

**NORTH WEST LEICESTERSHIRE DISTRICT COUNCIL**  
**LOCAL PLAN COMMITTEE – WEDNESDAY 18 MARCH 2026**



<b>Title of Report</b>	<b>LEICESTER AND LEICESTERSHIRE AUTHORITIES STATEMENT OF COMMON GROUND – HOUSING DISTRIBUTION UNDER THE NEW STANDARD METHOD</b>	
<b>Presented by</b>	Joanne Althorpe Principal Planning Policy Officer	
<b>Background Papers</b>	<a href="#">National Planning Policy Framework (December 2024)</a>  <a href="#">Item 30 Report to Council 6 September 2022</a>  <a href="#">Item 5 Report to Local Plan Committee 25 May 2022</a>  <a href="#">Leicester and Leicestershire Statement of Common Ground (April 2022)</a>  <a href="#">Leicester and Leicestershire Housing and Economic Needs Assessment (HENA) (2022)</a>	<b>Public Report: Yes</b>
<b>Financial Implications</b>	<p>The cost of preparing the Statement of Common Ground and its supporting evidence is met by all the Leicester and Leicestershire authorities making agreed contributions.</p> <p><b>Signed off by the Section 151 Officer: Yes</b></p>	
<b>Legal Implications</b>	<p>Local planning authorities and county councils are under a duty to cooperate with each other on strategic matters that cross administrative boundaries. The Statement of Common Ground has been prepared to demonstrate effective joint working.</p> <p><b>Signed off by the Monitoring Officer: Yes</b></p>	
<b>Staffing and Corporate Implications</b>	<p>No staffing implications are associated with the specific content of this report. Links with the Council's Priorities are set out at the end of the report.</p> <p><b>Signed off by the Head of Paid Service: Yes</b></p>	

<b>Purpose of Report</b>	To consider the draft Leicester and Leicestershire Statement of Common Ground relating to housing distribution (December 2025) at <b>Appendix A</b> to this report so that the view of this Committee can be forwarded to Council when it considers the Statement of Common Ground in May 2026.
<b>Recommendations</b>	<p><b>THAT THE LOCAL PLAN COMMITTEE:</b></p> <p><b>PROVIDES ANY COMMENTS ON THE STATEMENT OF COMMON GROUND RELATING TO HOUSING DISTRIBUTION, AT APPENDIX A TO THIS REPORT, FOR CONSIDERATION BY COUNCIL AT ITS MEETING ON 12 MAY 2026.</b></p>

## 1.0 INTRODUCTION

- 1.1 As directed by paragraph 62 of the National Planning Policy Framework (2024), this Council’s new Local Plan needs to plan for its identified housing need:

*“To determine the minimum number of homes needed, strategic policies should be informed by a local housing need assessment, conducted using the standard method in national planning practice guidance. In addition to the local housing need figure, any needs that cannot be met within neighbouring areas should also be taken into account in establishing the amount of housing to be planned for.”*

- 1.2 To date, the new Local Plan has been drafted in accordance with an annual housing requirement of 686 dwellings per annum. This figure was informed by the *Leicester and Leicestershire Housing and Economic Needs Assessment (HENA, 2022)*.
- 1.3 Following the publication of the 2022 HENA, the *Leicester and Leicestershire Statement of Common Ground* (April 2022) was presented to this committee on 25 May 2022 and then approved by Council on 6 September 2022.
- 1.4 The *National Planning Policy Framework* was updated in December 2024. As part of this update, the government revised the methodology by which local planning authorities should calculate their local housing need (‘the standard method’). These changes mean it has been necessary to revisit the matter of housing distribution across the Leicester and Leicestershire Housing Market Area (HMA), particularly for those authorities who intend to submit their Local Plans by the December 2026 deadline and whose Local Plans will be examined against the 2024 NPPF (i.e. North West Leicestershire, Blaby, Hinckley and Bosworth and Oadby and Wigston).
- 1.5 The Leicestershire and Leicestershire authorities have prepared a new Statement of Common Ground (December 2025) which is underpinned by an *Updated Housing Distribution Paper* (November 2025). The Statement of Common Ground has been overseen by the Member Advisory Group (MAG), comprising members from each of the Leicester and Leicestershire authorities. MAG was established to oversee joint work on strategic planning matters but it does not have decision making powers. This

means that the Statement of Common Ground needs to be considered by each of the Leicester and Leicestershire authorities through their own governance procedures.

1.6 This report is structured as follows:

- Section 2 – Sets out the methodology in the Housing Distribution Update Paper with a focus on the implications for North West Leicestershire.
- Section 3 – Sets out the key points in the Statement of Common Ground relating to housing distribution.
- Section 4 – Advises on the implications for the North West Leicestershire Local Plan.
- Section 5 – Sets out the next steps.

1.7 Appended to this report are:

- **Appendix A:** *Leicester & Leicestershire Authorities - Statement of Common Ground relating to Housing Distribution following NPPF and new Standard Method published December 2024* (December 2025)
- **Appendix B:** *Updated Housing Distribution Paper* (November 2025)
- **Appendix C:** *FAQs - Updated Housing Distribution Paper and associated Statement of Common Ground* (January 2026)

## 2.0 LEICESTER AND LEICESTERSHIRE UPDATED HOUSING DISTRIBUTION PAPER (NOVEMBER 2025)

### Changes to the Standard Method

- 2.1 The 2022 *Housing and Economic Needs Assessment* (HENA) was based upon the standard method at the time of its preparation in March 2022. This showed a need for 5,713 dwellings per annum (dpa) across the Leicester and Leicestershire Housing Market Area (HMA).
- 2.2 The changes made to the standard method in December 2024 results in a requirement of 5,892 dpa for the HMA (this is the requirement as at May 2025; the figures are updated annually in spring). This represents a 3.1% increase from the 2022 standard method.
- 2.3 Whilst the total amount of housing required across the HMA has increased by a relatively small amount, the distribution of this requirement has changed more significantly. The deletion of the 35% urban uplift previously applied to Leicester City has resulted in a significant decrease in the City's annual housing need and an increase in most other authorities. For North West Leicestershire, the standard method figure has increased by 66% (from 372 to 617 dpa). A comparison of the 2022 and 2025 standard methods is shown in **Table 1** below.

**Table 1: Comparison of Standard Methods 2022 and 2025**

Local Planning Authority	Standard Method 2022 (dpa)	% share of overall housing 2022	Standard Method 2025 (dpa)	% share of overall housing 2025
Blaby	341	6%	539	9%
Charnwood	1,111	19%	992	17%
Harborough	534	9%	735	12%
Hinckley & Bosworth	472	8%	663	11%
Leicester	2,464	43%	1,588	27%
Melton	231	4%	369	6%
<b>NWL</b>	<b>372</b>	<b>7%</b>	<b>617</b>	<b>10%</b>
Oadby & Wigston	188	3%	389	7%
<b>TOTAL</b>	<b>5,713</b>		<b>5,892</b>	

### Updated Housing Distribution Paper

- 2.4 The *Updated Housing Distribution Paper* (UHDP) is at **Appendix B** of this report. It has been prepared by Icenl (the authors of the 2022 HENA) and has been informed by discussions with a Steering Group comprising officers at the Leicester and Leicestershire authorities.
- 2.5 The methodology used for apportioning the housing need is based on that set out in the 2022 HENA and adjusted to account for the revised Standard Method figures. Unmet housing need has been apportioned having regard to a range of factors, including the functional relationship of each authority area with Leicester City and the balance of jobs and homes in each authority area.

### Plan Making Progress and Timescales

- 2.6 The Leicester and Leicestershire authorities are at different stages of plan preparation and are progressing plans against a different policy backdrop.
- 2.7 The authorities of Charnwood, Harborough, Leicester and Melton have progressed their plans against the 2023 National Planning Policy Framework (NPPF) (or previous versions) and should therefore continue to rely on the 2022 Statement of Common Ground on housing distribution.
- 2.8 North West Leicestershire, together with Blaby, Hinckley and Bosworth and Oadby and Wigston are preparing their plans against the 2024 NPPF which need to be informed by the updated standard method. The UHDP has been prepared to inform these authorities' plans which are all due to be submitted for examination by 31 December 2026.
- 2.9 The starting point for the UHDP is the revised standard method figure for the whole of Leicester and Leicestershire of 5,892 dpa (see **Table 1** above). It uses a base date of 2024 and extends up to 2046. The UHDP factors in the proposed 2042 end date of the

North West Leicestershire Local Plan.

### ***Leicester's Unmet Need***

- 2.10 As Leicester's Local Plan covers the period up to 2036, the UHDP assesses the City's unmet need between 2024 to 2036 and from 2036 to 2046.
- 2.11 Between 2024 and 2036, the UHDP identifies an unmet need of 2,455 dwellings, which equates to 205 dpa. This figure is based upon known housing completions (2020 and 2024) and the anticipated supply planned for in the Leicester Local Plan (2024 to 2036).
- 2.12 The UHDP concludes that it is unlikely that Leicester will be able to fully meet its housing need beyond 2036. As the UHDP has been prepared in advance of the City's Local Plan Review, there is currently limited information available on the anticipated housing supply post 2036.
- 2.13 The UHDP has made an informed view on Leicester's unmet need between 2036 and 2046, an approach supported by paragraph 28 of the 2024 NPPF which advises on the preparation of Statements of Common Ground. This informed view combines two approaches: a bottom-up estimate of longer-term supply informed by the City Council and a top-down estimate informed by historical trends of brownfield development in the City, undertaken by Iceni.
- 2.14 The approaches for estimating the City's supply between 2036 and 2046 are described in detail between paragraphs 4.14 and 4.39 of the UHDP. The UHDP estimates an unmet need figure of 8,230 dwellings between 2036 and 2046 (823 dpa). This figure is arrived at by adopting a midpoint between the City Council's estimate of supply and Iceni's analysis of historical brownfield development trends.
- 2.15 **Table 2** shows the anticipated unmet need, based upon the City's 2025 standard method figure of 1,588 dpa.

**Table 2: Leicester City Council Unmet Need 2024 to 2046**

	<b>2024 to 2036</b>	<b>2036 to 2046</b>
Housing Need (2025 Standard Method)	19,056	15,880
Supply Estimate	16,601	7,650
Unmet Need (total)	2,455	8,320
Unmet Need (dpa)	205	823

### ***Unmet Need from Other Authorities***

- 2.16 As shown in **Table 1** above, Oadby and Wigston's local housing need figure has significantly increased from 188 to 389 dpa (an increase of 107%). Under the 2022 SoCG, Oadby and Wigston were planning for 240 dpa. It is material that the boundaries of Oadby and Wigston are tightly defined.

- 2.17 The UHDP is based on the assumption that Oadby and Wigston can meet the 389 dpa requirement within its boundaries **but** it cannot contribute towards Leicester's unmet need.

### ***Apportioning Unmet Need***

- 2.18 The agreed unmet need from Leicester is as shown in **Table 2** above. The UHDP apportions the unmet need between the Leicestershire authorities (excluding Oadby and Wigston for the reasons described above). The apportionment is based upon each authority's functional relationship to Leicester and then by aligning homes and jobs.

### *Functional Relationship to Leicester*

- 2.19 Some consultees have stated in previous Local Plan consultations that North West Leicestershire should not take any of Leicester's unmet need because it does not share a physical boundary with the City.
- 2.20 Section 7 of the Housing UHDP provides detail on the approach used to apportion unmet need based on each authority's *functional* relationship with Leicester. This uses a blend of migration and commuting data, recognising that migration information is based on several years of data and more stable view of flows but can be influenced by historical planning assumptions or housing supply distribution; whereas the commuting flow data is influenced by the effects of Covid-19 on working patterns at the time when the 2021 Census was undertaken but does capture some influence of the geography of employment development and changes in commuting since the 2011 Census.
- 2.21 Whilst migration and commuting patterns are undoubtedly influenced by the Leicestershire authorities' spatial relationship to Leicester (demonstrating a stronger relationship with those authorities adjoining the City), the UHDP does demonstrate a functional relationship between North West Leicestershire and Leicester.
- 2.22 **Table 3** below expresses the functional relationship to Leicester as a percentage. The functional relationship percentages are then reapportioned to account for the fact that Oadby and Wigston cannot contribute to the unmet need (as per paragraph 2.17 above).

**Table 3: Functional Relationship to Leicester**

Local Planning Authority	Functional Relationship to Leicester (Blended Average of Gross Migration and Commuting)	Revised Functional Relationship (Excluding Oadby & Wigston)
Blaby	24.9%	31.5%
Charnwood	24.8%	31.7%
Harborough	10.9%	13.8%
Hinckley & Bosworth	8.9%	11.2%
Melton	3.4%	4.2%
<b>NWL</b>	<b>6.0%</b>	<b>7.5%</b>
Oadby & Wigston	21.1%	0%

- 2.23 The methodology then reapportions the City's unmet need in line with the percentages in **Table 3**, i.e. 7.5% of the unmet need is reapportioned to North West Leicestershire. **Table 4** shows how the reapportionment is applied to North West Leicestershire, taking into account the different unmet need figures up to and post 2036 and adding them to North West Leicestershire's standard method figure of 617 dpa.

**Table 4: Initial Apportionment of Unmet Need based on Functional Relationship to Leicester for North West Leicestershire (2024 to 2042)**

	Calculation	North West Leicestershire
Functional Relationship to Leicester (%)		7.5%
Contribution to Unmet Need 2024 to 2036 (total)	2,455 x 7.5%	185
Contribution to Unmet Need 2024 to 2036 (dpa)	185/12	15
Contribution to Unmet Need 2036 to 2046 (total)	8,230 x 7.5%	621
Contribution to Unmet Need 2036 to 2046 (dpa)	621/10	62
Implied Requirement 2024 to 2036 (dpa)	617 + 15	632
Implied Requirement 2036 to 2042 (dpa)	617 + 62	679
<b>Implied Requirement 2024 to 2042 (total)</b>	<b>(632 x 12) + (679 x 6)</b>	<b>11,664</b>
<b>Implied Requirement 2024 to 2042 (dpa)</b>	<b>11,664 / 18</b>	<b>648</b>

It should be noted that the figures in Table 4 do not precisely sum due to rounding in the table to one decimal place. The calculations use unrounded figures.

#### *Aligning Homes and Jobs*

- 2.24 The next stage in the methodology is aligning homes with jobs. The process is set out in detail at Section 8 of the UHDP.
- 2.25 The starting point for North West Leicestershire is noting that the district has a jobs density figure of 1.14 (jobs to residents aged 16-64). The only other authority in Leicestershire to have a jobs density higher than 1.0 is Blaby. This shows a notable

level of net in-commuting to the district where a higher level of housing could help provide more localised opportunities for living and working in a similar area.

- 2.26 The Council is currently working towards a Local Plan housing requirement of 686 dpa; a figure largely informed by an economic growth scenario in the 2022 HENA. The UDHP revisits the economic growth scenario and for North West Leicestershire, recalibrates it to 2042 (the proposed end date of the Local Plan). This results in a requirement of 544 dpa, compared to the standard method figure of 617 dpa.
- 2.27 As is the case for North West Leicestershire, the updated standard method figures for all the other Leicester and Leicestershire authorities are sufficient to accommodate the economic growth scenarios.
- 2.28 However, the HDUP goes on to factor in a strategic B8 growth scenario, in response to the recently published *Leicester & Leicestershire: Strategic Distribution Floorspace Needs Update and Apportionment* report (October 2025), testing whether the apportionment of strategic B8 need has any impact on the homes/jobs balance or apportionment of housing provision within the HMA.

**Table 5: Housing Need – HENA Growth Scenario Adjusted for B8 Apportionment**

	Plan period end point	Standard Method (dpa)	Housing Need (dpa) HENA Growth Scenario + B8 apportionment
Blaby	2042	539	614
Charnwood	2046	992	566
Harborough	2046	735	565
Hinckley and Bosworth	2045	663	431
<b>North West Leicestershire</b>	<b>2042</b>	<b>617</b>	<b>690</b>

- 2.29 North West Leicestershire and Blaby are the only authorities where the B8 apportionment methodology results in a figure higher than the standard method. However, the B8 apportionment figure for Blaby (614 dpa) is lower than the functional apportionment figure (669 dpa) and also implicitly assumes that the Hinckley National Rail Freight Interchange (RFI) will be delivered, when there is a degree of uncertainty around this.
- 2.30 North West Leicestershire, on the other hand, is the only authority where the B8 apportionment figure (690 dpa) is higher than the standard method figure (617 dpa) *and* the functional relationship implied figure (648 dpa, as described in Table 4 above).
- 2.31 The HDUP, therefore, proposes that NWL contributes an additional 73 dpa towards the unmet need between 2024 and 2042. The remaining unmet need is then reapportioned between the other five authorities, as shown in **Table 6** below.

**Table 6: Final Apportionment of Unmet Need**

Local Planning Authority	Revised Standard Method (2025) (dpa)	Proposed Housing Requirement (dpa)	Contribution to Unmet Need	% Contribution	Plan End Date
Blaby	539	654	115	25.1	2042
Charnwood	992	1,133	141	30.8	2046
Harborough	735	797	62	13.5	2046
Hinckley & Bosworth	663	711	48	10.5	2045
Melton	369	388	19	4.2	2046
<b>NWL</b>	<b>617</b>	<b>690</b>	<b>73</b>	<b>15.9</b>	<b>2042</b>
Oadby & Wigston	389	389	0	0	2042
<b>TOTAL</b>	<b>4,304</b>	<b>4,762</b>	<b>458</b>	<b>100</b>	

### 3.0 STATEMENT OF COMMON GROUND RELATING TO HOUSING DISTRIBUTION (DECEMBER 2025)

3.1 The 2025 Statement of Common Ground (SoCG) is at **Appendix A** of this report. It confirms that the Leicester and Leicestershire authorities agreed to commission an update to the HENA 2022 Housing Distribution Paper to inform the apportionment of unmet need under the new Standard Method (December 2024).

3.2 The SoCG has been prepared to support the submission of the Blaby, Hinckley and Bosworth, North West Leicestershire and Oadby and Wigston Local Plans as they are directly affected by the changes to the standard method in 2024.

3.3 The key matter for agreement is:

*The Leicester and Leicestershire authorities agree to the apportioned contributions to unmet need established through the UHDP and set out in Table 2 [Table 6 of this committee report] which will be used by those authorities submitting a local plan for examination under the NPPF December 2024...*

3.4 Other key matters that may impact upon the level of unmet need in the future are:

- That Leicester City Council will begin a Local Plan Review immediately following the adoption of the Leicester City Local Plan 2020 to 2036. This will be informed by additional evidence in due course that will be used to identify the full housing capacity for that review.
- The SoCG assumes that “Oadby and Wigston will just be able to meet its own need from a land supply position but not be able to accept any unmet need from Leicester. Evidence gathering is still being undertaken by the Council in relation to accommodation of the uplifted LHN and when complete, consideration will need to be given to the outcome of this by the HMA authorities.”

3.5 The figures in Table 2 of the SoCG (**Table 6** of this committee report) will remain in place for the submission of Local Plans before 31 December 2026.

#### **4.0 IMPLICATIONS FOR THE NORTH WEST LEICESTERSHIRE LOCAL PLAN**

4.1 The Updated Housing UHDP proposes an annual requirement of 690 dpa for North West Leicestershire between 2024 and 2042. This is a minor increase of four dwellings per year compared to the 686 dpa planned for to date. Over the 18 year plan period, this is an additional 72 dwellings (or 79 dwellings if a 10% flexibility allowance is added).

4.2 It is the recommendation of officers that the Statement of Common Ground is agreed by Council to assist the timely submission of the North West Leicestershire Local Plan for examination. The SoCG is underpinned by a robust methodology and results in just a minor increase to the Council's housing requirement between 2024 and 2042.

4.3 Officers are confident that this additional amount can be met via small windfall sites (developments of less than 10 dwellings) without the need for allocating any additional housing sites. For example, in the first year of the plan alone (2024/25) there were 57 homes completed on small windfall sites, which will count towards the Council's overall housing need.

4.4 A housing trajectory will be prepared to accompany the Regulation 19 Plan. It will take into account completions on major and small sites between 1 April 2024 and 31 March 2026. Officers propose to do further work on small sites windfalls to inform the trajectory.

4.5 Assuming the Statement of Common Ground is agreed by North West Leicestershire District Council, part (1) of Policy S1 (the wording for which was agreed at the 14 August 2024 meeting of this committee) would need amending as follows:

*The housing requirement for North West Leicestershire is ~~686~~ **690** dwellings each year, and a minimum of ~~13,720~~ **12,420** dwellings over the plan period of ~~2020-2040~~ 2024-2042 as set out in the ~~Statement of Common Ground for Leicester and Leicestershire Housing Market Area (June 2022)~~ **Leicester and Leicestershire Authorities – Statement of Common Ground relating to Housing Distribution (December 2025)**.*

4.6 In addition, part (4) of Policy S1 would also require the following amendment:

*For the avoidance of doubt, the annualised district housing requirement for five year land supply and Housing Delivery Test purposes is ~~686~~ **690** dwellings each year.*

## **5.0 NEXT STEPS**

- 5.1 The 2025 Statement of Common Ground relating to housing distribution will be considered by each individual authority through their governance processes.
- 5.2 For North West Leicestershire, the Statement of Common Ground is being presented to Cabinet on 24 March 2025. A decision on the Statement of Common Ground will then be made by Council at its meeting on 12 May 2026. The views of this Committee and of Cabinet will be forwarded to Council to help inform its decision.
- 5.3 Subject to the housing figures being agreed by the respective councils, they will be tested through the examinations of the North West Leicestershire, Blaby, Hinckley and Bosworth and Oadby and Wigston Local Plans.

<b>Policies and other considerations, as appropriate</b>	
Council Priorities:	<ul style="list-style-type: none"> <li>- Planning and regeneration</li> <li>- Communities and housing</li> </ul>
Policy Considerations:	The Local Plan is required to be consistent with the National Planning Policy Framework and other government guidance and requirements. This includes effecting and on-going joint working between strategic policy-making authorities to help determine whether developments needs that cannot be met wholly within a particular plan area could be met elsewhere.
Safeguarding:	None discernible.
Equalities/Diversity:	An Equalities Impact Assessment of the Local Plan review will be undertaken as part of the Sustainability Appraisal.
Customer Impact:	No issues identified.
Economic and Social Impact:	The Statement of Common Ground results in an increased housing requirement for North West Leicestershire which seeks to build more homes in alignment with the provision of jobs in the district.
Environment, Climate Change and zero carbon:	The Statement of Common Ground results in a minor increase to the number of homes planned for to date. It is anticipated that this additional requirement can be met on small scale windfall sites, within the Limits to Development.
Consultation/Community/Tenant Engagement:	Further consultation on the proposed new housing requirement will be undertaken at Regulation 19 stage.
Risks:	<p>A risk assessment for the Local Plan Review has been prepared and is kept up to date. As far as possible control measures have been put in place to minimise risks, including regular Project Board meetings where risk is reviewed.</p> <p>The report highlights the potential risks associated with the issues considered as part of the report.</p>
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