



Executive Decision Report

**Leicester & Leicestershire Statement of Common Ground relating to
housing distribution following NPPF and new standard method
published December 2024**

Decision to be taken by: City Mayor
Decision to be taken on: 24 February 2026
Lead director: Andrew L Smith

Useful information

- Ward(s) affected:
- Report author: Paul O'Neill
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- Report version number: 1

1. Summary

- 1.1 The purpose of this report is to seek approval of the Leicester & Leicestershire Authorities – Statement of Common Ground relating to Housing Distribution following NPPF and new Standard Method published December 2024 (December 2025) (the SoCG) (attached at Appendix A). The SoCG supports the submission of four local plans in Leicestershire – those of Blaby District Council, Hinckley & Bosworth Borough Council, North West Leicestershire District Council, and Oadby & Wigston Borough Council. For local plans that reached examination or Regulation 19 on or before 12 March 2025, the NPPF 2023 and Leicester & Leicestershire Statement of Common Ground relating to Housing and Employment Land Needs (June 2022) continue to apply.
- 1.2 This SoCG addresses the following issues:
- Duty to Cooperate and joint working;
 - Leicester & Leicestershire housing needs to 2046 under the new Standard Method (December 2024); and
 - apportionment of Leicester's City's unmet need to 2046.
- 1.3 The SoCG agrees a future redistribution of Leicester City's unmet need, as revised following publication of the December 2024 NPPF and the new Standard Method for calculating local housing need (LHN). This includes a redistribution of the City's unmet need for the period to 2036, which is the end date of Leicester City's emerging Local Plan, as well as a distribution of the City's unmet need for the period beyond 2036 to the respective end dates of the Districts' and Boroughs' Local Plans.
- 1.4 All parties to the SoCG have resolved to recommend approval of the Statement of Common Ground to their respective Councils. The SoCG is currently being considered through individual authority governance processes.

2. Recommendation

- 2.1 That the City Mayor considers the report and approves the SoCG attached at Appendix A to allow progression of local plans to meet the Government's December 2026 deadline.

3. Detailed report

Local Housing Need

- 3.1 In December 2024 the new Standard Method for calculating local housing need (LHN) was published alongside a new National Planning Policy Framework (NPPF, 12 December 2024). This changed the overall scale of housing to be provided for in the Leicester & Leicestershire Housing Market Area (L&L HMA) by a relatively small amount. However, the distribution of housing across the L&L HMA significantly changed. The effect of the new Standard Method and the removal of the 35% urban uplift together was to significantly reduce the LHN in Leicester City from 2,464 dwellings per annum (dpa) to 1,588 dpa. Meanwhile, the LHN in most other Districts and Boroughs significantly increased.
- 3.2 The L&L Housing & Economic Needs Assessment June 2022 (HENA 2022) was based on an assessment of local housing need using the Standard Method that was then in place. The HENA 2022 Housing Distribution Paper set out an agreed methodology for apportioning Leicester City's unmet housing need (at the time, 18,700 homes) and 23ha of employment need (2020 to 2036). Following publication of the December 2024 NPPF and the new Standard Method and the reduction in Leicester City's LHN, the scale of unmet housing need has significantly reduced. Therefore, it has been necessary to revisit the HENA's Housing Distribution Paper to inform the local plans which are utilising the new Standard Method and will be submitted by the December 2026 deadline, together with future Local Plan reviews within the HMA.
- 3.3 The L&L 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). The Updated Housing Distribution Paper as agreed at officer level is attached at Appendix B.
- 3.4 To facilitate the SoCG, it has been necessary to estimate a potential future capacity within the City for the period 2036-2046 in advance of the procurement of full evidence. This process reviewed known and anticipated delivery, excluded areas of significant constraints, and projected future delivery rates to come to an interim estimate of future capacity pending a full assessment, which will be undertaken to support the next Leicester Local Plan. The details and conclusions of this are set out in section 4 of Appendix B.
- 3.5 The SoCG agrees a future redistribution of the City's unmet need, which is in the interests of the City and the District Councils. Table 2 in Appendix A details how Leicester's unmet need is proposed to be distributed amongst the Districts and Boroughs. This includes a redistribution of the City's unmet need for the period to 2036, which is the end date of Leicester City's emerging Local Plan, as well as a distribution of the City's unmet need for the period beyond 2036 to the respective end dates of the Districts' and Boroughs' Local Plans.
- Next steps
- 3.6 The SoCG is currently being considered through each authority's governance processes.
- 3.7 At a Council meeting on 27 January 2026, Blaby District Council approved the signing of the SoCG.

4. Financial, legal, equalities, climate emergency and other implications

4.1 Financial implications

There are no direct financial implications associated with the recommendation of this report.

Stuart McAvoy – Head of Finance
2nd February 2026

4.2 Legal implications

There are no direct legal implications associated with this report.

Zoe Iliffe, Property Highways & Planning
12 February 2026

4.3 Equalities implications

Under the Equality Act 2010, the Council must, in exercising its functions, have due regard to the need to eliminate discrimination, advance equality of opportunity and foster good relations between people who share a protected characteristic and those who do not. The proposed Statement of Common Ground (SoCG) supports effective plan-making across the Leicester & Leicestershire Housing Market Area and aims to ensure that housing needs are met in a coordinated and sustainable way. The decision sets an agreed framework for how housing need will be distributed between local authorities.

Access to suitable housing is a key determinant of social inclusion and wellbeing. Agreeing a fair and evidence-based distribution of housing need helps to ensure that housing opportunities are provided across a range of locations, helping meet the needs of diverse communities, including those on lower incomes or in overcrowded conditions within Leicester City.

Overall, the SoCG is expected to have a positive equality impact, as it promotes cooperation to meet varied housing needs across Leicester and Leicestershire. No negative equality impacts are identified at this stage, subject to ongoing monitoring through individual Local Plan processes. Local plan policies developed under this SoCG should be subject to full equality impact assessments at the local level, where specific development proposals or allocations may have more direct impacts.

Equalities Officer, Surinder Singh, Ext 37 4148

Dated 2 February 2026

4.4 Climate Emergency implications

Whilst there is no significant change to the scale of housing development required to meet future housing need and therefore no direct climate emergency implications arising from this report, the proposed change in housing distribution means that the SoCG, if approved, will be central to coordinating the development of sustainable housing across the City, Districts and Boroughs involved.

Housing is one of the largest sources of carbon emissions in Leicester, responsible for 33% of emissions. Following the city council's declaration of a Climate Emergency and its aim to achieve net zero carbon emissions, addressing the emissions from housing is vital to the council's efforts to reduce carbon emissions.

It will be important to ensure that new homes are delivered to the highest possible standards of carbon reduction. This should include the installation of high-performing insulation, energy efficient and non-fossil fuel heating, low energy lighting and low carbon/renewable energy systems such as solar PV panels and heat pumps.

Many of the opportunities to minimise future carbon emissions may also provide further co-benefits in terms of reduced fuel poverty and costs, increased indoor air quality, more robust climate change resilience and an improvement in health and wellbeing.

Phil Ball – Sustainability Officer
30 January 2026

4.5 Other implications (You will need to have considered other implications in preparing this report. Please indicate which ones apply?)

5. Background information and other papers:

Please see Appendices A and B.

6. Summary of appendices:

Appendix A – Statement of Common Ground relating to Housing Distribution following NPPF and new Standard Method published December 2024

Appendix B – Updated Housing Distribution Paper – Final Report (November 2025)

7. Is this a private report (If so, please indicate the reasons and state why it is not in the public interest to be dealt with publicly)?

No.

8. Is this a “key decision”? If so, why?

No.