



<b>Full Council</b>	<b>Tuesday, 12 July 2022</b>	<b>Matter for Decision</b>
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**Report Title:** **Leicester and Leicestershire Statement of Common Ground (Relating to Housing and Employment Land Needs)**

**Report Author(s):** **Adrian Thorpe (Head of The Built Environment)**

<b>Purpose of Report:</b>	The report seeks approval for Council to approve the Leicester and Leicestershire Statement of Common Ground relating to Housing and Employment Land Needs as a factual statement of the current position within the Leicester and Leicestershire Housing Market Area.
<b>Report Summary:</b>	This report provides information on a Statement of Common Ground (SoCG) which has been prepared by the Leicester and Leicestershire authorities to demonstrate the Duty to Cooperate in plan making. The key strategic matters covered are Leicester and Leicestershire Housing and Employment Needs to 2036, Unmet Need to 2036, and apportioning that unmet need to 2036.
<b>Recommendation(s):</b>	<b>That Council approves the signing of the Leicester and Leicestershire Statement of Common Ground relating to Housing and Employment Land Needs (2022).</b>
<b>Senior Leadership, Head of Service, Manager, Officer and Other Contact(s):</b>	<p>Tracy Bingham (Strategic Director / Section 151 Officer) (0116) 288 8961 <a href="mailto:tracy.bingham@oadby-wigston.gov.uk">tracy.bingham@oadby-wigston.gov.uk</a></p> <p>Adrian Thorpe (Head of Built Environment) (0116) 257 2645 <a href="mailto:adrian.thorpe@oadby-wigston.gov.uk">adrian.thorpe@oadby-wigston.gov.uk</a></p> <p>Jamie Carr (Planning Policy and Development Manager) (0116 257 2652) <a href="mailto:Jamie.carr@oadby-wigston.gov.uk">Jamie.carr@oadby-wigston.gov.uk</a></p>
<b>Corporate Objectives:</b>	Building, Protecting and Empowering Communities (CO1) Growing the Borough Economically (CO2)
<b>Vision and Values:</b>	"A Stronger Borough Together" (Vision) Teamwork (V3) Innovation (V4)
<b>Report Implications:-</b>	
Legal:	There are no implications arising from this report.
Financial:	There are no implications arising from this report.
Corporate Risk Management:	Political Dynamics (CR3) Reputation Damage (CR4) Economy / Regeneration (CR9) Key Supplier / Partnership Failure (CR2)

Equalities and Equalities Assessment (EA):	There are no implications arising from this report. EA not applicable.
Human Rights:	There are no implications arising from this report.
Health and Safety:	There are no implications arising from this report.
<b>Statutory Officers' Comments:-</b>	
Head of Paid Service:	The report is satisfactory.
Chief Finance Officer:	The report is satisfactory.
Monitoring Officer:	The report is satisfactory.
<b>Consultees:</b>	None.
<b>Background Papers:</b>	None.
<b>Appendices:</b>	1. Leicester and Leicestershire Statement of Common Ground Relating to Housing and Employment Land Needs (2022)

## Background

- 1.1 As part of the Local Plan process, local planning authorities must demonstrate that they have complied with the Duty to Cooperate on strategic matters, which can include housing and employment growth. A Statement of Common Ground (SoCG) is a tool that local planning authorities can use to demonstrate the Duty to Cooperate has been met. The local planning authorities across Leicester and Leicestershire are currently progressing plans which are all at different stages of development.
- 1.2 Leicester City Council has identified that it has an 'unmet need' in that it does not have sufficient land available to accommodate its housing and employment land needs in full. Leicester City Council has produced evidence to support its local plan which identifies the extent of capacity within its administrative area to accommodate their housing and employment need. Leicester's unmet need has increased as a result of revisions made by Government which included an increase of Leicester's housing need by 35%. The City's need now stands at 39,421 homes between 2020 and 2036. When compared to a supply of 20,720 homes, this leaves an unmet need of 18,700 homes to be accommodated in the Leicestershire Districts/Boroughs. The unmet employment need remains at 23 Hectares.
- 1.3 Members will be aware that a SoCG was produced in 2021 to set out the process for apportioning Leicester's unmet housing need in the Housing Market Area (HMA). This was done to support the Charnwood Local Plan and represented the latest agreed position on housing and employment needs in Leicester and Leicestershire (L&L) at that time. The statement explained: "The key strategic matters covered in this statement under the Duty to Cooperate are; Leicester and Leicestershire Housing and Employment Needs to 2036, Unmet Need to 2036 and the process of apportioning unmet need to 2036. This statement will be reconfirmed and updated as necessary, including for subsequent authorities' Local Plans."
- 1.4 The Council approved the signing of the previous version of the SoCG in 2021.

## Informing the Updated (2022) Statement of Common Ground

- 1.5 The 2021 SoCG set out the process for apportioning Leicester's unmet need. It identified

the following evidence to inform the apportionment:

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

- 1.6 Specifically, the Housing & Economic Needs Assessment (HENA) and its associated housing and employment redistribution papers; and the Sustainability Appraisal are the key pieces of evidence that inform the Statement of Common Ground in apportioning Leicester's unmet need to 2036. These documents have now been completed.
- 1.7 The Strategic Transport Assessment and the Strategic Growth Options and Constraints Mapping take a longer-term perspective that will inform the next steps for the Leicester and Leicestershire Strategic Growth Plan to 2050.
- 1.8 The HENA Housing Distribution Paper identifies a number of steps in assessing the distribution of homes/unmet housing need across Leicester and Leicestershire as set out below.
- 1.9 The HENA 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, at a strategic level.
- 1.10 In the case of Oadby and Wigston, the starting point of the annual Local Housing Need (standard method) is 188 homes. When the functional relationship of migration and commuting with Leicester City is factored in, 260 homes are added to the starting point. There are no adjustments made in relation to the balance of jobs and homes or deliverability, however, in recognition of the land supply in Oadby and Wigston a reduction of 208 homes is made.
- 1.11 This brings the total overall housing figure for Oadby and Wigston to 240 homes per annum between 2020 and 2036. This includes a contribution of 52 homes per annum to account for Leicester's unmet housing need.
- 1.12 The HENA also identifies an unmet employment land need arising from Leicester of 23 hectares, however the HENA Employment Distribution Paper concludes that Charnwood Borough Council is best able to suitably meet this unmet need in full. 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.
- 1.13 A Sustainability Appraisal (SA) is an important tool used in plan making by setting out the environmental, social and economic effects of different options and as such, has been carried out to test different scales and different distributions of unmet need to ensure a robust distribution within the SoCG.
- 1.14 The outcome of the SA has demonstrated that the distribution set out in the HENA Distribution Papers (as described above) performs as well or better than the alternative options for most sustainability topics and that, at this stage, the HENA distribution can be accommodated in a broadly sustainable way.

### **Statement of Common Ground (2022)**

- 1.15 Taking into account the proposed distribution contained within the HENA distribution

papers, and the conclusions of the Sustainability Appraisal, the SoCG sets out the recommended apportionment of housing and employment. Table 3 of the SoCG confirms how the unmet need of 1,169 dwellings per annum can be apportioned within the HMA.

- 1.16 It should be noted that the apportionment set out within the SoCG needs to be fully tested by individual councils through the preparation of their Local Plans. For Oadby and Wigston, the outcome of this testing will determine whether or not the Council can meet both its own need as well as the unmet need apportioned by the SoCG. The SoCG sets out that if any council evidences that it cannot meet this need, then the apportionment of unmet need will need to be jointly reviewed and updated so as not to cause undue delay to the preparation of Local Plans.

### **Matters of Disagreement**

- 1.17 National Guidance indicates that SoCGs should document where effective co-operation is and is not happening. As well as setting out where agreements have been reached on key strategic matters such as unmet need, including the process for reaching agreement, they are also a record where agreement has not been reached by all parties.
- 1.18 Hinckley & Bosworth Borough Council (HBBC) do not agree to the final step in the HENA Housing Distribution Paper which considers deliverability (including housing stock growth) and apportions 197 homes per year of Leicester's unmet housing need. HBBC consider the accommodation of the 197 homes per year shortfall should be tested as part of each authority's Local Plan process. HBBC consider that a contribution of 102 homes per year to be an initial justified apportionment of Leicester's unmet need for HBBC.
- 1.19 This position is not shared by the other authorities within the HMA. As such this is reflected in the matters of disagreement in the SoCG.

### **Conclusion**

- 1.20 Officers have been working with their counterparts from the other local planning authorities within the HMA in the appointment and management of the HENA and Sustainability Appraisal and are of the view they are robust evidence in informing the apportionment of unmet within the HMA. Officers have kept Place Shaping Working Group involved in the process and gave a detailed presentation on the SoCG at its meeting in May 2022.
- 1.21 SoCG are a key part of each individual authority's local plan evidence to demonstrate they have complied with the Duty to Cooperate and Government Policy (including the Tests of Soundness). Not approving the SoCG at all (with matters of agreement and/or disagreement) would therefore carry a substantial risk that a plan will fail at examination preventing that authority's ability to progress and adopt a local plan in future. Consequently the local planning authority becomes more vulnerable to speculative planning applications and more challenge to deliver strategic infrastructure.
- 1.22 It is therefore important that council signs the SoCG to allow the progression of the Local Plan work. As set out in paragraph 1.16, it is important to note, that the housing need figure set out in the SoCG, is not necessarily the figure that the Borough Council will adopt in the Local Plan. The need figure is to be fully tested through the Council's Local Plan process. The final requirement figure set out within the Council's Local Plan will be fully evidence led.
- 1.23 The SoCG is also being considered by other authorities in Leicester and Leicestershire with the same recommendation for approval.