Lives Rent Free	N/A	N/A	443	1.0%	42	0.1%
West	Owned	1,410	78.7%	1,427	76.6%	1,510	79.1%
	Affordable Rented	150	8.4%	156	8.4%	144	7.5%
	Private Rented	158	8.8%	243	13.0%	247	12.9%
	Lives Rent Free	N/A	N/A	31	1.7%	0	0%
Central	Owned	5,417	83%	5,684	80.2%	6,060	79.3%
	Affordable Rented	681	10.4%	693	9.8%	695	9.1%
	Private Rented	236	3.6%	586	8.3%	826	10.8%
	Lives Rent Free	N/A	N/A	95	1.3%	8	0.1%
NELS	Owned	6,380	85.8%	6,822	82.4%	6,985	79.5%
	Affordable Rented	626	8.4%	656	7.9%	780	8.9%
	Private Rented	263	3.5%	706	8.5%	926	10.5%
	Lives Rent Free	N/A	N/A	60	0.7%	5	0.1%
Urban Central	Owned	20,603	81.4%	20,893	74.2%	22,232	71.5%
	Affordable Rented	2,908	11.5%	3,180	11.3%	3,427	11.0%
	Private Rented	1,254	5.0%	3,621	12.9%	5,104	16.4%
	Lives Rent Free	N/A	N/A	257	0.9%	29	0.1%

Source: Census table KS018 (2001), Census table KS402EW (2011), and Census table TS054 (2021) and LSH calculations

4.2.46 In 2021, the tenure with the largest proportion was 'owned'. This was the case across the borough and sub areas to varying degrees. However, whilst still the largest tenure, this has fallen across all sub areas except for the West, where it grew marginally by 0.4%.

4.2.47 Of the sub areas, the largest proportion of dwellings that were owned were in the Northeast and Leicester Suburbs sub area (79.5%), however this was marginal with the Central sub area recording 79.3% and the West recording 79.1% as 'owned' tenure in 2021.

4.2.48 In the borough and all sub areas, there has been the substantial rise in the proportion of 'Private Rented'. The largest increase was in the Uban South sub area (11.5%) which incidentally had the lowest 'owned' tenure proportion (71.5%), which was lower than that for the borough (74.2%).

[19] Totals do not sum to 100%, as 'Shared Ownership' and 'Other' categories, are not included.

4.2.49 Whilst the rental market has increased over the intercensal period, that it is particularly strong in the Urban South.

4.2.50 In combining household and population data LSH have worked with consultants, to forecast the change, in the age of household reference person for HBBC from 2016-2041. Whilst this forecast cannot be broken down to sub area, it provides an indication of future scenarios.

4.2.51 The table below is the projected change in households by age of Reference Person in HBBC from 2016-2041.

Table 19. Projected Change in Households by Age of Reference Person in HBBC from 2016-2041.

Age	2016	2041	Change in Households	% Change
16-24	967	1,098	131	13.55%
25-29	2,282	2,551	269	11.79%
30-34	2,986	3,693	707	23.68%
35-39	3,568	3,970	402	11.27%
40-44	3,979	4,473	494	12.42%
45-49	4,769	4,761	-8	-0.17%
50-54	4,880	4,915	35	0.72%
55-59	4,393	4,705	312	7.10%
60-64	4,148	4,537	389	9.38%
65-69	4,769	4,775	6	0.13%
70-74	3,727	5,399	1,672	44.86%
75-79	2,818	5,039	2,221	78.81%
80-84	2,173	3,989	1,816	83.57%
85 & over	2,219	4,864	2,645	119.20%
Total	**47,677**	**58,769**	**11,091**	23.26%

Source: Justin Gardner

4.2.52 The forecasts suggest that there will be a particularly high need for those aged 85 and over, but also for those aged 55 and over by 2041.

4.2.53 Conversely, the need of those aged 45-55 is significantly less and even negative in the case of those aged 45-59.

4.2.54 In terms of future need, the data suggests that catering for older populations and particularly those aged 70+ may be necessary.

4.3 Experian Mosaic Data Analysis

4.3.1 Experian Mosaic is a useful tool in understanding the residential market in HBBC, as well as prospective consumers. The tool categorizes households by age, income and family composition including other indicators, and indicates the locational preferences (regarding residential demand) of these respective household groups.

4.3.2 Experian Mosaic uses a total of fifteen separate household groups. In this assessment, the fifteen groups have been revised into seven household groups by LSH. The seven groups have been devised, based upon the raw data and original fifteen household groups, by those household groups present within HBBC. The household groups below encapsulate the full range of demographic, income and household composition spectrums. Where none of the population were represented by the original fifteen groups, these groups were discounted.

4.3.3 The revised household groups used in this assessment can be seen in the table below.

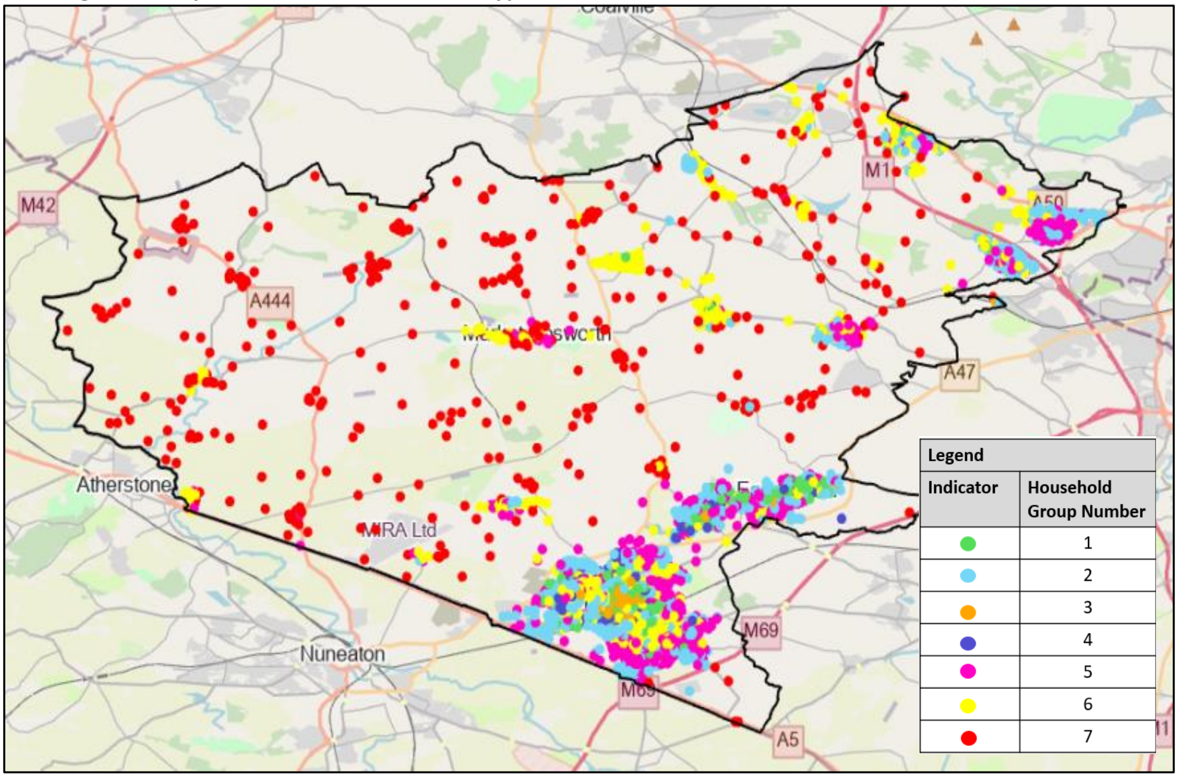
Table 20. Revised Experian Mosaic Household Types

Household Group Number	Household Description	Age Group	Household Composition	Income (£s)
1	Families on low incomes	16 – 64	with dependent children	0 – 30k
2	Working families on middle to higher incomes	16 – 64	with dependent children	>30k
3	Young singles and couples on low incomes	16 – 46	One person and couples	0 – 30k
4	Empty nester households on low incomes	46 – 65	One person and couples	0 – 30k
5	Empty nester households on middle to higher incomes	46-65	One person and couples	>30k
6	Older (65+) singles and couples on low incomes	65+	One person and couples	0 - 30k
7	Older (65+) singles and couples on middle to higher incomes	65+	One person and couples	>30k

Source: Experian Mosaic and LSH analysis

4.3.4 The following maps, indicate the locational preferences of the seven household groups based upon several indicators. The first map illustrates these preferences at the borough wide scale. The subsequent maps provide a detailed look at the main clusters.

Figure 3. Experian Mosaic Household Type Demand, HBBC



Source: Experian Mosaic

4.3.5 Demand is dispersed throughout HBBC. However, there are clusters around the larger existing settlements.

4.3.6 There are relatively large clusters of group 2 in the larger, relatively urban settlements within HBBC. The settlements of Hinckley, Burbage, Earl Shilton and Barwell, all host group 2 households.

4.3.7 Group 2 households represent ‘Working families on middle to higher incomes.’. The age cohort (16-64) may be more attracted to urban settings. Interestingly, both Ratby and Groby in the north-east of HBBC also have concentrations of the group. This may be explained by the settlements’ proximity to the Leicester suburbs.

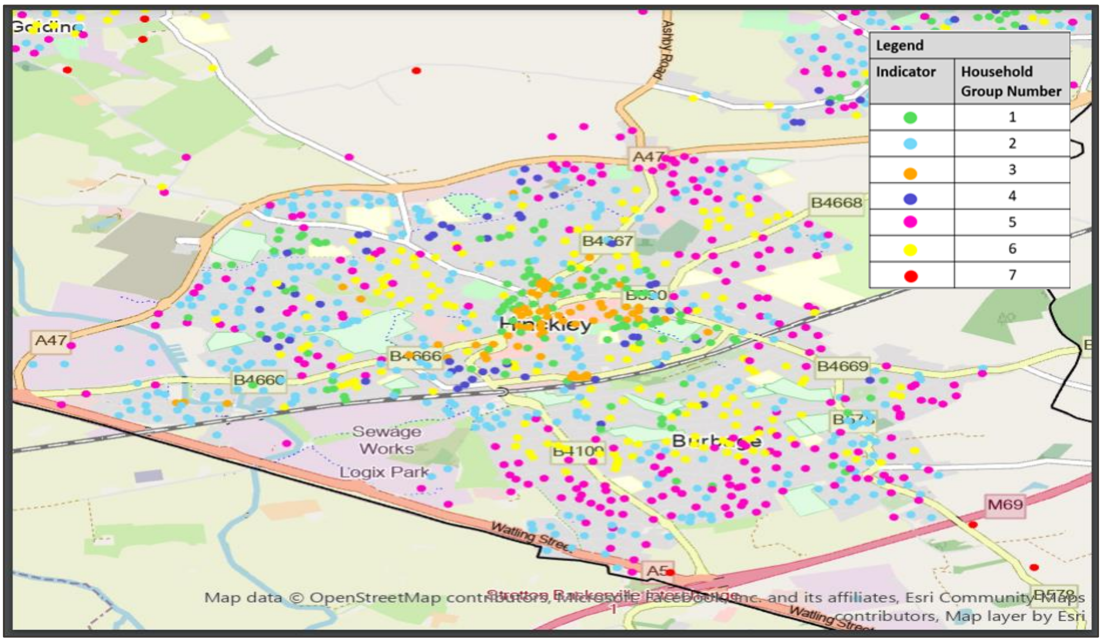
4.3.8 Conversely, group 7 households are widely dispersed among the more rural areas of HBBC in the Central and West sub areas. There are relatively few group 7 households in the more urban settlements. Group 7 households represent ‘Older (65+) singles and couples on middle to higher incomes’. The locational preferences of this group reflect those who are retired with potentially a higher disposable income, who may wish to reside in larger homes in more rural settings.

4.3.9 Regarding other groups, clusters of group 6, ‘ Older (56+) singles and couples on low incomes’ are also clear. The location preferences of the household group reflect the age cohort and a preference to reside in more rural areas. However, the low-income characteristic makes the urban periphery an attractive location. This is highlighted by clusters In Hinckley and Burbage, Markfield, Groby and Ratby. This also reflects a desire to remain close to services, amenities and other community groups, family and friends, but also the affordability of these areas.

4.3.10 Group 5 households, 'Empty nester households on higher incomes' are also identifiable. The pink indicators are largely clustered in the more urban settlements of Hinckley, Burbage, Earl Shilton, Desford, Ratby and Groby.

4.3.11 All the settlements are in relatively close proximity to the eastern border of HBBC. This group represents those who are approaching retirement age and may be looking to move into the more rural areas of HBBC in the future. The income of this group also indicates that demand may be for larger properties in the suburbs, but near services and amenities, including Leicester to the east.

Figure 4. Experian Mosaic Household Type Demand – Hinckley



Source: Experian Mosaic

4.3.12 There is a large concentration of group 1 and group 3 households in the commercial centre of Hinckley.

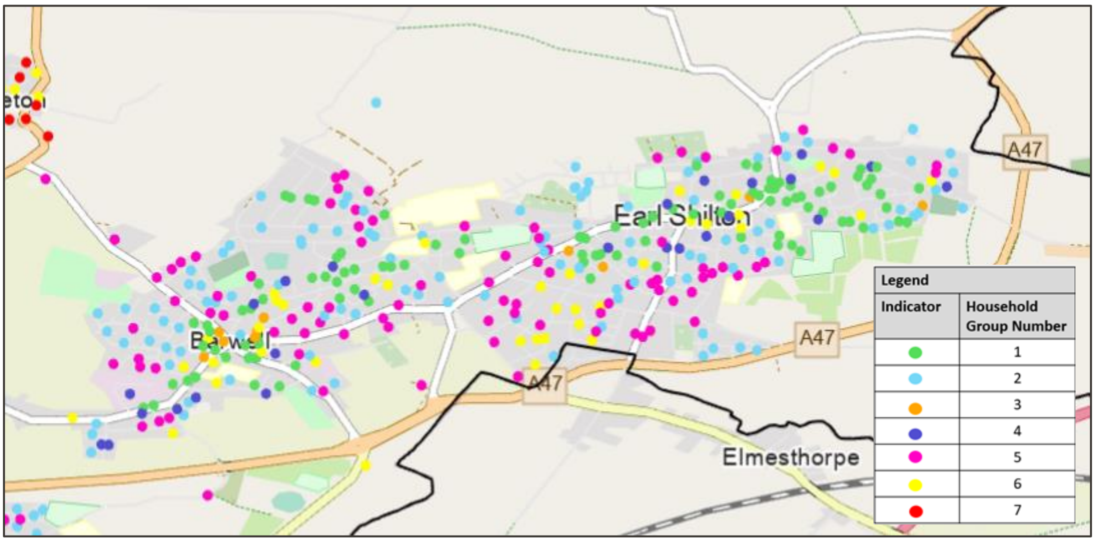
4.3.13 These groups are represented by those of working age (16-64) on relatively low incomes. This indicates that those of working age, despite income and household composition, are drawn to the centres of employment and sources of work. Group 1 households may also be drawn to education services in the vicinity.

4.3.14 Except for a couple to the south of Burbage, there are no group 7 'Older (65+) singles and couples on middle to higher incomes' households. This emphasises earlier observations and highlights the divide in locational preferences between those who are retired and those of working age.

4.3.15 Group 5 'Empty nester households on higher incomes" are located around the periphery and suburbs of Hinckley and Burbage. The age cohort (45-65) indicates that this group are approaching retirement age and may be looking for larger residences in the more rural areas of HBBC in the future. However, for now, they remain near sources of employment, where income characteristics may result in demand for larger properties in the suburbs, but still near services and amenities.

4.3.16 Group 6 households 'Older (56+) singles and couples on low incomes' are also present, outside the centre of Hinckley, inside the concentration of pink group 5 households. The age cohort of group 6 households is 65+ and therefore, retirement age. However, the lower incomes of the group may result in demand for smaller and more manageable residential property, in more urban settings and close to services and amenities, as well as public transport networks.

Figure 5. Experian Mosaic Household Type Demand – Earl Shilton and Barwell

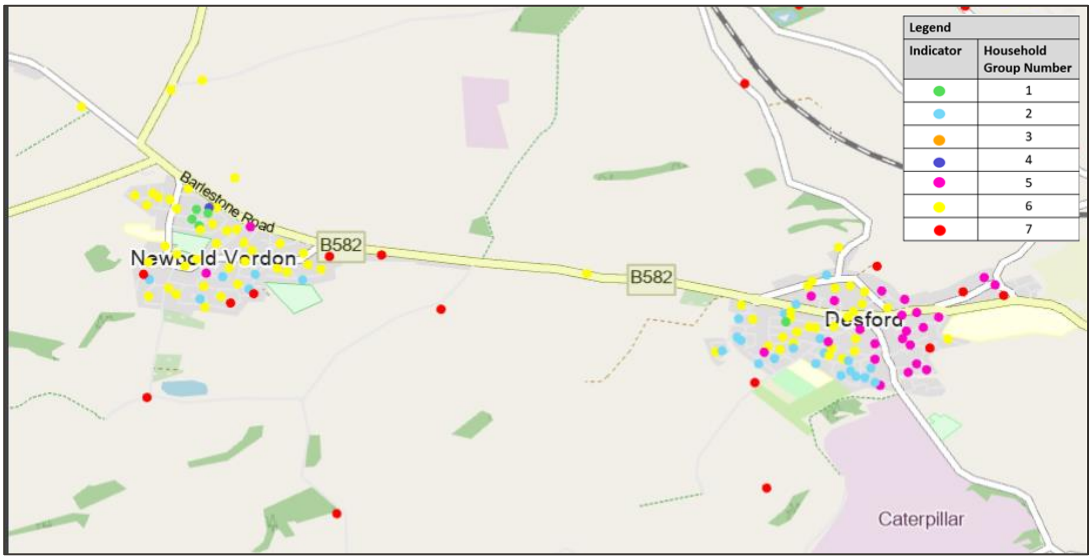


Source: Experian Mosaic

4.3.17 Group 5 "Empty nester households on higher incomes" households are present in Earl Shilton and Barwell. In addition, groups 6 'Older (56+) singles and couples on low incomes', 1 'Families on low incomes' and 2 'Working families on middle to higher incomes' are also visible.

4.3.18 The range in age cohort and incomes of the groups suggests that Earl Shilton and Barwell have sufficient services and amenities of their own and are in close enough proximity to Leicester to the east and Hinckley to the southwest to support the existing residents. The range in household composition amongst the groups also demonstrates this to some extent.

Figure 6. Experian Mosaic Household Type Demand – Newbold Verdon and Desford



Source: Experian Mosaic

4.3.19 Newbold Verdon and Desford, are more rural in nature and smaller than Earl Shilton and Barwell. This is reflected in the smaller range of household types present.

4.3.20 In Newbold Verdon, group 6 'Older (56+) singles and couples on low incomes' dominate. This suggests that it is in high demand among this age cohort (56+) but is still affordable for those on relatively low incomes. The presence of group 1 'Families on low incomes' also emphasises the potential relative affordability. However, the presence of group 1 is relatively low in comparison to group 6.

4.3.21 Group 2 households, 'Working families on middle to higher incomes', and group 5 households 'Empty nester households on higher incomes' are also present within the nucleus of the settlement. The presence of groups 2 and 5 indicate that Newbold Verdon is also in demand amongst those with higher incomes. However, their presence is relatively little in comparison to group 6.

4.3.22 In addition, group 7 'Older (65+) singles and couples on middle to higher incomes' households are also present. However, the group is generally located to the edge of, and outside the settlement nucleus. This shows a level of demand amongst those retired on higher incomes.

4.3.23 Desford also has a large presence of group 6 'Older (56+) singles and couples on low incomes' households where group 5 'Empty nester households on higher incomes' are also present. These 2 household groups (5&6) dominate the settlements.

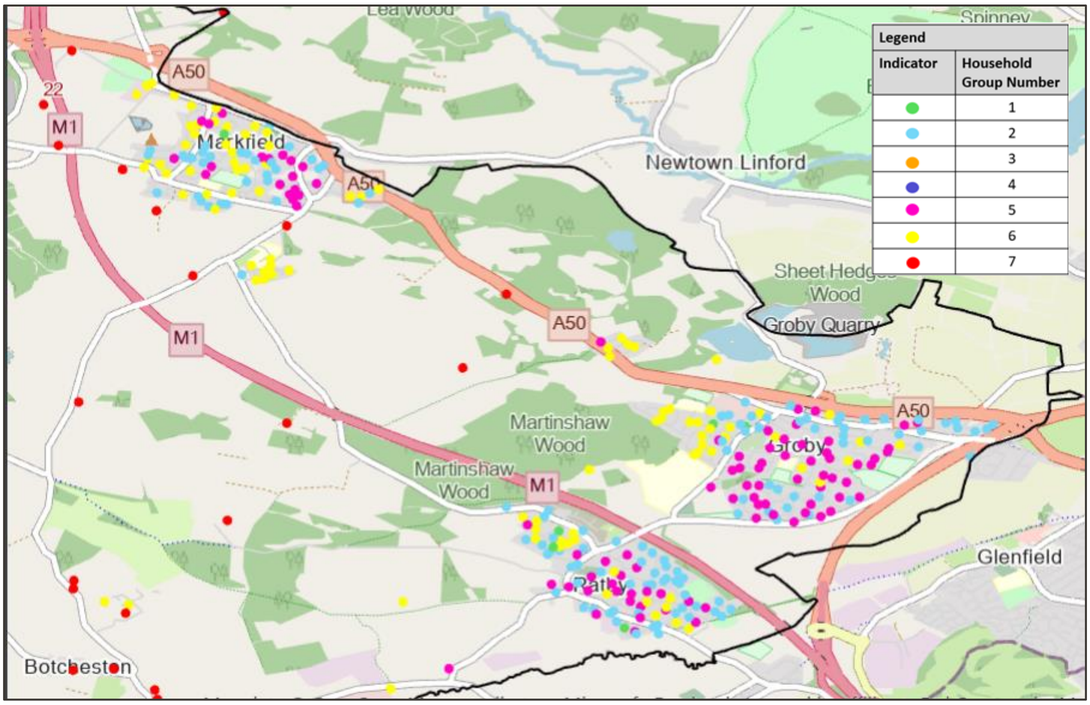
4.3.24 The age cohort and household composition of the two household groups do not differ greatly, the range in income of the groups suggests that Desford is in relative high demand amongst retirees and those approaching that life stage, on all incomes.

4.3.25 The attractiveness of Desford to all income groups, is emphasized by the presence of group 2 'Working families on middle to higher incomes' households. However, their presence is relatively little in comparison to groups 5 and 6.

4.3.26 The smaller presence of group 5 in Desford, would indicate that nearby Newbold Verdon is potentially more affordable. However, this is likely to be marginal, due to the proximity of the two settlements.

4.3.27 The presence of a range of household groups differing in age, household composition and income suggests that the settlements are in reasonably high demand, in part due to their location and proximity to the nearby settlements of Earl Shilton and Hinckley to the south and Leicester to the east. However, groups 5 and 6 still dominate.

Figure 7. Experian Mosaic Household Type Demand – Northeast HBBC



Source: Experian Mosaic

4.3.28 The northeast area of HBBC and the settlements of Ratby, Groby and Markfield, are located adjacent to the eastern and northern borders of HBBC and near the suburbs of Leicester.

4.3.29 Both Ratby and Groby are evidently dominated by group 5 'Empty nester households on higher incomes' with group 2 'Working families on middle to higher incomes' and group 6 'Older (56+) singles and couples on low incomes', are also present.

4.3.30 The presence, of groups 5 and 2 indicate that the settlements are in high demand amongst those on higher incomes. However, the difference in age cohort and household composition between the groups indicates the settlements have sufficient services and amenities of their own, but importantly are near the suburbs, and draw of Leicester.

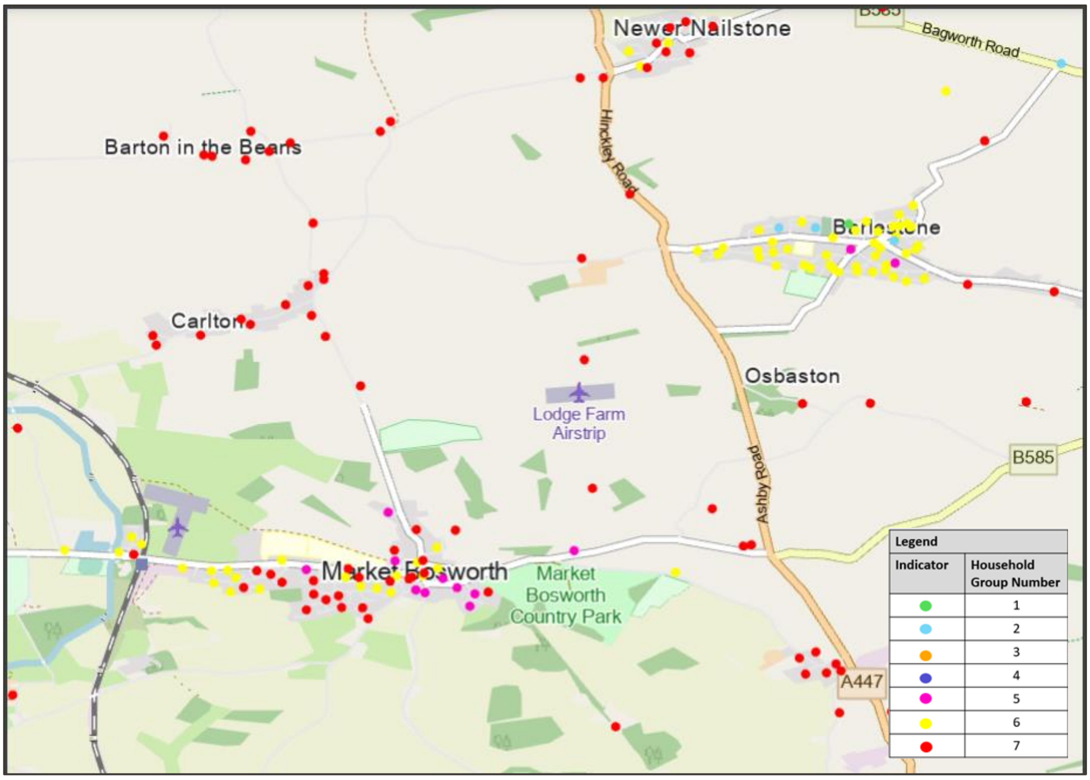
4.3.31 However, the presence of group 6 'Older (56+) singles and couples on low incomes' households, indicate that the area remains relatively affordable to those on lower incomes and that the settlements are popular amongst both younger and older age cohorts.

4.3.32 Markfield is less dominated by group 5 households but has a higher concentration of group 6 households. Group 6 'Older (56+) singles and couples on low incomes' households are characterized by an older age cohort (56+) on lower incomes , without children at home. The concentration suggests relatively high demand amongst those approaching and of retirement age, similarly to Ratby and Groby, but potentially more affordable to those on lower incomes. However, this is likely to be marginal, due to the proximity of the two settlements.

4.3.33 There is also a relatively high concentration of group 2 'Working families on middle to higher incomes'. Their presence in Markfield, and the wider area indicates that there is high demand amongst a range of age cohorts on a range of incomes.

4.3.34 The dispersion of the group 7 'Older (65+) singles and couples on middle to higher incomes' households are similar to observations made for Newbold Verdon and Desford. This is that the indicators are found at the edge of, and outside the nucleus. This indicates that the area is also relatively popular amongst those retired on higher incomes, perhaps seeking larger homes.

Figure 8. Experian Mosaic Household Type Demand – Central HBBC



Source: Experian Mosaic

4.3.35 The Central sub area is largely rural; however, Market Bosworth is one of the larger settlements in the area. Market Bosworth has a concentration of group 7 'Older (65+) singles and couples on middle to higher incomes' households. Group 7 households are also distributed throughout the wider area, with concentrations in Barton in the Beans, Carlton, Newer Nailstone and Cadeby.

4.3.36 The presence of group 7 households indicates that the area is popular amongst those aged 65+ and retired on higher incomes (30-120k).

4.3.37 Group 6 'Older (56+) singles and couples on low incomes' households are also present in Market Bosworth and almost exclusively in Barlestone. The dominance of group 6 in Barlestone highlights the popularity of the settlement to those aged 56+, approaching, or at retirement age. It also reflects that the area may be relatively affordable.

4.3.38 There is a relatively small concentration of group 2 'Working families on middle to higher incomes' households in Barlestone. Whilst dominated by group 6, the presence of group 2 in Barlestone, Newbold Verdon and Desford, may reflect that these areas are synonymous with those on incomes sufficient to afford living in a more rural setting. The rural locations will be further from sources of work and employment, services and amenities. Whilst the presence of group 2 indicates demand amongst a wider age cohort 16-64, the area is still dominated by groups 5, 6 and 7 and older age cohorts.

4.3.39 Group 5 'Empty nester households on higher incomes' households can also be seen in Market Bosworth which supports the notion of popularity amongst those aged 56-65 on higher incomes.

4.4 Demand for Homes - Summary

4.4.1 The higher proportions of the younger age groups (15 and under) are found in the NELS and Urban South sub areas, which were above the proportions for HBBC, however, have fallen consecutively in each of the periods. The proportion in the West was several percent below that of the Urban South and NELS sub areas.

4.4.2 In the age category 16-24, the NELS and Urban South sub areas also have relatively high proportions, however, the West sub area has the highest. This reflects the popularity of these areas to first time buyers in the case of NELS and the Urban South, and the relative affordability of the West as well.

4.4.3 All sub areas have seen an increase in the proportion of those aged 65+ where the Central sub area had the largest proportion in 2021, followed by West sub area. This implies that these areas are potentially more popular among retirees and the older generations. Emphasising this point is that the proportions in the NELS and Urban south sub areas whilst having increased are several percentage points below that of the Central and West sub areas.

4.4.4 The area with the largest proportion of those who were working age in 2021 was the Urban Central , where the NELS sub area recorded a marginally lower proportion than the West sub area. This may in part reflect the ability of more affluent individuals to commute to employment opportunities.

4.4.5 The growth in the number of households has varied across HBBC, where in 2021, the Urban South had the largest proportion of the number of households in HBBC (62.88%) and had also seen the largest growth since 2011. Conversely, the sub area with the lowest growth over the same period was the West, 2.6%. The other two sub areas were relatively similar.

4.4.6 At Census 2021, the West sub area had the largest average household size with 2.35. However, this was below that for England and Leicestershire and consistent with the East Midlands region. The West average household size also reflected a marginal increase since 2011, when all other sub areas stayed the same or decreased.

4.4.7 The higher average household size in the West compared with the Urban South (2.25) may reflect the relative unaffordability of the area and that potential first time buyers may tend to stay at home for longer.

4.4.8 The average household size in the Urban South, 2.25, is lower than that for the borough, 2.28, and may reflect the relative affordability of the sub area, as well as the availability and range of housing stock.

4.4.9 In terms of the number of bedrooms, the Urban South had the largest proportion of 1 bed dwellings which had also increased since 2011. The area with the most 4 bed dwellings was the West. This highlights the disparity between the two areas regarding dwelling stock, where the Urban South is likely more suited to purpose built flatted development. The modal number of bedrooms in all sub areas was three.

4.4.10 The Central and NELS sub areas are similar, however, the proportion of 2 bed homes in the NELS sub area was nearly 7% above that for the Central sub area. Thus, reflecting the more urban nature of the area and its connections to the suburbs of Leicester.

4.4.11 Data on the number of bedrooms is supported by that on accommodation type, where the Urban South had the highest proportion of purpose built, flatted development at the time of each of the last 3 Censuses. Conversely, the area with the highest proportion of detached dwellings was the West, where the Urban South was the lowest.

4.4.12 Data regarding dwelling tenure reveals that the majority of dwellings in each sub area are owned, however, that this varies between sub areas. In the NELS sub area the proportion of dwellings that were owned was 79.5% in 2021. This was the highest, however like most other sub areas represented a decline since 2001, where conversely the proportion of tenure that is private rented has increased across the board. The highest proportion of private rented tenure was 16.4% in 2021 in the Urban South.

4.4.13 Clusters of the respective household groups are clear and are in and around the existing settlements in the borough. This is particularly the case in the Urban South.

4.4.14 Group 2 households 'Working families on middle to higher incomes' represent those households of working age with children at home and end to be in the larger more urban settlements. The age cohort (16-64) of the group may be more attracted to urban settings where there will be a range of services and facilities including employment and education. The groups presence in Ratby and Groby may be explained by the settlements' proximity to the Leicester suburbs.

4.4.15 Conversely, group 7 households ‘Older (65+) singles and couples on middle to higher incomes’ are widely dispersed throughout the more rural areas of HBBC in the Central and West sub areas. There are relatively few group 7 households in the more urban settlements. The locational preferences of this group may reflect those who are retired with potentially higher disposable incomes, who may wish to reside in larger homes in more rural settings.

4.4.16 Clusters of group 6, ‘ Older (56+) singles and couples on low incomes’ are also reasonably clear in the more rural areas of the borough, but also within the urban settlements. The low-income characteristic may make the urban periphery an attractive location, highlighted by clusters In Hinckley and Burbage, Markfield, Groby and Ratby. The locational preferences of the group close to existing settlements also reflect a desire to remain close to services, amenities and other community groups, family, and friends, and the affordability of these areas.

4.4.17 Group 5 households, ‘Empty nester households on higher incomes’ are also reasonably clearly clustered in the more urban settlements of Hinckley, Burbage, Earl Shilton, Desford, Ratby and Groby. These settlements are in relative proximity to the eastern border of HBBC. This group represents those who are approaching retirement age and may be looking to move into the more rural areas of HBBC in the future. The income of this group also indicates that demand may be for larger properties in the suburbs, but near services and amenities, including Leicester to the east.

4.4.18 The West sub area is very sparse and represented by only a couple of household groups in comparison to other sub areas.

4.4.19 Forecast data regarding the age of the household reference person and how that may change from 2016-2041, suggests substantial growth in the over 55s and the over 70s.

5.0 MARKET SIGNALS

5.1 Overview

5.1.1 Residential market dynamics manifest throughout the Country in various ways. Some parts of the Country have high land values and experience high demand, therefore higher property prices. Whereas other areas, experience challenges with supply, where housing tenure and size does not match demand.

5.1.2 This section provides analysis of a range of market signals and indicators. Whilst the data assessed is not available at the sub area geography level, in placing HBBC in the context of the wider County, Region and Country, the analysis helps provide insight into the housing market dynamics.

5.2 The market signal indicators that have been used in this section are:

- Mean House Prices;
- Lower Quartile House Prices;
- Private Rents;
- Social Rents;
- Affordability Ratios;
- Transactions; and,
- Overcrowding, Under-occupation and Concealed Households

5.3 Mean House Prices

5.3.1 HBBC experiences higher mean house prices across all property types than the East Midlands consistently since 1995.

5.3.2 However, mean house prices for Leicestershire and England have been consistently higher than for HBBC since 1995. In the year ending March 2023 mean house prices Leicestershire and England were nearly £25,000 higher and above £92,000 higher, respectively.

5.3.3 The table below indicates mean house prices when records began in 1995 with data from the year ending March 2023. The table also illustrates the difference between the two periods and the percentage change.

Table 21. Mean House Prices (All properties) HBBC, Leicestershire, East Midlands, England 1995 – 2023

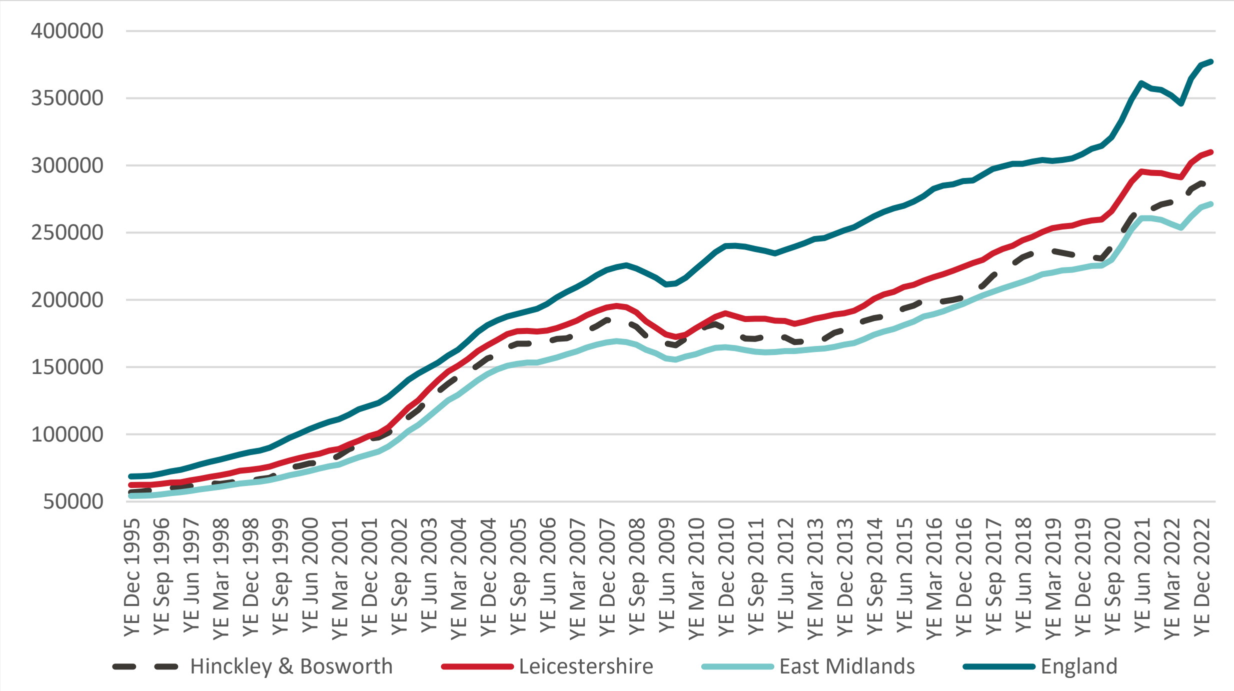
Area	Mean House Price		Difference (£)	Percentage (%) +/-
	Year Ending December 1995	Year Ending March 2023		
Hinckley & Bosworth	£56,933.92	£285,109.7	£228,175.81	400.8%
Leicestershire	£62,372	£309,952.8	£247,580.79	396.9%
East Midlands	£54,257.54	£271,318.5	£217,061.01	400.1%
England	£68,706.51	£377,215.9	£308,509.38	449%

Source: ONS - Mean house prices for administrative geographies: HPSSA dataset 12 and LSH calculations

5.3.4 In 2023, mean house prices in HBBC were £285,109.70. Whilst this represented a 401% growth since 1995, mean house prices in Leicestershire and England were higher. The mean house price (all properties) was £13,791.18 higher in HBBC than in the East Midlands region.

5.3.5 The figure below illustrates the mean house price (all properties) over the period for HBBC, Leicestershire, the East Midlands and England.

Figure 9. Mean house prices (all properties) HBBC, Leicestershire, East Midlands, England 1995 -2023



Source: ONS - Mean house prices for administrative geographies: HPSSA dataset 12 and LSH analysis

5.3.6 HBBC has consistently higher mean house prices (all properties) than the East Midlands. However, both Leicestershire and England have consistently recorded higher house prices.

5.3.7 This implies that HBBC is a reasonably in demand district within the East Midlands, reflected in marginally higher house prices. However, data on house price by type, reveals this to a larger extent and by specific property type.

5.3.8 The table below reflects that above, but for respective property types.

Table 22. Mean House Prices (by property type) HBBC, Leicestershire, East Midlands, England 1995 – 2023

Area	Mean House Price		Difference (£)	Percentage (%) +/-
	Year Ending December 1995	Year Ending March 2023		
Detached Properties				
Hinckley & Bosworth	£85,419.37	£414,590.63	£329,171.25	385.4%

Leicestershire	£91,568.40	£430,024.77	£338,456.37	369.6%
East Midlands	£79,930.37	£386,812.85	£306,882.48	383.9%
England	£106,237.29	£554,792.96	£448,555.67	422.2%
Semi-detached Properties				
Hinckley & Bosworth	£46,699.35	£257,446.23	£210,746.89	451.3%
Leicestershire	£49,498.43	£265,224.85	£215,726.42	435.8%
East Midlands	£45,142.84	£235,700.24	£190,557.40	422.1%
England	£60,880.22	£333,749.42	£272,869.20	448.2%
Terraced Properties				
Hinckley & Bosworth	£35,316.44	£201,677.13	£166,360.69	471.1%
Leicestershire	£39,218.74	£216,306.06	£177,087.32	451.5%
East Midlands	£34,979.49	£195,133.56	£160,154.06	457.9%
England	£51,941.12	£316,656.29	£264,715.17	509.6%
Flats/Maisonettes				
Hinckley & Bosworth	£34,693.98	£124,949.86	£90,255.89	260.1%
Leicestershire	£35,436.11	£146,787.01	£111,350.90	314.2%
East Midlands	£33,832.95	£144,100.28	£110,267.32	325.9%
England	£59,232.94	£317,057.04	£257,824.10	435.3%

Source: ONS - Mean house prices for administrative geographies: HPSSA dataset 12 and LSH calculations

5.3.9 In March 2023, HBBC records higher mean property prices than the East Midlands region across all property types with the exception of flats/maisonettes. This indicates that there is a higher relative demand for property types other than flats and maisonettes in the district.

5.3.10 In the East Midlands, (the next highest price), flats and maisonettes were over £19,000 more expensive and in Leicestershire, nearly £22,000, more expensive. A large part of the Leicestershire price may be accounted for by Leicester City, where flatted development and maisonettes may be more common. However, areas in HBBC, such as the Urban South, will also have higher proportions of flatted development, as reflected in the demand for homes section of this report.

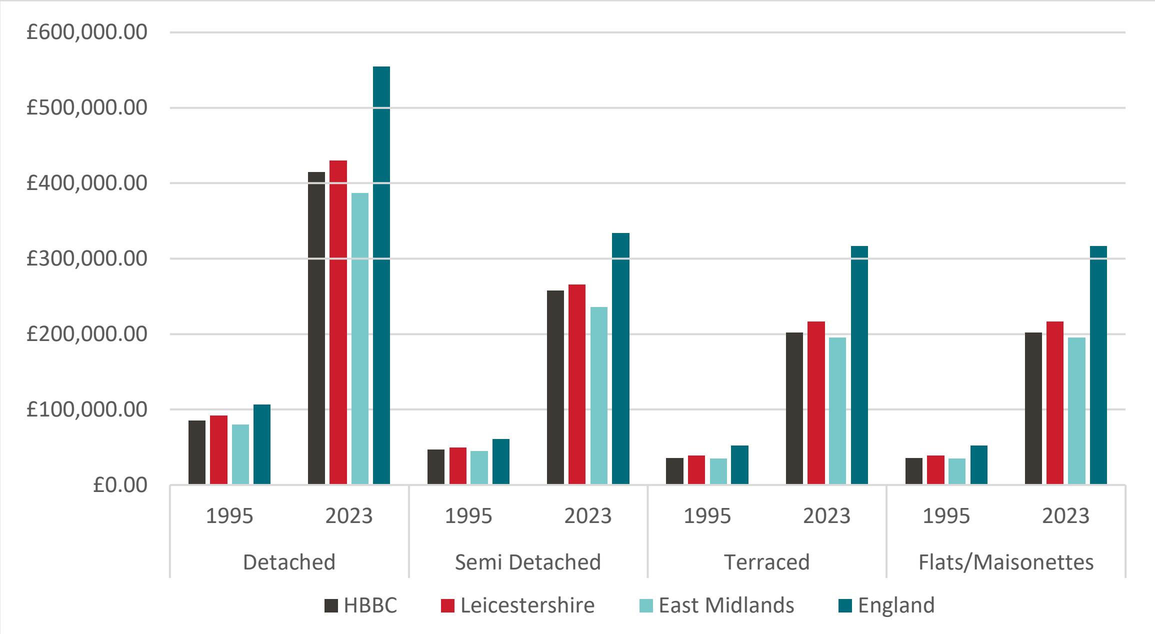
5.3.11 However, in March 2023, detached properties were nearly £30,000 (£27,777.77) more expensive in HBBC than in the East Midlands region. Furthermore, the price of semi-detached dwellings in HBBC was nearly £22,000 more than in the East Midlands region, and under £8,000 below that of Leicestershire.

5.3.12 As illustrated in the demand for homes section of this report, detached and semi-detached properties make up the largest proportions of dwelling stock by household, in all the sub areas.

5.3.13 After detached and semidetached dwellings, terraced dwellings record the next highest proportion in all the sub areas. Once again HBBC recorded higher terraced property prices than the wider East Midlands region but was under £11,000 below that of Leicestershire. This emphasizes the relative demand for semidetached and detached dwellings in the borough. However, it should be noted, that as pointed out by the data and Experian Mapping in the demand for homes section of this report, there is relatively high demand for more purpose built, flatted development in the Urban South of HBBC.

5.3.14 The figure below illustrates the differences in mean price between the different geographies , from the start of records in 1995 and at the end, in March 2023.

Figure 10. Mean house prices (all properties) HBBC, Leicestershire, East Midlands, England 1995 -2023



Source: ONS - Mean house prices for administrative geographies: HPSSA dataset 12

5.3.15 The figure above illustrates how detached properties fetch the highest mean price across all geographies in 2023. It also highlights that the difference in property price between England, and the region, the County, and HBBC is starker in 2023 than it was in 1995.

5.4 Lower Quartile House Prices

5.4.1 HBBC has had consistently higher lower quartile house prices across all property types than the East Midlands, since 1995.

5.4.2 However, lower quartile prices in Leicestershire have been consistently higher than those in HBBC since 1995. Generally, the country has had higher lower quartile house prices.

5.4.3 However, lower quartile prices were higher in HBBC than England on sixteen occasions. Of these, five have been more recently from the year ending March 2022 through to the year ending March 2023. The latest five records reflect the largest differences between HBBC and England, where lower quartile prices in HBBC have been higher than in England, which is reflected in the table and figure below.

Table 23. Lower Quartile Prices (All properties) HBBC, Leicestershire, East Midlands, England 1995 – 2023

Area	Lower Quartile House Price		Difference (£)	Percentage (%) +/-
	Year Ending December 1995	Year Ending March 2023		
Hinckley & Bosworth	£37,950	£199,950	£162,000	426.9%
Leicestershire	£41,000	£215,000	£174,000	424.4%
East Midlands	£35,000	£175,000	£140,000	400.0%
England	£39,995	£190,000	£150,005	375.1%

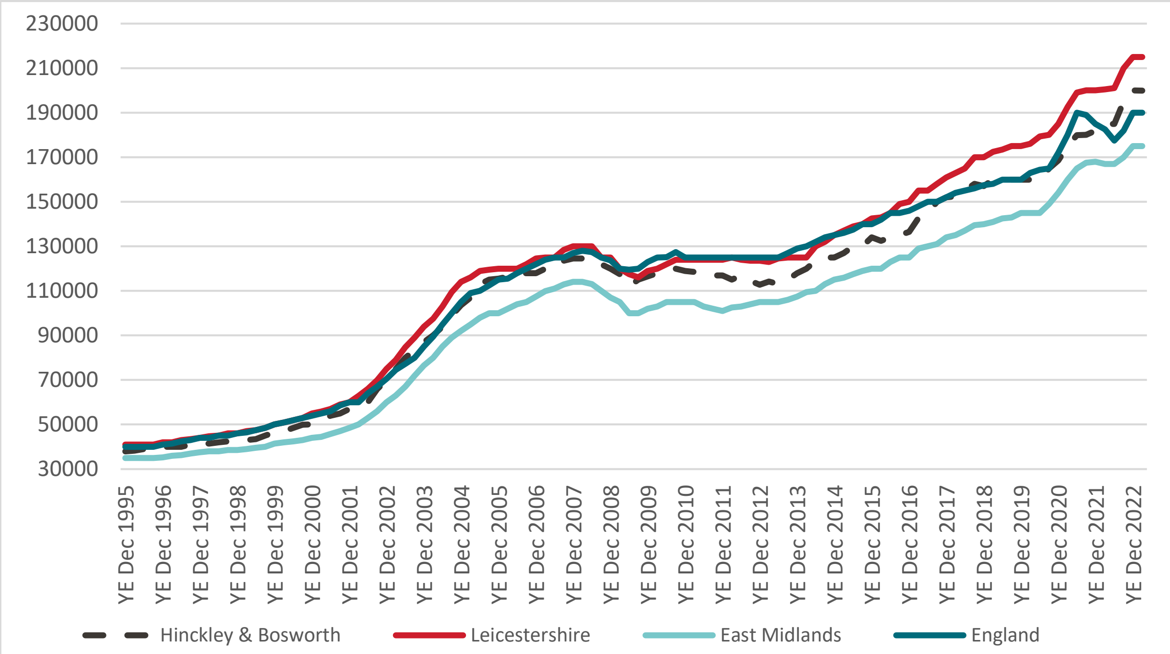
Source: ONS - Lower quartile house prices for administrative geographies: HPSSA dataset 15 and LSH calculations

5.4.4 As of March 2023, lower quartile house price in HBBC was £199,950. Whilst this represented a 427% growth since 1995, lower quartile house prices were higher in Leicestershire. The lower quartile house price (all properties) was nearly £25,000 higher in HBBC than in the East Midlands region and nearly £10,000 higher than in England.

5.4.5 However, the lower quartile represents the lowest 25% of transactions once all transactions have been put in order, and therefore whilst useful, this data is not as revealing as mean house price data.

5.4.6 The figure below illustrates the lower quartile house price (all properties) over the period for HBBC, Leicestershire, the East Midlands and England.

Figure 11. Lower Quartile prices (all properties) HBBC, Leicestershire, East Midlands, England 1995 -2023



Source: ONS - Lower quartile house prices for administrative geographies: HPSSA dataset 15 and LSH

5.4.7 HBBC has consistently higher lower quartile house prices (all properties) than the East Midlands. Whilst lower quartile house prices have been consistently higher in Leicestershire, more recently, HBBC lower quartile house prices have been higher than those for England.

5.4.8 Regarding respective property types and lower quartile prices, a similar trend is illustrated. The table below reflects that above, but for respective property types.

Table 24. Lower Quartile Prices (by property type) HBBC, Leicestershire, East Midlands, England 1995 - 2023

Area	Lower Quartile House Price		Difference (£)	Percentage (%) +/-
	Year Ending December 1995	Year Ending March 2023		
Detached Properties				
Hinckley & Bosworth	£60,000	£300,000	£240,000	400%
Leicestershire	£64,950	£312,500	£247,550	381.1%
East Midlands	£56,000	£273,000	£217,000	387.5%
England	£67,000	£325,000	£258,000	385.1%
Semi-detached Properties				
Hinckley & Bosworth	£39,950	£220,000	£180,050	450.7%
Leicestershire	£41,600	£224,000	£182,400	438.5%
East Midlands	£36,000	£180,000	£144,000	400%
England	£43,000	£195,000	£152,000	353.3%
Terraced Properties				
Hinckley & Bosworth	£29,000	£171,000	£142,000	489.7%
Leicestershire	£32,000	£173,000	£141,000	440.6%
East Midlands	£26,500	£145,000	£118,500	447.2%
England	£32,000	£155,000	£123,000	384.4%
Flats/Maisonettes				
Hinckley & Bosworth	£26,000	£100,000	£74,000	284.6%
Leicestershire	£27,995	£114,000	£86,005	307.2%
East Midlands	£24,000	£105,000	£81,000	337.5%
England	£34,000	£148,000	£114,000	335.3%

Source: ONS - Lower quartile house prices for administrative geographies: HPSSA dataset 15 and LSH calculations

5.4.9 In March 2023, HBBC did not record the highest lower quartile house price amongst any property, however, was higher than the East Midlands, in detached, semi-detached, and terraced properties.

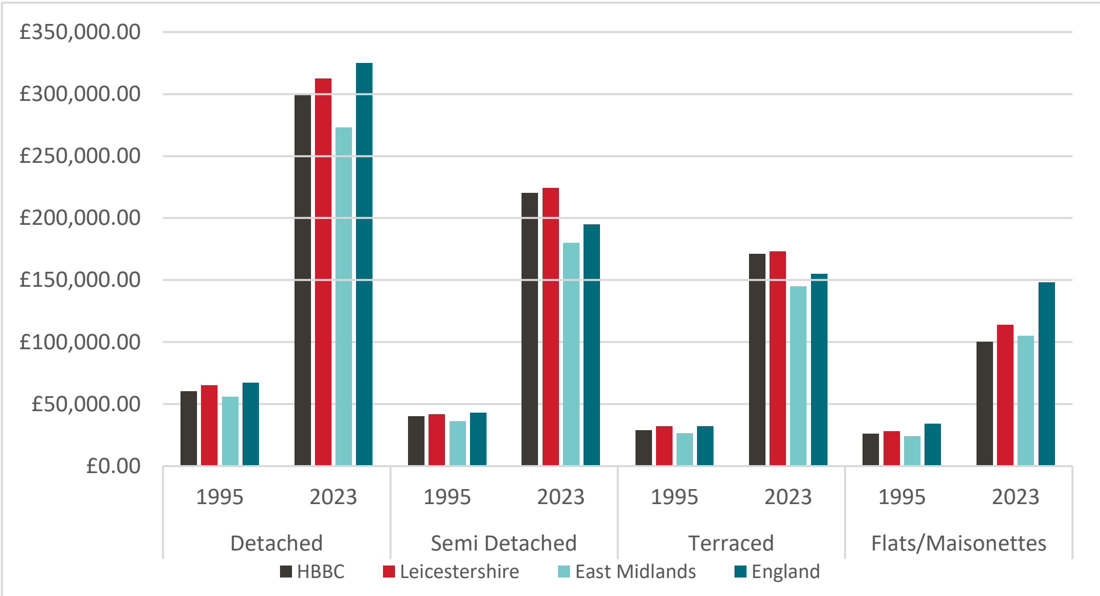
5.4.10 HBBC also had the highest lower quartile property prices amongst terraced properties except for Leicestershire where it was £3,000 higher.

5.4.11 There is much less disparity between HBBC and Leicestershire, in terraced properties, where HBBC also records higher values than both the East Midlands and England. Of the areas, the price of terraced properties also saw the largest percentage growth among property types in HBBC (490%). This was also the largest growth in property types in HBBC

5.4.12 This reflects a popularity of the property type in the borough, particularly among those on lower incomes, which is reflected in the figures in the demand for homes section of this report. The two sub areas with the highest proportions of terraced dwellings are the Urban South and NELS.

5.4.13 The figure below illustrates the differences in lower quartile price between the different geographies during the period, from the start of records and at the end, in March 2023.

Figure 12. Lower Quartile house prices (all properties) HBBC, Leicestershire, East Midlands, England 1995 -2023



Source: ONS - Lower quartile house prices for administrative geographies: HPSSA dataset 15 and LSH analysis

5.4.14 The figure above illustrates how detached properties fetch the highest lower quartile price of all property types. However, it also shows the relative lack of disparity in terraced dwellings in 2023, between the areas, where HBBC is second to Leicestershire only.

5.4.15 The figure highlights as similar trend in semi-detached dwellings in 2023. Semidetached dwellings have relatively large proportions across all sub areas in HBBC, second only to detached dwellings, as per the demand for home section. However, the sub area with the highest proportions were the Urban South and Central areas, closely followed by the NELS sub area.

5.5 Private Rents

5.5.1 Data on private rents published by the ONS has been reviewed to paint a picture of the private rental market in HBBC in the wider context of the County, region, and country.

5.5.2 The data is available for four periods from April 2019 to March 2023 and categorized into property size. Mean, median, and lower quartile measures are provided for per calendar month intervals (PCM). The analysis undertaken in this section will focus on mean private rents.

5.5.3 The table below illustrates the mean private rents (pcm) by property size from April 2019 – March 2023

Table 25. Mean private rents (pcm) in HBBC, Leicestershire, East Midlands and England April 2019 – March 2023.

Area	April 2019 - March 2020	April 2020 - March 2021	April 2021 - March 2022	April 2022 - March 2023
Room rent (pcm)				
HBBC	N/A	N/A	N/A	N/A
Leicestershire	£396.00	£376.00	£404.00	£461.00
East Midlands	£384.00	£399.00	£409.00	£451.00
England	£420.00	£433.00	£447.00	£482.00
Studio rent (pcm)				
HBBC	£371.00	£389.00	N/A	N/A
Leicestershire	£408.00	£430.00	£436.00	£494.00
East Midlands	£433.00	£441.00	£463.00	£492.00
England	£614.00	£643.00	£675.00	£700.00
One-bedroom property rent (pcm)				
HBBC	£470.00	£459.00	£535.00	£526.00
Leicestershire	£480.00	£491.00	£509.00	£549.00
East Midlands	£487.00	£510.00	£529.00	£555.00
England	£701.00	£728.00	£776.00	£800.00
Two-bedroom property rent (pcm)				
HBBC	£602.00	£631.00	£649.00	£672.00
Leicestershire	£607.00	£627.00	£627.00	£678.00
East Midlands	£598.00	£625.00	£648.00	£668.00
England	£785.00	£809.00	£869.00	£899.00
Three-bedroom property rent (pcm)				
HBBC	£750.00	£765.00	£779.00	£812.00
Leicestershire	£752.00	£764.00	£770.00	£823.00
East Midlands	£697.00	£724.00	£746.00	£783.00
England	£900.00	£928.00	£996.00	£1,039.00
Four or more-bedroom property rent (pcm)				
HBBC	£1,028.00	£1,075.00	£1,151.00	£1,124.00
Leicestershire	£1,174.00	£1,136.00	£1,160.00	£1,225.00
East Midlands	£1,096.00	£1,121.00	£1,146.00	£1,174.00
England	£1,544.00	£1,559.00	£1,705.00	£1,757.00

Source: ONS - Private rental market summary statistics in England

5.5.4 Where complete data is available, comparison reveals that HBBC had the lowest rents amongst one bedroom and four or more bed properties between April 2022 and March 2023.

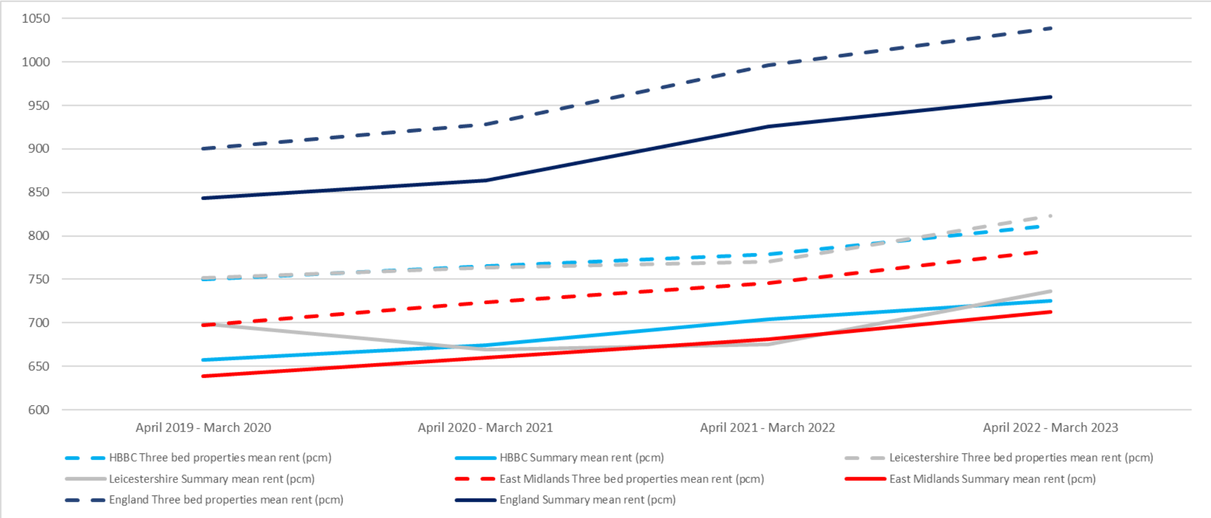
5.5.5 The demand for homes analysis reveals that the proportion of households in 3 bed dwellings is the highest across all sub areas, particularly the Urban South.

5.5.6 In relation to mean rent for three-bedroom properties, as of April 2022-March 2023, HBBC had the third highest of all the areas, where England had the highest.

5.5.7 Rent per calendar month in HBBC amongst three bed properties was higher than for the East Midlands, and largely consistent with that of Leicestershire. This would imply that demand to rent in the borough is largely consistent with the rest of Leicestershire

5.5.8 The figure below illustrates rents for three bed properties (dashed line) for the four geographical areas set against the mean rental summary across all properties.

Figure 13. Mean private rents (pcm) for three-bedroom properties in HBBC, Leicestershire, East Midlands and England April 2019 – March 2023, against mean summary rents.



Source: ONS - Private rental market summary statistics in England and LSH analysis

5.5.9 Generally, rents for three bed properties are higher than the summary mean rent for all geographies. This would suggest that demand is relatively high for rent in this size of property in the areas.

5.6 Social Rents

5.6.1 Data available for the relevant geographies is available back to 1996-97, and records run to 2021-22. The figures illustrated in the table and chart below reflect average weekly rents. The social rents are a weighted average of both affordable and social rents.

Lambert Smith Hampton

Table 26. Average weekly social rents in HBBC, East Midlands and England 1996/97 – 2021/22

Period	HBBC	East Midlands	England
1996/97	35.28	34.20	40.13
1997/98	36.71	35.67	41.17
1998/99	38.52	36.67	42.25
1999/00	40.15	38.05	43.83
2000/01	41.69	39.66	45.62
2001/02	42.92	41.45	47.87
2002/03	42.42	43.63	49.93
2003/04	42.87	44.42	51.02
2004/05	45.05	45.94	52.9
2005/06	47.27	48.27	55.27
2006/07	49.63	50.38	57.93
2007/08	53.11	53.65	61.62
2008/09	55.37	56	64.21
2009/10	57.46	57.46	66.05
2010/11	58.94	59.06	67.83
2011/12	61.18	62.94	73.58
2012/13	66.87	69.39	78.61
2013/14	70	72.88	82.64
2014/15	73.53	75.34	86.29
2015/16	80.12	76.27	88.16
2016/17	80.18	75.7	87.37
2017/18	77.63	75.04	86.71
2018/19	76.84	74.14	85.85
2019/20	75.15	74.05	85.56
2020/21	77.34	76.68	88.17
2021/22	78.7	77.84	89.69
% Change	**123.1%**	**127.6%**	**123.5%**

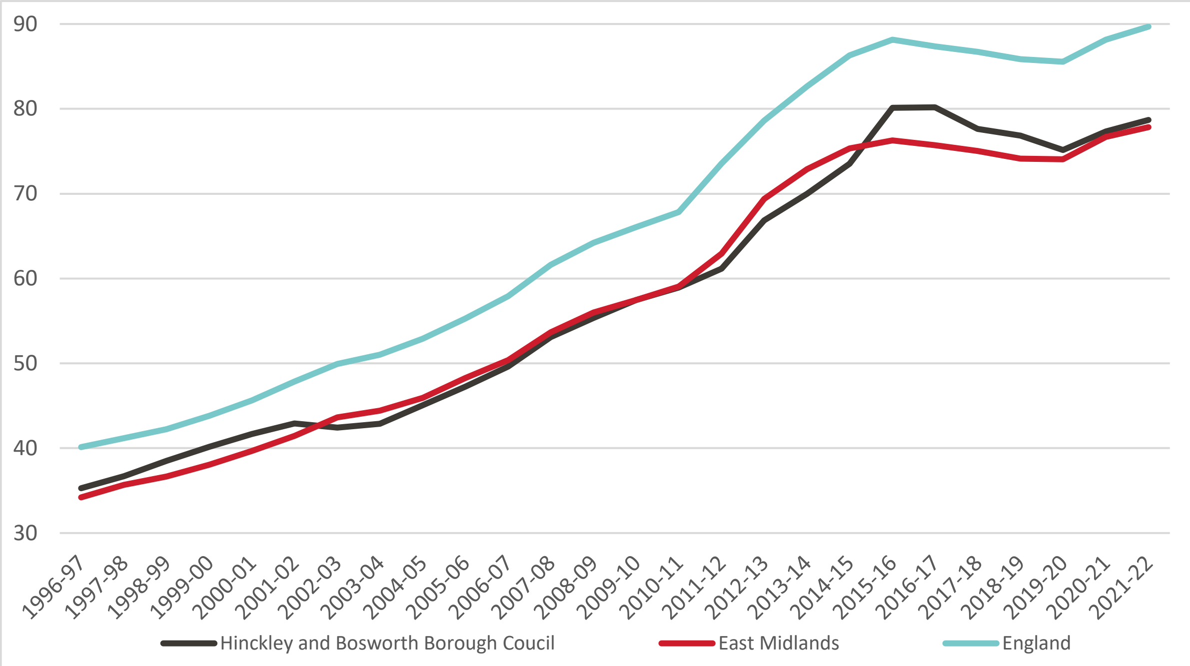
Source: GOV.UK Table 702 - Local authority average weekly (social and affordable) rents, by district and region

5.6.2 Average weekly social rents have clearly increased in all three geographical areas. However, the East Midlands saw the largest increase with 127.6%.

5.6.3 In 2021/22, HBBC had the second highest average weekly rent of the three regions.

5.6.4 The figure below illustrates the average weekly social rents for HBBC, East Midlands and England from 1996/97 to 2021/22.

Figure 14. Average weekly social rents for HBBC, East Midlands and England 1996/97 to 2021/22.



Source: GOV.UK Table 702 - Local authority average weekly (social and affordable) rents, by district and region and LSH analysis

5.6.5 Average weekly social rents have increased relatively steeply in all three areas. However, it is also evident that average weekly social rents in England are higher than those for East Midlands and HBBC. Despite relative divergence from 2015/16 to 2019/20, the social rents have remained generally consistent with each other.

5.7 Affordability Ratios

5.7.1 The house price to workplace-based earnings ratios are published on an annual basis and are an integral tool in calculating LHN and a good indicator of the affordability of the property market in respective areas.

5.7.2 The table below illustrates the median house price to earnings ratio over the last ten years for HBBC, Leicestershire, East Midlands, and England.

Table 27. Median house price to earnings ratio 2012-2023, HBBC, Leicestershire, East Midlands, England.

Year	HBBC	Leicestershire	East Midlands	England
2012	5.79	6.24	5.58	6.77
2013	5.55	6.4	5.62	6.76
2014	6.3	6.76	5.94	7.09
2015	6.8	7.14	6.28	7.52
2016	7.1	7.4	6.49	7.72
2017	7.26	7.77	6.84	7.91
2018	7.17	7.99	6.96	8.04
2019	7.3	8.05	6.86	7.88

2020	7.28	8.2	6.89	7.86
2021	8.56	9.09	8.04	9.06
2022	8.73	8.51	7.74	8.47
2023	7.56	8.24	7.59	8.26

Source: ONS - House price to workplace-based earnings ratio

5.7.3 A higher ratio indicates that, on average, an area is less affordable for residents looking to purchase a house in the area. The lower the ratio, the more affordable an area.

5.7.4 HBBC has a median house price to earnings ratio of 7.56 (2023). This is the lowest of the four geographical areas and indicates that HBBC is relatively affordable.

5.7.5 The analysis of house prices and rental values indicates that HBBC is more affordable than the wider geography, consequently, it is expected that HBBC will remain in demand amongst those living in the area, especially so within Leicestershire which records 8.24.

5.7.6 The table below illustrates median earnings for the four respective geographies.

Table 28. Median workplace earnings 2012-2023, HBBC, Leicestershire, East Midlands, England

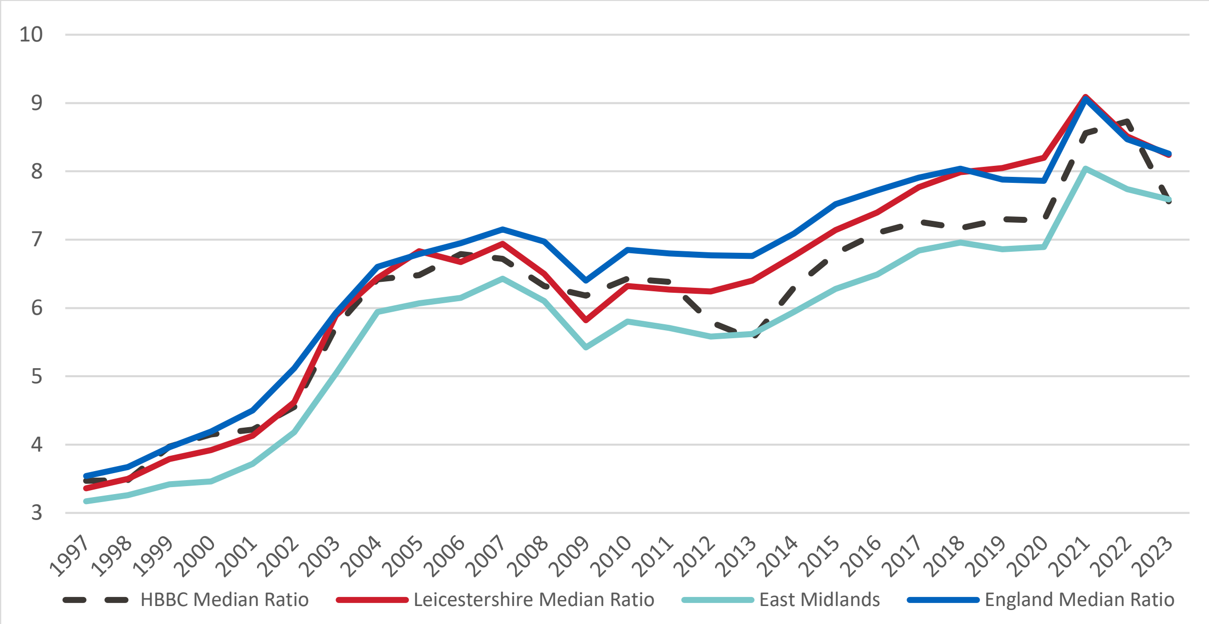
Year	HBBC	Leicestershire	East Midlands	England
2012	£25,390	£24,821	£24,626	£26,822
2013	£26,560	£24,862	£24,918	£27,372
2014	£26,038	£25,156	£25,000	£27,485
2015	£24,985	£25,193	£25,003	£27,841
2016	£24,374	£25,683	£25,474	£28,496
2017	£25,842	£26,009	£25,882	£29,083
2018	£27,891	£27,159	£26,711	£29,856
2019	£28,074	£27,765	£28,044	£30,704
2020	£28,433	£28,667	£29,043	£31,791
2021	£27,445	£28,591	£28,363	£31,440
2022	£29,203	£31,732	£30,345	£33,280
2023	£33,077	£32,760	£31,634	£35,106

Source: ONS - House price to workplace-based earnings ratio

5.7.7 As of 2023, median workplace earnings were £33,077 and the second highest of the four areas, second to England. With a relatively low affordability ratio and relatively high median workplace earnings, it is anticipated that HBBC will remain in demand as a relatively affordable area to live.

5.7.8 However, as the figure below illustrates, the median house price to earnings ratio has fluctuated since 1997 but has increased during the period. Furthermore, HBBC has not always had the lowest ratio of the four areas.

Figure 15. Median house price to earnings ratio 1997-2022, HBBC, Leicestershire, East Midlands, England.



Source: ONS - House price to workplace-based earnings ratio and LSH analysis

5.7.9 In 2013 HBBC recorded the lowest ratio of the four geographies, and this has been repeated in 2023 where the ratio fell from 8.73 in 2022. With a relatively low affordability ratio and relatively high median workplace earnings, it is anticipated that HBBC will remain in demand as a relatively affordable area to live.

5.8 Transactions

5.8.1 The table below indicates the number of transactions in HBBC on an annual basis over the ten-year period from 2014 to 2023 and provides an indicator as to activity in the property market.

Table 29. Number of transactions in HBBC from 2014 – 2023.

Period	Number of transactions
September 2014	808
September 2015	788
September 2016	850
September 2017	806
September 2018	821
September 2019	705
September 2020	637
September 2021	691
September 2022	818
September 2023	573

Source: GOV.UK - ONS – Transaction Data

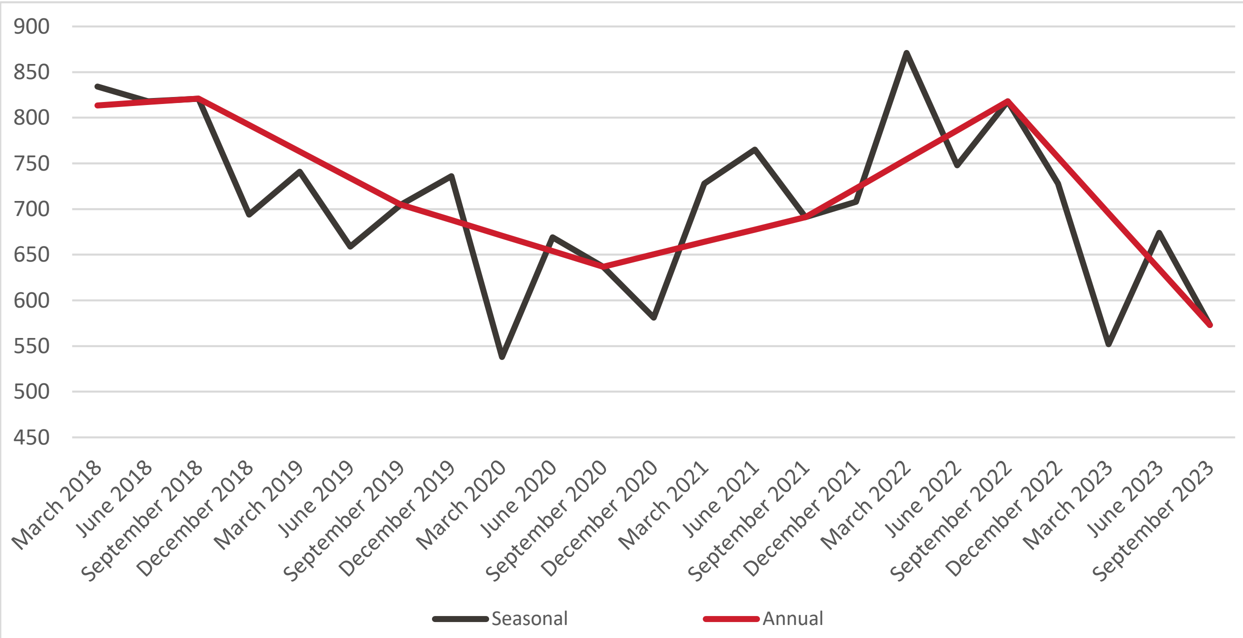
5.8.2 The number of transactions fluctuated between 2014 and 2018. This was followed by a sustained period of a decreasing number of transactions up to 2021 where the number of transactions rose again. This reflects the uncertainty and relatively quiet market during the pandemic.

5.8.3 In 2022, the number of transactions was the third highest during the ten-year period, again probably reflecting the recovery form the pandemic.

5.8.4 However, as of September 2023, this number had fallen to the lowest during the period.

5.8.5 The figure below illustrates the annual number of annual transactions and seasonal transactions for the period March 2018 – September 2023.

Figure 16. Residential property transactions, HBBC, March 2018 – September 2023.



Source: GOV.UK - ONS – Transaction Data

5.8.6 Fluctuation is evident in the number of seasonal transactions and significantly less so in the annual number of transactions. The number of transactions were considerably lower in September 2023 when compared with March 2018, in turn indicating a slowdown in the market in HBBC.

5.9 Overcrowding

5.9.1 The table below illustrates the occupancy data for HBBC, East Midlands and England as per Census 2021. The data is useful in providing information on where there may be shortfalls between supply and demand.

Table 30. Occupancy Ratings HBBC, East Midlands and England, Census 2021

Area	Occupancy rating of -1 or less (%)	Occupancy rating of 0 (%)	Occupancy rating of +1 (%)	Occupancy rating of +2 or more (%)
HBBC	755 (1.5%)	8,770 (17.7%)	17,830 (36.1%)	22,090 (44.7%)

East Midlands	63,755 (3.1%)	444,300 (21.8%)	707,540 (34.7%)	821,735 (40.3%)
England	1,024,690 (4.4%)	6,278,645 (26.8%)	7,791,515 (33.2%)	8,341,235 (35.3%)

Source: ONS - Overcrowding and under-occupancy by household characteristics, England and Wales: Census 2021

5.9.2 The meaning of the occupancy rating is as follows. An occupancy rating of:

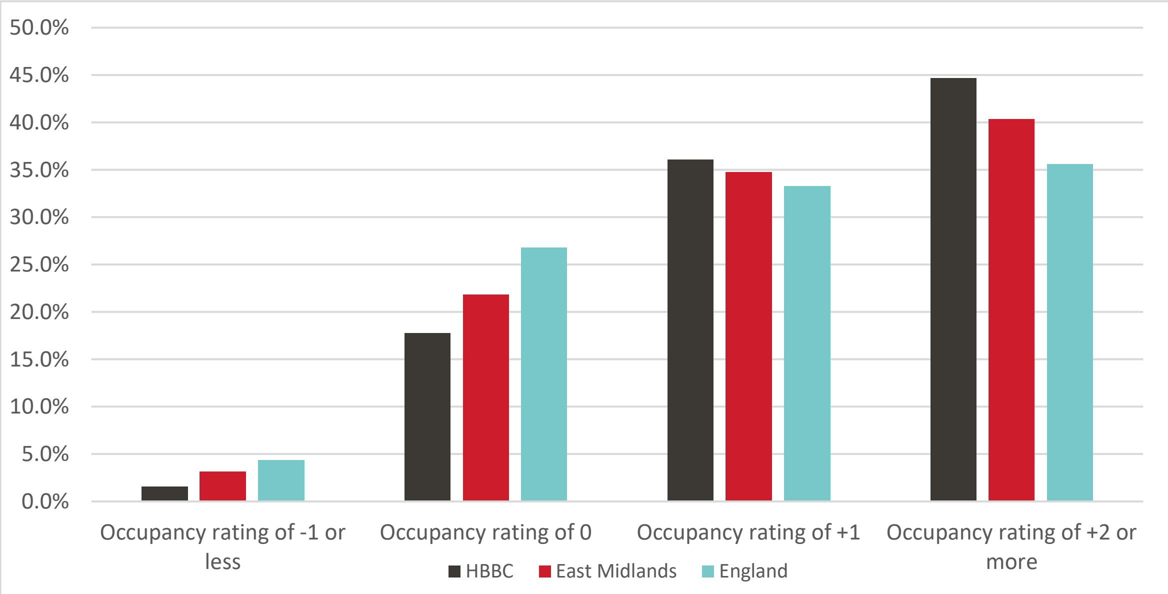
- -1 or less implies that a household's accommodation has fewer bedrooms than required (overcrowded).
- +1 or more implies that a household's accommodation has more bedrooms than required (under-occupied).
- 0 suggests that a household's accommodation has an ideal number of bedrooms.

5.9.3 HBBC had 755 households that were overcrowded at the time of the 2021 Census. This equated to 1.5% of households. HBBC had the lowest level of overcrowding In the East Midlands region and England, the proportion of overcrowded households in HBBC was the lowest.

5.9.4 With regards to under-occupancy, HBBC records the largest proportion of the three areas, with 44.7%. The proportion in HBBC was 4.3% above that for the East Midlands region and 9.1% above that for England

5.9.5 The figure below illustrates the respective proportions of occupancy rating in the three areas.

Figure 17. Occupancy Ratings, HBBC, East Midlands and England, Census 2021



Source: ONS - Overcrowding and under-occupancy by household characteristics, England and Wales: Census 2021 and LSH Analysis

5.9.6 HBBC has the lowest proportion of overcrowding but the highest proportion of under-occupancy.

5.9.7 Initial review of the data suggests that the housing stock in HBBC is larger in nature, than is required by residents. Equally, it suggests that overcrowding is not really an issue in HBBC relative to the East Midlands region and England.

5.9.8 The same data on occupancy is also broken down into accommodation type and tenure. The table below illustrates occupancy ratings by accommodation type.

Table 31. Occupancy Ratings HBBC, East Midlands and England, by accommodation type Census 2021

	Accommodation Type	**Occupancy rating of -1 or less**	**Occupancy rating of 0**	**Occupancy rating of +1**	**Occupancy rating of +2 or more**
HBBC	Detached whole house or bungalow	105 (14%)	1,010 (11.5%)	5,130 (28.8%)	12,465 (56.4%)
	Semi-detached whole house or bungalow	340 (45.3%)	3,245 (37%)	7,365 (41.3%)	7,710 (34.9%)
	Terraced (including end-terrace) whole house or bungalow	170 (22.7%)	2,040 (23.2%)	3,745 (21%)	1,790 (8.1%)
	Flat, maisonette or apartment	135 (18%)	2,410 (27.5%)	1,510(8.5%)	110 (0.5%)
	A caravan or other mobile or temporary structure	C[20](N/A)	70 (0.8%)	80 (0.4%)	10 (0%)
	Total	**750**	**8,775**	**17,830**	**22,085**
East Midlands	Detached whole house or bungalow	7,285 (11.4%)	48,255 (10.9%)	185,775 (26.3%)	434,705 (52.9%)
	Semi-detached whole house or bungalow	24,210 (38%)	149,580 (33.7%)	278,345 (39.3%)	275,610 (33.5%)
	Terraced (including end-terrace) whole house or bungalow	18,370 (28.8%)	103,525 (23.3%)	167,660 (23.7%)	103,080 (12.5%)
	Flat, maisonette or apartment	13,645 (21.4%)	139,580 (31.4%)	70,310 (9.9%)	7,770 (0.9%)
	A caravan or other mobile or temporary structure	245 (0.4%)	3,355 (0.8%)	5,450 (0.8%)	565 (0.1%)
	Total	**63,755**	**444,295**	**707,540**	**821,730**
England	Detached whole house or bungalow	74,775 (7.3%)	41,4295 (6.6%)	1,356,540 (17.4%)	3,523,250 (42.4%)
	Semi-detached whole house or bungalow	263,275 (25.7%)	1,461,990 (23.3%)	2,692,445 (34.6%)	2,960,590 (35.5%)
	Terraced (including end-terrace) whole house or bungalow	252,465 (24.6%)	1,333,465 (21.2%)	2,156,095 (27.7%)	1,639,405 (19.7%)
	Flat, maisonette or apartment	430,545 (42%)	3,033,975 (48.3%)	1,531,025 (19.6%)	212,050 (2.5%)
	A caravan or other mobile or temporary structure	3,630 (0.4%)	34,920 (0.6%)	55,405 (0.7%)	5,940 (0.1%)
	Total	**1,024,690**	**6,278,645**	**7,791,510**	**8,341,235**

[20] Total counts for some household groups may not match between published tables. This is to protect the confidentiality of household's data. Household counts have been rounded to the nearest 5 and any counts below 10 are suppressed, this is signified by a 'c' in the data tables.

Source: ONS - Overcrowding and under-occupancy by household characteristics, England and Wales: Census 2021

5.9.9 In HBBC, the majority of those overcrowded were semi-detached whole houses or bungalows (45.3%). This is also reflected in the East Midlands. However, in England, most overcrowded households were flats, maisonettes and apartments (42%) compared to 18% in HBBC.

5.9.10 Of the under occupied households, 56.4% were in detached whole homes and bungalows in HBBC. This accommodation type also had the largest proportion of under occupied housing in the East Midlands (52.9%) and England (42.4%).

5.9.11 The table below illustrates occupancy ratings by tenure.

Table 32. Occupancy Ratings HBBC, East Midlands and England, by tenure Census 2021

	Accommodation Type	Occupancy rating of -1 or less	Occupancy rating of 0	Occupancy rating of +1	Occupancy rating of +2 or more
HBBC	Owned: Owns outright	85 (11.3%)	1,285 (14.7%)	6,125 (34.3%)	12,220 (55.3%)
	Owned: Owns with a mortgage, loan or shared ownership	175 (23.2%)	2,315 (26.4%)	6,935 (38.9%)	8,100 (36.7%)
	Social rented	310 (41.1%)	2,715 (31%)	1,610 (9%)	410 (1.9%)
	Private rented or lives rent free	185 (24.5%)	2,450 (28%)	3,165 (17.7%)	1,360 (6.2%)
	Total	**755**	**8,765**	**17,835**	**22,090**
East Midlands	Owned: Owns outright	6,450 (10.1%)	51,805 (11.7%)	221,970 (31.4%)	441,960 (53.8%)
	Owned: Owns with a mortgage, loan or shared ownership	12,845 (20.1%)	91,085 (20.5%)	243,100 (34.4)	282,175 (34.3%)
	Social rented	22,325 (35%)	164,500 (37%)	88,400 (12.5%)	27,800 (3.4%)
	Private rented or lives rent free	22,130 (34.7%)	136,910 (30.8%)	154,065 (1.8%)	69,805 (8.5%)
	Total	**63,750**	**444,300**	**707,535**	**821,740**
England	Owned: Owns outright	87,590 (8.5%)	694,820 (11.1%)	2,355,505 (30.2%)	4,486,780 (53.8%)
	Owned: Owns with a mortgage, loan or shared ownership	187,710 (18.3%)	1,266,980 (20.2%)	2,723,915 (35%)	2,801,720 (33.6%)
	Social rented	386,035 (37.7%)	2,225,250 (35.4%)	1,036,115 (13.3%)	358,265 (4.3%)
	Private rented or lives rent free	363,360 (35.5%)	2,091,595 (33.3%)	1,675,975 (21.5%)	694,470 (8.3%)
	Total	**1,024,695**	**6,278,645**	**7,791,510**	**8,341,235**

Source: ONS - Overcrowding and under-occupancy by household characteristics, England and Wales: Census 2021

5.9.12 Of households in HBBC, the majority of those overcrowded were social rented tenure (41.1%). This is also reflected in the East Midlands. However, it is noted that this is marginal, and closely followed by private rented and lives rent free. In England, social rented also represents the largest tenure of homes that are overcrowded (37.7%).

5.9.13 Of the under occupied households, 55.3% were in the owned outright tenure in HBBC. This accommodation type also had the largest proportion of under occupied housing in the East Midlands and England, both of which were 53.8%. However, the proportion in HBBC was 1.5% and marginally higher.

5.10 Market Signals - Summary

5.10.1 HBBC had higher mean house prices across all property types than the East Midlands consistently since 1995, however, had lower mean house prices than both Leicestershire and England. In 2023, mean house prices in HBBC were £285,109.70. Whilst this represented a 401% growth since 1995, mean house prices in Leicestershire and England were higher. The difference between the geographical areas was more pronounced in 2023 than in 1995. The same can be said for lower quartile house prices. Whilst this is the case across all property types, it cannot be said for all property types.

5.10.2 Regarding private rents, between April 2019 and March 2023, these have risen across the various property sizes, however HBBC had the lowest rents amongst one- and four-bedroom homes of all the areas from April 2022 to March 2023.

5.10.3 Of three bed properties, rent (pcm) was higher in HBBC than in the East Midlands and only £11 less expensive than Leicester. The demand for homes section indicated that three bed properties were the modal size property across all sub areas. Rent (pcm) was generally higher amongst three bed properties, than it was for the rent measured across all property types.

5.10.4 Data reveals that social rents have increased across all geographies during the period 1996/97 – 2021/22, where HBBC had higher social rents than the East Midlands in 2021/22 but consistently lower social rents than England during the period. HBBC and the East Midlands were very similar in this respect. However, over the period 1996/97 – 2021/22 HBBC saw the lowest % increase.

5.10.5 Affordability ratios are published annually, and for HBBC the latest ratio was 7.56. This was the lowest of the four geographies however, the East Midlands recorded 7.59. This would infer that HBBC is more affordable than Leicestershire and England and broadly consistent with the East Midlands. Property prices and rents analysis also reveal that HBBC may be more affordable, which suggests HBBC will remain in demand amongst those living in the area, especially so within Leicestershire which records 8.24.

5.10.6 In 2023, median workplace earnings were higher in HBBC than in the East Midlands and Leicestershire, and second to the wider county where they were c.£2,000 higher.

5.10.7 Transaction data indicates that after a four year high in September 2022 (818), their number fell to 573 in September 2023. The high in 2022 may reflect the recovery from the Covid-19 pandemic, but the September 2023 figure was the lowest on record, which may indicate a slowdown in the market.

5.10.8 Data concerning overcrowding and occupancy reveals that HBBC had the highest levels of underoccupancy and the lowest levels of overcrowding among the three geographies of HBBC, the East Midlands and England.

5.10.9 This would suggest that the housing stock in HBBC is larger in nature than what is required, and that overcrowding is not really an issue for HBBC relative to the East Midlands and England.

6.0 SUPPLY OF HOMES

6.1 Overview

6.1.1 This section reviews the past delivery of residential dwellings in the borough. Among the sources for the information in the following section were:

- HBBC Annual Monitoring Reports (AMRs).
- HBBC Residential Land Availability Assessments; and,
- Government Statistics concerning the delivery of dwellings.

6.1.2 For context, the past delivery in the borough has been reviewed against that of other authorities in the same Housing Market Area (HMA).

6.2 Past Delivery in the Borough

6.2.1 The Council publishes figures on housing delivery, annually, as part of Authority Monitoring Reports (AMRs) and Residential Land Availability Assessments (RLAs).

6.2.2 The table below illustrates housing delivery in HBBC for the period 2006/07 to 2021/22. The table breaks completions down into new builds and conversions. The total column in the table below is net of demolitions. The graphs that follow do not include demolition data or records, and thus reflect marginally different totals.

Table 33. HBBC Housing Completions, Net of Demolitions (1st April 2006 – 31st March 2022)[21]

Year	New Build	Conversions	Demolitions	Total
2006/07	401	45	-8	438
2007/08	391	19	-12	398
2008/09	457	24	-7	474
2009/10	330	28	-5	353
2010/11	229	11	-13	227
2011/12	368	19	-14	373
2012/13	212	31	-18	225
2013/14	487	7	-14	480
2014/15	742	18	-8	752
2015/16	574	34	-15	593
2016/17	544	33	-8	569
2017/18	393	41	-11	423
2018/19	401	71	-48	424
2019/20	277	16	-8	285
2020/21	251	24	-27	248
2021/22	414	89	-3	500
Total	**6,471**	**510**	**-219**	**6,762**

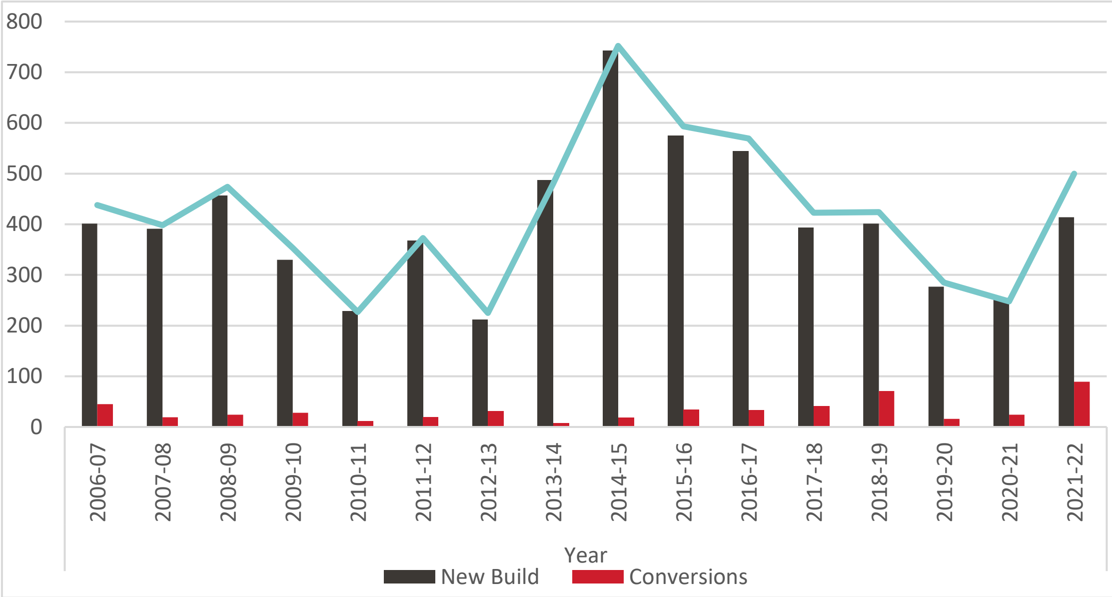
Source: HBBC 2021/22 RLA

6.2.3 During the period of the HBBC CS (2006 – 2026) that elapsed from 2006/07 to 2021/22, a net total of 6,762 dwellings were completed. This equated to an annual average completion of 423 dwellings (422.6).

6.2.4 The figure below illustrates the table above and demonstrates how housing provision has fluctuated over the period.

[21] The 2022/23 data is available, however, as per the Council's Residential Land Availability Monitoring Statement 2022 - 2023, the 2022/23 monitoring took place later in 2023, and therefore potentially explains the higher level of completions. While the 2022/23 completions are not used in this iteration of this report, there is potential to include them and the 2023/24 completion data in future iterations of this report.

Figure 18. HBBC Housing Completions (1 April 2006 – 31 March 2022)



Source: HBBC 2021/22 RLA and LSH analysis

6.2.5 Housing delivery has fluctuated over the period 2006/07 -2021/22. The borough experienced a period of relatively high delivery from 2013/14 to 2016/17 within which the highest number of completions was recorded in 2014/15 (752).

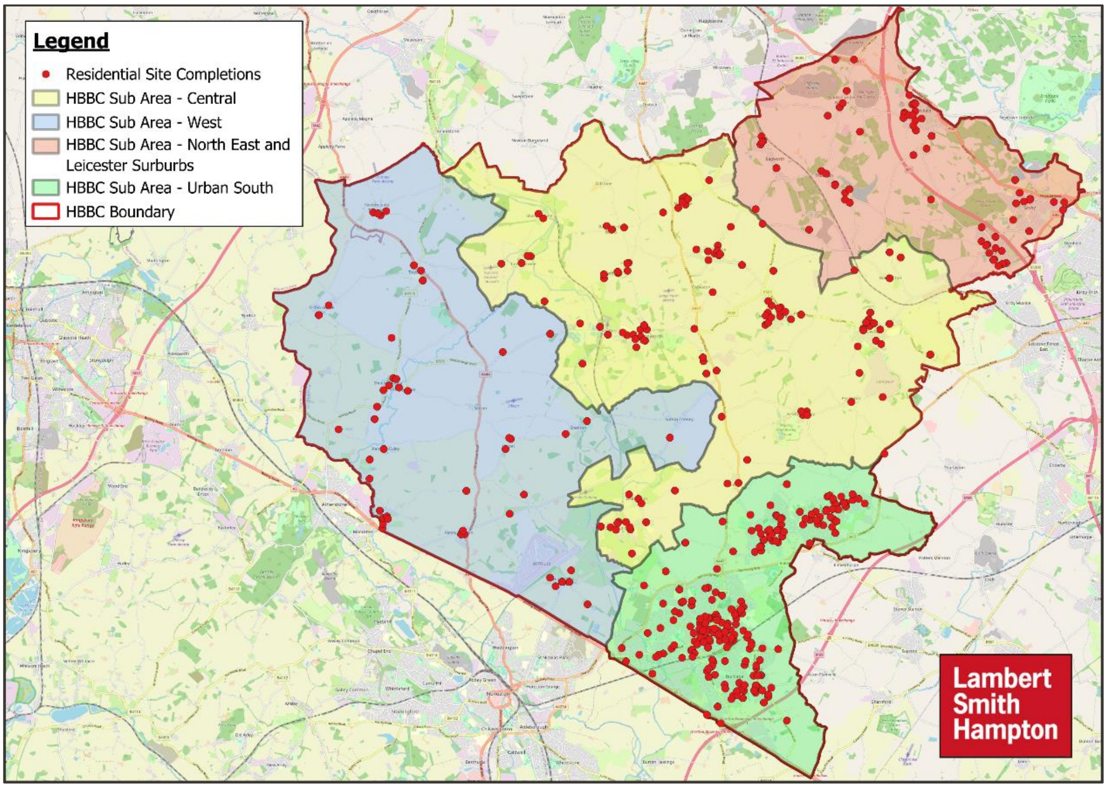
6.2.6 Relatively low provision was recorded in 2010/11 and 2012/13, which between them accounted for 6.7% (6.68%) of total provision over the period.

6.2.7 The figure below illustrates the location of completions in HBBC from 2008/09 to 2021/22. The maps that follow, illustrate completions by site size categorized by small[22] and large[23] residential developments.

[22] Residential developments of 1-9 dwellings

[23] Residential developments of >9 dwellings

Figure 19. Completions by location in HBBC 2008/09 to 2021/22



Source: LSH

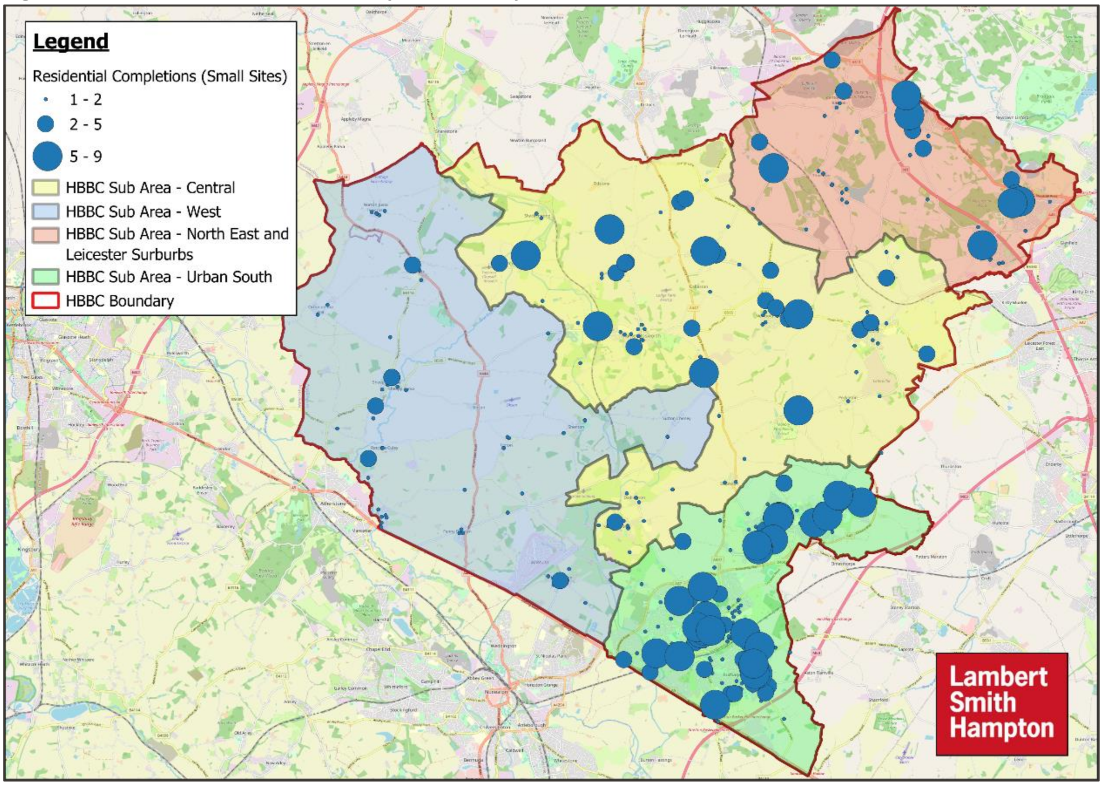
6.2.8 Residential development has been dispersed across HBBC from 2008/09 to 2021/22. However, there are clear clusters around Earl Shilton, Barwell, Hinckley and Burbage, all of which are in the Urban South sub-area

6.2.9 Although relatively small in comparison, there are also clusters in Groby, Ratby and Markfield in the North East and Leicester suburbs sub-area.

6.2.10 Desford, Newbold Verdon and Market Bosworth in the Central sub-area are also relatively distinguishable.

6.2.11 The following maps break completions down into development size. The first map indicates small residential development completed from 2008/09 to 2021/22.

Figure 20. Small residential development completions 2008/09 to 2021/22.

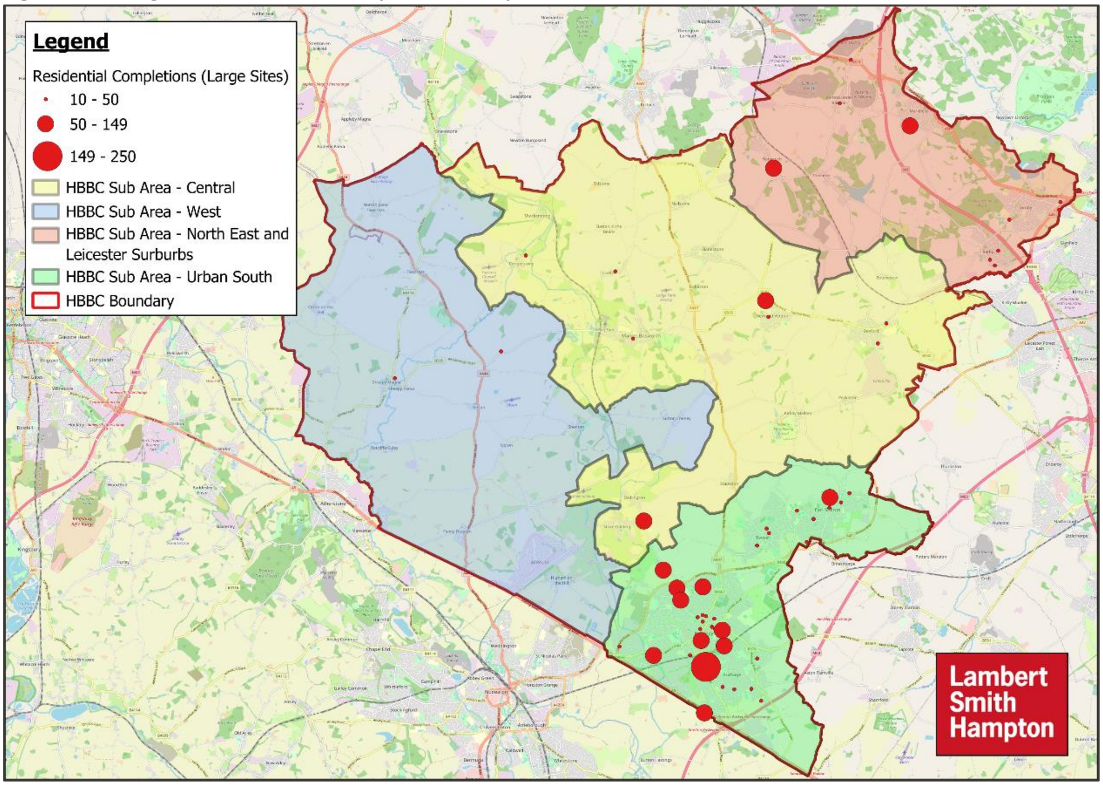


Source: LSH

6.2.12 The map above is similar to the first, in that development clusters around settlements, in particular the larger settlements such as Hinckley.

6.2.13 It is also clear that, developments in the West sub-area are smaller in size and less frequent, relative to the other sub-areas. This is particularly acute in comparison with the Urban South.

Figure 21. Large residential development completions 2008/09 to 2021/22.



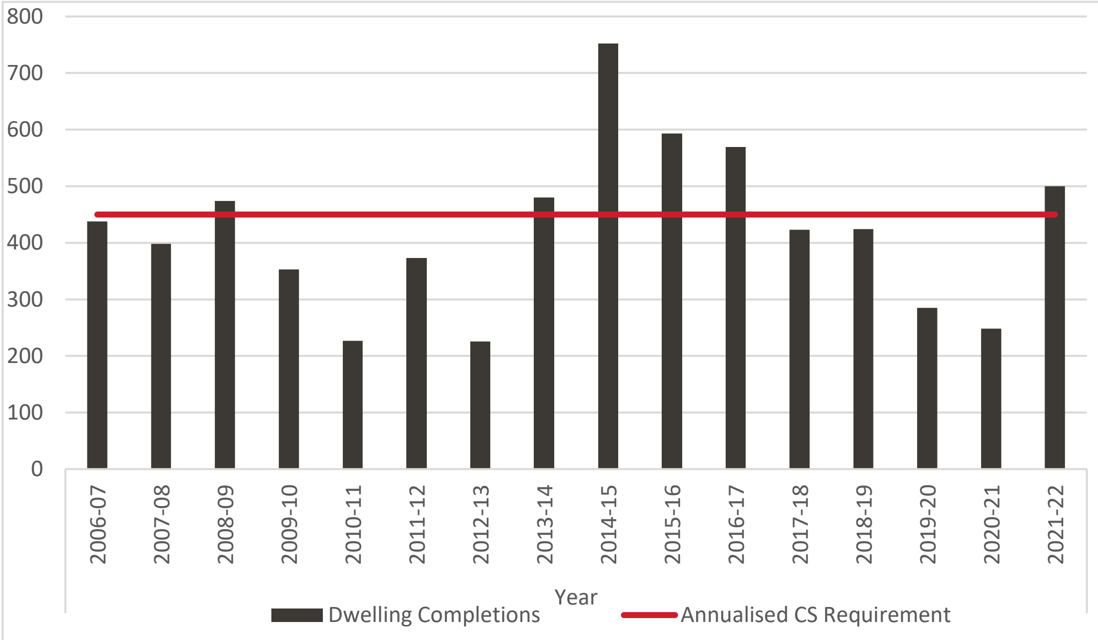
Source: LSH

6.2.14 Most large site completions are in the Urban South sub-area, where the largest of the major residential developments are also located.

6.2.15 Similarly to the previous map, the West sub-area almost exclusively, has no large residential site completions. The two records account for 19 and 24 completions respectively.

6.2.16 The figure below illustrates the total (net) provision as the table above, against the annualized requirement of 450 dwellings as outlined in the HBBC CS.

Figure 22. HBBC housing completions against the Core Strategy annualized requirement (1 April 2006 – 31 March 2022)



Source: HBBC Core Strategy, HBBC 2021/22 RLA and LSH analysis

6.2.17 The Council's annual average delivery of 422.6 (423) dwellings per annum (dpa) between 2006/07 and 2021/22, falls short of the annualized requirement of 450, outlined by the CS.

6.2.18 However, there have been several periods where the average annualized requirement has been met. Notably, a total of six times in the sixteen-year period of the CS that has elapsed to date and illustrated above. Dwelling completions were close to the requirement in 2006/07 and 2017/18 and 2018/19. In these periods there was a shortfall of 12, 27 and 26 dwellings respectively.

6.2.19 An annualized requirement of 450 dpa would result in 7,200 dwellings having been delivered from 2006/07 to 2021/22. However, HBBC delivered 6,762 dwellings over the period. This results in a shortfall of 438 dwellings over the period.

6.2.20 Data on dwelling completions published by the Government and the Office for National Statistics (ONS), has been reviewed in addition to the HBBC RLA. The analysis of this data source reviews the performance of HBBC relative to the wider Leicester and Leicestershire Housing Market Arae (LLHMA).

6.2.21 The table below outlines the respective LPAs performance for the period 2009/10 – 2021/22.

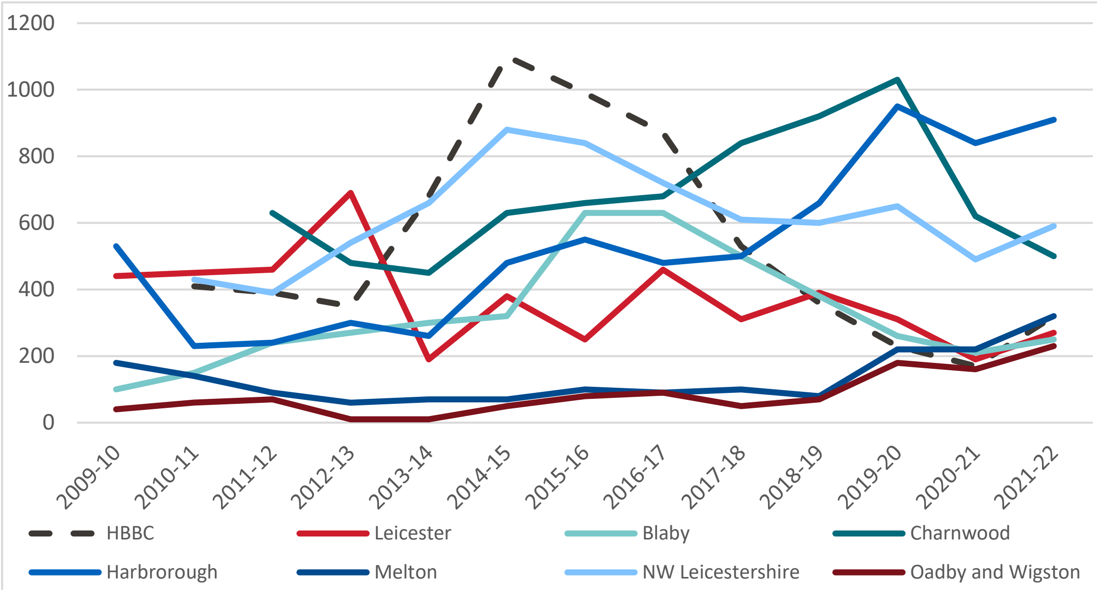
Table 34. Dwelling completions throughout the LLHMA 2009/10 – 2021/22

Year	HBBC	Leicester	Blaby	Charnwood	Harborough	Melton	NW Leicestershire	Oadby & Wigston
2009/10	N/A	440	100	N/A	530	180	N/A	40
2010/11	410	450	150	N/A	230	140	430	60
2011/12	390	460	240	630	240	90	390	70
2012/13	350	690	270	480	300	60	540	10
2013/14	680	190	300	450	260	70	660	10
201415	1,100	380	320	630	480	70	880	50
2015/16	990	250	630	660	550	100	840	80
2016/17	870	460	630	680	480	90	720	90
2017/18	530	310	500	840	500	100	610	50
2018/19	360	390	380	920	660	80	600	70
2019/20	230	310	260	1,030	950	220	650	180
2020/21	170	190	210	620	840	220	490	160
2021/22	320	270	250	500	910	320	590	230
Total	**6,400**	**4,790**	**4,240**	**7,440**	**6,390**	**1,740**	**7,400**	**1,100**
% Cont.	**16.0%**	**12.0%**	**10.6%**	**18.6%**	**17.3%**	**4.3%**	**18.5%**	**2.7%**

Source: ONS - House building, UK: permanent dwellings started and completed by local authority and LSH calculations

6.2.22 During the period 2009/10 to 2021/22, HBBC was fourth of eight Local Authorities, completing 6,400 dwellings. This equates to 16% of completed dwellings in the LLHMA over the period. The authority area with the highest contribution during the period was Charnwood, which accounted for 18.6% of completions in the LLHMA from 2009/10 to 2021/22.

Figure 23. Dwelling Completions throughout the LLHMA 2009/10 – 2021/22



Source: ONS - House building, UK: permanent dwellings started and completed by local authority and LSH calculations

6.2.23 The performance of HBBC is indicated by the hashed line in the figure above. Whilst there is no data for 2009/10, in 2010/11 HBBC recorded the third highest level of dwelling completions in the LLHMA. HBBC saw dwelling completions peak during the period in 2014-15. The 1,100 dwelling completions recorded for HBBC in 2014-15 was the highest on record in the LLHMA during the period 2009-10 to 2021-22.

6.2.24 More recently in 2021/22 HBBC recorded the joint fourth highest level of dwelling completions in the LLHMA. Incidentally, HBBC also records the fourth highest level of completions in the LLHMA for the period 2008/10 to 2021/22.

6.2.25 The table below illustrates the compound annual growth rate (CAGR) for HBBC and the other authorities in the LLHMA based upon the Government statistics concerning housing delivery above. The CAGR relates to the period 2011/12 to 2021/22, as 2011/12 is the first year in which all LPAs have data input.

Table 35. LLHMA Dwelling Completions CAGR 2011/12 -2021/22.

HBBC	Leicester	Blaby	Charnwood	Harborough	Melton	NW Leicestershire	Oadby and Wigston
-2.0%	-5.2%	0.4%	-2.3%	14.3%	13.5%	4.2%	12.6

Source: ONS - House building, UK: permanent dwellings started and completed by local authority and LSH calculations

6.2.26 HBBC was one of three LPAs to record a negative CAGR. Of these three LPAs, HBBC had the highest negative CAGR, with Leicester and Charnwood both recording CAGRs lower than HBBC.

6.2.27 Incidentally, if the same CAGR is given for the HBBC own delivery figures outlined in the first table in this section, it records a CAGR of 0.9%. However, it should be noted that this is for a longer period which is reflected in the CAGR figure.

6.3 Past Delivery in the Borough - Summary

6.3.1 Housing delivery has fluctuated in HBBC over the 2006/07 to 2021/22 period. During this period a net total of 6,762 dwellings were delivered. A high of 752 dpa dwellings were delivered in 2014/15 and a low of 225 dpa were delivered in 2012/13. The average delivery for the period was 423 dpa.

6.3.2 Dwelling completions have been dispersed throughout HBBC, however, the settlements in the Urban South dominate, where other completions are generally located in proximity to other existing settlements. The sub area which has seen the least development has been the West.

6.3.3 Regarding small residential development, this has broadly followed a similar pattern as total development. However, large residential development has largely been focused in the Urban South. Other areas have seen large residential development; however, this has been more sporadic in nature. The West sub area is almost exclusively free of large residential development.

6.3.4 In the sixteen-year period from 2006/07 to 2021/22 the HBBC CS annualized dwelling delivery target of 450 dpa has been met on a total of six occasions, with the period 2013/14 to 2016/17 inclusive, accounting for four of these occasions.

6.3.5 As a result, over the same period, HBBC had a shortfall in dwelling delivery of 438 dwellings when measured against the CS target for the same period of 7,200.

6.3.6 According to Government statistics on dwelling delivery, HBBC delivered 6,400 dwellings from 2009/10 to 2021/22, which accounted for 16% of the delivery in the LLHMA over the same period. This places HBBC fourth out of the eight LPAs in the HMA.

6.3.7 By the same Government statistics, HBBC is one of three LPAs to record a negative CAGR of -2.0% over the period 2011/12 to 2021/22. However, of these, it is above both Charnwood and Leicester.

6.3.8 A CAGR analysis of HBBCs own delivery data from 2006/07 to 2021/22 reveals that the HBBC LPA had a CAGR 0.9% in relation to its dwelling delivery for the period. However, it should be noted that this reflects a longer period.

6.4 Guide Build Out Rates (GBORs)

Overview

This section provides analysis of build out rates on residential development sites in HBBC. The build out rates have been analysed according to site type, size and location based upon historic completion data.

GBOR Analysis

6.4.1 GBOR analysis is based upon dwelling completion data provided by HBBC. The data was split into sub-areas and was categorized into respective site sizes. These are as follows:

- 1-9 dwellings;
- 10-29 dwellings;
- 50-99 dwellings; and
- 100-499 dwellings.

6.4.2 The site size thresholds above, are consistent with various iterations of the Lichfields research 'Start to Finish; What factors affect the build-out rates of large-scale housing sites?'.[24]

6.4.3 Sites were also categorized into site type and greenfield or previously developed land (PDL).

6.4.4 Build out rates have been analysed at Borough geography level. However, the categorization above enabled further analysis including on variables such as site size location and site type.

6.4.5 Analysis of past completions and build out rates from 2008/09 to 2021/22[25] across a range of sites throughout the borough, have produced GBORs. The GBORs produced by the LSH review, are outlined in the table below.

Table 36. GBOR for HBBC by site size and type

Site Size	PDL Average GBOR (Dwellings/year)	Greenfield Average GBOR (Dwellings/year)
1 -9 dwellings	1	1
10 – 49 dwellings	15	15
50 – 99 dwellings	26	21
100 - 499 dwellings	39	37

6.4.6 The review of past BORs in HBBC also investigated past completions in respective sub-areas. GBORs for the respective sub-areas are based upon past completion rates upon the sites that fall within them.

[24] Lichfield's 'Start to Finish: What factors affect the build-out rates of large scale housing sites?' (2nd Edn.) (February 2020)

[25] The 2022/23 data is available, however, as per the Council's Residential Land Availability Monitoring Statement 2022 - 2023, the 2022/23 monitoring took place later in 2023, and therefore potentially explains the higher level of completions. While the 2022/23 completions are not used in this iteration of this report, there is potential to include them and the 2023/24 completion data in future iterations of this report.

6.4.7 However due to a range in sample size, the BORs in Lichfields research 'Start to Finish; What factors affect the build-out rates of large-scale housing sites?' (2nd Edn.) (February 2020) have been used as a median, to improve reliability of data sources. Where this is the case, it will be referenced.

6.4.8 The table below illustrates the GBORs in the respective sub-areas within HBBC. As above GBORs are taken from past completions data and where there are insufficient sample sizes, are a hybrid of past completion data and the Lichfields research.

6.4.9 Evidently, there is a range in the GBORs, however it is clear to see that as per the table below, GBORs increase with site size and are generally higher on PDL than greenfield, with a couple of exceptions.

Table 37. GBOR for HBBC by sub-area, site size and site type

Site Size	North East and Leicester		Urban South		West		Central	
	No.	%	No.	%	No.	%	No.	%
1 – 9 dwellings	1	2	1	1	0	1	1	1
10 – 49 dwellings	13	12	16	21	N/A[26]	11	12	N/A[27]
50 - 99 dwellings	26[28]	16	33	28	22[29]	22[30]	13[31]	16
100 – 499 dwellings	55[32]	47[33]	35	40	55[34]	55[35]	53[36]	24

Source: LSH analysis

6.5 Guide Build Out Rates (GBORs) Analysis - Summary

6.5.1 GBORs were developed based upon past completions in HBBC from 2008/09 to 2021/22. The GBORs use the site thresholds consistent with widely accepted research and are also classified by the type of development site i.e., greenfield/brownfield.

6.5.2 The resulting borough wide GBORs were marginally higher on brownfield sites, where across both greenfield and brownfield, GBORs increased with the site threshold.

6.5.3 On review of the GBORs by sub area, many of the sub areas had an insufficient sample to derive GBORs. However, the Urban South had a sufficient sample across all site size thresholds. The Urban South has some

[26] Sample size of completed sites insufficient and Lichfields research does not include 10-49 threshold.
[27] Sample size of completed sites insufficient and Lichfields research does not include 10-49 threshold.
[28] Is a hybrid GBOR and a median of the past completion rate in HBBC and the Lichfields BOR.
[29] GBOR is taken from Lichfields research document.
[30] GBOR is taken from Lichfields research document.
[31] Is a hybrid GBOR and a median of the past completion rate in HBBC and the Lichfields BOR.
[32] GBOR is taken from Lichfields research document.
[33] Is a hybrid GBOR and a median of the past completion rate in HBBC and the Lichfields BOR.
[34] GBOR is taken from Lichfields research document.
[35] GBOR is taken from Lichfields research document.
[36] Is a hybrid GBOR and a median of the past completion rate in HBBC and the Lichfields BOR.

of the highest GBORs in the borough and the large sample size which enables their generation reflects the focus on the Urban South with regards to residential development.

7.0 SPATIAL OPTIONS ASSESSMENT

7.1 Overview

7.1.1 This section outlines the LHN identified in the Council's evidence base for the Plan period. The housing provision figure also accommodates the 102 dwellings per annum that HBBC agree is an appropriate apportionment of Leicester City's unmet need. Please refer to section 2 of this report for additional detail.

7.1.2 Each of the agreed six options, based upon the Council's own SA, are then assessed to the extent to which they can deliver this need, based upon the evidence assessed earlier in this report, including that on demand and GBORs.

7.1.3 The six spatial options to be assessed are as follows:

- Option 1: Neighborhood Development Plan (NDP) led spatial distribution;
- Option 2: Core Strategy approach;
- Option 3: Key Transport and Accessibility Corridors;
- Option 4: Garden Village/New Town;
- Option 5: Proportionate Growth of Key Rural Centres; and,
- Option 6: A mix of the above options.

7.1.4 It should be noted that the six options are relatively high level and therefore a broad assessment has been carried out.

7.1.5 This section of the report considers the HBBC evidence base including the 'Leicester and Leicestershire Strategic Growth Plan and Sustainability Appraisal' (2018)[37] and the 'Scope, Issues and Options Sustainability Appraisal' (2020)[38]. In addition to these, the 'Strategic Housing and Economic Land Availability Assessment' (2020)[39], 'Infrastructure Capacity Study' (2020)[40] and 'LLSGP – Strategic Transport Assessment, Stage 1' (2023)[41] are also considered.

7.1.6 However, the focus of this section of the report assesses the spatial options from the perspective, data and evidence base presented earlier in this report. The following assessment regards housing delivery and the extent to which need and demand can potentially be met by each option and their respective advantages and disadvantages.

[37] Leicester and Leicestershire Strategic Growth Plan Sustainability Appraisal Report (SGPSA) (September 2018)
[38] Hinckley and Bosworth Local Plan Scope, Issues and Options Sustainability Appraisal (SIOSA) (September 2020)
[39] Strategic Housing and Economic Land Availability Assessment (SHELAA) (2020)
[40] Hinckley & Bosworth Borough Council Infrastructure Capacity Study Phase 1: Baseline Capacity Assessment Report (ICSph1) (May 2020)
[41] Leicester & Leicestershire Strategic Planning Partnership Leicester and Leicestershire Strategic Growth Plan – Strategic Transport Assessment Stage 1 (STAstg1) (November 2023)

7.2 Housing Need

7.2.1 The total housing need for HBBC outlined in the HENA was for 472 dwellings per annum.

7.2.2 In addition to this, is the apportionment of unmet need from Leicester City Council (LCC) as per the SOCG analysed above, which HBBC agreed to meet 102 dpa of.

7.2.3 As part of their 'Duty to Cooperate', HBBC agree to help try and meet this unmet need arising from Leicester City. However, it should be noted that the apportionment figures presented in the SoCG and above (102) are considered annual averages. Therefore, it is down to respective LPAs to determine the appropriate phasing of their apportionment.

7.2.4 As a result, the total housing need in HBBC is 472, identified in the HENA, and the additional 102 that HBBC have agreed to in the SoCG. This generates a minimum housing need of 574 dwellings per annum and 12,054 for the period covered by the emerging Plan, from 2020 up to 2041.

7.2.5 In their Regulation 19 consultation Plan (February 2022), HBBC made provision for a minimum 9,124 dwellings over the period 2020-2039. This equates to 480 dwellings per annum. Therefore, the level of housing need the emerging LP should seek to accommodate is now higher than in previous iterations.

7.3 Option 1: Neighbourhood Development Plan (NDP) led spatial distribution.

7.3.1 Option 1 is an approach whereby parish councils work with HBBC to guide local development through Neighbourhood Development Plans (NDPs).

7.3.2 HBBC currently has a total of seven made NDPs, with five that are actively progressing and one potential NDP. The table below presents the stage of respective NDPs.

Table 38. Respective NDP Stages

Made NDPs	NDPs actively progressing	Potential NDPs
• Market Bosworth • Sheepy • Burbage • Desford • Markfield • Stoke Golding • Barlestone	• Newbold Verdon • Bagworth, Thornton and Stanton Under Bardon • Dadlington • Groby • Witherley	• Higham on the Hill

Source: HBBC Website

7.3.3 Evidently, not all neighbourhood areas are represented by their own respective NDPs. The made NDPs represent parts of all the four sub areas, however, they do not represent the whole of the borough.

7.3.4 Consequently, not all the housing need throughout the borough will be met by solely focusing on this spatial strategy, where the Local Plan will likely need to make additional residential provision.

7.3.5 Furthermore, NDPs provide respective parishes with increased autonomy with regards to planning in their planning areas. However, the process for establishing NDPs, has the potential to delay the delivery of housing.

7.3.6 Moreover, most of the residential delivery from 2008/09 to 2021/22, was in the Urban South of the borough. This does not mean to say that NDPs cannot be made in these areas. However, it is questionable whether NDPs will be able to deliver the quantity of housing required. Higher tier plans may be better placed to help deliver larger, more strategic sites.

7.3.7 The GBORs analyzed in this report decrease with the site size threshold, where this strategy and NDPs are more likely to rely on a larger number of smaller sites in more peripheral and rural areas, where delivery rates were lower. However, the demand data and market signals presented earlier in this report, cannot be overlooked, and 2011 Census data and 2021 MYEs indicate high and increasing proportions of the older population, especially in the more rural areas. The proportion of those who are of working age reflects this, where the proportions in the more rural sub areas are lower than the likes of the Urban South. The increasing proportions of the older population express locational preferences for the more rural sub areas, as indicated by the Experian Mapping.

7.3.8 The rural areas, that the older population show a preference for, have higher proportions of larger (by number of bedrooms) properties. In addition, there is a higher proportion of detached and semi-detached property in these areas (West and Central). Detached property fetches the highest mean property price of all the property type in the borough as indicated by the market signals data. Incidentally, the majority of the made NDPs represent areas in the West and Central sub areas, where NDPs that are progressing, also have a large representation in these sub areas.

7.3.9 In progressing the plan, the Council also need to consider the property types provided. The more rural West and Central sub areas, which the majority of NDPs represent, have higher proportions of larger detached and semi-detached properties. Solely providing larger detached and semi-detached property will not meet the entire needs of the borough.

7.3.10 The GBOR analysis also revealed that GBORs are not as high in these areas as in other parts of the borough. Whilst sites may potentially be smaller in scale, this may pose a problem to speed of delivery.

7.3.11 This spatial strategy taken in isolation, has the potential to overlook housing delivery throughout the borough, where need and demand may not be met, requiring intervention from the Local Plan. It also has the potential to delay the delivery of housing, through the process of establishing NDPs.

7.3.12 However, one advantage of this approach addresses concerns raised by the developer panel in the latest HDT_AP, where there was a suggestion that there was limited support for smaller and medium sites. NDPs would likely allocate residential development sites of a smaller to medium scale.

7.3.13 The 2020 SHELAA also notes that the PPG advises that a range of site sizes need to be assessed, inferring that in addition to larger sites, small and medium sites are also important.

7.3.14 However, it is crucial that the Council are mindful of the infrastructure capacity in these areas. In considering the made NDPs above, the ICSpha1 identifies several constraints in these settlements. These are identified below:

- **Barlestone**
  - Local highway network: No identified constraints and unlikely to be impacted by development.
  - Primary education: No current capacity constraints, however significant further development would require further extensions and developments.
  - Secondary education: Barlestone served by Market Bosworth School, which is already over-subscribed, prior to any new development.
  - Primary healthcare: No identified constraints and unlikely to be impacted by development.
- **Burbage**
  - Local highway network: Potential constraints identified, however programmed solutions in Leicestershire County Council's capital improvement program. Further modelling required to determine potential additional constraints.
  - Primary education: No identified constraints and unlikely to be impacted by development.
  - Secondary education: No current capacity constraints, however significant further development would require further extensions and developments.
  - Primary healthcare: No identified constraints and unlikely to be impacted by development.
- **Desford**
  - Local highway network: Planned schemes will likely need developer contributions in order to be delivered.
  - Primary education: No identified constraints and unlikely to be impacted by development.
  - Secondary education: Desford is served by Bosworth academy which would require further extensions and developments if this settlement was identified as a growth location.
  - Primary healthcare: New site allocations in Desford may require the provision of a new surgery, and/or funding towards new provision elsewhere.
- **Market Bosworth**
  - Local highway network: No identified constraints and unlikely to be impacted by development.
  - Primary education: Significant further development would require further extensions and developments.
  - Secondary education: Market Bosworth is served by Market Bosworth School, which is already over-subscribed, prior to any new development.
  - Primary healthcare: No identified constraints and unlikely to be impacted by development.

- **Markfield**
  - Local highway network: Potential constraints identified, however programmed solutions in Leicestershire County Council's capital improvement program. Developer contributions may be required in order to fund the schemes.
  - Primary education: Significant further development would require further extensions and developments.
  - Secondary education: Markfield is served by South Charnwood High School, this is already oversubscribed, and significant further development would likely require further extensions and developments.
  - Primary healthcare: New site allocations may need to include the provision of primary healthcare services and/or funding at locations elsewhere.
- **Sheepy**
  - Local highway network: No identified constraints and unlikely to be impacted by development.
  - Primary education: Significant further development would require further extensions and developments.
  - Secondary education: Secondary education provision is outside of the borough; however, significant development will likely require further extension.
  - Primary healthcare: No identified constraints and unlikely to be impacted by development.
- **Stoke Golding**
  - Local highway network: No identified constraints and unlikely to be impacted by development.
  - Primary education: Already over-subscribed where significant development would require further developments and extensions.
  - Secondary education: Already over-subscribed where significant development would require further developments and extensions.
  - Primary healthcare: No identified constraints and unlikely to be impacted by development.

7.3.15 Evidently the various settlements are constrained to different extents, which all need to be considered in future spatial growth planning.

7.3.16 However, it is considered that NDPs can contribute to residential delivery, especially given potentially increasing demand. However, sole reliance on this as a spatial strategy may not deliver strategic scale housing required.

7.3.17 In summary, the advantages of this option include its ability to address developer panel concerns through the provision of small and medium sites. The development of smaller sites is also supported by the 2020 SHELAA. This option provides increased autonomy to local communities and ensures the needs of the smaller communities, throughout the borough, are also met. Furthermore, where the large sites may take time to deliver, smaller sites may come forward sooner, which will ensure that the housing trajectory is as stable as possible. Ultimately, housing capacity issues elsewhere in the borough, are impacted less through the implementation of this option.

7.3.18 However, the disadvantages of the option include the potential delays to housing delivery through the process of establishing NDPs. Furthermore, the partial coverage of HBBC by NDPs, means that need will potentially not be addressed throughout the borough. Moreover, the option is not likely to deliver housing at the scale required. Infrastructure has also been identified as a potential barrier to the delivery of this option. Ultimately, this option would also likely require intervention from the Local Plan, in the form of additional allocations.

7.4 Option 2: Core Strategy approach

7.4.1 Option two, is a continuation of the Adopted Core Strategy Spatial Strategy, with a focus on the Urban South.

7.4.2 Spatial Objective 5 of the CS – 'Housing for Everyone', specifies:

> *"The focus of development will be in and around the Hinckley urban area, with more limited development in the rural areas to meet local needs."*

7.4.3 It is evident from the above that focus for development is in the Urban South and around Hinckley, with limited development in the more rural areas, to meet local needs.

7.4.4 The spatial strategy in the HBBC CS provides additional detail and is split into the urban and rural area of the borough. Paragraph 4.5 states:

> *"…the majority of this development will be accommodated in and around the Hinckley sub regional centre within the key urban area of the borough through sustainable amendments to the settlement boundary and two Sustainable Urban Extensions. A proportion will also be distributed to the rural areas of the borough to accommodate their particular development needs."*

7.4.5 In total, the Urban South, included provision for a total of 5,970 dwellings across four settlements. This equates to 87.1% of total provision.

7.4.6 A total provision of 885 dwellings is made in the HBBC CS across the more rural areas, accounting for 12.9% of total provision. This reinforces the focus on the Urban South.

7.4.7 In the West sub area, Higham on the Hill, Sheepy Magna, and Twycross, account for 80 dwellings or 1.2% of total provision and 9.0% of rural provision.

7.4.8 In the Central sub area, are Stoke Golding, Desford, Newbold Verdon, Market Bosworth, Barlestone, Nailstone and Congerstone. Together, these settlements and the sub area accounted for 450 dwellings and 6.6% of total provision and 50.8% of rural provision.

7.4.9 Finally, in the NELS sub area are, Ratby, Groby, Markfield, Stanton Under Bardon and Bagworth and Thornton which accommodate 355 allocated dwellings and 5.2% of the total provision. They account for 40.1% of rural provision.

7.4.10 These figures demonstrate a reliance of the HBBC CS on the Urban South, where among the more rural provision, the Central and NELS sub areas dominate with 50.8% and 40.1% of allocations respectively.

7.4.11 The focus of development on the Urban South is also reflected in the past delivery figures. Using the same figures used in the GBOR analysis, of approximately 6,000 dwellings delivered from 2008/09 to 2021/22, 68% were in the urban south sub area with 32% in the more rural areas of the borough.

7.4.12 In the more rural areas, the West sub area accounted for 3.3% of delivery, the Central sub area, 17.3% and the NELS area, 11.4%.

7.4.13 The proportions of housing delivery reflect the provision in the CS and that the spatial strategy in the HBBC CS has been realized to some extent.

7.4.14 Census data indicates that the growth in the number of households was the largest in the Urban South between 2011-2021, 10.5%. This was followed by the Central (8.0%) and NELS (5.2%) areas.

7.4.15 Notwithstanding the number of households, the Urban South also had the smallest average household size in 2021, 2.25, which had also fallen from 2011. Once again, this was followed by the NELS (2.32) and Central (2.34) sub areas.

7.4.16 The growth in the number of households and the falling household size, indicates a demand for residential property in the Urban South, especially amongst younger professionals who may require smaller property.

7.4.17 The fact that the Urban South is followed by the NELS and Central sub areas, regarding these two indicators, suggests that these areas are more akin to the Urban South, than the West sub area. This is especially the case for the NELS area.

7.4.18 Data on accommodation by bedroom number also confirms a larger proportion of smaller households in the Urban South, 7.5%. This is once again followed by the NELS (4%) and Central sub areas (2.9%).

7.4.19 Moreover, analysis of the same delivery figures used in the GBOR analysis, reveals that 96.7% of residential delivery from 2008/09 – 2021/22, occurred in the Urban South, Central and NELS sub areas.

7.4.20 The provision and delivery figures further illustrate the reliance of the HBBC CS Spatial Strategy on the three sub areas mentioned, but also, that the delivery has been relatively high in these areas.

7.4.21 In addition, all the Experian Mosaic revised household types are accommodated in Hinckley, Burbage, Earl Shilton and Barwell in the Urban South, except for group 7 households. However, group 7 households are accommodated in and around Desford, Newbold Verdon, Market Bosworth and the wider Central area and Markfield in the NELS area.

7.4.22 Thus, all the Experian Mosaic household groups are accounted for in these areas, where the West largely accounts for household groups 6 and 7.

7.4.23 The Urban South was also the one sub area that had a large enough sample size of development sites to generate its own GBORs which were incidentally the highest across the Borough, outside of the Lichfields GBORs.

7.4.24 Clearly, HBBC have a record of residential delivery that is focused in and around the Urban South, in line with the CS spatial strategy. The GBOR analysis has also demonstrated that the Urban South has higher GBORs than other sub areas, where larger, more strategic sites may also be more appropriately located. The Experian Mapping also demonstrates that all but one of the seven household groups are accommodated in the Urban South.

7.4.25 General advantages of this spatial option include developing in proximity to and using existing infrastructure, services, and transport networks[42] which is more sustainable. The provision of new infrastructure comes at an additional cost to the developer and has the potential to delay the delivery of housing.

7.4.26 However, a large part of the HBBC CS Spatial Strategy includes the Sustainable Urban Extensions (SUEs) in Earl Silton and Barwell. The Earl Shilton and Barwell Area Action Plan (AAP), adopted in September 2014, allocates SUEs. The AAP allocates 1,600 homes for the Earl Shilton SUE and 2,500 homes for the Barwell SUE.

7.4.27 Two applications, on the Earl Shilton SUE have recently been granted outline consent, which shows progression on this site.[43]

7.4.28 Both SUEs are in close proximity and require significant infrastructure provision. Provision is required at a scale like that needed when planning a new settlement, and may be required both on and off site, as identified in the ICSphs1 and the SGPSA.

7.4.29 Amongst the infrastructure required by both SUEs is highways, public transport, active travel networks, primary, secondary, and special needs education, community facilities, healthcare and social care services, green infrastructure, and leisure facilities.[44]

7.4.30 The STAstg1, confirms that commitments to improve the highway network in the southwest of the borough are uncertain, which may lead to further constraints in the future.

7.4.31 Another consideration is progress when both sites are underway. For instance, the resources available to construct sites of this scale, in relative proximity consecutively as well as the potential impacts upon GBORs on site.

7.4.32 The Council have evidenced the delivery of the CS spatial strategy as demonstrated by residential delivery. The Experian Mapping indicates that all but one of the household groups are accommodated by the Urban South, where GBORs are also the highest in the borough. The Urban South also has the highest proportion of working age population.

[42] Infrastructure and transport networks will require improvement.
[43] 21/01511/OUT; 1,000 homes and 23/00330/OUT; 500 homes.
[44] This does not include the utilities required with the development of sites at this scale.

7.4.33 A continuation of the CS spatial strategy works in principle however there will now be reduced capacity, outside of the SUEs for residential delivery now that c. 15 years has elapsed since the adoption of the CS, and due to sites coming forward and being complete.

7.4.34 This is emphasized by the ICSph1 which suggests that Hinckley has highway and secondary education capacity constraints which could be impacted further by development.

7.4.35 However, there is clearly a demand, particularly among the younger age groups to live in the urban south and that demand needs to be accommodated.

7.4.36 Despite this, taking this spatial strategy option in isolation would accommodate a large proportion of demand, however other options have their own advantages, such as supporting demand in the more sustainable rural areas. In addition, by focusing development on the urban periphery, affordability in the more rural areas will not be fully addressed, as identified by the SGPSA.

7.4.37 In summary, the advantages of this option include that its implementation and delivery are evidenced through the adopted strategy and dwelling completions. This option also has the potential to address the majority of the identified growth in households in the borough, where the same indicators also indicate a high demand in the Urban South. Furthermore, all Experian Mosaic household groups are represented by this spatial option, and therefore a large proportion of the demographic preference will potentially be met. The GBOR analysis indicates that the Urban South had some of the highest build out rates. A spatial strategy that capitalizes on these build out rates, may see a high volume of delivery. In addition, the option makes use of existing infrastructure, facilities, and services.

7.4.38 However, this option has potential to overlook need in other areas of the borough by focussing on the Urban South. In addition, the Urban South may have limited capacity due to the amount of development it has experienced during the Adopted Plan period. There are also potential infrastructure constraints identified as per the above assessment. In particular, on the highway network in the southwest. Ultimately, the CS Spatial strategy also included the delivery of the two respective SUEs, however, both these sites have experienced delays in their delivery

7.5 Option 3: Key Transport and Accessibility Corridors

7.5.1 Option 3 is an approach based upon the development of key transport corridors in the southwest of the borough, including the A5.

7.5.2 The key transport corridors in HBBC include the Strategic Road Network (SRN) including the A5, M69 and M1. In addition, the A47, A444, A447 and A50 provide key arterial routes, and via them, most of the larger and more urban settlements are connected.

7.5.3 In the south of the borough are the main urban settlements, all of which are connected by the M69, A5 and A47. The more rural character of the borough is linked up by the A444 to the west, the A447 running up the center of the borough and the A50 which runs away from the Leicester suburbs through the northeast of the borough. A web of more rural, country roads interlink the larger key accessibility corridors.

7.5.4 The ICSph1 alludes to constraints with the highway network in the south and southwest of the borough, and specifically the A5 and that commitments to improvements are uncertain, as confirmed by the STAstg1. The ICSph1, notes that neighboring authorities to HBBC also note the constraints with the route.

7.5.5 Focusing development solely on the southwest, could negatively impact the already heavily constrained network. Furthermore, besides to the north of the A47 in the Urban South, there is limited scope for development. Beyond the Urban South, development will likely spillover into the West and Central sub areas, where the strategic scale of development required may not be possible and where GBORs reduce significantly.

7.5.6 Alternatively, the A50, extending into the borough from the Leicester suburbs is potentially a route that is underutilized, and provides immediate access to Groby, Ratby and Markfield, which are some of the boroughs larger and more sustainable settlements[45], in rural areas.

7.5.7 The demand indicators suggest that the NELS area (home to Groby, Ratby and Markfield) may be more comparable to the Urban south, than the other sub areas. The Experian Mapping also indicates that most household groups express locational preferences for the area, in particular groups two, five and six.

7.5.8 Of the household groups that are not represented in the NELS sub area, groups three and four are only present in the Urban South in any case.

7.5.9 By focusing delivery on the existing highway infrastructure in the Northeast potentially relieves pressure on a constrained network in the south and southwest, whilst capitalizing on an area in demand, especially due to its links to Leicester.

7.5.10 However, the obvious constraints with a focus on the existing network of roads in the northeast, is that this may lead to the increased reliance on the private car, as neither Groby, Ratby or Markfield, benefit from rail stations.

7.5.11 Furthermore, the National Forest also takes up a large proportion of the sub area and consideration must be given to this.

7.5.12 Development in the National Forest needs to be located appropriately and of a scale relative to the location. Any development would need to be sympathetic to the setting and surrounding of the National Forest and character area. Finally, development also needs to consider existing settlements, services and facilities without adversely impacting upon them.

7.5.13 Moreover, these settlements, whilst relatively large amongst the more rural settlements, are not as large as the settlements in the urban south. It is therefore questionable whether would development in this

[45] Excluding Hinckley, Burbage, Earl Shilton and Barwell.

location, of an appropriate scale, would deliver housing at the scale required. This strategy would likely need to be supported by additional provision elsewhere.

7.5.14 The table below is the population count of Groby, Ratfield and Markfield at the time of the 2021 Census[46].

Table 39. 2021 Census population counts

	Groby	Ratby	Markfield
2021	6,511	4,576	4,580

Source: Nomis

7.5.15 The three settlements above, are the most sustainable in the NELS, however they do not compare in population terms to the settlements of the Urban South. Consequently, these relatively small settlements, would only be able to support proportionate development, where a development of over 250 dwellings is already under construction at London Road, Markfield.

7.5.16 There is also a danger that by focusing attention on a strategy which focusses on transport and accessibility corridors, that other less well-connected areas of the borough are overlooked.

7.5.17 However, the demand for homes indicates that the NELS area has a higher proportion of those aged 44 and under than the other two rural sub areas and the second lowest average household size, behind the Urban South. The NELS area also has the highest proportion of households living in 2 bed properties.

7.5.18 The data regarding tenure also reveals that the area had the highest proportion of residential property in the owned tenure. However, this was marginal and only 0.02% higher than the next highest proportion.

7.5.19 These indicators suggest that the area may be more popular amongst relatively affluent, younger professionals, possibly due to its proximity to the suburbs of Lecester.

7.5.20 The Experian Mapping supports this notion with the presence of group 2 households, represented by working age families on middle to high incomes with children. However, it also indicates that the area is dominated by household groups 5 and 6, who represent those aged 45 and older without children at home ranging from low to high incomes.

7.5.21 This insinuates that the area is also popular amongst those approaching and of retirement age. Consequently, by developing in these areas, the Council are meeting the needs of a range of age groups.

7.5.22 Furthermore, whilst the STAstg1 supports the continuation of the existing SGP spatial pattern, it identifies scenario 3, 'Majority near Leicester' as the next best opportunity. This may present Groby, Ratby and Markfield with an opportunity for further development, due to their proximity to the suburbs of Leicester. Ultimately, the STAstg1 report does not exclude the potential for a hybrid approach in the future.

7.5.23 LSH have reviewed this option without a focus on the southwest of the borough as there is overlap with other options. Instead, we have reviewed the key transport and accessibility corridors in the rest of the borough, with those in the NELS area being the most sustainable.

[46] This based upon a best fit analysis of relevant output areas.

7.5.24 This spatial strategy taken in isolation, has the potential to overlook housing delivery throughout the borough, where need and demand may not be met, requiring intervention from the Local Plan.

7.5.25 However, it makes use of the more sustainable rural settlements which are in demand due to their proximity and connections to Leicester.

7.5.26 The advantages of this option include that the area around the A50 in the northeast is in high demand and more akin to the Urban South sub area, this is potentially due to its links to suburbs of Leicester. This spatial option may also impact less upon capacity and infrastructure issues identified in the southwest. In addition, most Experian Mosaic household groups are present within the area, therefore the option addresses high demand from a range of different groups. Moreover, the STAstg1 also endorses an option that facilitates development near to Leicester.

7.5.27 The disadvantages include, by focussing development on the southwest, emphasises the issues with the already constrained highway network, however, by looking elsewhere as per the above assessment, this issue is potentially alleviated. However, one downside of development in the northeast is the potential for increased reliance upon the private car, due to the lack of rail infrastructure. Furthermore, the presence of the National Forest, may decrease the potential to deliver housing at the scale required. Ultimately, by focussing on this spatial option there is also the potential that other parts of the borough are overlooked.

7.6 Option 4: Garden Village/New Town

7.6.1 Option 4 is based around the development of a new self-sufficient town, with a minimum of 1,500 dwellings and other facilities including health, shops, leisure and educational facilities.

7.6.2 A new settlement, provides numerous opportunities to plan a fundamentally sustainable settlement, focused on place-making and well-being, with the opportunity to deliver housing at a strategic scale.

7.6.3 However, focusing on this spatial option alone, carries potential risk for HBBC and future housing delivery. Considered in isolation, Option 4 is not considered a timely or viable option, however, complemented by other options may provide a significant contribution to housing delivery.

7.6.4 A potential constraint to the delivery of such an option is determining the location for this type of development, which would require significant land and resources. However, the progression of the LP and specifically the Strategic Housing and Economic Land Availability Assessment (SHELAA) provide opportunity for submission of potential residential development sites.

7.6.5 Furthermore, the Strategic Development Plan (SGP) acknowledges the role that the 'garden city' and new settlements can have. The SGP notes that:

> *'We are keen to reflect our heritage of garden suburbs and government support for new garden towns, villages and suburbs.'*[47]

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[47] LLSGP pg 20

7.6.6 The above quote infers a continuation of wider settlement pattern with the wider region, but also that there is national Government support for this approach to *'new garden towns'*.

7.6.7 The SGP goes on to suggest that the concept of a new settlement allows for *'social, economic and environmental foundations.'*

7.6.8 The SGP has a clear focus on the growth of Leicester City at its heart, as well as the more urban areas around it. The eastern boundary of HBBC has been identified as an area in demand by this report, potentially due to its connections to Leicester to the east, and therefore may provide such an opportunity.

7.6.9 Moreover, the 2020 SHELAA notes that the PPG advises that various sites of different sizes will need to be assessed, which it acknowledges, have been submitted in several 'call for sites' opportunities in HBBC. Appendix 2 to this document contains a list of sites submitted throughout the borough as well as their development potential. It is noted that several of these, reflect the scale required by a potential new settlement.

7.6.10 Locating a new settlement in the Urban South would be preferable due to the demand and relatively high GBORs. However, with the allocated SUEs there may be limited scope for this, but there are opportunities to the north of the A47 and West of Barwell. Whilst this may be an ideal option, other opportunities may need to be considered to avoid placing increased pressure on an already constrained highway network.

7.6.11 If this is a chosen option it is considered best used, alongside other spatial options. This is to avoid a large proportion of the Council' future development attention, on a single site, potentially at the cost of delivery elsewhere in the borough. Areas with a proven record of housing delivery and with relatively high GBORs, must not be overlooked at the cost of the provision of this option alone. Additional other options will also minimize the risk of potential delayed delivery on a large site for an unforeseen reason.

7.6.12 This option is considered best adopted as a hybrid approach, due to the findings of the STAstg1 document. The STAstg1 identifies that a 'New Market Town' scenario would likely have the greatest impact upon the transport network.

7.6.13 It is acknowledged that the STAstg1 assessment also includes the provision of other market towns throughout Leicestershire, and not just in HBBC, however, based on the outputs in the report, this spatial option is deemed to have the largest impact upon the highway network.

7.6.14 However, the ICSph1 states that a new settlement of this size, will to some degree, be self-sustaining with detailed plans of highways and utilities networks. In addition, it would also likely be able to support its own primary school and be large enough to justify the re-routing of established bus routes. However, it would be reliant upon other higher order settlements to provide for other needs such as secondary education and healthcare. As identified in the ICSph1, existing education and healthcare facilities have limited capacity, so much so that they may delay and limit the amount of housing that can potentially come forward.

7.6.15 Whilst the Council have no evidence to demonstrate residential delivery on this scale, of the SUEs allocated in 2014, the Earl Shilton SUE is now progressing. Two applications[48] were approved subject to S106 and planning conditions at the Planning Committee in June 2024.

7.6.16 This demonstrates that the Council is willing to work with key stakeholders and developers in the delivery of large strategic sites. In addition, it is something that the Council can evidence through the ongoing delivery of a large strategic site to the West of Hinckley for 850 dwellings, nearly half of which had been delivered up to 2022/23.

7.6.17 A major advantage of a development of this scale is its ability to address a lot of the identified housing need in the borough and its potential for employment development within it as well.

7.6.18 However, a development of this scale is likely to require significant infrastructure provision. Any potential developers at the site, would be required to provide infrastructure through S106 agreements and planning conditions, which may slow down delivery

7.6.19 The Council acknowledge that any potential new settlement may take time to deliver. However, implementation of this strategy (with others) may contribute significantly to addressing LHN and in a sustainable and holistic manner.

7.6.20 The fact that development of a new settlement may come forward more slowly and be heavily reliant on new infrastructure is a point that is acknowledged by the SGPSA. However, as identified by the ICSph1, various settlements in HBBC have service and facility constraints, and a new settlement has the potential to relieve some of this pressure.

7.6.21 Consequently, we feel that this spatial option if considered as part of a hybrid option, could make a significant contribution to housing delivery in the borough. However, its contribution will be most valued alongside other options which may allocate smaller development, more suitable for the earlier stages of the Plan.

7.6.22 This is especially the case as highlighted by the latest HBBC HDT_AP developer panel which identified the non-delivery of the two allocated SUEs as a significant contribution to the housing delivery shortfall identified in the 2022 HDT measurement.

7.6.23 Furthermore, as identified by the same developer panel, engagement will likely need to improve between Leicestershire County Council and HBBC in terms of infrastructure provision, especially highways and education.

7.6.24 Ultimately, the advantages of this option include the opportunity to plan for a fundamentally sustainable settlement, focused on place-making and well-being, with the opportunity to deliver housing at a strategic scale. The notion of new settlements is also supported by the LLSGP. The Council have also advised that they have received several candidate site submissions, that satisfy the scale required for a new settlement.

[48] 21/01511/OUT - 1,000 dwellings; and 23/00330/OUT – 500 dwellings at Earl Shilton SUE.

As identified by the ICSph1, a settlement of this size may also be self-sustaining to a degree, supporting its own services and facilities. A major advantage is also the ability to meet a large proportion of the identified need and requirement through the provision of this option.

7.6.25 However, whilst this option has the ability to be self-sustaining, the ICSph1 also identifies that current infrastructure provision has the potential to delay its delivery. In addition, a site of this scale would also likely require its own significant infrastructure, which may delay housing delivery. Potentially the major constraint of the option is its location. Whilst the Council have had various potential sites submitted, they will still need to determine a suitable location. Ultimately, as identified by the developer panel the Council have limited evidence of delivering such a large scheme.

7.7 Option 5: Proportionate Growth of Key Rural Centres

7.7.1 Option 5 is the proportionate growth of the Key Rural Centres.

7.7.2 The CS identifies the Key Rural Centres as:

- Markfield
- Groby
- Ratby
- Barlestone
- Desford
- Newbold Verdon
- Bagworth and Thornton
- Market Bosworth
- Stoke Golding

7.7.3 Of the nine settlements above, four (Markfield, Groby, Ratby and Bagworth and Thornton) are in the NELS sub area. The other five (Barlestone, Desford, Newbold Verdon, Market Bosworth, and Stoke Golding) are in the Central sub area.

7.7.4 As per section three of this report, the West sub area is relatively sparse in comparison to the other sub areas and is an area made up of smaller hamlets. Therefore, it is unsurprising that the area does not comprise any Key Rural Centres. This is reflected in the completions analysis.

7.7.5 This approach is far more holistic than other approaches which primarily focuses development in specific areas or sites (options 3 and 4). In taking this holistic approach, the Council are more likely to meet the needs of the resident population throughout the borough, and not just one sub area or settlement.

7.7.6 However, the word proportionate implies that development in the rural locations will be appropriate to the scale of the existing settlements. An obvious and potential constraint of this strategy is the ability of the

Council to meet the identified housing needs through development of this scale. Key Rural Centers identified above that are particularly small are Barlestone, Bagworth, and Thornton.

7.7.7 However, as confirmed by the SIOSA of September 2020, the strategy also accounts for the more urban areas and settlements such as Hinckley, Burbage, Earl Shilton and Barwell. The areas have higher GBORs and a proven record of delivery.

7.7.8 The assessment of option 3 identified that Markfield, Groby and Ratfield are three of the boroughs more sustainable rural settlements that are in demand from a range of household groups, potentially due to the links to Leicester.

7.7.9 The assessment of option 2 demonstrated how the more urban settlements in the Urban South have contributed to the delivery of housing during the period of the CS between 2008/09 to 2021/22.

7.7.10 The same assessment also identified that the Central sub area accounted for 17% of residential delivery between 2008/09 and 2021/22.

7.7.11 None of the Key Rural Centers above are in the West sub area, which may explain the sub areas 3% contribution to residential delivery over the period 2008/09 to 2021/22.

7.7.12 This spatial option focuses on the more sustainable rural areas and settlements in the Central and NELS sub areas.

7.7.13 Furthermore, the socio-demographic data demonstrates significant growth in the older populations in the borough, particularly the over 45s and those of retirement age. The Experian Mapping illustrates how the more rural settlements and sub areas of the borough are more popular amongst the older populations which are dispersed throughout the rural areas.

7.7.14 By utilizing the more sustainable Key Rural Settlements, this spatial option places less focus and reliance on the Urban South, which will have a reduced capacity as identified in the assessment of option 2.

7.7.15 Moreover, this spatial option places less reliance on the development of new infrastructure that can potentially delay housing delivery, by using existing infrastructure.

7.7.16 Furthermore, the LLSGP acknowledges the role that Market Bosworth has in the economy of the wider region as pointed out earlier.

7.7.17 The only potential constraint regarding housing delivery is that this option may be unable to deliver the large, strategic sites required. However, this is less likely to be an issue as this option also accounts for the more urban settlements in the Urban South.

7.7.18 In addition, the ICSph1 identified constraints in respective settlements, as per the assessment of option 1 above. Excluding the settlements assessed in option 1, there are several constraints that arise in some, but not all, of the remaining key rural centres. These are:

- Highway network capacity (Groby)
- Primary education Capacity (Thornton, Bagworth)
- Secondary education Capacity (Groby, Ratby, Newbold Verdon, Thornton, Bagworth)

- Primary healthcare capacity (Ratby)

7.7.19 Evidently, there are constraints around both primary and secondary education capacity, especially secondary. The local highway networks and primary healthcare capacity are less of an issue. The ICSph1 infers that Groby, Ratby, Thornton and Bagworth are among the most constrained key rural settlements, all of which are in the NELS area.[49]

7.7.20 This spatial strategy is the most likely to address housing need in a holistic manner. However, despite the strengths of this spatial option, taken in isolation, there is a risk that housing need cannot be fully met, through the provision of proportionate development.

7.7.21 Furthermore, the SGPSA points out that development in these locations, may help improve their affordability. The market signals section of this report highlights that there is not really an affordability issue within the borough in the wider region. However, this may be more pronounced in its more rural areas, compared to its urban areas.

7.7.22 In Summary, the advantages of this option include its holistic nature and ability to meet the needs of those throughout the borough. In addition, this option also places less reliance upon the constrained Urban South as well as reducing the requirement for additional infrastructure. By acknowledging comments in the LLSGP, this option has the potential to capitalize on the likes of Market Bosworth, which has a key role in the wider economy.

7.7.23 However, a disadvantage of this option is, taken in isolation, the 'proportionate growth' potentially will not deliver the required scale of housing. The ICSph1 also identifies several capacity issues with the existing infrastructure, however this is true for all options to some extent.

7.8 Option 6: A mix of the above options

7.8.1 Option 6 is a hybrid option of the above options. All the above options have advantages and disadvantages, therefore taking advantage of respective options is considered the best approach to a spatial strategy for the new HBBC Local Plan.

7.8.2 A combination of all the options will provide HBBC with the scale of development required, in the locations where it is most likely to come forward, and at a quicker pace. Together, these options are also more likely to meet the needs of the resident population.

7.8.3 The options considered the most effective for a future spatial strategy for HBBC that should be considered as part of a hybrid strategy, are as follows:

- **Option 1: Neighbourhood Development Plan (NDP) led spatial distribution;**
- **Option 2: Core Strategy approach;**
- **Option 3: Key Transport and Accessibility Corridors;**

[49] Excludes the key rural settlements assessed under option 1.

- **Option 4: Garden Village/New Town**[50]
- **Option 5: Proportionate Growth of Key Rural Centres**

7.8.4 The options combine:

- A continuation of a proven strategy (2);
  - Of approximately 6,000 dwellings delivered between 2008/09 and 2021/22 68% were in the Urban South and 32% in the more rural sub areas.
  - This illustrates the realization of the CS spatial strategy where even in the more rural sub areas, the more sustainable received a larger proportion of development.
  - Census 2021 data indicates that the number of households has grown the most in the Urban South since 2011, potentially reflecting an increase in demand in the area. The sub area also had the highest proportion of those of working age in 2021.
  - All Experian Mosaic household groups are accounted for by this spatial strategy.
  - The utilization of existing infrastructure, transport and services.
  - The SUEs can provide development at a scale that can meet a large proportion of demand and the required housing provision.
  - Strategy takes advantage of the high GBORs experienced in the Urban South.
- Make use of existing and potentially underutilized infrastructure with links to Leicester, as well as the more sustainable rural settlements, that are in demand (3);
  - The NELS area is more akin to the Uban South and thus potentially more suited to larger, but appropriate and proportionate development. Especially with the presence of the National Forest.
  - The NELS area is also home to the boroughs more sustainable rural settlements in Groby, Ratby and Markfield.
  - The Experian Mapping indicates that most household groups, in particular 5 and 6, are accommodated and that the NELS area is in demand.
  - A spatial strategy which focusses development in the NELS area may relieve pressure on the highly constrained highway network in the southwest.
- Focus development on the Urban South, however, do not overlook the more rural areas (1 and 5)[51];
  - Takes account of the increasing older populations which show locational preferences for the more rural areas of the borough, as indicated by the Experian Mapping.

[50] It is recommended that this option forms part of a hybrid option, however, should not provide the focus of that hybrid option.
[51] Option 1 can also provide the more rural settlements with increased autonomy with regards to future development in their area.

- Provides neighbourhood areas with increased autonomy and a say over the development of their areas.
- NDPs can provide smaller sites which all contribute to housing delivery and address HDT_AP developer panel concerns.
- Development of the Key Rural Centres is more sustainable than sporadic development elsewhere.
- Option 5 also focuses development in the more urban areas such as the Urban South. This means that option 5 is a far more holistic approach, where the Council are more likely to meet needs. The Urban South clearly contributes a lot to housing delivery, and where there are also higher GBORs.
- Relieves pressure on the highway network in the Urban South
- Requires less, new infrastructure.

- Deliver development of scale in a sustainable and holistic manner (4);
  - Potential for delivery on a large scale, with potential to meet a large proportion of the LHN.
  - Offers a more sustainable and holistic opportunity that comes with planning for a new settlement.

7.8.5 A hybrid option, as above, capitalizes on the advantages of all the options and potentially ensures that all needs are met in all parts of the borough. As a result, a hybrid option is far more holistic.

7.8.6 In comprising several options, the range in the type and scale of development is likely to be more varied, where it can be sympathetic to its location.

7.8.7 Furthermore, a hybrid option places less pressure on a single spatial strategy, which may rely on the delivery of one large, strategic site. Consequently, a hybrid approach has the potential to be delivered in a more timely manner, where development is spread out over a development trajectory and not weighted to one end or the other.

7.8.8 In addition to the above, it also places less pressure on the infrastructure and highway network in particular areas and tries to make use of the existing infrastructure where possible.

7.8.9 As demonstrated above, the hybrid option capitalizes on demand as well as market conditions.

7.8.10 Regarding option 3, it will be for the Council to determine which of the key transport and connectivity corridors to capitalize on and with option 5, they will need to determine what they feel is proportionate. But a hybrid option is considered the best way forward, and has the potential to:

- Deliver housing to address the needs of all ages;
- Deliver housing to address the needs of all areas in the borough;
- Deliver the housing requirement in a more timely manner.

7.8.11 Overall, the adoption of a spatial strategy in the LP will address concerns identified by the HDT_AP developer panel, in that there will be less uncertainty surrounding housing delivery, with a LP with new sites and allocations adopted.

7.9 Spatial Options Assessment – Summary

7.9.1 A hybrid option of the five options assessed above is considered the best approach to future housing delivery in HBBC.

7.9.2 A hybrid of the options utilizes the advantages associated with each but also minimizes the risk of solely focusing on one single option. For instance, Option 1 may not provide development at the scale required; Option 3 may place increased constraint on the highway network; Option 4 may take time to come forward; and Option 5 may not be the most sustainable.

7.9.3 However, the STAstg1 identifies that a deterioration in the local highway network is something that all options would have in common, and that potential growth will have impacts over and above that which has already been planned and has been granted. It acknowledges that:

> *'By extension, it is strongly suggestive of the need for a package of strategic-scale transport interventions to accommodate long-term growth, again regardless of where such growth is distributed within the HMA.'* (Pg 16).

7.9.4 By adopting a hybrid approach, the Council acknowledge that transport infrastructure provision and investment would be required but minimize risk in relying solely on one geographical location.

7.9.5 The ICSph1 also identifies some general infrastructure constraints within HBBC. These include limited capacity in the electricity supply network which has cross-border impacts, limited capacity in primary and secondary education facilities, and limited capacity in primary healthcare facilities.

7.9.6 The constraints above will affect all the spatial options above, in terms of location and ability to deliver housing in a timely manner due to capacity constraints in healthcare and education. As identified by the developer panel in the HDT_AP, the relationship between HBBC and Leicestershire County Council will have to be further developed to address these potential issues.

7.9.7 The weight given to each option within the hybrid option will need to be a consideration of the Councils, however, it is recommended that they refer to demand indicators, market signals, past completions and GBORs and the potential constraints associated with the respective spatial options.

7.9.8 The hybrid option also provides the opportunity for development to come forward at different timescales and at various periods within the plan to allow for a more stable trajectory.

8.0 CONCLUSIONS

8.1 Policy Context and Literature Review

8.1.1 As specified by the NPPF, LHN should be calculated by each LPA using the standard method, which provides a starting point.

8.1.2 The NPPF is also clear that in strategic planning matters, it is important that LPAs cooperate with each other and observe their duty to cooperate.

8.1.3 The final LHN has been identified as 574 dpa in HBBC which consists of the identified LHN figure of 472[52] dpa as well as 102 dpa, of Leicester's unmet need that HBBC have agreed to accommodate. This emphasizes that HBBC have adhered to national policy and are willing to cooperate with neighbouring LPAs.

8.1.4 The ALP, formed of the CS and SADMDPD has a plan period of 2006 -2026 and identified a need for 9,000 homes, or 450 dpa during this period. The annual completion rate averages at 423 dpa, however, the spatial strategy has largely been realized.

8.1.5 HBBC are reviewing their ALP and their LP and associated evidence base is progressing well and anticipated adoption is in January/February 2026.

8.1.6 Amongst other documents, the LP is informed by the LLSGP which concerns the development of Leicester and Leicestershire up to 2050. The LLSGP recognizes the A5 as a potential improvement corridor, and Hinckley, and Market Bosworth as settlements that make an important contribution to the economy.

8.1.7 The spatial strategy of the LLSGP, focusses development in and around Leicester at its core, with limited development in rural areas and villages, whilst acknowledging their relationship with Leicester.

8.1.8 The latest HDT_AP, published in June 2024, included a developer panel of key stakeholders who identified several issues which had impacted upon housing delivery. Among these were the progress on the LP, limited support for smaller development sites and, planning application timeframes. Wider market influences were also noted as having an impact.

8.1.9 As per above, in June 2022, HBBC agreed to accommodate 102 dpa of Leicester Cit's unmet housing need and disagreed with the originally prescribed 187.

8.1.10 To date HBBC have demonstrated a willingness to cooperate in addressing unmet need whilst remaining realistic around what can be achieved without impact upon its own objectives.

8.2 Sub Area Profiles

8.2.1 For the purposes of assessing the six different spatial options, four geographical areas of HBBC were established, in conjunction with HBBC.

[52] Identified by the HENA (June 2022)

8.2.2 The four geographical areas were based upon existing LSOA boundaries which allowed for easier data capture and analysis and crucially for the assessment of past completion rates and therefore likely future build out rates, by respective sub area.

8.2.3 The four sub areas varied in characteristics, where the Urban South is the most built up and urbanised sub area within HBBC. Of the four sub areas, the Urban South is also the most well connected by the road network with good access to the A5 and M69.

8.2.4 By comparison, the NELS sub area to the north is less urban in nature than the Urban South, however more urban than the Central and West sub areas. This reflects the sub areas close connections to the suburbs of Leicester City to the east.

8.2.5 The Central sub area is more rural than the NELS sub area and is characterised by a range of smaller settlements dotted throughout the relatively sparsely populated sub area. The A447 runs up the centre of the sub area providing connections to Hinckley and Burbage to the south and Coalville, beyond the Borough boundary to the north.

8.2.6 By comparison, the West sub area is the most rural of the four sub areas and is made up of several smaller hamlets. The sub area is also host to the MIRA enterprise zone to the south.

8.2.7 The sub areas reflect the urban nature around Burbage, Hinckley, Earl Shilton and Barwell and the relatively rural nature of the rest of the Borough. However, as reflected by the Demand for Homes section, this disparity is less pronounced between the Urban South and NELS sub areas.

8.3 Demand for Homes

8.3.1 Larger proportions of younger age groups (24 and under) are found in the NELS and Urban South sub areas, however this has fallen in the consecutive censuses. This reflects the popularity of the areas with first time buyers, however as of 2021 the West had the highest proportion of 16–24-year-olds, perhaps reflecting relative affordability.

8.3.2 Conversely, all sub areas saw an increase in the proportion of older generations (65+) where the Central had the highest proportion in 2021. This was followed by the West and potentially reflects a relative popularity of the areas amongst retirees.

8.3.3 The largest proportion of those who were working age (16-64) in 2021 was in the Urban South, suggesting that this area provides good opportunities for those looking for work.

8.3.4 The Urban South also saw the highest growth in the number of households since 2011, however the area had the smallest average household size, which was also lower than that for the borough. The largest growth in the number of households and a relatively low average household size reflect that the area may be more popular among younger singles and couples, with smaller accommodation demands. This is supported by the fact the sub area had the largest proportion of 1 bed dwellings as of 2021, which had also increased from 2011.

8.3.5 By contrast, the West had the largest proportion of 4 bed dwellings. This highlights the disparity between the two sub areas. In each of the sub areas, the modal number of bedrooms was three.

8.3.6 The Urban South also had the highest proportion of purpose built, flatted development at each of the last 3 Censuses, where the West had the highest proportion of detached dwellings and the Urban South, the lowest.

8.3.7 Regarding the tenure of homes, the highest proportion in each sub area were owned, however this varied between sub area where all four also experienced an exponential rise in the private rented tenure.

8.3.8 The Experian Mosaic mapping data shows that clusters of the respective household groups are in and around the existing settlements in the borough. This is particularly the case in the Urban South.

8.3.9 Group 2 households tend to be in the larger more urban settlements where the age cohort (16-64) of the group may be more attracted to urban settings where there will be a range of services and facilities including employment and education. The groups presence in Ratby and Groby may be explained by the settlements' proximity to the Leicester suburbs.

8.3.10 Conversely, group 7 households are widely dispersed throughout the more rural areas of HBBC in the Central and West sub areas. There are relatively few group 7 households in the more urban settlements. The locational preferences of this group may reflect those who are retired with potentially higher disposable incomes, who may wish to reside in larger homes in more rural settings.

8.3.11 Clusters of group 6 are in the more rural areas of the borough, but also within the urban settlements. The low-income characteristic may make the urban periphery an attractive location. The locational preferences of the group close to existing settlements also reflect a desire to remain close to services, amenities and other community groups, family, and friends, and the affordability of these areas.

8.3.12 Group 5 households are clustered in the more urban settlements of Hinckley, Burbage, Earl Shilton, Desford, Ratby and Groby. These settlements are in relative proximity to the eastern border of HBBC. This group represents those who are approaching retirement age and may be looking to move into the more rural areas of HBBC in the future. The income of this group also indicates that demand may be for larger properties in the suburbs, but near services and amenities, including Leicester to the east.

8.3.13 The West sub area is very sparse and represented by only a couple of household groups in comparison to other sub areas.

8.3.14 Forecast data regarding the age of the household reference person and how that may change from 2016-2041, suggests substantial growth in the over 55s and the over 70s.

8.3.15 Higher proportions of younger age groups in the Urban South and NELS cannot be ignored, and their demand for smaller property can be met through suitably designed and located purpose built, flatted development.

8.3.16 The demand indicators suggest that the older generations find the edge of settlements and the more rural parts of the borough more attractive. Forecast data up to 2041, suggests substantial growth in the over 55s and over 70s and therefore to neglect the needs of this age cohort would be remiss.

8.3.17 In considering its potential future spatial options it is recommended that the Council consider likely future demand of all age groups, income groups and household composition and how that demand is best met spatially.

8.4 Market Signals

8.4.1 HBBC is largely consistent regarding mean property prices, lower quartile property prices, private rents, and social rents, to the East Midlands region where Leicestershire and England generally experience higher prices.

8.4.2 Whilst prices have gone up, this suggests that HBBC remains relatively affordable in the wider area and for that reason may remain attractive to prospective house buyers wishing to remain in proximity to Leicester and the wider midlands area.

8.4.3 Affordability ratios also indicate relative levels of affordability where the higher the ratio, the less affordable an area is. In 2023, HBBC recorded a ratio of 7.56, which was the lowest among HBBC, Leicestershire, the East Midlands and England.

8.4.4 This supports the previous points in that HBBC may be relatively affordable in the wider area, and than nearby Leicester. This is especially the case within Leicestershire, which records 8.24.

8.4.5 Furthermore, median workplace earnings in 2023 were higher in HBBC than in the East Midlands and Leicestershire and c.£2,000 lower than England.

8.4.6 Data so far has indicated that HBBC may be more affordable than the wider region and median workplace earnings suggest that HBBC is also keeping pace with the wider region in terms of income. Thus, further suggesting that HBBC will remain in demand to potential buyers in the near future.

8.4.7 However, transaction data tells a different story. More recently, in the year to September 2023, the number of transactions fell to a record low in the period 2014 – 2023. Whilst this is notable, it may be a reflection of the economic uncertainty created by the Covid-19 pandemic and economic situation at the time. The relative affordability of HBBC is likely to attract prospective buyers where as recently as September 2022, the number of transactions was the third highest on record for the period.

8.4.8 Data has revealed that overcrowding is not really an issue for HBBC relative to the East Midlands and England. In fact, HBBC had the lowest levels of overcrowding and the highest levels of underoccupancy.

8.4.9 This infers that the dwelling stock in HBBC may be slightly larger than that required by residents. However, the occupancy data will vary by sub area, and whilst data is not available at this level of geography, HBBC need to be sure to cater to all needs throughout the borough in planning future spatial growth.

8.4.10 The market signal data suggests that HBBC may be more affordable than the wider surrounding area where transaction data suggests a temporary slowing of the property market in September 2023. For the reasons above, this is not expected to last, where the average number of transactions over the period 2014-2023 was 177 above that for September 2023.

8.5 Supply of Homes

8.5.1 Housing delivery has fluctuated in HBBC over the 2006/07 to 2021/22 period where a net total of 6,762 dwellings were completed. This equates to an annual delivery rate of 423 dpa.

8.5.2 Dwelling completions have been dispersed throughout the borough, however, the Urban South evidently dominates. Other completions have been in proximity to other existing settlements, where the West sub area saw the least development. Furthermore, the larger residential development has clearly been in the Urban South

8.5.3 Regarding small residential development, this has broadly followed a similar pattern as total development.

8.5.4 Government statistics on dwelling delivery, indicate that HBBC delivered 6,400 dwellings from 2009/10 to 2021/22, which accounted for 16% of the delivery in the LLHMA. This places HBBC fourth out of the eight LPAs in the HMA. The same data indicates that HBBC is one of three LPAs to record a negative CAGR of -2.0%, of these, it is above both Charnwood and Leicester.

8.5.5 A CAGR analysis of HBBCs own delivery data from 2006/07 to 2021/22 reveals that the HBBC had a CAGR 0.9% in relation to its dwelling delivery for the period. However, it should be noted that this reflects a longer period.

8.5.6 GBORs were marginally higher on brownfield sites, where across both greenfield and brownfield, GBORs increased with the site threshold.

8.5.7 The popularity of the Urban South to developers cannot be overlooked. It potentially reflects a higher demand amongst developers for this area, and in part that the spatial strategy in the CS has been realised.

8.5.8 Whilst the Urban South is clearly more sustainable and development is likely to be built out here at a higher rate, the area is likely nearing capacity due to past development where other sub areas also provide potential.

8.6 Spatial Options Assessment

8.6.1 In order to deliver the scale of development required throughout the whole of HBBC and to ensure all needs are met, a hybrid of the five spatial options is considered the best approach to future residential growth and housing provision in HBBC.

8.6.2 In conclusion, a hybrid option utilizes the advantages associated with each option and also minimizes the risk of focusing attention on one option. Overall benefits of the hybrid option approach are as follows:

8.6.3 Spatially, a hybrid of the above options ensure that all geographies are covered, from the larger more urban settlements in the south of the borough, to the key rural centres in the NELS and Central sub areas. The smaller and more rural hamlets in the West may also be covered by NDPs as indicated above.

8.6.4 In terms of housing need, a hybrid option would ensure the needs of all are met by providing smaller more densely developed plots in the more urban areas, to cater for younger singles and couples, whose demand is higher in these areas. Larger plots on smaller developments in the more rural locations would also cater for those with more disposable income perhaps approaching or of retirement age, which the demand for homes section indicates, is more popular in the more rural areas.

8.6.5 In terms of future delivery, a hybrid option would also make the best use of higher GBORs in the Urban South and allow more proportionate development in rural locations where GBORs are not quite as high. A hybrid option would also provide potential for larger, more strategic sites to be allocated to deliver housing at scale.

8.6.6 In addition, a hybrid option will foster residential development at different stages of the Plan and development trajectory. Where several smaller sites may come forward sooner, the larger, more strategic sites are likely to maintain housing delivery further on in the Plan period and sustain housing delivery. Thus, minimizing the risk of challenge to the Council on the grounds of future supply.

8.6.7 A hybrid option also makes use of sustainable networks and existing infrastructure and services. By focusing development on the Urban South, larger rural settlements, and utilizing strategic transport networks, a more sustainable approach is implemented. This approach utilizes existing infrastructure, facilities, and services[53] in the more urban areas, whilst considering proportionate development in the larger, more sustainable, rural settlements.

8.6.8 Penultimately, a hybrid option would also make use of a tried and tested spatial strategy in the CS. The supply of homes section of this report indicates that the adopted spatial strategy has largely been realized.

8.6.9 Finally, a hybrid option also allows for flexibility in housing provision and potentially meeting the unmet needs of other LPAs.

8.6.10 All the options assessed would lead to a deterioration of the existing highway network over and above what development is already planned and permitted, as identified by the STAstg1. Furthermore, the STAstg1 acknowledges that strategic scale interventions will be required, however, the Council acknowledge this and the fact the this is the case with all options but particularly so for option 4.

8.6.11 By adopting a hybrid approach, the Council acknowledge that transport infrastructure provision and investment would be required but minimize risk in relying solely on one geographical location.

[53] The Council anticipate that additional infrastructure and services will be required in some instances, but in using that already in place, minimize the risk of a delay to housing delivery.

8.6.12 Additional infrastructure constraints identified will also need to be addressed, for which, a better working relationship will be required between HBBC, and Leicestershire County Council as identified by the HDT_AP developer panel.

8.6.13 The weight given to each of these options in a new hybrid strategy is for the Council's consideration. However, the final hybrid option should be informed by indicators including demand, market signals, past completions and GBORs presented in this report. Consideration should also be given to current and likely constraints in the future, as well as the Plans of neighbouring LPAs.