

REPORT 1

HARBOROUGH DISTRICT COUNCIL

REPORT TO THE CABINET MEETING OF 10th May 2021

PUBLIC REPORT: Y

EXEMPT REPORT: N

Report Title	Leicester and Leicestershire Statement of Common Ground (SoCG) Relating to Housing and Employment Land (March 2021)
KEY DECISION	N
Report Author	Tess Nelson – Strategic and Local Planning Manager
Purpose of Report	To recommend that the Council becomes a signatory to the Leicester and Leicestershire Statement of Common Ground (SoCG) Relating to Housing and Employment Land (March 2021)
Reason for Decision	To become a signatory to the Leicester and Leicestershire Statement of Common Ground (SoCG), together with the other local authorities within the Leicester and Leicestershire Housing Market Area. The key strategic matters covered in the SoCG under the Duty to Cooperate are; Leicester and Leicestershire Housing and Employment Needs to 2036; Unmet Need to 2036; and the process of apportioning unmet need to 2036. The SoCG commits signatories to joint working on long term strategic planning for housing and economic growth and the associated strategic infrastructure across Leicester and Leicestershire.
Portfolio (holder)	Cllr King (Strategy), Cllr Bateman (Planning)
Corporate Priorities	PLACE: An enterprising, vibrant place CO 2 Wider Employment Choice CO 3 Quality Homes for All
Financial Implications	There are no financial implications associated with this recommendation.
Risk Management Implications	Not signing the SoCG would place the Council at considerable risk of being unable to fulfil our Duty to Cooperate. Failure of the Duty to Cooperate would result in an inability to adopt a future Local Plan. It could undermine future partnership working on strategic cross boundary planning matters across Leicester and Leicestershire.

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Environmental Implications	No environmental implications from this recommendation have been identified.
Legal Implications	Becoming a signatory to the SoCG is not legally binding on the Council but reasserts the existing commitment on behalf of the Council to joint working on long term strategic planning for housing and economic growth and the associated strategic infrastructure across Leicester and Leicestershire.
Equality Implications	No equality implications from this recommendation have been identified.
Data Protection Implications	No data protection implications from this recommendation have been identified.
Consultation	No consultation has taken place.
Options	<u>Not signing the Leicester and Leicestershire Statement of Common Ground (SoCG) Relating to Housing and Employment Land (March 2021).</u> – This option is not recommended since it would risk undermining the ability of the Council to successfully demonstrate that the Duty to Cooperate has been met. Failure of the Duty to Cooperate would result in an inability to adopt a future Local Plan. It could undermine future partnership working on strategic cross boundary planning matters across Leicester and Leicestershire.
Background Papers	None
Appendices	Appendix A: Leicester and Leicestershire Statement of Common Ground (SoCG) Relating to Housing and Employment Land (March 2021)
Recommendations	<p>i) That Cabinet and Council note the Leicester and Leicestershire Statement of Common Ground (SoCG) Relating to Housing and Employment Land (March 2021).</p> <p>ii) That Cabinet recommend to Council that the Council becomes a signatory to the Statement of Common Ground (Appendix A).</p>

1. Introduction

- 1.1 In accordance with the Localism Act 2011 and the National Planning Policy Framework (NPPF), local authorities have a duty to collaborate to address strategic planning matters. The Duty to Cooperate is the mechanism for ensuring that this happens. The Duty requires ongoing constructive engagement on the preparation of development plan documents and other activities in relation to the sustainable development and use of land.

- 1.2 Statements of Common Ground (SoCG) are a means of demonstrating the Duty to Cooperate is met, as evidence of effective ongoing collaboration and engagement between partner authorities. A SoCG is a written record of the progress made by strategic plan-making authorities during the process of planning for strategic cross-boundary matters.

2. Key Facts

- 2.1 The Statement of Common Ground (SoCG) is set out at Appendix A.
- 2.2 The SoCG has been prepared by each of the authorities within Leicester and Leicestershire working in collaboration. Its purpose is to set out how the Duty to Cooperate has been met in relation to the following strategic issues: Leicester and Leicestershire housing and employment needs to 2036; unmet need to 2036 and the process of apportioning unmet need to 2036, in order to demonstrate that all the authorities are working together to meet the requirements of the Duty to Cooperate. The SoCG is being considered by each of the L&L authorities for signing.

Summary of Statement of Common Ground

- 2.3 The SoCG commits partner authorities to on-going co-operation on strategic cross boundary matters, including a programme of evidence work to inform the future redistribution of Leicester's unmet housing and employment needs.

Leicester and Leicestershire Housing Need

- 2.4 The SoCG confirms the authorities all agree that the most appropriate way to calculate local housing need is by using the current standard method set out in Government guidance, which currently uses the 2014 based household projections. The local housing need totals for each authority are set out in Table 1 of the SoCG.
- 2.5 The total number of homes required across the Leicester and Leicestershire area, is 88,320 new homes for the period 2020 to 2036. This equates to 5,520 new homes per year. Of this total, 2,341 new homes per year relate to Leicester City.

Leicester and Leicestershire Housing Land Supply

- 2.6 The National Planning Policy Framework (NPPF) requires local authorities to have a clear understanding of the land available in their area to meet housing need. To achieve this, each of the local authorities within Leicester and Leicestershire have prepared Strategic Housing Land Availability Assessments (SHLAA) using an agreed methodology.
- 2.7 Across Leicester and Leicestershire, the SoCG illustrates that there is theoretical capacity for upwards of 170,000 new homes for the period 2020 to 2036. When set against the housing need target of 88,320 new homes, it is clear that there is

sufficient capacity. Therefore, the SoCG states that the authorities agree that there is flexibility to meet the Leicester and Leicestershire housing need within the housing market area, including any unmet need.

- 2.8 The table at Appendix B of the SoCG illustrates the theoretical housing land supply across Leicester and Leicestershire to 2036.

Leicester and Leicestershire Employment Need

- 2.9 The SoCG sets out that the authorities all agree that the most appropriate way to calculate employment need is using the jointly prepared Leicester and Leicestershire Housing and Economic Needs Assessment (HEDNA), unless a more recent assessment has been undertaken.
- 2.10 Table 2 of the SoCG illustrates the employment need for each of the Leicester and Leicestershire local authorities. The table also sets out the total employment need for the whole Leicester and Leicestershire area, which is between 372 ha and 392 hectares.

Leicester and Leicestershire Employment Land Supply

- 2.11 The SoCG states that all the local authorities within Leicester and Leicestershire agree that the employment land needs for the area can be met within the area.

Unmet need to 2036

- 2.12 The SoCG sets out that the Leicester and Leicestershire local authorities all agree that the only authority within Leicester and Leicestershire to have declared and quantified an unmet need (with evidence) is Leicester City.
- 2.13 Leicester City Council have previously declared an unmet need for housing; that is their housing need exceeds the capacity of sites within the constraints of the City boundary. Leicester's draft Local Plan (September) 2020 demonstrated a potential unmet need of 7,742 homes and 23 hectares employment land from 2019 to 2036, based on a housing need at the time of just over 1,700 dwellings per annum. Work is progressing across the Leicester and Leicestershire partnership to apportion this unmet need within Leicester and Leicestershire.
- 2.14 In December 2020 the Government published a new standard method for calculating housing need. The new method increased Leicester's housing need by 35% from 1,734 dwellings to 2,341 dwellings per annum. This significant increase added a further 9,712 homes to their total housing need between 2020 and 2036 (607 homes per year). The effect of this 35% increase in Leicester's housing need on the scale of unmet need is not yet known as further work is undertaken. Although the supply of homes in Leicester may evolve as their Local Plan progresses, providing for this number of additional homes would require more than a doubling of the allocations set out in the recent draft City Local Plan. As such, further work is required to identify how the increased unmet need arising from these additional homes will be met.

Apportionment of Leicester's unmet need to 2036

- 2.15 The SoCG does not set out the apportionment of Leicester's unmet need and instead sets out the ongoing commitment to a programme of further evidence work being undertaken in order to help inform the future apportionment of unmet need. The SoCG commits authorities to carry out the following programme of work:
- Housing and Economic Needs Assessment
 - Strategic Growth Options and Constraints Mapping
 - Strategic Transport Assessment
 - Sustainability Appraisal
- 2.16 The apportionment of unmet housing need will be set out in a future iteration of the SoCG, expected in Winter 2021/2. In the meantime, Charnwood Borough Council is expected to progress their Local Plan in order to meet the Government requirement to have an up-to-date Local Plan and to meet the requirements for a 5-year housing land supply and help avoid the consequences of unplanned development. As such, the Charnwood Local Plan is now expected to be submitted prior to the work on the apportionment of the significantly higher unmet need being completed.
- 2.17 The SoCG supports Charnwood's Local Plan and commits all authorities within Leicester and Leicestershire to actively engage in future work to redistribute the unmet need. This is an on-going legal duty under the Duty to Cooperate, applying to all authorities regardless of their stage on the local plan-making cycle. Further, the SoCG includes a commitment for Charnwood Borough Council to include a trigger for review policy in their Local Plan, to ensure their plan is updated, if required once the apportionment of unmet need is agreed through a subsequent iteration of the SoCG.

Conclusion

- 2.18 The Government announcement in December 2020 relating to changes to the standard method for calculating housing need has resulted in a significant increase to the scale of unmet housing need to be accommodated within Leicester and Leicestershire. The SoCG commits partner authorities to a programme of work to underpin the future apportionment of unmet needs, to be set out in a further iteration of the SoCG.
- 2.19 The SoCG is evidence of the long well established effective track record of joint working between the local authorities within Leicester and Leicestershire and the commitment to this continuing.

3 Next Steps

- 3.1 All local authorities within the Leicester and Leicestershire Housing Market Area are considering the SoCG for signing through governance processes during spring and early summer 2021.

- 3.2 If approved, officers will arrange for the Council to become a signatory to the Leicester and Leicestershire Statement of Common Ground (SoCG) Relating to Housing and Employment Land (March 2021) (see Appendix A).