

## CABINET – 9TH JUNE 2022

### Report of the Head of Planning and Regeneration Lead Member: Councillor Richard Bailey

#### Part A

#### ITEM 7      THE STATEMENT OF COMMON GROUND ON HOUSING AND EMPLOYMENT LAND NEEDS

##### Purpose of Report

To seek approval that the Borough Council be a signatory to the proposed Statement of Common Ground on Housing and Employment Land Needs, which relates to the area of Leicester City and Leicestershire. The draft Statement of Common Ground is included under Appendix A.

##### Recommendation

That the Borough Council sign the Statement of Common Ground set out in Appendix A to Part B of the report.

##### Reason

To maintain progress and agreement on key strategic matters that support the Borough's plan-making functions and to demonstrate to the Planning Inspectors presiding over the current Local Plan examination that the Borough Council is working positively with its neighbours to identify evidence-based solutions to strategic matters.

Also, to provide an agreed position on housing and employment matters that can serve as the basis for a future review or update of the Borough Council's planning policies that address the issue of unmet need from Leicester City.

##### Policy Justification and Previous Decisions

The National Planning Policy Framework (NPPF) sets out a requirement that local planning authorities prepare, produce, and maintain statements of common ground with partners on strategic issues as part of their plan-making. National planning practice guidance states that statements should be used to identify where effective co-operation between strategic partners is happening and identify circumstances where it is not taking place. In that respect, statements serve to provide a record of where agreements on strategic issues have (or have not) been reached. This includes key strategic matters such as how unmet housing need is being accounted for; infrastructure provision; and other cross boundary matters.

The Strategic Growth Plan 2031-2050, approved by the Council in October 2018 (minute 43 17/18 refers) sets out the commitment from Leicester and Leicestershire authorities to work together to plan strategic growth including the coordination of housing and employment needs across the area.

An initial Statement of Common Ground was considered and agreed by the Borough Council on 22 April 2021 (DD073 21/22 refers).

The draft Statement of Common Ground (attached at Appendix A) and the associated Housing and Economic Needs Assessment (the HENA) were the subject of a report considered by the Member Advisory Group (MAG) on 27 April 2022. This sought MAG’s agreement on the content of the Statement and recommended all local authority partners take the Statement through their governance processes. That process has begun and the Statement will subsequently pass through the respective governance arrangements of the other partner authorities before the process is finally concluded when Harborough District Council considers it during September 2022 (see appendix B).

Implementation Timetable including Future Decisions and Scrutiny

The new Charnwood Local Plan is presently undergoing examination in public and will be the subject of nine days of hearing sessions during June and July 2022. The Borough Council is keeping the Planning Inspectors presiding over the examination fully informed on the progress of the Statement of Common Ground. The unmet need from Leicester City was not evidenced at the time the Local Plan was submitted. Therefore it is proposed that the new Charnwood Local Plan continues to progress through the examination process as scheduled. When the issue of unmet need from Leicester City is formally agreed, it can then be addressed separately through a review and potential update – in accordance with the policy approach already proposed in the new Local Plan.

Report Implications

The following implications have been identified for this report.

*Financial Implications*

The cost of preparing the Statement of Common Ground and its supporting technical evidence is being met by all the Leicester and Leicestershire authorities making agreed financial contributions.

*Risk Management*

The risks associated with the decision Cabinet is asked to make and proposed actions to mitigate those risks are set out in the table below.

Risk Identified	Likelihood	Impact	Overall Risk	Risk Management Actions Planned
Failure to progress HMA partnership, Strategic Growth Plan, and associated Duty to Cooperate activity affects the soundness, direction of local	Very likely (4)	Significant (4)	High (16)	1. Maintain partnership approach to growth at HMA level and proactively input to Statement of Common Ground 2. Proactively input to SGP and understand implications for CBC

Risk Identified	Likelihood	Impact	Overall Risk	Risk Management Actions Planned
plan and causes consequential delay to programme, or aborted work.				policy set 3. Proactively engage under the Duty to Cooperate on cross boundary issues

Key Decision: No

Background Papers: DD073 21/22 – Interrim Statement of Common Ground

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## Part B

### Introduction

1. To demonstrate that the new Local Plan meets the tests of soundness set out in the NPPF (Paragraph 35), the Borough Council must show how it is working with its partners to resolve strategic planning issues. The proposed Statement of Common Ground on Housing and Employment Land Need for Leicester City and Leicestershire (Appendix A) is a key component in demonstrating the overall soundness of the Plan, its spatial strategy and site allocations. It sets out how Leicester City, Leicestershire County Council, and all the Leicestershire districts and boroughs have considered the issue of how they will collectively respond to ensure that the anticipated unmet housing and employment needs, emanating from the City, are addressed. The Statement provides an overview of the collaborative technical evidence already produced and being prepared that assesses and informs decision-taking on possible approaches to apportioning the unmet need across the County.

### Background

2. Local planning authorities are under an obligation under the Duty to Cooperate to co-operate with one another on strategic matters across their administrative boundaries (NPPF Paragraph 24). To demonstrate such co-operation, authorities are required to prepare and maintain statements of common ground (SoCG) that document the cross-boundary matters being addressed and progress being made in their resolution.
3. The most significant strategic matter facing the Leicestershire local planning authorities is the anticipated unmet housing and employment land need emanating from Leicester City. This is a commonly encountered issue across the country, which in Leicestershire translates as the City, with its tightly defined boundary, having limited sources of developable and deliverable land supply and consequently being unable to meet all its development needs for the given plan period. In January 2017, Leicester City Council confirmed it was unlikely to meet all its identified housing needs within its boundary. At that time, it did not quantify the anticipated scale of unmet need.
4. National planning policy requires that matters of unmet need, where they arise, be resolved through the duty to co-operate. Failure to address arising unmet need can result in local plans being found unsound, or in more extreme situations the re-apportionment of unmet housing and employment land need being undertaken by the examining Planning Inspector. Leicester and Leicestershire have grasped the challenge presented by this issue by working collaboratively over many years in respect of preparing technical evidence to assess and support strategies to guide local planning overseen by the Strategic Planning Group and Member Advisory Group. These solutions are considered robust and thorough; clearly demonstrating that the partner authorities are actively and positively working to ensure any unmet needs are resolved through the local plan-making process. It is noteworthy that the Leicestershire authorities are at the forefront of this type of strategic plan-making nationally.

5. Setting the context for strategic planning in Leicester and Leicestershire, local authorities agreed in December 2018 the Strategic Growth Plan for Leicester and Leicestershire 2031-2050. This plan identifies the scale of housing and employment needed in the area and it sets out a strategy for its delivery including assumptions for the re-apportionment of the City and Oadby and Wigston's notional unmet need. It says this apportionment will be reinforced by a subsequently agreed SoCG.
6. While Oadby & Wigston have since confirmed they can meet their needs, in February 2019, the City formally declared an unmet need. They quantified this in December 2019, at 7,742 homes and 23 ha of employment land, and they published this in a draft local plan in September 2020. However, immediately after consultation closed on that draft plan in December 2020, the government announced a 35% uplift in Leicester's housing need adding a further 9,712 to their need between 2020 and 2036 (an additional 607 homes a year) *"to be met by the City/urban centres themselves rather than surrounding areas, unless it would conflict with national policy and legal obligations."* For the City, meeting their needs in full would conflict with national policy because it would not be 'deliverable' amongst other things (i.e. Government policy requires local plans to be 'deliverable' and the City's evidence shows they're not able to deliver their housing and employment needs in full). When this situation occurs, government expects neighbouring authorities to work together to plan for and deliver the homes and employment needed
7. During June 2021 Leicester City, Leicestershire County Council and the Leicestershire districts and boroughs agreed and completed the sign-off of an initial SoCG that set out how all the partners will apply an evidence-based approach towards the assessment and identification of possible approaches to apportioning the City's unmet housing and employment needs. This initial SoCG was considered and agreed by the Borough Council on 22 April 2021 (DD073 21/22 refers). That Statement was prepared to specifically support the Council's emerging Local Plan and represents the latest formally agreed position on housing and employment needs in Leicester and Leicestershire. The agreement specifically indicated a need to gather further evidence to inform the apportionment of Leicester's unmet needs given its scale, in a further SoCG to include:
  - Housing and Employment Needs Assessment
  - Strategic Transport Assessment
  - Strategic Options & Constraints Mapping
  - Sustainability Appraisal
8. In April 2022, government revised the data inputs in its standard housing methodology, which provides the housing need number for each local authority, to take account of the latest data on housing affordability. The housing numbers for Leicester have increased as a consequence of declining affordability, as have Charnwood's own housing need numbers – rising from 1,111 to 1,160 homes a year.

9. The draft SOCG, its supporting technical evidence, and the potential approaches under consideration to apportion the City's anticipated unmet housing need have been considered by the Borough Council's own internal LDF Project Board, which is comprised of Senior Members and Officers. The draft Statement and its supporting technical evidence were also the subject of a briefing session for Members, which took place during May 2022.

#### Relationship of the SoCG to 2036 and the Strategic Growth Plan 2031 to 2050

10. The Strategic Growth Plan (2018) provides a long-term vision and development strategy to 2050, which doesn't start until at least 2031. At the time the Strategic Growth Plan was prepared, Leicester City's housing need was much lower than it is now using the government's standard method. In this respect, although Leicester's unmet need hadn't been quantified when the Strategic Growth Plan was being prepared, it was anticipated to be much smaller and more of a long-term challenge than a short-term one.
11. Since the Strategic Growth Plan was published in 2018, Leicester's unmet needs have been quantified and it is much larger than previously anticipated because of the increased need generated by the government's standard method for calculating housing need. A SoCG covering the period from now to 2036 is therefore needed to help ensure L&L authorities are able to comply with the statutory Duty to Cooperate, government policy and guidance.
12. When considering the full 30 year period from 2020 to 2050 there is relatively short overlap of 5 years between the SoCG (2020 to 2036) and the Strategic Growth Plan (2031 to 2050). The SoCG would not therefore prevent the long-term vision in the Strategic Growth Plan from being achieved, but consideration may need to be given to how the authorities wish to transition towards it (or any variation of it, if the authorities wish to update the Strategic Growth Plan).

#### Technical Evidence Supporting the SoCG to 2036

13. The Housing and Employment Needs Assessment (HENA) and the Sustainability Appraisal are the key pieces of evidence that inform the Statement of Common Ground. These technical studies identify and assess potential apportionment of Leicester City's unmet housing and employment needs for the period until 2036. Additional technical work is also underway and is comprised of a Strategic Transport Assessment and the Strategic Growth Options and Constraints Mapping. It is accepted by all partners that these take a longer-term perspective and will inform the next steps for the previously agreed Strategic Growth Plan for Leicester and Leicestershire from 2036 to 2050.
14. The HENA is the first comprehensive Leicester and Leicestershire study since the previous Leicester and Leicestershire wide Housing and Economic Needs Assessment (HEDNA), which was originally published in 2017. The HENA considers a range of issues including:
  - Housing, demographic and economic dynamics;
  - Potential future development needs;

- The need for different types of homes, including affordable homes and those of different groups (e.g. older persons households, wheelchair user housing)
  - The need for employment land
15. The HENA also includes spatial distribution models for housing and employment, which provide an evidence base to inform the redistribution of unmet needs generated by Leicester City. The HENA recommends that housing numbers are apportioned across Leicestershire as shown in Table 1 below. It recommends Charnwood's housing requirement be revised upwards to 1,189 homes per annum, an increase of 78 homes per year in comparison to the 1,111 homes per annum identified as a requirement in the Charnwood Local Plan. The implications of this for the local plan process are discussed further below.

Table 1: HENA Housing Provision compared to Local Housing Need from Government's Standard Method (annual average 2020-36).

<b>Authority</b>	<b>HENA Housing Provision (Annual Average)</b>	<b>Local Housing Need (standard method)</b>	<b>Contribution to Leicester's unmet need</b>
<b>Leicester</b>	1,295	2,464	0
<b>Blaby</b>	687	341	346
<b>Charnwood</b>	1,189	1,111*	78
<b>Harborough</b>	657	534	123
<b>Hinckley and Bosworth</b>	659	472	187
<b>Melton</b>	300	231	69
<b>NW Leicestershire</b>	686	372	314
<b>Oadby and Wigston</b>	240	188	52
<b>L&amp;L Total</b>	5,713	5,713	1,169

16. At the time of writing this report, Hinckley & Bosworth Borough Council (HBBC) do not agree with the final distribution proposed and their disagreement is expressed in the wording of the SoCG.
17. HENA also identifies an employment land requirement for the Borough of 7.5ha for Offices including Research and Development, and 26.4ha for Industrial & Distribution (excluding strategic warehousing) totalling 33.9ha. In comparison the new Local Plan identifies a total supply of 81.8ha of employment land giving a surplus of 47.9ha to 2037. The HENA Employment Distribution Paper draws on evidence from the HENA study as well as that provided in Local Plans, supporting evidence and other planning commitments. It concludes that Charnwood is best able to suitably meet Leicester's unmet employment need of 23 ha to 2036. This reflects the existing over-supply of employment land compared to the Borough's own

needs; combined with the availability of employment sites and land which is close to the City and can contribute to delivering employment land which can service the needs of Leicester-based companies to 2036.

18. The Sustainability Appraisal (SA) sets out the environmental, social, and economic effects of different options for accommodating unmet need for homes and employment across Leicester and Leicestershire. The options tested through the SA have been endorsed by the MAG, and the detailed supporting data was finalised by the joint officer working group. The options tested were:
  - a) Local Plan roll forward – sharing unmet need to match the distribution strategy in existing local plans (focus on edge of Leicester, market towns and then other identified settlements);
  - b) Spread (equal share) – sharing unmet need equally between those districts with capacity
  - c) Focus on strategic sites – identifying standalone sites of at least 1,000 homes within or adjoining edge of Leicester that can deliver homes up to 2036
  - d) Near Leicester area – share unmet need equally between districts that adjoin the City that have capacity to deliver
  - e) HENA Distribution – direct growth to areas of expected jobs growth, that have a functional relationship with Leicester and there is land supply and market capacity.
19. The results of the SA for housing show that there is no single option which stands out as performing significantly better than others. It is highlighted that the distribution approach proposed by HENA comes out comparatively well.
20. The SA is not intended to be used as a methodology to identify a preferred or hybrid development strategy that could then be carried forward by each district and borough. Rather, its purpose is to act as a technical sense-check to compare reasonable alternatives, including the HENA, with each other. Once the apportionment of unmet need has been agreed through the signing of the SoCG, it will fall to each district and borough to identify the most appropriate spatial strategy and site allocations to accommodate the unmet need within their own area through their respective plan-making processes.
21. It is also important to note that an SA prepared at a strategic level is unable to demonstrate whether a particular borough or district is able to accommodate further growth or otherwise. Demonstrating that a particular district cannot accommodate further growth can only be done at the local level, using a range of evidence focused upon that specific geographic area.

#### Relationship of the SoCG to the Local Plan

22. The local plan has been submitted for examination based on a housing requirement of 1,111 dwellings a year, as this was the number that was supported by evidence and joint working in December 2021. It was anticipated that a SoCG would be agreed at some point during the local plan process and so a policy is included that triggers a partial review of the plan to address any unmet need should it arise.



## Appendices

Appendix A: Draft Statement of Common Ground on Housing and Employment Land Needs

Appendix B: Indicative Governance Arrangements

## **Leicester & Leicestershire Authorities - Statement of Common Ground relating to Housing and Employment Land Needs (April 2022)**

### **1.0 The Leicester and Leicestershire HMA and FEMA**

1.1 The Leicester and Leicestershire Housing Market Area (HMA) and Functional Economic Area (FEMA) covers the administrative areas of eight local planning authorities and two transport authorities. The eight local planning authorities responsible for plan making are:

- 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

1.2 The two upper tier authorities in Leicester and Leicestershire (L&L), with statutory responsibilities for transportation, education, social care, flooding, minerals & waste planning and public health are:

- Leicester City Council (Unitary)
- Leicestershire County Council

1.3 This Statement has been prepared jointly by the eight plan making authorities and Leicestershire County Council as an additional signatory given their statutory responsibilities, hereafter referred to as “the authorities”. The Map in Appendix D shows the location and administrative areas covered by this statement. The Housing & Economic Needs Assessment 2022 (HENA) identifies this area as the Leicester & Leicestershire HMA and FEMA.

### **2.0 Purpose**

2.1 The key strategic matters addressed in this statement are; Duty to Cooperate; L&L Housing and Employment Needs to 2036; Unmet Need to 2036; and the Apportionment of unmet need to 2036. This statement will be reconfirmed and updated as necessary for subsequent authorities’ Local Plans.

### **3.0 Key Strategic Matters on which Authorities Agree**

#### **Duty to Cooperate**

3.1 The authorities agree there is a long track record of effective joint working on strategic matters across L&L. The authorities have continuously engaged with each other on the strategic matters set out in this statement and throughout the preparation of Local Plans across the area. This is most clearly evidenced through:

- The establishment of the Leicester & Leicestershire Members Advisory Group
- The joint preparation of evidence, including the Housing & Economic Needs Assessment (2022), Strategic Growth Options & Constraints Study (2022), and Strategic Transport Assessment (2022).

- The adoption of a non-statutory [Strategic Growth Plan 2018](#) which includes ‘notional’ housing figures.
- The preparation of a Joint Sustainability Appraisal to consider reasonable alternatives for Leicester’s unmet need to 2036.
- The agreement of Joint Statements of Cooperation in 2017, 2018, 2020 and 2021 (Appendix E, F, G and H)

3.2 More information and details of engagement will be set out in individual authorities Duty to Cooperate Statements that accompany Local Plans. Authorities will continue to engage on an ongoing basis.

The June 2021 Statement of Common Ground (Appendix H)

3.3 The June 2021 Statement (Appendix H) was agreed by all authorities and included the following:

*“The authorities agree to carry out the following programme of work to inform the apportionment of unmet need from Leicester to the L&L Districts/Boroughs:*

- *Housing and Economic Needs Assessment*
- *Strategic Growth Options and Constraints Mapping*
- *Strategic Transport Assessment*
- *Sustainability Appraisal*

*This work will be commissioned in Spring 2021 and used to inform a Statement of Common Ground apportioning unmet need which is anticipated to be completed in Winter 2021/2022.”*

3.4 The Housing & Economic Needs Assessment (HENA) and the Sustainability Appraisal are now complete. These are the key pieces of evidence informing this Statement of Common Ground apportioning Leicester’s unmet need to 2036.

3.5 The Strategic Transport Assessment and the Strategic Growth Options & Constraints Mapping take a longer-term perspective that will inform the next steps for the [Strategic Growth Plan](#) to 2050 and will form part of the strategic evidence for Local Plans. This work will be completed later this year.

L&L Housing Need to 2036

3.6 The authorities agree the appropriate way to calculate local housing need is using the current standard method set out in government guidance which currently uses the 2014 based household projections. The authorities agree that local housing need (2020 - 2036) is as follows:

Table 1: Local Housing Need

Local Planning Authority	Total Housing Need 2020 – 2036	Houses per year 2020 - 2036
Blaby District Council	5,456	341
Charnwood Borough Council	17,776*	1,111*
Harborough District Council	8,544	534
Hinckley and Bosworth Borough Council	7,552	472
Leicester City Council	39,424	2,464
Melton Borough Council	3,696	231
North West Leicestershire District Council	5,952	372
Oadby and Wigston Borough Council	3,008	188
Leicester and Leicestershire HMA Total	91,408	5,713

\* In accordance with government guidance Charnwood's Local Housing Need is set using the data from 2021 (including household growth for the 2021-31 and 2020 affordability ratio) as it submitted its Local Plan for Examination in December 2021.

- 3.7 The Governments current standard method for calculating housing need suggests L&L need to provide 91,408 homes (5,713 per year 2020 to 2036).
- 3.8 The NPPF requires authorities to have a clear understanding of the land available in their area to meet housing need through the preparation of a strategic housing land availability assessment (SHLAA). In L&L, the SHLAAs have been prepared using an agreed methodology across the HMA as a whole.
- 3.9 Appendix A and B to this Statement have been prepared using the outputs of the standard method for calculating housing need and SHLAAs. It provides a summary of the need for new homes, and the theoretical capacity of both the HMA and each local authority.
- 3.10 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.

#### L&L Employment Need to 2036

- 3.11 The authorities agree the appropriate way to calculate employment need is using the jointly prepared Housing and Economic Needs Assessment 2022 (HENA) unless an up-to-date local assessment has been undertaken. Based on the HENA and local assessments of employment land need the authorities agree the need is as follows:

Table 2: Employment Land Needs

	Need		Total	Source
	B1	B2/B8 (small)		
<b>Blaby</b>	9.1	21.5	30.5	2021-36 need, HENA 2021
<b>Charnwood</b>	7.5	26.4	33.9	2021-36 need, HENA 2021
<b>Harborough</b>	6.8	29.1	35.9	2021-36 need, HENA 2021
<b>H&amp;B</b>	4.2	39.6	43.8	2021-36 need, HENA 2021
<b>Leicester</b>	46,100 sqm (2.3 ha)	67.3	69.6	2019-36 need, City EDNA 2020
<b>Melton</b>	2	28.2	30.2	2021-36 need, HENA 2021
<b>NWL</b>	8.9	23.5	32.4	2021-36 need, HENA 2021
<b>O&amp;W</b>	1	2.3	3.2	2021-36 need, HENA 2021
<b>L&amp;L Total</b>	41.8	237.9	279.5	

3.12 Table 2 above shows L&L have to provide 280 hectares of employment land to 2036. Appendix C has been prepared using outputs from the HENA and local assessments of employment need, and employment land supply. It provides a summary of the need for new employment land, and the supply of both the FEMA and each local authority. To 2036 there is a supply for some 354 hectares across the FEMA as a whole (Appendix C). When set against the need of 280 (2021-36), the authorities agree there is flexibility to meet L&L Employment Need within the FEMA, including unmet need.

Unmet need to 2036

- 3.13 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.
- 3.14 Leicester City Council consulted on a Draft Local Plan (regulation 18) in September to December 2020, with a view to publishing the Submission Version (regulation 19) in 2021. Leicester City declared an unmet housing need in February 2017 (Appendix I) which remained unquantified while further evidence was gathered to support the publication of their Draft Local Plan. During this time several authorities have adopted local plans.
- 3.15 The L&L authorities were made aware of the potential scale of unmet need in December 2019. Consultation on the Leicester Draft Local Plan (and associated evidence) was delayed due to the COVID-19 Pandemic until September to December 2020.
- 3.16 Leicester's Draft Local Plan consultation indicates a potential unmet need of 7,742 homes and 23 Hectares of employment land (B2 General Industrial and B8 Small Warehousing Units less than 9,000 sq.m) 2019 to 2036.
- 3.17 However, immediately after the consultation closed in December 2020 the Government published a new standard method for calculating housing need. The new method increased Leicester's housing need by 35%, adding a further 9,712 homes to their need between 2020 and 2036 (607 homes per year).

- 3.18 Although the supply of homes in Leicester may evolve as their local plan progresses, providing for this amount of additional homes in the City would require more than a doubling of the allocations set out in their recent Draft Local Plan. In this context the City consider that it will not be possible to meet NPPF policy obligations of a sound and deliverable plan, and so in the revised PPG context (Paragraph: 035 Reference ID: 2a-035-20201216) it will be necessary to seek to agree a Statement of Common Ground to deal with the recent increase in housing need.
- 3.19 Leicester's standard method Local Housing Need figure is now 2,464 homes per year generating a need for 39,424 dwellings over the 2020-36 period (see Table 1 above). This includes the 'cities and urban areas uplift' and the 2021 affordability ratios published in March 2022. Appendix A and B, and the June 2021 Statement of Common Ground (Appendix H) was informed by the evidence from the Leicester's Draft Local Plan which sets out the City's capacity to accommodate growth over this period as 20,721 dwellings. An unmet need of 18,700 dwellings is therefore identified based on the evidence at the current time. An unmet need figure of 18,700 dwellings is a reasonable working assumption for the City's unmet housing need to 2036.
- 3.20 The authorities acknowledge that the quantity of Leicester's unmet need may change as the Local Plan progresses (e.g. as evidence on land supply is developed further or the need for homes changes (see section 4.0 below)). The authorities therefore agree a working assumption of Leicester's unmet need of 18,700 homes and 23 Hectares of employment land (2020 – 2036). These figures are subject to testing through the Leicester Local Plan.

#### Apportionment of Leicester's Unmet Need (2020 – 2036)

- 3.21 The authorities agree the L&L Statement of Common Ground Sustainability Appraisal (2022), the Housing & Economic Needs Assessment (2022) and the associated Housing and Employment Distribution Papers provide the latest cooperatively produced evidence to inform the apportionment of Leicester's unmet needs.
- 3.22 This work is based on the agreed working assumption of an unmet need from Leicester of 18,700 homes. The work considers housing provision across the HMA as a whole having regard to a range of factors including, the functional relationship of each District/Borough with Leicester City, the balance of jobs and homes in each district/borough, and deliverability of the distribution of development. When all of these factors are brought together, they address the unmet need and result in a redistributed housing provision that differs from the standard method starting point.

This evidence has informed the following apportionment:

Table 3: Apportionment of Leicester City’s Unmet Local Housing Need 2020 to 2036

Local Planning Authority	Average Annual unmet housing need contribution 2020 to 2036 (dwellings)*
Blaby District Council	346
Charnwood Borough Council	78
Harborough District Council	123
Hinckley and Bosworth Borough Council	187
Melton Borough Council	69
North West Leicestershire District Council	314
Oadby and Wigston Borough Council	52
Total	1,169

\*Note: 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.

- 3.23 The authorities agree that the figures in the Table 3 above represent the agreed apportionment by District/Borough (apart from Hinckley & Bosworth – see Matters Not Agreed in Section 4 below), of the unmet housing need for Leicester, in order to meet the overall objectively assessed need for additional housing within the Leicester and Leicestershire Housing Market Area to 2036. These figures are subject to testing through each individual Local Planning Authority’s plan making.
- 3.24 Based on the agreed working assumption of an unmet need from Leicester of 23 hectares of employment land (B2 - General Industrial and B8 - Small Warehousing units less than 9,000sq.m), the joint evidence has informed the following apportionment:

Table 4: Apportionment of Leicester City’s Unmet Employment Need 2020 to 2036

Local Planning Authority	Apportionment (Hectares)
Blaby District Council	0
Charnwood Borough Council	23
Harborough District Council	0
Hinckley and Bosworth Borough Council	0
Melton Borough Council	0
North West Leicestershire District Council	0
Oadby and Wigston Borough Council	0
Total	23

3.25 The authorities agree that the figures in the Table 4 above represent the agreed apportionment by District/Borough, of the unmet employment need for Leicester, in order to meet the overall objectively assessed need for employment land within the Leicester and Leicestershire FEMA to 2036. These figures are subject to testing through each individual Local Planning Authority's plan making.

#### **4.0 Key Strategic Matters on which Authorities Do Not Agree**

4.1 Hinckley & Bosworth Borough Council (HBBC) do not agree to the step in the HENA Housing Distribution Paper (2022) methodology from paragraph 6.21 to 6.24 and the subsequent table 6.9 which apportions 197 dwellings per year of Leicester's unmet housing need. HBBC note the capping of the redistribution of Charnwood's numbers to 1189 and believe that the accommodation of the resulting 197 dpa shortfall should be tested as part of each LPAs Local Plan process, including the current Charnwood Local Plan. HBBC consider that an apportionment of 102 dwellings per year (85 dwellings per year lower than the apportionment in Table 3) to be an initial justified apportionment of Leicester's unmet need for HBBC to test through their Local Plan work and through further strategic work. HBBC disagrees with the methodology from para 6.21 to 6.24 and the subsequent table 6.9 as it is not suitably justified and does not follow the evidence. The use of stock growth is not a measure of deliverability. It does not consider housing need, does not reflect market demand or the deliverability of developing housing in a particular area. The capping of redistribution based on 1.4% stock growth levels is considered to be arbitrary and is not supported by the evidence. Para 6.24 seeks to justify the uplift for HBBC by referencing job opportunities but this has already been considered earlier in the methodology.

4.2 HBBC is of the view that the June 2021 SoCG was clear that the apportionment of unmet need would be informed by 4 pieces of work. Only two of these pieces have been completed, the HENA and the SA. Therefore, as reflected in this Statement, the apportionment is a starting point for testing and may be amended based on the completion of the Strategic Growth Options and Constraints mapping work and the Strategic Transport Assessment and the subsequently updated Sustainability Appraisal and the outcome of any local plan 'testing'.

4.3 The other authorities do not agree with HBBC and consider the apportionment of 197 dwellings per year in Table 3 is justified by the evidence.

#### **5.0 Maintaining and Updating this Statement**

5.1 The authorities acknowledge the Government intend to reform the planning system and have consulted on potential future changes, including the Planning for the Future - White Paper (August 2020).5.2At present these reforms do not impact housing need or emerging Local Plans as they are consultations.

5.3 There is no timetable for the reforms and the proposals could change following consultation. Against this background the Government encourages authorities to get up-to-date Local Plans in place (Appendix J) and some authorities in L&L are at an advanced stage of plan preparation.

5.4 The authorities agree the Duty to Cooperate is an ongoing process, and should the amount of unmet need change significantly, the apportionment of unmet need will be jointly



reviewed to assess whether it needs updating. The process for updating and maintaining this statement will be managed through ongoing joint work between the authorities.

- 5.5 The above apportionment (Table 3 and 4 above) is intended to be implemented through individual local plans. These figures will therefore need to be tested through each authority's Local Plan process. The authorities agree that if an authority's local plan process identifies that it is not able to provide for their own objectively assessed needs as well as any unmet need apportioned in this statement (as set out in paragraph 11b of the NPPF), the apportionment of unmet need will need to be jointly reviewed and updated as necessary. The process used for this review will be proportionate to the scale of the issue and should not cause undue delay to the preparation of Local Plans.

## **Appendix A - Leicester and Leicestershire Housing Land Supply, 2020 to 2031**

The table below compares housing land supply to local housing need based on the Governments Standard Method.

	<b>A</b>	<b>B</b>	<b>C</b>	<b>D</b>	<b>E</b>	<b>F</b>	<b>G</b>	<b>H</b>
<b>Authority</b>	<b>Local Housing Need 2020 - 2031</b>	<b>Commitments<sup>1</sup> projected for delivery 2020 to 2031</b>	<b>Allocations in an adopted Plan<sup>2</sup></b>	<b>Emerging allocations in a draft plan<sup>2</sup></b>	<b>Allowance for small site or windfall development to 2031</b>	<b>Total Projected Delivery to 2031 (B+C+D+E)</b>	<b>SHLAA Capacity to 2031<sup>3</sup></b>	<b>Total Theoretical Capacity to 2031 (F+G)</b>
<b>Blaby</b>	3,751	4,467	758		240	5,465	5,408	10,873
<b>Charnwood</b>	12,221	7,080	1,385	7,894	640	16,999	10,529	27,528
<b>Harborough</b>	5,874	3,693	4,332		864	8,889	5,873	14,762
<b>Hinckley &amp; Bosworth</b>	5,192	2,692	557		584	3,833	15,902	19,735
<b>Leicester City</b>	27,104	9,047		6,602	1,650	17,299	0	17,299
<b>Melton</b>	2,541	2,704	3,145		189	6,038	1,108	7,146
<b>NW Leics</b>	4,092	5,862	790		320	6,972	3,821	10,793
<b>Oadby &amp; Wigston</b>	2,068	1,010	1,203		189	2,402	0	2,402
<b>HMA total</b>	62,843	36,555	12,173	14,496	4,676	67,897	42,041	109,938

<sup>1</sup> Includes sites under construction; with planning permission (including sites with a resolution to grant), as at 31/03/2020

<sup>2</sup> projected delivery up to 31/03/2031; includes allocated sites from local and neighbourhood plans

<sup>3</sup> To avoid duplication SHLAA sites that have planning permission or are allocated in an adopted or emerging plan have been removed from this figure

## **Appendix B - Leicester and Leicestershire Housing Land Supply, 2020 to 2036**

The table below compares housing land supply to local housing need based on the Governments Standard Method.

	<b>A</b>	<b>B</b>	<b>C</b>	<b>D</b>	<b>E</b>	<b>F</b>	<b>G</b>	<b>H</b>
<b>Authority</b>	<b>Local Housing Need 2020 - 2036</b>	<b>Commitments<sup>1</sup> projected for delivery 2020 to 2036</b>	<b>Allocations in an adopted Plan<sup>2</sup></b>	<b>Emerging allocations in a draft plan<sup>2</sup></b>	<b>Allowance for small site or windfall development to 2036</b>	<b>Total Projected Delivery to 2036 (B+C+D+E)</b>	<b>SHLAA Capacity to 2036<sup>3</sup></b>	<b>Total Theoretical Capacity to 2036 (F+G)</b>
<b>Blaby</b>	5,456	4,918	984		440	6,342	18,956	25,298
<b>Charnwood</b>	17,776	8,820	1,990	9,024	1,040	20,874	19,938	40,812
<b>Harborough</b>	8,544	3,693	5,679		864	10,236	9,819	20,055
<b>Hinckley &amp; Bosworth</b>	7,552	2,992	1,497		949	5,438	23,130	28,568
<b>Leicester City</b>	39,424	9,865		8,456	2,400	20,721	0	20,721
<b>Melton</b>	3,696	2,704	3,891		334	6,929	3,635	10,564
<b>NW Leics</b>	5,952	7,013	1,427		520	8,960	13,281	22,241
<b>Oadby &amp; Wigston</b>	3,008	1,010	1,203		189	2,402	3,060	2,402
<b>HMA total</b>	91,408	41,015	16,671	17,480	6,736	81,902	91,819	173,721

<sup>1</sup> Includes sites under construction; with planning permission (including sites with a resolution to grant), as at 31/03/2020

<sup>2</sup> projected delivery up to 31/03/2036; includes allocated sites from local and neighbourhood plans

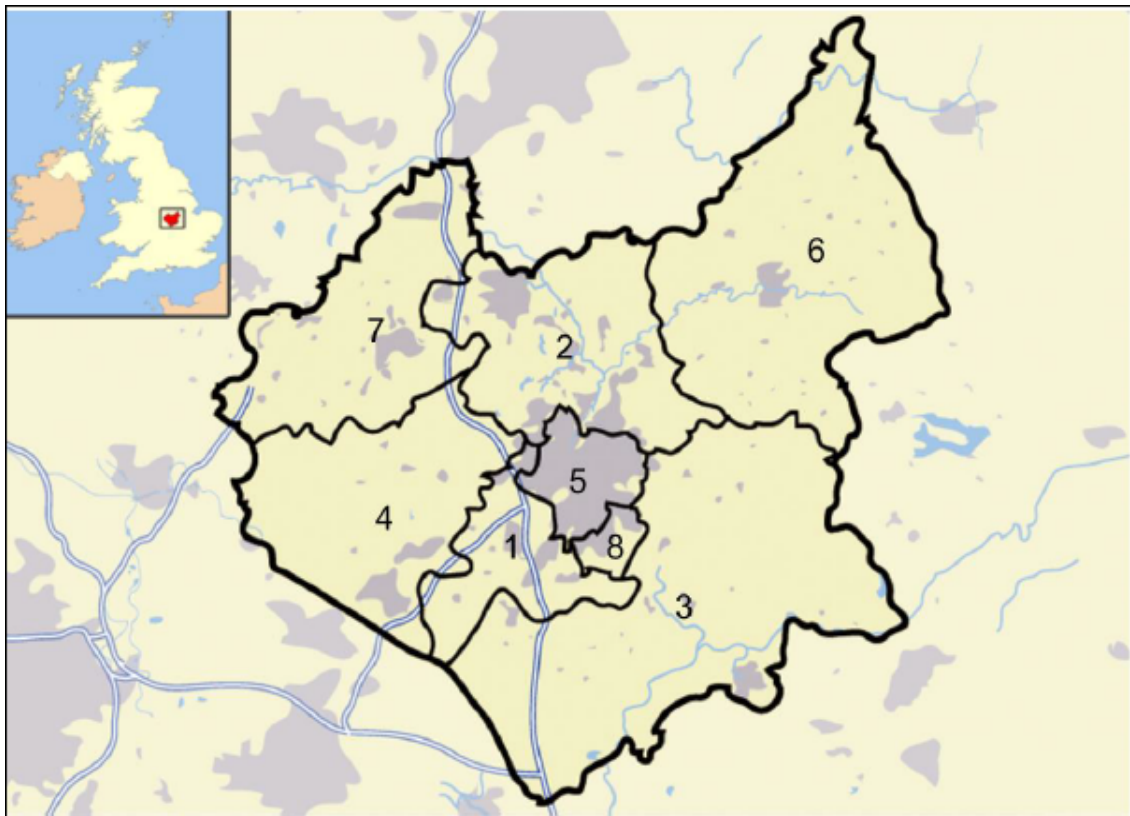
<sup>3</sup> To avoid duplication SHLAA sites that have planning permission or are allocated in an adopted or emerging plan have been removed from this figure

### **Appendix C - Employment Demand and Supply Balance 2021 to 2036 (excluding Strategic Warehousing)**

	Need		Supply		Balance		Notes
	B1	B2/B8 (small)	B1	B2/B8 (small)	B1	B2/B8 (small)	
<b>Blaby</b>	9.1	21.5	10.5	13.3	1.4	-8.2	2021-36 need, HENA '21 . Supply based on permissions pipeline. Mixed permissions divided by use class. Supply at April 2020
<b>Charnwood</b>	7.5	26.4	15.1	66.7	7.6	40.3	2021-36 need, HENA '21. Supply based on Local Plan trajectory Exc. 50 ha Loughborough Science and Enterprise Park.
<b>Harborough</b>	6.8	29.1	18.0	41.69	11.2	12.6	2021-36 need, HENA '21 . Supply based on net permissions pipeline at April 2020
<b>H&amp;B</b>	4.2	39.6	4.2	38.9	0.0	-0.7	2021-36 need, HENA '21. Supply based on Local Plan Reg19 Feb '22
<b>Leicester</b>	46,000 sqm	67.3	42,900 sqm	44.0	-3,100 sqm	-23.3	2019-36 need, City EDNA '20. Supply based on Local Plan Reg19 Feb '22.
<b>Melton</b>	2	28.2	2.6	34.4	0.6	6.2	2021-36 need, HENA '21 . Supply based on permissions and allocations pipeline. Supply at April 2020
<b>NWL</b>	8.9	23.5	17.1	36.5	8.2	13.0	2021-36 need, HENA '21 . Supply based on permissions and allocations pipeline. Supply at April 2020
<b>O&amp;W</b>	1	2.3	2.8	5.7	1.8	3.4	2021-36 need, HENA '21 . Supply based on permissions and allocations pipeline. Supply at April 2020
<b>L&amp;L Total</b>	39.5	224.1	70.3	287.2	30.8	43.3	Excludes 50 ha at Loughborough Science and Enterprise Park. Excludes -44,600 sqm offices for Leicester

Source: Various as identified in notes

## Appendix D – Location and Administrative Areas



### Key to Map Two

- |  |   |
|--|---|
| 1. Blaby District Council                | 5. Leicester City Council                     |
| 2. Charnwood Borough Council             | 6. Melton Borough Council                     |
| 3. Harborough District Council           | 7. North West Leicestershire District Council |
| 4. Hinckley and Bosworth Borough Council | 8. Oadby and Wigston Borough Council          |

## **Appendix E – L&L Joint Statement of Cooperation, November 2017**

### **L&L Joint Statement of Cooperation**

#### **Leicester & Leicestershire Authorities**

#### **Joint Statement of Co-operation Relating to Objectively Assessed Need for Housing November 2017**

##### **1.0 The Leicester and Leicestershire HMA**

1.1 The Leicester and Leicestershire Housing Market Area (HMA) covers the administrative areas of eight local authorities and two highway authorities. The eight local planning authorities are:

1. Blaby District Council
2. Charnwood Borough Council
3. Harborough District Council
4. Hinckley & Bosworth Borough Council
5. Leicester City Council
6. Melton Borough Council
7. North West Leicestershire District Council
8. Oadby & Wigston Borough Council

1.2 The two highways authorities are:

1. Leicester City Council
2. Leicestershire County Council

1.3 The purpose of this Joint Statement of Co-operation (the 'Joint Statement') is to support those authorities which are seeking to produce a Local Plan in advance of the Strategic Growth Plan (SGP), and to set out how the local authorities will collaborate further to ensure that the necessary joint evidence is in place to support subsequent Local Plans. The document has been received by the Members' Advisory Group overseeing the preparation of the Strategic Growth Plan and will proceed through the normal governance procedures of individual authorities as necessary.

##### **2.0 Background**

###### *Duty to Cooperate*

2.1 The Joint Statement is intended to provide evidence of effective co-operation on planning for issues with cross-boundary impacts. A Housing and Economic Development Needs Assessment (HEDNA) has been completed, the purpose of which is to identify the Objectively Assessed Need (OAN) for housing and employment for the HMA and Functional Economic Market Area (FEMA) in the periods 2011-2031 and 2011-2036. In the case of Leicester & Leicestershire, the HMA and FEMA are coincident. The HEDNA was commissioned jointly by the nine

local authorities together with the Leicester & Leicestershire Enterprise Partnership (LLEP).

### *Objectively Assessed Need for Housing*

- 2.2 The National Planning Policy Framework (NPPF) requires local planning authorities to ensure that their Local Plans meet the full OAN for market and affordable housing in the HMA as far as is consistent with the policies set out in the NPPF (paragraph 47).
- 2.3 To enable an understanding of capacity to accommodate additional housing, the NPPF further requires local planning authorities to prepare a Strategic Housing Land Availability Assessment (SHLAA) to establish realistic assumptions about availability, suitability and likely economic viability of land to meet the identified need for housing over the plan period (paragraph 159). In Leicester & Leicestershire, the SHLAAs have been prepared using an agreed methodology across the HMA as a whole.
- 2.4 Table 1 has been prepared using the outputs of the joint HEDNA and SHLAAs. It provides a summary of the agreed OAN for housing, and the theoretical capacity of both the HMA and each local authority; the theoretical capacity has been derived from an understanding of existing commitments and SHLAA information. The partner authorities agree that the OAN for the HMA (and each local authority) is that set out in the table.
- 2.5 The HEDNA explains that the OAN is set at the level of the HMA although the OAN for each local authority is also identified; the OAN for each individual authority is considered to be secondary to that of the HMA as a whole. Table 1 indicates that the OAN for the HMA as a whole, based on demographic analysis, is some 96,580 dwellings for the period 2011-31 (4,829 dpa). For the period, 2011-2036, the figure is some 117,900 dwellings (4,716 dpa).
- 2.6 A similar analysis has been undertaken of the need for housing based on the economic development needs of the area; in this case, it has been concluded that the need for new housing, based on economic development needs across the FEMA, is lower than the demographic need. On that basis, there is no need for adjustment of this figure at the level of the HMA/FEMA although there is some misalignment at the level of individual authorities. As a result, there may be an alternative distribution of housing to meet economic needs whilst still ensuring that the demographic need of 4,829 or 4,716 dpa is met across the HMA/FEMA as a whole in line with paragraph 47 of the NPPF.
- 2.7 In terms of the housing capacity, Table 1 also indicates that there is a theoretical capacity for some 207,069 dwellings across the HMA as a whole. When this is set against the OAN of 96,580 (2011-31) and 117,900 (2011-36) dwellings, it is clear that there is considerable flexibility to meet the defined housing need across the HMA.
- 2.8 It is recognised that the ability of each local authority to meet its own OAN will vary. Table 1 demonstrates that, theoretically, and with the exception of Leicester City Council, all authorities are able to accommodate their own needs in the period 2011-36. In the period 2011-36, neither Leicester City Council nor Oadby & Wigston Borough Council will be able to meet their needs. It is important to note, however, that further testing will be required by the respective authorities through their Local Plan processes. Should an HMA authority identify, quantify and provide robust evidence to demonstrate an unmet need in the future, it will be incumbent upon the

HMA authorities jointly to resolve any cross-boundary matters with HMA partners under the Duty to Co-operate.

- 2.9 Following publication of the HEDNA, both Leicester City Council and Oadby & Wigston Borough Council declared that they would not be able to accommodate their full objectively assessed needs (OAN) for housing within their own boundaries. Letters were sent out by Leicester City Council in February 2017 and by Oadby & Wigston Borough Council in March 2017, to all other authorities within the Leicester & Leicestershire Housing Market Area, setting out the position and their formal declarations of unmet housing need. Since that time, and based on evidence, Oadby & Wigston Borough Council has determined that it will be able to accommodate its needs in the period 2011-2031 but not in respect of the period 2011-36. Oadby & Wigston Borough Council issued a further letter in November 2017 confirming its position. Both Leicester City Council and Oadby & Wigston Borough Council are yet to formally and finally evidence the extent of their unmet need, however it is necessary to include provision to accommodate unmet need arising from these two Council areas, for the relevant periods, within the HMA as a whole; this may include an element of a flexibility allowance in local plans currently in preparation, should the need arise.
- 2.10 In terms of determining housing targets to be included in their Local Plans, local planning authorities should take account of the requirements of both national policy and local circumstances, including the need to base Local Plans on a strategy that seeks to meet the OAN for housing. In this regard, it is recognised that all authorities are at different stages of plan preparation and that this situation must be accommodated. In determining their housing target over the relevant plan period, therefore, each authority will take into account the HEDNA and other relevant evidence.
- 2.11 In addition, the nine local authorities and the LLEP have jointly agreed to produce a Strategic Growth Plan, a non-statutory strategic plan looking forward to around 2050. As part of their work on the Strategic Growth Plan, the partner organisations may choose to redistribute development across the HMA as appropriate but the process of preparing the Strategic Growth Plan is not anticipated to be complete until the end of 2018 and will not, therefore, be available for all authorities to use prior to preparing their Local Plans. At the same time, Government has made it clear that it wants Local Plans for individual authorities to be in place without delay; and where no Local Plan has been produced, Government may choose to intervene in the process. As a result, the partner organisations understand that some authorities might wish to progress their Local Plans in advance of the Strategic Growth Plan.
- 2.12 The Written Ministerial Statement by the Minister for Housing and Local Government (21 July 2015) re-emphasises that Local Authorities cannot plan in isolation and must work together to provide the land for the housing needed across HMAs. It states: *“As we have made clear in planning guidance a commitment to an early review of a Local Plan may be appropriate as a way of ensuring that a Local Plan is not unnecessarily delayed by seeking to resolve matters which are not critical to the plans soundness or legal competence as a whole”*. It also refers to a note prepared by the Planning Advisory Service which local authorities should consider; this sets out circumstances in which Local Plans have been found sound, subject to a commitment to an early review.



2.13 Taking this into account, the HMA authorities reached agreement in summer 2016 on appropriate trigger mechanisms that would be inserted into all Local Plans coming forward before the Strategic Growth Plan. In this respect the partner authorities agree that should the Strategic Growth Plan identify a significant change which would require local authorities to re-consider the amount of housing and employment land, an early review or partial review of affected Plan(s) will be brought forward to address this matter, unless there is sufficient flexibility already provided for within the Plan. Such flexibility may, for example, be secured by a Local Plan that specifies a requirement which materially exceeds the FOAN identified by the HEDNA. The agreement is based on the principle that the trigger mechanisms would be applied on a consistent basis across the HMA, ensuring that all Local Plans submitted in advance of the Strategic Growth Plan contain the necessary flexibility to respond to any significant change that might arise.

**Table 1: OAN as defined in HEDNA (January 2017) and Theoretical Capacity based on assumptions set out in notes.**

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

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

\*2 This figure is based on information on completions, commitments, windfalls (in some authorities) and SHLAAs as at 1<sup>st</sup> April 2016.

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

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

**Note:**

It should be noted that nothing in this statement should be taken to prejudice any representations made by individual authorities on any partner Local Plan.

**Appendix F – L&L Joint Position Statement, March 2018**



**Leicester & Leicestershire  
Joint Position Statement on Housing and  
Employment Land Supply  
2011 to 2031**

**March 2018**



## Evidence Base – the Leicester and Leicestershire HEDNA (January 2017)

The Leicester and Leicestershire Housing and Economic Development Needs Assessment (January 2017) provides the baseline for the identification of housing and employment land requirements to 2031. This report is known as the HEDNA and it assesses future housing needs, the scale of future economic growth and the quantity of land required for certain economic development uses. The HEDNA report was prepared by a consultancy team comprising GL Hearn, Justin Gardner Consulting and Oxford Economics. It took into account feedback from the development industry, including local estate, letting and commercial agents, on the proposed assessment geography and methodologies.

The HEDNA identifies Leicester and Leicestershire as the relevant Housing Market Area (HMA) and Functional Economic Market Area (FEMA) for plan-making purposes. The HMA definition reflects the high level of self-containment of migration flows. 84% of the households moving into a home in the area are moving from a different home elsewhere within Leicester or Leicestershire; there are strong migration flows between Leicester and its adjoining authorities. The definition also reflects similarities in housing costs, whilst recognising an urban/rural distinction and local influences on prices. It is also supported by analysis of commuting flows.

The Leicester Travel to Work Area, as defined by the Office for National Statistics (ONS) and based on 2011 Census data, extends across much of Leicestershire and includes all of the main towns within the County, supporting the definition of common housing and functional economic market areas. Around 78% of commuting flows are contained within the Leicester and Leicestershire authorities. The FEMA definition is also supported by wider evidence including Leicester's role as a retail, leisure and cultural destination. The HEDNA recognises that the economic geography can vary for different sectors of the economy and that, for the logistics and distribution sector in particular, the area forms part of a wider Midlands market area. There is a particular concentration of activity and demand within the 'Golden Triangle' formed broadly by the M42, M1 and M6 motorways which sit at the heart of the country. The triangle has strong accessibility to the major UK consumer markets and represents an optimum location for national distribution centres.

The HEDNA was produced having full regard to the National Planning Policy Framework and the relevant National Planning Practice Guidance documents. It uses trend-based demographic projections as its starting point, but then considers economic dynamics and growth potential, market signals and affordable housing need to produce an objective assessment of housing needs (OAN) to 2031 both at overall HMA level and for individual authority areas. The annual requirement for the HMA to 2031 is 4,829 dwellings, or 96,580 for the period 2011-2031. It goes on to identify a range of factors which influence the need for different types of homes. This includes demographic trends, and in particular a growing older population; market dynamics and affordability; the Government's ambitions and initiatives to boost home-ownership and self/custom-build development; and the growth in student numbers and accommodation.



## Housing Land Supply

Housing schemes already in the development pipeline are poised to deliver the overwhelming majority of the identified need to 2031. As at April 2017 over 22,000 homes had been built (2011-2017), while a further 41,000 homes are committed (under construction or with planning permission and projected to be built by 2031). Land for a further 19,000 homes projected for delivery by 2031 is identified by allocations made in a mixture of adopted and published draft local plans.

The table shown below includes an allowance for delivery on small scale sites that are currently unidentified. Whilst for plan-making purposes such allowances are sometimes discounted, it can reasonably be expected that a number of suitable sites will continue to be promoted through the development management process. Based on local experience, the estimate is that around 5,000 additional homes will be delivered on these small sites.

Finally, the plan period for each of the current Local Plans for Charnwood, Hinckley & Bosworth and the City of Leicester ends before 2031. These plans are in the process of being rolled forward to cover a longer term period, but the draft plans are not yet published. For the purposes of this position statement a provisional figure has been shown in the table for each of these three areas to illustrate the approximate level at which notional new housing capacity (to 2031) could be made in future local plans. They are provided solely to inform estimates of overall capacity and do not pre-empt or fetter the due local plan process. Whilst this in no way pre-determines the plan making process for any of these areas, in the absence of such estimates this statement would not have provided a proper overview of the potential overall position.

The delivery trajectory illustrates an anticipated shortage of housing land supply in the City of Leicester. The published Joint Statement of Co-operation (November 2017) confirms that any shortfall can be met in other parts of the HMA when a shortfall is identified and robustly quantified. The proposed distribution is to be confirmed via the agreement of a memorandum of understanding (MoU).

In early 2017 it was anticipated that the MoU would be adopted by January 2018, having regard to the anticipated programme for preparing the new Leicester Local Plan. That programme has been revised; it is now anticipated that the MoU will be published once the City Council's unmet need is robustly quantified, probably in summer 2018, and that it will accompany the publication of the City's draft plan, also in summer 2018. In the meantime, this Joint Position Statement is being produced as evidence to show that the OAN can be met across the HMA for the 2011 – 31 period.



The MoU, when published, will reflect the City Council's confirmed position on the extent of its unmet need to 2031 and the arrangements then agreed across Leicestershire to meet the unmet need in other parts of the HMA. This joint position statement does not constitute the MoU and neither does it avoid the need for the MoU. It has been prepared to illustrate that the supply of housing land across the HMA (as assessed at 31 March 2017) is likely to be sufficient to meet the overall needs of the HMA over the period 2011 to 2031.

It is understood by all partners that should the MoU, once adopted, set out a housing requirement for an area that differs significantly to that contained in an adopted plan for that area then, unless there is sufficient flexibility already provided for within that plan, an early review or partial review of the affected plan will be brought forward to address this matter. To take this into account appropriate trigger mechanisms will be inserted in all local plans coming forward.

In considering the supply it is appreciated that in the short term there will be a limited number of largely small scale permissions that will lapse. However, the Government's stated commitment to accelerate the delivery of new homes makes it reasonable to believe that the vast majority of the homes now 'in the pipeline' will be built by 2031. Indeed, on those large-scale sites where the delivery trajectory extends beyond 2031, it may prove possible to deliver a greater number of new homes by that date than is currently expected.

Having regard to the above, the authorities are satisfied that the overall supply collectively arising from these processes will see new homes provided in numbers sufficient to meet, at the minimum, the OAN for housing across the HMA over the period 2011-2031. It is notable that the current commitments already identify sites that are expected to deliver over 7,000 homes in the period beyond 2031.





## Housing Land Supply as at 31 March 2017

Authority	OAN 2011-2031	Completions 2011 to 2017	Commitments <sup>1</sup> projected for delivery 2017 to 2031	Allocations in an adopted Local Plan <sup>2</sup>	Emerging allocations in a draft plan <sup>2</sup>	Allowance for small site or windfall development <sup>2</sup>	Notional guide figure for estimated supply in currently unpublished plans <sup>3</sup>	Projected total delivery to 2031	Commitments <sup>4</sup> not projected for delivery until beyond 2031
Blaby	7,400	2,749	5,561		795	420		9,525	398
Charnwood	20,620	4,259	7,741	3,100		720	4,800	20,620	3,390
Harborough	10,640	2,462	5,056		4,267	1,015		12,800	
Hinckley & Bosworth	9,420	2,973	4,636	1,817		560	1,878	11,864	570
Leicester City	33,840	5,955	9,373	3,675		2,100	2,900	24,003	
Melton	3,720	639	1,588		3,198	100		5,525	
NW Leics	9,620	3,073	6,591	790		560		11,014	2,811
Oadby & Wigston	2,960	578	768		1,614	70		3,030	
<b>HMA total</b>	<b>96,580</b>	<b>22,688</b>	<b>41,314</b>	<b>9,382</b>	<b>9,874</b>	<b>5,545</b>	<b>9,578</b>	<b>98,381</b>	<b>7,169</b>

<sup>1</sup> Includes sites under construction or with the benefit of planning permission, including sites with a resolution to grant, as at 31/03/2017

<sup>2</sup> In each case the figure relates solely to projected delivery during the period prior to 31/03/2031; includes plans published since 31/03/2017

<sup>3</sup> The figures given represent working assumptions of the notional capacity (to 2031) of new allocations to be made in future local plans; they are provided solely to inform estimates of overall capacity and do not pre-empt due local plan process.

<sup>4</sup> Includes sites with the benefit of planning permission, including sites with a resolution to grant, plus allocations in an adopted plan, all as at 31/03/2017



## Employment Land Supply

Turning to employment growth, the HEDNA assessment is based on modelling which relates the sectors used in the economic forecasting to the planning use classes. This exercise uses an average employment density (sqm floorspace per job) to estimate net growth in floorspace. It then makes assumptions on plot ratios to assess the land area required.

There is an assessed need for between 142ha and 198ha of land for office development (use classes B1a and B1b), 132ha of land for industrial development (use classes B1c and B2) and 93ha for 'non-strategic' warehouse/distribution floorspace (use class B8). The HEDNA advises that these be regarded as minimum figures as the quantitative analysis does not take account of the potential 'replacement' demand for floorspace arising from the loss (planned or otherwise) of existing poorer quality employment buildings.

As regards strategic warehouse/distribution floorspace (defined as involving units in excess of 9,000m<sup>2</sup>), the HEDNA references the separate study undertaken by MDS Transmodal and corroborates the strong market demand for additional development land. The assessed need to 2031 is for a minimum additional 361ha.

In terms of employment land supply, the table below summarises the known position for B class uses excluding strategic warehousing/distribution. It is expected that, particularly as regards land for office development, the authority-level distribution of sites is likely to differ from that projected in the HEDNA. The supply figures show the net position and it is evident that, most notably around Hinckley, land previously in employment use has been redeveloped to provide strategic B8 units (as reflected in the separate analysis below).

### Employment Land Supply as at 31 March 2017

Authority	Assessed need 2011-2031 (ha)	Projected supply 2011-2031 (ha)	Notes
Blaby	62-70	62	Completions at 3ha plus commitments at 44ha, emerging allocations of 15ha
Charnwood	46-69	67	Completions at 8ha plus commitments at 59ha, emerging allocations tbc
Harborough	44-51	75	Completions at 5ha plus commitments at 12ha, emerging allocations of 58ha
Hinckley & Bosworth	41-62	17	Completions at -14ha plus commitments at 31ha, emerging allocations tbc
Leicester	53-57	17	Completions at 12ha plus commitments at 5ha, emerging allocations tbc
Melton	45-53	49	Completions at 12ha plus commitments at 6ha, emerging allocations of 31ha
NW Leics	65-66	50	Completions at 5ha plus commitments at 29ha, allocations of 16ha
Oadby & Wigston	5	9	Commitments at 3ha, emerging allocations of 6ha
<b>FEMA Total</b>	<b>367-423</b>	<b>346</b>	

Note – figures are net and are rounded to the nearest hectare





Whilst completions, commitments and sites in published plans collectively fall just short of identifying sufficient land to meet the minimum requirements, it is known that three authorities (as identified in the housing supply commentary) are working towards the publication of new local plans that will identify fresh proposed allocations of land. In addition North West Leicestershire DC is about to commence a plan review process that will address the shortfall in that district. Taking all this into account, it is a reasonable expectation that the available supply will mean that the minimum requirements for additional land over the period to 2031 will be exceeded.

In terms of the need for strategic warehousing/distribution land, the position across Leicester and Leicestershire, again as at March 2017, is that 98ha has been built out, a further 322ha has the benefit of planning permission and 135ha is allocated for development. This represents a total of 555ha against the minimum requirement figure of 361ha. As such it is again a reasonable expectation that the available supply will mean that the minimum requirements for additional land will be met (and are likely to be exceeded) over the period to 2031.

## **Endorsement of this Joint Statement**

Each of the nine local planning authorities that have contributed to the preparation of this statement confirm that the information provided for their area is accurate as at 31 March 2017 and therefore that the joint position shown here as regards the supply of housing and employment land for the period 2011 to 2031 is both fair and robust.

The joint statement has been prepared by the following authorities:

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

March 2018





## **Leicester & Leicestershire Authorities**

# **Joint Position Statement relating to Leicester's Housing and Employment Land Needs**

**September 2020**




## **1. The Leicester and Leicestershire HMA and FEMA**

- 1.1 The Leicester and Leicestershire Housing Market Area (HMA) and Functional Economic Area (FEMA) covers the administrative areas of eight local planning authorities and two highway authorities. The eight local planning authorities are:
2. Blaby District Council
  3. Charnwood Borough Council
  4. Harborough District Council
  5. Hinckley & Bosworth Borough Council
  6. Leicester City Council
  7. Melton Borough Council
  8. North West Leicestershire District Council
  9. Oadby & Wigston Borough Council
- 1.2 The two upper tier authorities in Leicester and Leicestershire, with statutory responsibilities for transportation, education, social care, flooding, minerals & waste planning and public health are:
10. Leicester City Council
  11. Leicestershire County Council
- 1.3 The purpose of this Statement is to set out how the authorities continue to work together to accommodate a potential unmet need for housing and employment land identified in the Leicester City Draft Local Plan Consultation (Sept 2020). The authorities have a long track record of cooperation across Leicester and Leicestershire (L&L) and have adopted a non-statutory Strategic Growth Plan which includes 'notional' housing figures (<http://www.llstrategicgrowthplan.org.uk/wp-content/uploads/2019/01/Final-LL-SGP-December-2018-1.pdf>). It is envisaged a Statement of Common Ground will be completed in 2021, setting out how any unmet need from Leicester will be redistributed amongst the other authorities in L&L.

## **2.0 Background**

### Summary

- 2.1 The National Planning Policy Framework (NPPF) requires local plans, as a minimum, to provide for the objectively assessed need for housing and other uses, as well as any needs that cannot be met within neighbouring areas (unless the NPPF provides a strong reason for restricting development; or the adverse impacts of doing so significantly and demonstrably outweigh the benefits when assessed against the NPPF).
- 2.2 Plans should be informed by agreements with other authorities so that unmet need from neighbouring areas is accommodated where practical and sustainable to do so, and based on effective cross-boundary joint working as evidenced in a Statement of Common Ground (SCG).
- 

- 2.3 Leicester City Council is consulting on a Draft Local Plan (regulation 18) in September 2020, with a view to publishing the Submission Version (regulation 19) in 2021. Leicester City declared an unmet housing need in February 2017 which remained unquantified while further evidence was gathered to support the publication of their Draft Local Plan. During this time several authorities have adopted local plans.
- 2.4 The L&L authorities were made aware of the potential scale of unmet need in December 2019. Consultation on the Leicester Draft Local Plan (and associated evidence) was delayed due to the COVID-19 Pandemic and is anticipated to start in September 2020.
- 2.5 Leicester's Draft Local Plan consultation indicates a potential unmet need of 7,742 homes and 23 Hectares of employment land 2019 to 2036. The authorities in L&L have been progressing work on a Sustainability Appraisal to assess options for where this unmet need could be appropriately distributed across L&L. This will inform a Statement of Common Ground setting out how any unmet need from Leicester will be distributed amongst the HMA authorities, which is intended for completion in early 2021.

### **3.0 Unmet Need in Context**

#### Housing


- 3.1 The Governments current Standard Method for calculating housing need uses 2014-based household projections, and suggests L&L have to provide 82,739 homes (4,867 per year 2019 to 2036). In this context an unmet need in Leicester of 7,742 homes is about 9% of the overall need for L&L over this period.
- 3.2 The NPPF requires authorities to have a clear understanding of the land available in their area to meet housing need through the preparation of a strategic housing land availability assessment (SHLAA). In L&L, the SHLAAs have been prepared using an agreed methodology across the HMA as a whole.
- 3.3 Appendix A and B to this Statement have been prepared using the outputs of the Standard Method for calculating housing need and SHLAAs. It provides a summary of the need for new homes, and the theoretical capacity of both the HMA and each local authority.
- 3.4 To 2036 there is a theoretical capacity for some 174,412 homes across the HMA as a whole (Appendix B). When set against the need of 82,793 (2019-36), it is clear there is considerable flexibility to meet housing need within the HMA, including Leicester's unmet need of 7,742 homes.
- 3.5 Housing supply in L&L is strong. Up to 2031 (Appendix A) there is already sufficient supply in the pipeline to meet the needs of the HMA. The L&L housing need 2019-31 is 58,404 using the standard method. Taking into account commitments, allocations (including emerging allocations in Leicester and Charnwood Draft Plans) and windfalls, there is a supply of 70,371 which is 11,967 (20%) higher than the HMA-wide need. Leicester City Council is the only authority to declare an unmet need at present.

- 3.6 Up to 2036 (Appendix B) the supply situation remains relatively strong given that most local plans cover up to, or close to, 2031. The L&L housing need to 2036 is 82,739 using the standard method. Assuming as minimum all District and Borough authorities will meet their own housing need, housing commitments, allocations (including emerging allocations in Leicester and Charnwood Draft plans) and windfalls suggest there is a supply of 85,767 which is 3,028 (4%) higher than the HMA wide need.

#### Employment

- 3.7 The most up-to-date FEMA-wide assessment of employment needs is the Housing and Economic Development Needs Assessment (2017). It identifies a need for 459 to 497 Hectares of employment in L&L (2011-2036). In this context, an unmet need of 23 Hectares is less than 5% and relatively small.

#### **4.0 Changing Context**

- 4.1 The Government intends to reform the planning system and is consulting on potential future changes, including:
- Planning for the Future - White Paper
  - Changes to the Current Planning System
- 4.2 At present these reforms do not impact housing need or emerging Local Plans as they are consultations. The Planning for the Future White Paper sets out plans for fundamental reform of the planning system and explains this would be accompanied by shorter-term measures. The 'Changes to the Current Planning System' consultation sets out potential shorter-term measures to improve the effectiveness of the current system, including a potential new standard method for calculating housing need.
- 4.3 There is no timetable for the reforms and the proposals could change following consultation. Against this background the Government encourages authorities to get up-to-date Local Plans in place and some authorities in L&L are at an advanced stage of plan preparation. In light of the uncertainty surrounding the content and timing of government reforms, the L&L authorities continue to cooperate on how Leicester's current unmet need could be distributed.
- 4.4 If the proposed changes to the Standard Method for calculating housing need (as set out in the 'Changes to the Current Planning System' consultation) are introduced unchanged, it would have implications for unmet need in L&L. For example, Leicester's unmet need for housing would be substantially lower or may not exist. On the other hand, most other authorities would see a significant increase in the number of homes needed.
- 4.5 The emerging situation will be kept under review as work progresses. The Duty to Cooperate is an ongoing process, and although Government reforms may remove the Duty, the Government also recognise the need for further consideration to the way in which strategic cross-boundary issues can be adequately planned for.
- 

## Appendix A - Leicester and Leicestershire Housing Land Supply, 2020 to 2031

The table below compares housing land supply to local housing need based on the Governments Standard Method. The calculations are based on data available at 1<sup>st</sup> April 2020.

	<b>A</b>	<b>B</b>	<b>C</b>	<b>D</b>	<b>E</b>	<b>F</b>	<b>G</b>	<b>H</b>
<b>Authority</b>	<b>Local Housing Need 2020 - 2031</b>	<b>Commitments<sup>1</sup> projected for delivery 2020 to 2031</b>	<b>Allocations in an adopted Plan<sup>2</sup></b>	<b>Emerging allocations in a draft plan<sup>2</sup></b>	<b>Allowance for small site or windfall development to 2031</b>	<b>Total Projected Delivery to 2031 (B+C+D+E)</b>	<b>SHLAA Capacity to 2031<sup>3</sup></b>	<b>Total Theoretical Capacity to 2031 (F+G)</b>
<b>Blaby</b>	4,068	4,935	758		280	5,973	12,150	18,123
<b>Charnwood</b>	12,984	8,734	1,385	5,761	720	16,660	13,948	30,608
<b>Harborough</b>	6,504	4,064	4,526		330	8,920	4,835	13,755
<b>Hinckley &amp; Bosworth</b>	5,484	3,139	185		603	4,039	23,105	27,144
<b>Leicester City</b>	20,544	9,827		7,131	1,800	18,758	0	18,758
<b>Melton</b>	2,412	2,353	2,891		223	5,467	1,108	6,575
<b>NW Leics</b>	4,548	6,647	990		360	7,997	4,052	12,049

<b>Oadby &amp; Wigston</b>	1,860	791	1,449		159	2,399	0	2,399
<b>HMA total</b>	58,404	40,490	12,184	12,892	4,475	70,371	59,198	129,299

<sup>1</sup> Includes sites under construction; with planning permission (including sites with a resolution to grant), as at 31/03/2020

<sup>2</sup> projected delivery up to 31/03/2031; includes allocated sites from local and neighbourhood plans

<sup>3</sup> To avoid duplication SHLAA sites that have planning permission or are allocated in an adopted or emerging plan have been removed from this figure

## Appendix B - Leicester and Leicestershire Housing Land Supply, 2020 to 2036

The table below compares housing land supply to local housing need based on the Governments Standard Method. The calculations are based on data available at 1<sup>st</sup> April 2020.

	<b>A</b>	<b>B</b>	<b>C</b>	<b>D</b>	<b>E</b>	<b>F</b>	<b>G</b>	<b>H</b>
<b>Authority</b>	<b>Local Housing Need 2020 - 2036</b>	<b>Commitments<sup>1</sup> projected for delivery 2020 to 2036</b>	<b>Allocations in an adopted Plan<sup>2</sup></b>	<b>Emerging allocations in a draft plan<sup>2</sup></b>	<b>Allowance for small site or windfall development to 2036</b>	<b>Total Projected Delivery to 2036 (B+C+D+E)</b>	<b>SHLAA Capacity to 2036<sup>3</sup></b>	<b>Total Theoretical Capacity to 2036 (F+G)</b>
<b>Blaby</b>	5,763	5,314	878		480	6,672	15,003	21,675
<b>Charnwood</b>	18,394	10,474	1,990	7,252	1,120	20,836	20,161	40,997
<b>Harborough</b>	9,214	4,064	5,526		640	10,230	8,975	19,205
<b>Hinckley &amp; Bosworth</b>	7,769	3,949	185		938	5,184	30,114	35,298
<b>Leicester City</b>	29,104	9,827		8,985	2,550	21,362	0	21,362
<b>Melton</b>	3,417	2,350	3,886		358	6,594	3,635	10,229
<b>NW Leics</b>	6,443	7,775	1,317		560	9,652	13,707	23,359



<b>Oadby &amp; Wigston</b>	2,635	791	1,449		159	2,399	0	2,399
<b>HMA total</b>	82,739	44,544	15,231	16,237	6,805	82,817	91,595	174,412

<sup>1</sup> Includes sites under construction; with planning permission (including sites with a resolution to grant), as at 31/03/2020

<sup>2</sup> projected delivery up to 31/03/2036; includes allocated sites from local and neighbourhood plans

<sup>3</sup> To avoid duplication SHLAA sites that have planning permission or are allocated in an adopted or emerging plan have been removed from this figure



## **Appendix H - Leicester & Leicestershire Authorities - Statement of Common Ground relating to Housing and Employment Land Needs (June 2021)**

### **1.0 The Leicester and Leicestershire HMA and FEMA**

1.1 The Leicester and Leicestershire Housing Market Area (HMA) and Functional Economic Area (FEMA) covers the administrative areas of eight local planning authorities and two transport authorities. The eight local planning authorities responsible for plan making are:

- 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

1.2 The two upper tier authorities in Leicester and Leicestershire (L&L), with statutory responsibilities for transportation, education, social care, flooding, minerals & waste planning and public health are:

- Leicester City Council (Unitary)
- Leicestershire County Council

1.3 This Statement has been prepared jointly by the eight plan making authorities and Leicestershire County Council as an additional signatory given their statutory responsibilities, hereafter referred to as “the authorities”. The Map in Appendix C shows the location and administrative areas covered by this statement. The [Housing & Economic Development Needs Assessment 2017](#) (HEDNA) identifies this area as the Leicester & Leicestershire HMA and FEMA.

1.4 Local planning authorities across L&L are currently progressing plans at different stages. Appendix D sets out the latest position.

### **2.0 Purpose**

2.1 This statement has been prepared by the authorities to support the Charnwood Local Plan. The key strategic matters covered in this statement under the Duty to Cooperate are; L&L Housing and Employment Needs to 2036; Unmet Need to 2036; and the process of apportioning unmet need to 2036. This statement will be reconfirmed and updated as necessary, including for subsequent authorities’ Local Plans.



### 3.0 Key Strategic Matters on which Authorities Agree

#### Duty to Cooperate

3.1 The authorities agree there is a long track record of effective joint working on strategic matters across L&L. The authorities have continuously engaged with each other on the strategic matters set out in this statement and throughout the preparation of Local Plans across the area. This is most clearly evidenced through:

- The establishment of the Leicester & Leicestershire Members Advisory Group
- The joint preparation of evidence, including the Housing & Economic Development Needs Assessment (2017)
- The adoption of a non-statutory [Strategic Growth Plan](#) 2018 which includes 'notional' housing figures.
- The agreement of Joint Statements in 2017, 2018 and 2020 (Appendix E, G and F)
- The publication of this Statement of Common Ground.

3.2 More information and details of engagement will be set out in individual authorities Duty to Cooperate Statements that accompany Local Plans. Authorities will continue to engage on an ongoing basis.

#### L&L Housing Need to 2036

3.3 The authorities agree the appropriate way to calculate local housing need is using the current standard method set out in Government guidance which currently uses the 2014 based household projections. The authorities agree that local housing need (2020 - 2036) is as follows:

Local Planning Authority	Total Housing Need 2020 – 2036	Houses per year 2020 - 2036
Blaby District Council	5,520	345
Charnwood Borough Council	17,680	1,105
Harborough District Council	8,800	550
Hinckley and Bosworth Borough Council	7,232	452
Leicester City Council	37,456	2,341
Melton Borough Council	3,216	201
North West Leicestershire District Council	5,744	359
Oadby and Wigston Borough Council	2,672	167
Leicester and Leicestershire HMA Total	88,320	5,520

Table 1: Local Housing Need

3.4 The Government's current standard method for calculating housing need suggests L&L need to provide 88,320 homes (5,520 per year 2020 to 2036).



- 3.5 The NPPF requires authorities to have a clear understanding of the land available in their area to meet housing need through the preparation of a strategic housing land availability assessment (SHLAA). In L&L, the SHLAAs have been prepared using an agreed methodology across the HMA as a whole.
- 3.6 Appendix A and B to this Statement have been prepared using the outputs of the standard method for calculating housing need and SHLAAs. It provides a summary of the need for new homes, and the theoretical capacity of both the HMA and each local authority.
- 3.7 To 2036 there is a theoretical capacity for some 173,147 homes across the HMA as a whole (Appendix B). When set against the need of 88,320 (2020-36), the authorities agree there is flexibility to meet L&L housing need within the HMA, including unmet need.
- 3.8 Housing supply in L&L is strong. Up to 2031 (Appendix A) there is already sufficient supply in the pipeline to meet the needs of the HMA. The L&L housing need 2020-31 is 60,720 using the standard method. Taking into account commitments, allocations (including emerging allocations in Leicester and Charnwood Draft Plans) and windfalls, there is a supply of 69,403 which is 8,683 (14%) higher than the HMA-wide need. Leicester City Council is the only authority to declare an unmet need at present.
- 3.9 Up to 2036 (Appendix B) the supply situation remains relatively strong given that most local plans cover up to, or close to, 2031. The L&L housing need to 2036 is 88,320 using the standard method. Taking into account housing commitments, allocations (including emerging allocations in Leicester and Charnwood Draft plans) and windfalls suggest there is a supply of 84,388 which is close to the HMA wide need.

#### L&L Employment Need to 2036

- 3.10 The authorities agree the appropriate way to calculate employment need is using the jointly prepared Housing and Economic Development Needs Assessment (HEDNA) unless a more recent assessment has been undertaken. Based on the HEDNA and local assessments of employment land need the authorities agree the need is as follows:



Local Planning Authority	Employment Need 2019 to 2036 (Hectares)*	Source
Blaby District Council	74.84 - 75.85 ha	HEDNA
Charnwood Borough Council	55.9 ha	HEDNA + Charnwood Employment Land Review (2018)
Harborough District Council	45 - 52 ha	HEDNA
Hinckley and Bosworth Borough Council	38.5 - 50 ha	EL&PS
Leicester City Council	67 ha	City Economic Development Needs Assessment 2020
Melton Borough Council	33.05ha	Employment Land Study 2015
North West Leicestershire District Council	47.7 ha	North West Leicestershire – The need for employment land (November 2020) Stantec
Oadby and Wigston Borough Council	10.31 ha	Employment Land and Premises Study, October 2017
Leicester and Leicestershire HMA Total	372 - 392 ha	

Table 2: Employment Land Needs. \*Note: the need has been adjusted to a base-date of 2019 taking into account completions as appropriate.

3.11 Table 2 above shows L&L have to provide 372 - 392 ha hectares of employment land to 2036. The authorities agree the L&L employment land needs (including unmet need) can be met within the FEMA.

#### Unmet need to 2036

3.12 The authorities agree that Leicester City Council is the only authority in L&L to have declared and quantified (with evidence) an unmet need to 2036. Assisting Leicester to meet its unmet need is therefore a key element of the Duty to Co-operate across L&L.

3.13 Leicester City Council consulted on a Draft Local Plan (regulation 18) in September to December 2020, with a view to publishing the Submission Version (regulation 19) in 2021. Leicester City declared an unmet housing need in February 2017 (Appendix H) which remained unquantified while further evidence was gathered to support the publication of their Draft Local Plan. During this time several authorities have adopted local plans.

3.14 The L&L authorities were made aware of the potential scale of unmet need in December 2019. Consultation on the Draft Leicester Local Plan (and associated evidence) was delayed due to the COVID-19 Pandemic until September to December 2020.

3.15 Leicester's Draft Local Plan consultation indicates a potential unmet need of 7,742 homes and 23 Hectares of employment land (B2 General Industrial and B8 Small Warehousing Units less than 9,000 sq.m) 2019 to 2036.



- 3.16 However, immediately after the consultation closed in December 2020 the Government published a new standard method for calculating housing need. The new method increased Leicester's housing need by 35%, adding a further 9,712 homes to their need between 2020 and 2036 (607 homes per year).
- 3.17 Although the supply of homes in Leicester may evolve as their local plan progresses, providing for this amount of additional homes in the City would require more than a doubling of the allocations set out in their recent Draft Local Plan. In this context the City consider that it will not be possible to meet NPPF policy obligations of a sound and deliverable plan, and so in the revised PPG context (Paragraph: 035 Reference ID: 2a-035-20201216) it will be necessary to seek to agree a Statement of Common Ground to deal with the recent increase in housing need.
- 3.18 The authorities agree the Government changes to the standard method on 16 December 2020 has significantly increased housing need in Leicester and acknowledge the quantity of Leicester's unmet need may change as the Local Plan progresses (e.g. as evidence on land supply is developed further).

#### Apportionment of Leicester's Unmet Need to 2036

- 3.19 The authorities remain committed to cooperating on strategic cross boundary matters, including agreeing the redistribution of any unmet housing and employment need. The authorities have been engaged in a process of testing reasonable alternative options for meeting Leicester's unmet need through a Sustainability Appraisal process with a view to agreeing an apportionment of the unmet need ahead of the submission of the Charnwood Local Plan (as set out in the agreed Joint Statement of September 2020 – Appendix G).
- 3.20 However, the authorities agree the change in Leicester's housing need on 16 December 2020 (resulting from Government changes to the standard method for calculating housing need) is so significant that it requires additional evidence. This means the Charnwood Local Plan will now be submitted ahead of the apportionment of housing being agreed.
- 3.21 The authorities agree to carry out the following programme of work to inform the apportionment of unmet need from Leicester to the L&L Districts/Boroughs:
- Housing and Economic Needs Assessment
  - Strategic Growth Options and Constraints Mapping
  - Strategic Transport Assessment
  - Sustainability Appraisal
- 3.22 This work will be commissioned in Spring 2021 and used to inform a Statement of Common Ground apportioning unmet need which is anticipated to be completed in Winter 2021/2022.





- 3.23 On 19th January 2021 the Government published a Written Ministerial Statement and wrote to all Local Planning Authorities in England reminding them of the continued importance of maintaining progress on producing up-to-date Local Plans (Appendix I). In the letter the Government make clear “it is essential that plans are kept up to date” and “it is critical that work should continue to progress Local Plans through to adoption by the end of 2023 to help ensure that the economy can rebound strongly from the COVID-19 emergency”. The Charnwood Local Plan is also critical to demonstrating and maintaining a five year supply of deliverable housing sites. Delay will lead to unplanned development and lack of certainty for communities, and private and public sector investors in the intervening period.
- 3.24 To maintain progress on producing an up-to-date Local Plan for Charnwood, the authorities agree that Charnwood Borough Council will continue to actively engage in the programme of work to redistribute unmet need and include a trigger policy to review and update the Local Plan, if the agreed apportionment of unmet need requires it.
- 3.25 Employment: The authorities agree a working assumption unmet need figure of 23 Hectares (B2 and Small B8) for Leicester. This will be subject to testing through the Leicester Local Plan. The authorities agree there is a sufficient supply of employment land in the Charnwood Local Plan (submission version) to accommodate this level of unmet need if this is found to be a sustainable approach, in the context of the programme of evidence work to inform the apportionment of unmet need.

#### **4.0 Maintaining and Updating this Statement**

- 4.1 The authorities acknowledge the Government intend to reform the planning system and recently consulted on a White Paper - Planning for the Future.
- 4.2 There is no timetable for the reforms and the proposals could change following consultations. Against this background the Government is encouraging authorities to get up-to-date Local Plans in place and some authorities in L&L are at an advanced stage of plan preparation.
- 4.3 This statement includes an agreed programme of work to apportion unmet need from Leicester. The authorities agree the Duty to Cooperate is an ongoing process and this statement will be kept up to date to reflect the latest position. The process for updating and maintaining this statement will be managed through ongoing joint work between the authorities. Once the agreed work is complete, the authorities agree this statement will be updated to include the apportionment of unmet need across L&L based on the evidence.



## **Appendix I – Letter from Leicester City Council**

Please ask for: Grant Butterworth  
Telephone: (0116) 454 1000  
Email: [planning@leicester.gov.uk](mailto:planning@leicester.gov.uk)  
Date: 13<sup>th</sup> February 2017



Mr J Newton  
North West Leicestershire District Council  
Council Offices  
Coalville  
Leicestershire  
LE67 3FJ

Planning  
115 Charles Street  
Leicester LE1 1FZ

[www.leicester.gov.uk/planning](http://www.leicester.gov.uk/planning)

Dear Mr Newton

### **Implications for Leicester City Council, of the Housing and Economic Development Needs Assessment (HEDNA).**

The Housing and Economic Development Needs Assessment (HEDNA) was approved by the Members Advisory Group on Thursday 26 January 2017. The HEDNA establishes a new objectively assessed need (OAN) for the Leicester and Leicestershire Housing Market Area (HMA), and for each local planning authority within the HMA. The HEDNA OAN replaces the OAN set out in the Strategic Housing Market Assessment (SHMA 2014).

The HEDNA establishes an OAN for the HMA of 96,580 dwellings for the period 2011-2031 (or 4,829 per year). For Leicester City over the same period the OAN is 33,840 dwellings (or 1,692 per year). Just over one third of the total OAN for the HMA arises within the city.

The HEDNA sets out a housing need significantly above that established in previous assessments of housing need, including the SHMA 2014 and in previous local, sub-regional and regional plans (including the Leicester Core Strategy 2014, Regional Plan 2009 and Structure Plan 2005).

The HEDNA also sets out increased new requirements for Employment land for Leicester :-

- 115,000 sqm (6ha) required for offices
- 15ha for warehousing/distribution
- 36ha for general employment

The HEDNA has significant implications regarding the ability of the city to continue to accommodate its full objectively assessed need for housing and employment within the administrative area of the city. The city's tightly drawn boundaries and built up nature, coupled with areas of significant flood risk means that there is limited land



available for further development. Whilst the City is currently unable to provide a definitive figure for the shortfall in the city (in advance of work on the emerging local plan), the scale of the need set out in the HEDNA is of such magnitude that it is concluded that there will be an unmet need arising in the city.

We will be working to meet these needs in our new Local Plan. However we will need support and co-operation from HMA partners. The Strategic Growth Plan will be the vehicle for these conversations.

The City Council looks forward to working closely with yourselves and the other HMA partners on ensuring the full OAN for the HMA is accommodated within the HMA by ensuring emerging plans are flexible enough to respond to addressing any unmet need which may be required to be addressed within those plans.

The attached note (Appendix 1) provides further background on the emerging land supply position in the city however it should be noted that further work on the capacity of the city, including potential new land allocations, is currently being undertaken through work on the new local plan for the city.

Yours sincerely,



Grant Butterworth  
Head of Planning  
Leicester City Council

## Appendix 1

### Housing Completions in Leicester since 2011

The table below shows housing completions in Leicester since 2011 compared to the HEDNA OAN. The table shows that the rate of housing completions in the city falls significantly below the HEDNA OAN. There is already a shortfall of 2,917 dwellings since 2011 (around 580 per year). Completions rates in the city have been relatively constant since the mid-2000s at around 1,100 per year. It does not seem likely that the rate of completions in the city will increase significantly above that level.

Year	Completions	HEDNA 2017 (2031)	Shortfall
2011/12	977	1,692	-715
2012/13	1,147	1,692	-545
2013/14	1,126	1,692	-566
2014/15	1,162	1,692	-530
2015/16	1,131	1,692	-561
<b>Total</b>	<b>5,543</b>	<b>8,460</b>	<b>2,917</b>

Should rates of completions in the city remain at around 1,100 per year, around 22,000 dwellings could be built between 2011 and 2031. This would leave a shortfall of around 11,840 against the HEDNA OAN to 2031.

It should also be noted that student completions account for a significant proportion of completions up to 2015/16 and, in light of the HEDNA (paragraphs 9.53-9.54), the City Council are currently reviewing the way in which student completions are counted towards meeting the OAN.

### Current supply of housing land in Leicester

The City Council are in the process of finalising an updated SHLAA to represent the position as at 31<sup>st</sup> March 2016, and this is due to be published shortly. The draft figures from this were used to set out the city's total capacity figure in table 1 of the Statement of Co-operation.

The draft SHLAA currently shows a total capacity for the city up to 2031 of 25,006 (including completions since 2011, commitments, windfall and other SHLAA sites). This is a shortfall of 8,834 over the HEDNA OAN to 2031).

### Emerging Local Plan position

The City Council intend to consult on the next stage of the new local plan later this year. This will include consultation on a wide range of sites. Following this the City Council will work towards a draft plan which is due to be published in spring 2018. Submission of the plan will follow in early 2019.

Given that the city currently does not have sufficient land allocated or identified to meet the level of need set out in the HEDNA we will be seeking to allocate new sites to help meet this need.

However at this early stage in the plan process it is not possible to know how many sites will be suitable, available and viable for housing development, nor how many of those will be successfully allocated in the final adopted plan. It is therefore not possible to know with any certainty, what contribution those sites can make towards addressing the housing OAN for the city and any consequent reduction in any unmet need remaining in the city. However it is clear that even if a significant number of new sites are identified, the scale of the need set out in the HEDNA is of such magnitude that it is concluded that there will be an unmet need arising in the city.

## **Appendix J - Written Ministerial Statement**



Ministry of Housing,  
Communities &  
Local Government

To: All Council Leaders in England  
CC: Local Authority Chief Executives

Rt Hon Christopher Pincher MP  
*Minister of State for Housing*

*Ministry of Housing, Communities and Local  
Government*  
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19 January 2021

Dear Local Authority Leader,

### **CONTINUING PROGRESS TO GET UP-TO-DATE LOCAL PLANS IN PLACE**

I am writing to all local planning authorities in England to remind you of the continued importance of maintaining progress on producing up-to-date Local Plans.

Despite the significant challenges that have been caused by the COVID-19 pandemic, I know that the majority of local planning authorities continue to do all they can to get Local Plans in place and keep them up to date. I would like to thank you for the important work that you do to deliver the homes, jobs and supporting infrastructure that make such a difference to your local communities.

The country needs more, better and greener homes in the right places. This Government's ambition is to deliver 300,000 homes per year by the mid 2020s and one million homes over this Parliament. Increasing the number of up-to-date Local Plans across England is central to achieving that goal. Local Plans not only unlock land for development and ensure that the right number of new homes are being built in the right places, they also provide local communities with an opportunity to have their say on how their local areas will change over the coming years, and how the local environment can be protected and enhanced.

Nine in ten local planning authorities have now adopted a Local Plan, which is excellent. My Department is committed to working with the remaining 10% to get a plan in place as soon as possible, and across the board it is essential that plans are kept up to date. In March 2020, the Government set a deadline of December 2023 for all authorities to have up-to-date Local Plans in place. It is critical that work should continue to progress Local Plans through to adoption by the end of 2023 to help ensure that the economy can rebound strongly from the COVID-19 emergency. Progressing Local Plans will help to ensure that we can build back better and continue to deliver the homes that are needed across England. As such, a Written Ministerial Statement was made today to remind all local planning authorities of the importance of maintaining progress to get up-to-date plans in place.

To support this, we recently rolled forward temporary changes that we made over the summer to ensure the planning system continues to operate effectively during the pandemic. In addition, we recently announced changes to the methodology for assessing Local Housing Need and published the 2020 Housing Delivery Test measurement. This should provide plan-makers with greater certainty over the homes they should plan for and whether they need to take additional measures to encourage delivery in their area.

The Housing Delivery Test measurement shows that the majority of local planning authorities continue to deliver the number of homes needed in their communities. However, 55 authorities



delivered less than three quarters of their housing need, and are therefore subject to the presumption in favour of sustainable development. Of these, 40 have a Local Plan that is more than 5 years old. This clearly demonstrates the importance of having an up to date Local Plan in place.

We also want to see Neighbourhood Plans continue to progress with the support of local planning authorities, to give more communities a greater role in shaping the development and growth of their local areas.

The Planning for the Future White Paper consultation closed in October. The White Paper sets out proposals to deliver a significantly simpler, faster and more predictable system. These proposals will need further development and it is important that authorities do not use this period as a reason to delay plan-making activities. Authorities who have an up-to-date plan in place will be in the best possible position to adapt to the new plan-making system.

I will consider contacting those authorities where delays to plan-making have occurred to discuss the reasons why this has happened, and to explore what support my Department can offer.



**RT HON CHRISTOPHER PINCHER MP**



## Appendix B Indicative Governance Arrangements for L&L SoCG on unmet need

Organisation	Mechanism and Dates	Notes
BDC	Council - 24 May (publication 13 May)	Likely to be first release into public domain?
CBC	Scrutiny – 6 June Cabinet – 9 June	Scrutiny meeting TBC
HBBC	Executive – late May/early June Scrutiny – 9 June Council – 12 July	Executive meeting TBC
HDC	Scrutiny – 30 June Cabinet – TBC September Council – TBC September	Dates subject to change
City	Can be through mayoral decision in May with ‘call in period’ ending in June	
County	Cabinet – 27 May (publication 20 May)	Next Cabinet 24 June, if more appropriate
LLEP	LLEP Board in June	
MBC	Cabinet – 8 June (publication 30 May)	Will need to be included on Cabinet forward plan from early May. Dates still subject to approval at end of April
NWLDC	Local Plan Committee – 25 May Cabinet – 7 June Council – 21 June	
OWBC	Full Council – 12 July	Subject to Member confirmation of the draft Committee dates