

<p><b>Title of Report</b></p>	<p><b>LEICESTER &amp; LEICESTERSHIRE STATEMENT OF COMMON GROUND ON HOUSING &amp; EMPLOYMENT NEED (APRIL 2022)</b></p>	
<p><b>Presented by</b></p>	<p>Councillor Keith Merrie Planning and Infrastructure Portfolio Holder</p>	
<p><b>Background Papers</b></p>	<p><a href="#">Report to Local Plan Committee 25 May 2022</a></p> <p><a href="#">NORTH WEST LEICESTERSHIRE DISTRICT COUNCIL (nwleics.gov.uk)</a></p> <p><a href="#">National Planning Policy Framework</a></p> <p><a href="#">National Planning Practice Guidance</a></p> <p><a href="#">Statement of Common Ground (2021)</a></p> <p><a href="#">Statement of Common Ground (2022)</a></p> <p><a href="#">Housing Economic Needs Assessment (June 2022)</a></p> <p><a href="#">Housing and Economic Needs Assessment – Housing Distribution</a></p> <p><a href="#">Housing and Economic Needs Assessment – Employment Distribution</a></p> <p><a href="#">Statement of Common Ground – Sustainability Appraisal</a></p> <p><a href="#">NWLDC SHELAA 2019</a></p>	<p><b>Public Report:</b> Yes</p>
<p><b>Financial Implications</b></p>	<p>The cost of preparing the statement of Common Ground and the supporting evidence is met by all of the Leicester and Leicestershire authorities making agreed contributions.</p> <p><b>Signed off by the Section 151 Officer:</b> Yes</p>	

<b>Legal Implications</b>	Under the Duty to Cooperate the Council is under an obligation to work with other local planning authorities “ <i>constructively, actively and on an on-going basis</i> ” to address strategic planning matters. The Statement of Common Ground helps to address this requirement.
	<b>Signed off by the Monitoring Officer:</b> Yes
<b>Staffing and Corporate Implications</b>	None identified
	<b>Signed off by the Head of Paid Service:</b> Yes
<b>Purpose of Report</b>	To consider and agree the Council’s response to a Statement of Common Ground which has been prepared covering Leicester and Leicestershire to deal with the issues of unmet housing and employment needs from Leicester City.
<b>Reason for Decision</b>	To determine Cabinet’s views on the proposed Statement of Common Ground for forwarding to Council.
<b>Recommendations</b>	<p><b>THAT CABINET:</b></p> <p><b>(I) NOTES THE STATEMENT OF COMMON GROUND WHICH ADDRESSES THE ISSUE OF UNMET HOUSING AND EMPLOYMENT NEEDS FROM LEICESTER CITY;</b></p> <p><b>(II) NOTES THAT THE VIEWS OF CABINET ON THE STATEMENT OF COMMON GROUND WILL BE FORWARDED TO COUNCIL FOR IT TO HAVE REGARD TO WHEN DETERMINING THIS COUNCIL’S POSITION; AND</b></p> <p><b>(III) RECOMMENDS THAT THE COUNCIL’S POSITION ON WHETHER OR NOT TO SUPPORT THE STATEMENT OF COMMON GROUND BE FORMALLY AGREED AT A MEETING OF COUNCIL ON 6 SEPTEMBER 2022</b></p>

## 1 BACKGROUND

- 1.1 Members will be aware that the Leicestershire authorities have known since February 2017 that Leicester City does not have sufficient land available to accommodate its housing and employment land needs in full.
- 1.2 Members will also be aware that all local planning authorities are under an obligation under the Duty to Cooperate to “*cooperate with each other, and with other prescribed bodies, on strategic matters that cross administrative boundaries*” (National Planning Policy Framework (2021), paragraph 24). To demonstrate such cooperation, the NPPF requires authorities to “*prepare and maintain one or more statements of common ground, documenting the cross-boundary matters being addressed and progress in cooperating to address these*”.
- 1.3 To address the issue of unmet need from Leicester City, all of the Leicester and Leicestershire authorities have been working together under the auspices of the Member Advisory Group (MAG) to prepare a Statement of Common Ground (SoCG). MAG does not have decision making powers. Therefore, when it met on 28 April 2022 it agreed that the SoCG should be considered by each of the Leicester and Leicestershire authorities through their own governance procedures.

- 1.4 Whether this Council should support the SoCG will be determined by Council at its meeting on 6 September 2022, thus providing an opportunity for all members to consider the SoCG.
- 1.5 The Local Plan Committee (LPC) is responsible for overseeing the preparation of the Council's Local Plan, although final decision on the Local Plan resides with Council. The SoCG has significant implications for the current Local Plan review as it will determine the amount of development that needs to be provided for. Therefore, the SoCG was considered by the LPC at its meeting on 25 May 2022. A copy of the report and appendices considered by LPC is attached at Appendix 1 to this report.
- 1.6 The following points were made by the Local Plan Committee:
  - The level of growth set in the SoCG has potential implications in terms of infrastructure which needs to be provided in advance of development.
  - The City Council should be approached to support the provision of infrastructure, such as the National Forest line, outside of the City in recognition of the assistance being provided by this Council to meet the city's unmet need.
  - Why wasn't the unmet need simply redistributed based on an equal share basis?
  - Lack of functional relationship between North West Leicestershire and Leicester City
  - There is a need to ensure that whatever housing is provided meets the needs of local communities including more affordable housing.
  - Some of the evidence is based on 2011 census but noted that there is nothing more up-to-date. Will an increase in home working have any implications?
  - The SoCG is not about where development will go in North West Leicestershire, that is a matter for the local plan.
- 1.7 Following publication of the SoCG and the supporting papers, an error was identified in respect of employment land. The issue relates to the conversion of future employment floorspace needs forecasts when converted into land requirements. It is generally accepted, and stated in the report, that for general industrial and distribution premises 40% of land is covered by floorspace (therefore a ratio of 0.4). The calculations had erroneously used a ratio of 0.54 (therefore underestimating land need in the April report).
- 1.8 As a result, a decision was made under the auspices of the Strategic Planning Group to withdraw the documents until such time as the necessary corrections were made and all documents had been rechecked.
- 1.9 Correcting the ratio error has led to an increase in the amount of B2 / small B8 employment land required (ha), but not the amount of floorspace for this use. Correcting the ratio also required an adjustment to the Employment Distribution Paper (for Leicester and Leicestershire) which is based on the outputs of the Housing and Economic Needs Assessment (HENA). The Employment Distribution Paper originally identified that Charnwood was able to support Leicester in taking its declared unmet employment need of 23.3ha, given a surplus of 40.3ha. After updating the paper's position to reflect the corrected plot ratio issue as above, the original recommendations remain. Charnwood is still able and best placed to absorb the unmet need from Leicester (23.3 ha) given that Charnwood has a 31.0 ha surplus.
- 1.10 A statement explaining what the errors were and why this resulted in a temporary withdrawal of the SoCG and supporting papers has been published documents on the Strategic Growth Plan website. In addition, the SoCG and the corrected supporting documents have also been republished
- 1.11 Cabinet, in its executive role, is also invited to consider the SoCG with a view to its comments being forwarded to Council for consideration alongside those of the Local Plan Committee.

<b>Policies and other considerations, as appropriate</b>	
Council Priorities:	Local people live in high quality, affordable homes
Policy Considerations:	None identified
Safeguarding:	There are no implications directly arising from this report.
Equalities/Diversity:	There are no implications directly arising from this report.
Customer Impact:	There are no implications directly arising from this report.
Economic and Social Impact:	The outcome of the Statement of Common Ground will be addressed as part of the Local Plan review
Environment and Climate Change:	The outcome of the Statement of Common Ground will be addressed as part of the Local Plan review
Consultation/Community Engagement:	The Statement of Common Ground has been the subject of direct engagement with all of the Leicester and Leicestershire authorities. The outcome of the Statement of Common Ground will be considered as part of the Local Plan review which will be subject to consultation with the community and wider stakeholders.
Risks:	Not agreeing the Statement of Common Ground would represent a significant risk to the Local Plan review.
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