



<b>Policy, Finance and Development Committee</b>	<b>Tuesday, 03 February 2026</b>	<b>Matter for Decision</b>
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**Report Title:** **Leicester & Leicestershire Authorities - Statement of Common Ground Relating to Housing Distribution Following NPPF and New Standard Method**

**Report Author(s):** **Ed Morgan (Senior Planning Policy Officer)**

<b>Purpose of Report:</b>	The purpose of this report is to seek Committee's approval on the Leicester and Leicestershire Statement of Common Ground relating to Housing Distribution that has been jointly prepared by Local Authorities within the Leicester and Leicestershire (L&L) Housing Market Area (HMA). It represents an up-to-date factual statement of the current position in Leicester and Leicestershire.
<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 co-operation in plan making. The key strategic matters covered are Leicester and Leicestershire housing needs to 2046; unmet need to 2046; and apportioning any unmet need to 2046.
<b>Recommendation(s):</b>	<b>That the Committee approves the signing of the Statement of Common Ground (SoCG) which has been prepared by the Leicester and Leicestershire authorities.</b>
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<b>Strategic Objectives:</b>	<p>Our Council (SO1)</p> <p>Our Communities (SO2)</p> <p>Our Economy (SO3)</p> <p>Our Environment (SO4)</p> <p>Our Partners (SO5)</p>
<b>Vision and Values:</b>	<p>"Our Borough - The Place To Be" (Vision)</p> <p>Customer &amp; Community Focused (V1)</p>
<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) Key Supplier / Partnership Failure (CR2) Economy / Regeneration (CR9)
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>	<b>1.</b> Leicester & Leicestershire Authorities - Statement of Common Ground Relating to Housing Distribution Following NPPF and New Standard Method.

## 1. Information

- 1.1 As part of the Local Plan process, local planning authorities must cooperate with their neighbouring local authority areas on strategic matters, including housing growth. A Statement of Common Ground (SoCG) is one of the mechanisms available to evidence that this has been achieved. Across Leicester and Leicestershire (L&L), the local planning authorities are progressing their respective plans, although each is currently at a different stage of development.
- 1.2 It should be noted that whilst the Minister of State for Housing and Planning wrote to Local Planning Authorities on 27 November 2025 stating the intention that the Duty to Co-operate is to be removed from Legislation the letter also says that 'LPAs should continue to collaborate across their boundaries, including on unmet development needs from neighbouring areas' and therefore this SoCG meets that requirement.
- 1.3 In December 2024, the new Standard Method was published alongside the revised National Planning Policy Framework (NPPF, 12 December 2024). While this resulted in only a modest change to the overall housing need for the Leicester and Leicestershire (L&L) Housing Market Area (HMA), the distribution of that need shifted significantly due to the removal of the 35% urban uplift for Leicester City. As a result, the Local Housing Need (LHN) in Leicester City reduced substantially,

whereas the LHN increased markedly across most other Districts and Boroughs within the HMA.

- 1.4 The L&L Housing and Economic Needs Assessment (HENA) 2022 was prepared using the Standard Method as it applied in March 2022, identifying a requirement for 5,713 dwellings per annum across the Housing Market Area (HMA). The accompanying HENA 2022 Housing Distribution Paper set out an agreed methodology for distributing Leicester City's unmet housing need, then assessed at 18,700 homes, alongside 23 hectares of unmet employment land need for the period 2020–2036.
- 1.5 Members will be aware that a SoCG was produced in 2022 to set out the process for apportioning Leicester's unmet housing need across the Housing Market Area (HMA). The SoCG stated: "*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.*" The Council approved the signing of the previous version of the SoCG in 2022.
- 1.6 Following publication of the revised Standard Method in December 2024, Leicester City's Local Housing Need (LHN) reduced substantially, resulting in a significant reduction in the scale of unmet housing need to be addressed elsewhere in the HMA. Consequently, it became necessary to revisit the HENA Housing Distribution Paper to provide an up-to-date basis for Local Plans that are using the new Standard Method and are due for submission by the December 2026 deadline, as well as for future Local Plan reviews across the HMA.
- 1.7 The authorities agreed to commission an update to the HENA 2022 Housing Distribution Paper to inform the apportionment of unmet housing need under the revised Standard Method (December 2024).

### **Key Strategic Matters on Which the Authorities Agree**

- 1.8 The authorities agree that there is a long-established and effective track record of joint working on cross-boundary strategic matters across L&L. This collaborative approach has consistently encompassed the key strategic issues identified in this statement. The authorities have maintained ongoing engagement with one another on these matters throughout the preparation of Local Plans across the HMA.
- 1.9 The authorities agree that the LHN is derived using the new standard method for the 2024-2046 period, although it is accepted that individual local plans may have a shorter plan period than to 2046.
- 1.10 It is also agreed that the NPPF 2023 and L&L Statement of Common Ground relating to Housing and Employment Land Needs (June 2022) apply to local plans that reached examination or Regulation 19 on or before 12 March 2025. This is set out in the L&L Duty to Cooperate Statement (February 2025). For local plans that reach Regulation 19 after 12 March 2025 but before 31 December 2026, the NPPF 2024 (or relevant future iterations) and this Statement of Common Ground will

apply. These two Statements of Common Ground will co-exist to enable full local plan coverage across L&L.

### **Statement of Common Ground (2025-26)**

- 1.11 This L&L Statement of Common Ground is supported by evidence from the HENA Updated Housing Distribution Paper (UHDP), produced by Iceni on behalf of the authorities. The update provides a new Housing Distribution Paper to replace the version that accompanied the L&L HENA published in June 2022. The authorities agree that the UHDP sets out the apportionment of Leicester City's unmet housing need across the L&L Housing Market Area (HMA), arising from application of the new Standard Method up to 2046.
- 1.12 The UHDP recalculates Leicester City's unmet housing need for the period 2024–2036 as 2,455 dwellings, based on the revised Standard Method and the housing provision figures in the Leicester Local Plan. It also sets out the approach used to identify post-2036 housing capacity within the City. Leicester City continues to experience unmet housing need; using a proportionate evidence base, the UHDP estimates that between 2036 and 2046 the City will have an additional unmet need of 8,230 dwellings.
- 1.13 In the case of Oadby and Wigston, the Council has undertaken additional evidence gathering on housing capacity to assess developable and deliverable land within the Borough in light of the increase in LHN from 189 to 389 homes per year. Based on the evidence available at the stage of writing this Statement of Common Ground, and for the purposes of this Statement of Common Ground only, it is assumed that Oadby and Wigston can meet its own housing need from a land supply perspective but cannot accommodate any unmet need from Leicester City. Further work is still being carried out by the Council to assess the Borough's ability to accommodate the uplifted LHN, and once complete, the HMA authorities will need to consider its implications.
- 1.14 It is therefore agreed that at such time, the SoCG will be reconfirmed and updated accordingly through the joint working of the L&L authorities.

## **2. Conclusion**

- 2.1 Officers have been working with their counterparts from the other local planning authorities within the L&L HMA in the apportionment and management of housing growth for the period 2024-2046.
- 2.2 It is therefore important that Councils sign the SoCG to enable continued progression of Local Plan work. It should be noted that the LHN figure referenced in paragraph 1.13 of this Report and in the attached SoCG is the figure that will be fully tested through the Local Plan process, such that the requirement set out in the Local Plan is entirely evidence-led.
- 2.3 It should be noted by Members that the appendices to the SoCG are existing documents that have previously been published.
- 2.4 The SoCG is also being considered by all other local authorities in L&L with the same recommendation for approval.