

Statement of Common Ground relating to Housing and Employment Land Needs FAQs

1. What is housing and employment need?

Housing and employment need refers to the number of homes and employment land a local authority needs to meet future demand. For housing need, the figures are based on standard methodology set by Government. Where a local authority does not have sufficient land available to accommodate its housing and employment land needs in full, it is considered to have an ‘unmet need’.

2. What is the background to this Statement of Common Ground? What has happened so far?

Leicester City Council first declared an unmet housing need in February 2017. Subsequent evidence undertaken in support of Leicester’s Draft Local Plan indicated a potential unmet need of 7,742 homes and 23 hectares of employment land. However, in December 2020 the Government published a new standard method for calculating housing need, which resulted in a 35% uplift for the 20 largest cities and urban centres in England. As a result, Leicester City Council’s unmet housing need increased substantially to a point where it cannot be delivered within its administrative boundaries. When this situation occurs, the Government expects other authorities within the wider Housing Market Area/ Functional Economic Area to work together to plan for and deliver the homes and employment needed.

In June 2021 each authority in Leicester and Leicestershire agreed (through a Statement of Common Ground) to a programme of evidence work for apportioning Leicester’s unmet need to the surrounding authorities. The relevant evidence work has now been completed and informs this Statement of Common Ground (SoCG).

3. What is a Statement of Common Ground?

Local planning authorities are bound by a statutory ‘duty to cooperate’ to engage constructively with other authorities when planning for strategic cross-boundary matters. In this context, Statements of Common Ground are produced during the local plan process to demonstrate to a local plan inspector that effective co-operation with other authorities has been undertaken. In this respect, they provide a written record of progress made on strategic cross-boundary matters and indicate where agreements have (or have not) been reached.

4. What strategic matters are covered by this Statement of Common Ground?

The key strategic matters addressed in this SoCG are the housing and employment needs for Leicester and Leicestershire to 2036; the identified unmet need to 2036; and the apportionment of unmet need across the Leicestershire to 2036

The table below sets out the local housing need for each authority (per year) for the period 2020 – 2036 and how Leicester’s unmet need will be redistributed across the Leicestershire authorities.

Leicester and Leicestershire Local Housing Need and Proposed Redistribution (Per Year)

A	B	C	D	E
Authority	<i>Local Housing Need</i>	<i>Unmet need</i>	<i>Proposed redistributed Housing Provision</i>	<i>Difference (D - B)</i>
Leicester	2,464	1,169	1,295	0
Blaby	341		687	346
Charnwood	1,111		1,189	78
Harborough	534		657	123
Hinckley and Bosworth	472		659	187
Melton	231		300	69
NW Leicestershire	372		686	314
Oadby and Wigston	188		240	52
L&L Total	5,713		5,713	1,169

5. Which Authorities are party to this Statement of Common Ground?

This SoCG has been prepared jointly by Leicester City Council and all Leicestershire authorities - Blaby District Council; Charnwood Borough Council; Harborough District Council; Hinckley & Bosworth Borough Council; Melton Borough Council; North West Leicestershire District Council; Oadby & Wigston Borough Council; and Leicestershire County Council.

The SoCG will be considered by each individual authority through their governance processes.

6. What is the status of this Statement of Common Ground? Once agreed, does it become legally binding?

The SoCG is not legally binding on any of the authorities. However, it sets out a clear and positive direction on housing and employment needs to inform ongoing strategies and local plan making.

7. What is the evidence work that has informed the Statement of Common Ground?

The Statement of Common Ground is informed by two key pieces of evidence – The Housing and Economic Needs Assessment (HENA) and the Sustainability Appraisal (SA). In summary, The HENA provides an evidence-based approach to redistributing Leicester’s unmet need to the Leicestershire

authorities. The SA tests the proposed distribution option set out in the HENA alongside other distribution options.

8. What is the relationship between this Statement of Common Ground and the Leicester & Leicestershire Strategic Growth Plan to 2050?

The Strategic Growth Plan was published in 2018 and provides a long-term vision for Leicester and Leicestershire for the period 2031 to 2050. The Statement of Common Ground covers the distribution of Leicester's unmet housing and employment need in the shorter term up to 2036. Since the Strategic Growth Plan was published, Leicester's unmet needs have been quantified and are now much larger than previously anticipated (due to changes to the government's method for calculating housing need). There is relatively short overlap of 5 years between the periods of the SoCG (2020 to 2036) and the Strategic Growth Plan (2031 to 2050). As such, the SoCG would not prevent the long-term vision of the Strategic Growth Plan from being achieved.

9. What is the relationship between this Statement of Common Ground and the June 2021 Statement of Common Ground?

The June 2021 SoCG set out the process for redistributing Leicester's unmet need in which authorities agreed to carry out a programme of evidence work. This SoCG sets out how the unmet housing and employment need will be apportioned across the authorities following the completion of the evidence work - the Housing & Economic Needs Assessment (HENA) and the Sustainability Appraisal (SA).

10. Why does Leicester City have an unmet housing and employment land need?

Leicester City's urban area extends beyond the boundaries of the City Council's administrative area. As is common for local authorities where this is the case, there is insufficient land available within the administrative area of Leicester City to accommodate its housing and employment land needs in full. As such, Leicester City has an unmet housing and employment need and is required to work with the other authorities in Leicestershire to address the unmet need and agree an alternative distribution of housing and employment provision.

11. How has the proposed apportionment of the housing and employment figures across the Leicestershire authorities been reached?

The methodology used for apportioning the housing and employment need is set out in detail the Housing and Economic Needs Assessment (HENA). It has regard to a whole range of factors, including the functional relationship of each authority area with Leicester City, the balance of jobs and homes in each authority area and deliverability of the distribution of development. Different distribution options have been tested through the Sustainability Appraisal (SA), which demonstrates that the HENA distribution option performs as well or better than the alternatives for most sustainability topics.

12. Why does each authority need a Statement of Common Ground on unmet need?

In order to get a local plan in place, each individual planning authority must be able to demonstrate they have complied with the statutory 'duty to cooperate' and policy guidance set out in the National Planning Policy Framework (NPPF). In this respect, the SoCG will be a critical part of each individual authority's local plan evidence to demonstrate compliance with the aforementioned legal and policy requirements.

13. What impact will the delivery of the proposed housing and employment figures have on the Leicester and Leicestershire authority areas e.g. impact on local infrastructure, green space, ecology etc. ?

The housing and employment figures will be tested through the preparation of Local Plans by each authority during which a careful balance will need to be struck between delivering economic, social and environmental objectives. A Sustainability Appraisal (SA) has been undertaken which sets out the economic, social and environmental effects of accommodating the unmet needs for homes and employment across Leicester and Leicestershire. At this stage the SA indicates that the proposed apportionment of growth to each individual authority can be accommodated in a broadly sustainable way. However, the precise distribution of housing and employment and the sustainability impacts will be subject to further testing through each authority's Local Plan process.

14. Will there be an opportunity to comment on the level and apportionment of the housing and employment numbers proposed?

Yes. As noted above, the housing and employment figures set out in the SoCG will be subject to testing through each authority's local plan process. These local plan preparation processes will include stages of public consultation that will enable all interested parties to provide comments to any planning authority that is preparing a local plan.

15. What if an authority's local plan process identifies that it is unable to provide for the housing or employment land needs apportioned in this statement?

If an authority's local plan evidence demonstrates that they are unable to accommodate their own needs and their apportionment of unmet need from Leicester in full, the SoCG will be jointly reviewed and updated as necessary.

16. Why can't local authorities delay their Local Plan process and wait for potential changes to Government guidance?

The Leicester and Leicestershire authorities acknowledge that the Government intend to reform the planning system and have previously consulted on potential future changes through the Planning for the Future - White Paper (August 2020). The Levelling Up and Regeneration Bill, introduced to Parliament on 11th May 2022, proposes a number of reforms to the planning system, including

potentially repealing the 'duty to cooperate' contained in existing legislation. At present these reforms do not impact housing need or emerging Local Plans as they are proposals (rather than legislation) and could be subject to significant change before achieving Royal Assent and becoming law. In addition, a revised National Planning Policy Framework detailing a replacement for the duty to cooperate, new housing demand methodology, new National Development Management Policies and replacement Environmental Assessment rules will all need to be drafted, consulted upon and implemented before the transitional arrangements to any new system can be actioned.

Government advice remains that authorities should get up-to-date Local Plans in place and not use this period as a reason to delay plan making activities. The successful progression of well advanced Local Plans in Leicester and Leicestershire remains a priority for partners and the SoCG remains essential for these plans to proceed.

17. Why were the Statement of Common Ground and supporting evidence documents withdrawn from the Strategic Growth Plan website in May?

Following the publication of the original documents in May, an error was identified in the Housing and Economic Needs Assessment (HENA) in relation to the calculation of land requirements to accommodate future employment floorspace needs. Updated calculations and corrections have since been undertaken and all documents have been updated to reflect this.

18. What happens next?

The Statement of Common Ground will be considered by each individual authority through their governance processes. The figures will then be tested through each authority's Local Plan process. If an authority's Local Plan evidence demonstrates they are not able to accommodate their own needs and their apportionment of unmet need from Leicester in full, the SoCG will be jointly reviewed and updated as necessary.