

HOUSING ASSESSMENT

HARBOROUGH LOCAL PLAN PROPOSED SUBMISSION DRAFT REGULATION 19 CONSULTATION

On behalf of Richborough

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CONTENTS

1. INTRODUCTION
2. THE EMERGING PLAN HOUSING STRATEGY
3. SUMMARY AND CONCLUSIONS

1. INTRODUCTION

- 1.1 Planning Prospects have been instructed by Richborough to review and advise on the soundness of the residential development strategy set out in the Regulation 19 draft of the emerging Harborough Local Plan.
- 1.2 Our Assessment here has been prepared in support of Richborough's representations to the Regulation 19 draft of the emerging Harborough Local Plan.
- 1.3 There are issues in the way the spatial strategy of the draft Harborough Local Plan (HLP) 2020-2041 is framed in policy terms and the extent to which at the outset it properly acknowledges the scale and character of residential development need, and the way it expresses the need will be met.
- 1.4 These issues raise more detailed concerns around the quantum of need identified, its distribution, and how it will be met (including its heavy reliance on strategic development sites). In turn, this raises issues around the Plan's housing trajectory and the deliverability of homes, including affordable homes, in the planned period.
- 1.5 The concerns raised in our Assessment, primarily in reference to Policy DS01, are far reaching and point to a fundamental failing of the draft Plan to meet the tests of soundness set out in the Framework.
- 1.6 This report first looks at the quantum and distribution of housing proposed in the draft Plan in principle and then at the proposed components of the draft Plan's anticipated supply in more detail. It then identifies some additional points of concern with regard to the draft Plan's anticipated provision of housing, before setting out a summary of the points raised.

National Policy Context

- 1.7 There are a number of aspects of the previous Government's policy and initiatives which positively sought to boost the supply of housing in England and which also supported the previous Government's regularly stated commitment to delivering 300,000 homes a year by the mid-2020s.
- 1.8 The current Government was elected on the 4th July 2024 and has also committed to delivering 1.5 million new homes within the next five year parliament (also equating to 300,000 per annum).
- 1.9 It has been clear for a number of years, and through the past recession and indeed throughout the COVID-19 pandemic, that housebuilding is critical to boosting the country's

- economic growth. This extended through such statements as “Laying the Foundations; A Housing Strategy for England (November 2011)”, “Housing and Growth” a Written Statement to Parliament, (September 2012), and “Fixing the Foundations: Creating a More Prosperous Nation” (July 2015). All contained policies and initiatives which strongly supported the necessity for more house building.
- 1.10 The previous Government’s Housing White Paper “Fixing Our Broken Housing Market” was a prelude to many of the on-going planning reforms which have been aimed at addressing the housing crisis.
- 1.11 The (then) Prime Minister’s Foreword to the White Paper stated *“Our broken housing market is one of the greatest barriers to progress in Britain today...The starting point is to build more houses. This will slow the rise in housing costs so that more ordinary working families can afford to buy a home and it will also bring the cost of renting down. We need to build many more houses, of the type people want to live in, in the places they want to live.”* The Foreword from the Secretary of State confirmed *“This Country doesn’t have enough homes. That’s not a personal opinion or political calculation. It’s a simple statement of fact.”* Further, the Secretary of State pointed out that *“For decades the pace of house building has been sluggish at best. As a result, the number of new homes has not kept pace with our growing population. And that, in turn, has created a market that fails to work for far too many people.”*
- 1.12 The current Government has, in its election manifesto and in its early statements, also indicated a major push for growth, with planning reforms to further boost development being at the heart of reforms to stimulate economic growth. In short, the current Government remains committed to substantially increasing the amount of housing as a key component in the wider drive towards continued economic recovery and in recognition of the continued housing crisis.
- 1.13 The current and previous Governments, self-evidently, have had concerns over housing delivery, and the new Government is more committed than ever to addressing the lack of housing supply in England. This message could scarcely be stronger and its commitment to deliver 1.5 million new homes in England in this parliament (5 years) remains one of the Government’s key objectives and a fundamental driver behind its December 2024 published update of the National Planning Policy Framework (NPPF).
- 1.14 This context is a fundamentally important material consideration and backdrop of this report. It is a principal reason behind many of the reforms that have taken place, and are taking place, to planning and sets out a significant context to understanding housing land

supply and its aims. The approach should be to ensure that housing land supply is used as a tool to positively support and ensure delivery of the homes that people need in line with the Government's objectives to boost supply to significantly greater levels than seen in the past. As such, where there are sometimes competing interpretations of national policy and practice, the Government's clear statements favour an approach which errs on the side of increasing housing delivery rather than repressing it.

2. THE EMERGING PLAN HOUSING STRATEGY

The Scale of the draft Harborough Local Plan (HLP)'s Anticipated Housing Growth

- 2.1 As referenced in the previous section, the national policy context is one that favours an approach which sits firmly on the side of increasing housing delivery rather than repressing it. The Government's commitment to deliver 1.5 million new homes in England in this parliament (5 years) remains one of its key objectives and a fundamental driver behind its December 2024 published update of the National Planning Policy Framework (NPPF).
- 2.2 Despite this fundamentally important national context, the HLP Regulation 19 draft, for reasons that are discussed later in this chapter, has been published deliberately to avoid delivering the homes now identified as being needed in Harborough so that it can be tested against the previous version (December 2023) of the NPPF. The previous version included a less onerous methodology for strategic policy-making authorities to establish the housing requirement figure they should be planning for.
- 2.3 For example, the latest (December 2024) NPPF paragraph 61 makes reference to the Government's objective of boosting significantly the supply of homes, making it important that a sufficient amount and variety of land can come forward where it is needed. It goes on to reiterate that the overall aim should be to meet an area's identified housing need.
- 2.4 The December 2023 NPPF's paragraph 60 also makes reference to the Government's objective of significantly boosting the supply of homes but sets out that *"the overall aim should be to meet as much of an area's identified housing need as possible..."*.
- 2.5 The latest NPPF's paragraph 62 expects strategic policy-making authorities to determine the minimum number of homes needed in their strategic policies by following the Standard Method set out in Planning Practice Guidance (PPG) for assessing Local Housing Need. It also states that in addition to the authority's own 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.
- 2.6 The December 2023 NPPF's paragraph 61 also requires strategic policy-making authorities to use the standard method in national planning guidance to determine the minimum number of homes needed, but says that the outcome of the standard method is an *"advisory starting-point"* only and goes on to set out that there may be exceptional circumstances which justify an alternative approach to assessing housing need.

- 2.7 These paragraphs point directly to the “positively prepared”, “effective” and “consistent with national policy” tests of soundness for plan preparation (in particular) as set out at Paragraph 36 of the latest NPPF and Paragraph 35 of the December 2023 version.
- 2.8 These set out that plans are sound if they are:
- “positively prepared” if they provide a strategy which *“as a minimum, seeks to meet the area’s objectively assessed needs”; and is informed by agreements with other authorities, so that unmet need from neighbouring areas is accommodated where it is practical to do so and is consistent with achieving sustainable development*” (our emphasis underlined). “effective” if they are deliverable over the plan period, and based on effective joint working on cross-boundary strategic matters that have been dealt with rather than deferred, as evidenced by the statement of common ground (our emphasis underlined).
 - “consistent with national policy” where they enable the delivery of sustainable development in accordance with the policies in the Framework [NPPF] and other statements of national planning policy, where relevant.
- 2.9 The draft HLP sets out that one of its core objectives is to deliver the homes Harborough’s communities need. Its strategy is to direct development to sustainable locations like Market Harborough and areas near Leicester, where infrastructure and services can support growth. However, under the ‘Local Plan Vision’ the draft HLP sets out that by 2041 developments will offer a range of housing options, including affordable housing, and be mainly focussed in the areas near to the City of Leicester and Borough of Oadby and Wigston, around the market towns and to a lesser degree the large and medium villages.
- 2.10 Part 1. of its draft Policy DS01 (Development Strategy: Delivering Homes) sets out that the housing requirement for Harborough District is 13,182 new homes between 2020 and 2041. The annual housing requirement is 657 homes per year (or dwellings per annum, dpa) between 2020 and 2036, and 534 dpa between 2036 and 2041.
- 2.11 Under ‘Our Reasons for this Policy’ the draft HLP goes on to say that the starting point for determining the amount of housing Harborough should plan for is to calculate its Local Housing Need (LHN) using the Government’s Standard Methodology (SM). In addition to this, it recognises that Government policy requires any needs that cannot be met within

¹ Footnote 20 of the Framework sets out that “where this relates to housing, such needs should be assessed using a clear and justified method, as set out in paragraph 62 of this Framework”.

- neighbouring areas (referred to as unmet need) to be taken into account when establishing the amount of housing to be planned for (paragraph 4.4).
- 2.12 It goes on to explain that neighbouring Leicester City has an unmet housing need because it does not have sufficient land available in its area to meet its own housing need in full. To address this, the Leicester and Leicestershire authorities agreed a Statement of Common Ground (SoCG) apportioning Leicester's unmet housing and employment needs arising between 2020 and 2036 to the surrounding Districts and Boroughs (including Harborough). This is the Leicester and Leicestershire Authorities Statement of Common Ground relating to Housing and Employment Needs (June 2022) (paragraph 4.5).
- 2.13 The draft HLP goes on to say that the starting point for this work was each authority's LHN figure², which for Harborough was 534 homes per year. Taking into account various factors, including the District's functional relationship with Leicester, the SoCG suggests Harborough's housing requirement should be increased by 123 homes per year to 657dpa needed between 2020 and 2036, to help meet Leicester's unmet housing need. This is why draft Policy DS01 has a stepped housing requirement, with 657dpa between 2020 and 2036 and 534dpa between 2036 and 2041 (paragraph 4.6). Paragraph 4.6 then confirms that the SoCG, including the amount of unmet need in Leicester, is based on the Government's SM for calculating LHN "at the time of preparation".
- 2.14 The June 2022 SoCG sets out each authority's agreed LHN (2020 - 2036) in its Table 1 (as follows):

² Calculated using the Government's (then) Standard Methodology

Table 1: Local Housing Need

Local Planning Authority	Total Housing Need 2020 – 2036	Houses per year 2020 - 2036
Blaby District Council	5,456	341
Charnwood Borough Council	17,776*	1,111*
Harborough District Council	8,544	534
Hinckley and Bosworth Borough Council	7,552	472
Leicester City Council	39,424	2,464
Melton Borough Council	3,696	231
North West Leicestershire District Council	5,952	372
Oadby and Wigston Borough Council	3,008	188
Leicester and Leicestershire HMA Total	91,408	5,713

* In accordance with government guidance Charnwood's Local Housing Need is set using the data from 2021 (including household growth for the 2021-31 and 2020 affordability ratio) as it submitted its Local Plan for Examination in December 2021.

- 2.15 The authorities agreed in the SoCG that Leicester City Council was the only authority in the HMA to have declared and quantified (with evidence) an unmet need 2020 to 2036, and assisting Leicester to meet its unmet need was therefore a key element of the Duty to Co-operate across the HMA.
- 2.16 The draft HLP reiterates this by confirming that its planned amount of housing not only addresses Harborough's own needs but also contributes a modest proportion towards Leicester City's own housing need. It goes on to say that "this collaborative approach is necessary because we are part of the same housing market area" [or HMA]. "Leicester provides many of the commercial developments, job opportunities, cultural opportunities and services we rely on, making interdependent growth crucial for quality of life across Leicestershire" (paragraph 4.7) (our emphasis underlined).
- 2.17 The June 2022 SoCG highlights that the Leicester and Leicestershire authorities were made aware of the potential scale of Leicester City's unmet need in December 2019 but consultation on the Leicester Draft Local Plan (and associated evidence) was delayed due to the COVID-19 Pandemic until September to December 2020. Leicester's Draft Local Plan consultation indicated a potential unmet need of 7,742 homes and 23 Hectares of employment land (B2 General Industrial and B8 Small Warehousing Units less than 9,000 sq.m) for the period 2019 to 2036.
- 2.18 However, immediately after the consultation closed in December 2020, the Government published a new SM for calculating LHN which increased Leicester's housing need by

- 35%³, adding a further 9,712 homes to their LHN between 2020 and 2036 (607 homes per year).
- 2.19 Providing for this amount of additional homes in the City would have required more than a doubling of the allocations set out in Leicester's (then) draft Local Plan. In this context the City considered that it would not be possible to meet NPPF policy obligations of a sound and deliverable plan, and so in the revised PPG context (Paragraph: 035 Reference ID: 2a-035 20201216) confirmed that it was necessary to seek to agree a SoCG to deal with the recent increase in housing need.
- 2.20 Leicester's SM LHN figure was 2,464dpa generating a need for 39,424 new homes over the 2020-36 period (see Table 1 of the SoCG above). The SoCG goes on to say that evidence from Leicester's (then) draft Local Plan set out that the City's capacity to accommodate growth over this period was 20,721 dwellings, generating an unmet need of around 18,700 dwellings on the evidence at that time.
- 2.21 An unmet need figure of 18,700 dwellings was considered a reasonable working assumption for the City's unmet housing need to 2036 (subject to testing through the Leicester Local Plan).
- 2.22 It is noted that the Leicester Local Plan was submitted for Examination in September 2023. In their 'Initial Questions' (December 2023) the Leicester Local Plan Examining Inspectors highlighted that the Leicester Local Plan identified a housing need of 39,424 homes over the Plan period 2020-36, but a target of only 20,730 homes to be delivered within the administrative boundaries of Leicester (in reference to paragraph 4.10 and Policy SL01 of the Leicester Plan). The remaining unmet need of 18,694 dwellings was to be provided for within adjoining districts in Leicestershire.
- 2.23 In their 'Post Hearings Letter' (January 2025) the Leicester Local Plan Examining Inspectors reiterated another point they also raised in their Initial Questions, that the submitted Leicester Plan runs to 2036, meaning that on adoption there would only be around 11 years of the Plan period remaining, when paragraph 22 of the (then) NPPF⁴ expected strategic policies to look ahead, and plan for, a minimum of 15 years from adoption.
- 2.24 Their Post Hearings Letter set out that, at the examination hearings, the implications of extending the Plan period for the cross-boundary strategic planning work, undertaken by

³ The 35% uplift for urban areas, specifically targeting the 20 largest cities and urban centres in England, was introduced as part of the (then) revised National Planning Policy Framework (NPPF) in 2021.

⁴ September 2023

- the City Council and its neighbouring local planning authorities to address development needs in Leicester, was discussed, and it was clear to the Inspectors that the work required to revisit local housing and employment land needs for an extended Plan period would have had serious consequences for the progress of plan making and development both in Leicester and the surrounding boroughs and districts.
- 2.25 On this basis, and in light of the less than minimum Plan period, the Examining Inspectors acknowledged that Leicester City Council had proposed to commence an immediate review of the Plan following its adoption, to address development needs beyond 2036, and had agreed to set this out as a policy commitment in their Plan. On this basis, the Examining Inspectors considered such an approach would be capable of addressing the soundness concerns that this raised.
- 2.26 It is important to note that any immediate review of the Leicester City Local Plan (if adopted) would need to include a housing requirement based on the latest SM to calculate LHN, and not the former SM to calculate LHN that had informed the submitted Local Plan requirement.
- 2.27 With this in mind, the latest SM derived LHN figure for Leicester is 25,280. This means that whilst reduced, there would still be an unmet need of around 4,559 homes assuming the acknowledged capacity within the City's boundaries of 20,721 remains, as referenced above. Leicester City's unmet housing need remains an important consideration for Harborough's emerging Local Plan.
- 2.28 Another important consideration for Harborough's emerging Plan is that whilst the June 2022 SoCG identified Leicester City as the only authority in the HMA to have declared and quantified (with evidence) an unmet need 2020 to 2036, Oadby and Wigston Borough Council has since issued a press release (17th January 2025) confirming that it has paused its own emerging Local Plan because its latest SM derived LHN has seen an increase in its housing need from 240dpa to 382dpa (an increase of 59%).
- 2.29 As a result, Oadby and Wigston considers that it may also have an unmet housing need that would need to be accommodated in its neighbouring authority areas. It is also noteworthy that 52dpa of Oadby and Wigston's previous, and lower, 240dpa requirement was to meet Leicester City's unmet need and not its own needs. Oadby and Wigston is also in the same HMA as Leicester and Harborough and Harborough's acknowledged collaborative approach to address its own needs and Leicester City's needs, will also need to extend to meeting Oadby and Wigston's unmet needs as well, particularly in the context

- where the HLP's Vision is to focus growth near to Leicester, Oadby and Wigston and its own Market Towns.
- 2.30 Added to the uncertainty around Leicester City's Local Plan requirement and the extent of unmet housing need arising from Leicester, and now from Oadby and Wigston, it is also important to note that the draft HLP housing requirement is also predicated on the former SM to calculate LHN.
- 2.31 In Harborough Council's own press release⁵ confirming that the draft HLP 2020 to 2041 was to be discussed by its Cabinet prior to publishing the Regulation 19 draft for consultation, Councillor Galton (Cabinet Lead for Planning) confirmed that *"thanks to decisions made by the Council at the end of 2023 around progression of the Local Plan and ensuring adequate resources to do this quickly, we have been able to develop the plan under December 2023 Planning Policy Framework (NPPF). This means the requirement for new homes in the District is around 2,000 fewer than would have been the case under the Government's new December 2024 planning policy framework."*
- 2.32 As also set out in the Council's February 2025 press release *"the new local plan is expected to support the delivery of 657 homes per year between 2020 and 2036, and 534 homes per year between 2036 and 2041. This is compared to 557 homes a year in the Council's 2019 local plan. The government is changing their standard method of calculating housing need and if the Council does not publish its local plan for consultation in mid-March 2025 this change will increase the number of homes the Council has to plan for by around 200 a year."*
- 2.33 Clearly, the HLP Regulation 19 stage draft has been published deliberately so that it does not have to deliver the homes now identified as being needed in Harborough. This is despite one of its 'core objectives' being to deliver the homes needed in Harborough's communities. Instead, its publication has been brought forward ahead of the NPPF's deadline specifically to ensure that its now known level of need does not have to be planned for.
- 2.34 The latest Harborough Local Development Scheme (LDS), published alongside the Regulation 19 draft HLP, reiterates that an amendment to the Plan's timetable enables the Local Plan to be progressed in accordance with the transitional arrangements set out in Annex 1 of the latest (December 2024) National Planning Policy Framework, that plans should reach Regulation 19 stage on or before 12 March 2025.

⁵ Published 11th February 2025

- 2.35 In fact, paragraph 234 of the December 2024 NPPF sets out that *“for the purpose of preparing local plans, the policies in this version of the Framework will apply from 12 March 2025 other than where one of more of the following apply (inter alia):*
- a. *The Plan has reached Regulation 19 (pre-submission stage) on or before 12 March 2025, and its draft housing requirement meets at least 80% of housing need.*
- 2.36 Its Footnote 83 is clear that ‘housing need’ is calculated using the standard method in national planning practice guidance, published on 12 December 2024.
- 2.37 Paragraph 235 of the December 2024 NPPF sets out that *“where paragraph 234a, b, c, d or e apply, the Plan will be examined under the relevant previous version of the Framework.”*
- 2.38 Paragraph 237 says that *“Those local plans that Reach Regulation 19 (pre-submission stage) on or before 12 March 2025 and whose draft housing requirement meets less than 80% of local housing need should proceed to examination within a maximum of 18 months from 12 December 2024, or 24 months of that date if the Plan has to return to the Regulation 18 stage.”*
- 2.39 The purpose of the NPPF’s interim measures is to ensure that local planning authorities that have made genuine progress in preparing their new, and up to date, Development Plans should not have to start the process again and to enable those authorities to get their well-progressed Development Plan adopted as soon as possible. The interim measures are not intended to allow and incentivise local planning authorities to rush through an otherwise unprepared Development Plan so that it does not have to meet its latest identified housing need. Such an approach goes against the Government’s objective to significantly boost the supply of homes and flies in the face of the national housing crisis. From the narrative above it is clear that this authority has proceeded in this manner to “game the system”, not to maintain the advancement of a well-progressed, well-prepared and thought through Plan.
- 2.40 The new SM to calculate LHN has been introduced by the Government to inform new mandatory housing targets, ultimately to support the long-stated objective of boosting significantly the supply of homes in England and to address the longstanding and well-publicised national housing crisis.
- 2.41 The latest LHN for Harborough, using the updated SM (including recently updated Affordability Ratios), amounts to 723 dpa.

- 2.42 If the draft HLP requirement of 13,182 is spread over the 21 year period 2020 to 2041, this would amount to 628dpa, or 87% of the latest LHN using the updated SM. This is over the NPPF paragraph 234 threshold of 80%.
- 2.43 However, it is important to remember that the draft HLP requirement includes 123dpa during the period 2020 to 2036 (i.e. not the whole of the Plan period) to meet Leicester City Council's housing need, and not Harborough District's own housing need. The HLP draft requirement drops to 534dpa 2036 to 2041, as this reflects Harborough's own needs (calculated through the previous SM) without any contribution to meeting Leicester City's needs. The 534dpa figure for Harborough amounts to just 74% of the latest LHN figure, which is well below the NPPF paragraph 234 threshold of 80%, and NPPF paragraph 237 would apply.
- 2.44 It would also mean that NPPF paragraph 234a does not apply and the draft HLP should be progressed in application of the latest (December 2024) NPPF policies, which would mean that it should be planning for the higher LHN, calculated using the latest SM.
- 2.45 Notwithstanding the above, whilst the Regulation 19 draft of the HLP has been rushed through to avoid being tested against the latest (December 2024) NPPF so that it can be tested against the December 2023 NPPF instead, it should be noted that the December 2023 NPPF also requires strategic policies to be informed by a local housing need assessment conducted using the standard method in national planning guidance, to determine the minimum number of homes needed.
- 2.46 Paragraph 61 of the December 2023 NPPF goes on to say that the outcome of the standard method is an advisory starting-point for establishing a (minimum) housing requirement for the area. It goes on to say that there may be exceptional circumstances which justify an "alternative approach" to assessing housing need, in which case, the alternative approach should also reflect current and future demographic trends and market signals.
- 2.47 The Regulation 19 HLP does not put forward any exceptional circumstances or seek to justify an alternative approach to assessing housing need. Instead, it seeks to rely on a previous version of the LHN assessment conducted using the SM in national planning guidance, despite the Council acknowledging when publishing the Regulation 19 HLP, that an updated version of the SM had calculated a higher LHN for Harborough.
- 2.48 Under "When should strategic policy-making authorities assess their housing need figure for policy-making purposes?", national planning guidance (set out in Planning Practice Guidance – PPG), sets out that:

“Strategic policy-making authorities will need to calculate their local housing need figure at the start of the plan-making process. This number should be kept under review and revised where appropriate.

The housing need figure generated using the standard method may change as the inputs are variable and this should be taken into consideration by strategic policy-making authorities.

However, local housing need calculated using the standard method may be relied upon for a period of 2 years from the time that a plan is submitted to the Planning Inspectorate for examination” (our emphasis underlined).

- 2.49 The PPG guidance referenced above reflects the previous version of PPG which would have been in place at the time of the December 2023 NPPF’s publication⁶. For avoidance of doubt, the latest PPG guidance (revised in December 2024 to support the updated NPPF) has the same wording.
- 2.50 In circumstances where the December 2023 NPPF also requires strategic policies to be informed by the LHN assessment using the SM in national planning guidance, and where national guidance in this regard acknowledges that the LHN figure using SM may change as its inputs are variable, the strategic policies of the Regulation 19 draft of the HLP should have taken into consideration the latest version of the SM in national planning guidance (which was known at the time of the Regulation 19 draft’s publication) as no exceptional circumstances have been identified in the HLP to justify using an alternative approach and the LHN using the SM can only be fixed for a period of 2 years if the plan has been submitted to the Planning Inspectorate for examination.
- 2.51 In addition to the points made above, and noting that the latest LDS anticipates that the draft HLP will be submitted for Examination in September/October 2025 and adopted between October and December 2026, the LDS highlights that this programme for adoption is subject to detailed arrangements for Examination by the Planning Inspectorate and decisions/recommendations by the examining Inspector(s) including the need for and scope of any main modifications arising out of the Examination. As such, this programme cannot be assumed with any certainty and is likely to be optimistic.
- 2.52 However, even this overly optimistic programme would suggest that the NPPF paragraph 22⁷ requirement for strategic policies to look ahead over a minimum 15 year period from

⁶ 008 Reference ID: 2a-008-20241212008 (revision date 12 December 2024) and Reference ID: 2a-008-20190220 (revision date 20 February 2019)

⁷ Carried forward into the latest (December 2024) NPPF

adoption, is not going to be met, as the end of the HLP 2020 to 2041 period is 31st March 2041 (looking at its housing trajectory).

- 2.53 As such, like Leicester City's emerging Plan, the HLP will likely need an immediate review upon adoption to ensure that it addresses the District's development needs beyond 2041, and any immediate review will need to base its housing requirement on the latest SM derived LHN figures at that time despite the Council's best efforts to rush the HLP through to avoid meeting its higher needs.
- 2.54 In short, the draft HLP will simply not deliver against its objective to provide the homes needed in Harborough and is unsound. It has neither been positively prepared nor is it effective, instead it openly seeks to defer cross-boundary and strategic matters rather than dealing with them. It is also not consistent with national policy. For each of these reasons it is unsound, but its lack of soundness is compounded when these issues are combined.
- 2.55 The HLP must identify a higher housing requirement to deliver Harborough's now identified housing needs, as well as any unmet need from Leicester City, and indeed Oadby and Wigston, based on their latest Local Housing Needs using the updated SM also.

Distribution of the draft HLP's Anticipated Housing Supply

Low growth in Lutterworth

- 2.56 In addition to Part 1. of Policy DS01 not planning for enough homes to meet Harborough's identified Local Housing Needs, Part 2. of the Policy sets out that in addition to delivery of existing housing commitments and completions, and the allowance for windfalls, land for a minimum of 6,422 new homes will be delivered in the following places:
- a. 2,450 homes on Site Allocations (Policy SA01) in the Leicester Urban Area including 1,200 to be delivered during the Plan period in the Land South of Gartree Road Strategic Development Area, 1,125 homes in Scraftoft and 125 homes in Thurnby and Bushby
 - b. 1,670 homes on Site Allocations (Policy SA01) in Market Towns including 1,350 homes in Market Harborough to be delivered during the plan period and 320 homes Lutterworth
 - c. 1,500 homes on Site Allocations (Policy SA01) in Large Villages including 475 homes in Broughton Astley, 475 homes in Kibworth, 400 homes in Great Glen and 150 homes in Fleckney

- d. 425 homes on Site Allocations (Policy SA01) in Medium Villages including 105 homes in Husband Bosworth, 104 homes in Houghton on the Hill, 100 homes in Great Bowden, 80 homes in Ullesthorpe and 63 homes in Billesdon; and
- e. At least 350 homes in Small Villages [as set out in the table provided within the Policy].

2.57 Supporting paragraph 4.10 of the draft HLP sets out that the Plan’s strategy is built on an understanding of Harborough’s settlement hierarchy having assessed the services and facilities available within its settlements. The settlement hierarchy is shown in draft HLP Table 1 (provided below):

Table 1: Settlement Hierarchy

Settlement Hierarchy Tier	Settlements
Tier 1: Adjoining Leicester Urban Area	Scraptoft, Thurnby, Bushby and land adjoining the built-up areas of Leicester City and the Borough of Oadby and Wigston
Tier 2: Market Towns	Lutterworth, Market Harborough
Tier 3: Large Villages	Broughton Astley, Fleckney, Great Glen, Kibworth (Beauchamp and Harcourt)
Tier 4: Medium Villages	Billesdon, Great Bowden, Houghton on the Hill, Husbands Bosworth, Ullesthorpe
Tier 5: Small Villages	Arnesby, Bitteswell, Church Langton, Claybrooke Magna, Dunton Bassett, Foxton, Gilmorton, Great Easton, Hallaton, Leire, Lubenham, Medbourne, North Kilworth, South Kilworth, Swinford, Tilton on the Hill, Tugby, Walcote
Tier 6: Other Villages/ Hamlets	Other settlements not specifically listed in the hierarchy

2.58 Table 2 of the draft HLP sets out its anticipated housing supply position across the District and by settlement, including the HLP’s anticipated growth to 31st March 2041 (see below):

Table 2 District Land Supply Position by Settlement

Hierarchy Tier	Settlement	Completions 2020 - 2023	Commitments at 01.04.23	New Local Plan Growth (Policy DS01)	Settlement Total (2020- 2041)	Hierarchy Tier Total (2020-41)
Adjoining Leicester Urban Area	Land South of Gartee Road	-	-	1,200	1,200	2,918
	Scraptoft/Thurnby/Bushby	334	134	1,250	1,718	
Market Towns	Lutterworth	255	1,704	320	2,279	6,596
	Market Harborough	959	2,008	1,350	4,317	
Large Villages	Broughton Astley	145	118	475	738	2,820
	Fleckney	266	326	150	742	
	Great Glen	146	64	400	610	
	Kibworth	224	31	475	730	
Medium Villages	Billesdon	5	71	63	139	797
	Great Bowden	56	9	100	165	
	Houghton on the Hill	44	35	104	183	
	Husbands Bosworth	41	20	105	166	
	Ullesthorpe	58	6	80	144	
Small Villages	Arnesby	12	1	11	24	1,065
	Bitteswell	4	17	29	50	
	Church Langton	14	27	2	43	
	Dunton Bassett	1	11	49	61	
	Foxton	20	6	22	48	
	Gilmorton	159	27	7	193	
	Great Easton	4	23	31	58	
	Hallaton	20	12	15	47	
	Leire	2	12	23	37	
	Lubenham	2	34	28	64	
	Medbourne	1	54	7	62	
	North Kilworth	64	21	8	93	
	South Kilworth	22	11	14	47	
	Swinford	17	37	8	62	
	Claybrooke Magna	17	4	31	52	
	Tilton	4	17	27	48	
	Tugby	10	16	14	40	
	Walcote	4	8	24	36	
Other	Other	55	138	-	193	193
	Windfalls	-	450	-	450	450
District Total		2,965	5,452	6,422	14,839	14,839

- 2.59 The draft HLP's supporting text sets out that the areas nearest Leicester and the Market Towns are nearer the top of this hierarchy due to the scale and ranges of services offered. "This is why they are the focus for growth" (paragraph 4.14).
- 2.60 However, Table 2 shows that, despite being a Market Town and at the top of the District's own settlement hierarchy, and therefore a settlement that should be a focus for growth, Lutterworth has very limited growth apportioned to it within the draft HLP period. Just 320 new homes are allocated to Lutterworth specifically within the emerging Plan. This represents just 5% of the 6,422 new homes that are identified within the new Plan. In comparison, Market Harborough, the other Market Town in the Plan's hierarchy has an additional 1,350 homes allocated in the new Plan (or over 4 times as many) and would deliver more than double the number of homes during the Plan period when the new allocations are added to existing commitments.
- 2.61 Paragraph 4.15 acknowledges Lutterworth's lower amount of growth allocated in Policy DS01, despite being near the top of the hierarchy. It says that "this reflects the high number of homes already permitted in recent years, including the East of Lutterworth Strategic Development Area (SDA) allocated in the previous local plan." It also says that this reflects

the town's smaller size and population compared with Market Harborough, where in 2021 its population was less than half that of Market Harborough.

- 2.62 This indicates that the draft HLP is significantly, and overly, relying on the East of Lutterworth SDA to deliver homes needed in Lutterworth during the draft HLP period.
- 2.63 The SDA was adopted in the previous (2019) HLP and has failed to deliver any homes in Lutterworth in its planned period to date (or since 2011). The reliance on the East of Lutterworth SDA is discussed in detail in the 'deliverability of East Lutterworth SDA' section of our Assessment below, but the lack of growth identified in Lutterworth in the draft HLP is unjustified, ineffective and indicates that the plan has not been positively prepared or drafted with any recognition of the failure of this key historic allocation..
- 2.64 Table 2 shows that only 255 homes have been delivered in Lutterworth in the draft HLP period to date (2020 to 2023). This represents less than 9% of the total homes delivered (2,965) during that period. In comparison Market Harborough has seen 959 homes delivered (32% of the total, and nearly four times as many as Lutterworth). Scraftoft/Thurnby/Bushby and Fleckney have also seen more homes delivered than Lutterworth, and even Broughton Astley, Great Glen, Kibworth and Gilmorton (a Small Village) have seen similar levels of homes delivered to Lutterworth.
- 2.65 Despite this, Broughton Astley, Great Glen and Kibworth all have more homes (55%, 25% and 55% more respectively) allocated to them in the draft Plan than Lutterworth, despite being Large Villages and less sustainable locations, and despite already delivering a similar number of homes to Lutterworth in the Plan period to date. Fleckney (the other Large Village, and which has seen growth above Lutterworth's in the Plan period to date also), Great Bowden, Houghton on the Hill, Husbands Bosworth and Ullesthorpe (all Medium Villages) all have over 100 homes allocated to them in the draft Plan also.
- 2.66 The Small Villages also have a combined total of 350 homes (i.e. more than Lutterworth) allocated to them within the draft HLP (2020 to 2041).

Paragraph 4.9 of the draft HLP says that the HLP strategy identifies a pattern of development that seeks to support Harborough's economy, provide a balance between homes and jobs in the District and ensure access to services and facilities, including education, health, shops, leisure and open space. However, the lack of homes being allocated in Lutterworth over the HLP period (2020 to 2041) is not supporting Lutterworth's economy, services or facilities and instead the HLP strategy will direct higher levels of growth towards less sustainable settlements and relies too heavily on large-scale and strategic allocations adjoining the Leicester Urban Area and at Market Harborough, and

- from locations that have so far failed to deliver any homes during the 2019 HLP period to date, and that have a history of non-delivery. *Deliverability of East Lutterworth SDA*
- 2.67 The East of Lutterworth SDA was allocated in the 2019 HLP to deliver about 1,260 new homes during the 2019 Plan period (2011 to 2031), from a total development of 2,750 new homes. The 2019 HLP Trajectory anticipated that homes would be delivered from this site from 2023/24, and that it would deliver 1,260 homes by the end of the 2019 HLP period in 2030/31 (which is just five years from now).
- 2.68 The June 2019 Harborough District 5 Year Housing Land Supply Report (5YHLS report) made reference to a 2019 planning application (19/00250/OUT) which was then 'currently pending', and included 25 homes from this strategic site in 2023/24 (or year 5 of that 5 year period) – reiterating the 2019 HLP trajectory.
- 2.69 Despite the delivery of homes anticipated by the Council in the 2019 HLP and the 5YHLS report, no homes have been delivered from this site to date (at April 2025).
- 2.70 The Council's May 2024 5YHLS report (which demonstrates the deliverable supply identified by the Council for the period 1st April 2023 to 31st May 2038) says that the planning application associated with Site Allocation 'L1 Lutterworth East' (planning reference 19/00250/OUT) has been subject to Judicial Review. Legal proceedings prevented commencement of the approved scheme, therefore delivery from this site will start later than originally anticipated in the adopted Local Plan Trajectory.
- 2.71 It goes on to say that the Council is working closely with Leicestershire County Council (the landowner) to bring the site forward; latest projections from the land agent anticipate the first housing completions to be delivered from 2029/30 (or beyond the five year period). The 5YHLS Report's trajectory sets out that the projected delivery allows time for preliminary works and infrastructure delivery on site. This site has failed, emphatically, to deliver in the manner anticipated.
- 2.72 However, it is noted that the applicant has submitted a S73 application to remove the size limit of individual warehouse buildings forming part of the East Lutterworth SDA, and has also submitted a Deed of Variation to its S106 to reduce the affordable housing from the required 40%, to a figure "between 10% and 40%". Leicestershire County Council, which owns the land, says the changes are needed amid rising construction costs and a stagnant housing market, and without them the development would otherwise be unviable (our emphasis underlined).

- 2.73 We also note that the supporting Covering Letter for the S106 Deed of Variation submission confirms that the planning permission is not viable in its current form and to make it viable the only way forward is to reduce the supply of affordable housing (our emphasis underlined). This is not only contrary to the planning permission and its S106, but it is contrary to Development Plan policy requiring a minimum 40% provision. The failure of delivery on this site is compounded then by efforts now to extract it from what was promised and what policy asks for in terms of affordable housing,
- 2.74 We also note that the Covering Letter for the S73 application confirms that the removal of the floor space restriction on the warehouses could yield greater value and therefore have a direct impact on the ability to secure and deliver the infrastructure required by Policy L1: East of Lutterworth SDA. This further highlights and acknowledges viability concerns around the delivery of the East Lutterworth SDA.
- 2.75 The Covering Letter for the S73 application further acknowledges that the restriction on warehouse size was placed on the permission *“in accordance with the development plan...to ensure compliance with Policies BE1 and SS1”*. Thus indicating that this element of the East Lutterworth SDA would also be contrary to Development Plan policy as well as the planning permission, if the S73 application is approved.
- 2.76 In this context, Planning Prospects note that Lutterworth Town Council has objected to the proposed amendments, highlighting that the planning permission was only granted by a single casting vote by the Council’s planning committee, and only then because the warehousing size restriction and affordable housing provision were key elements that made the proposals acceptable (and Development Plan policy compliant).
- 2.77 Both the S73 application and the Deed of Variation submission remain pending since their submission in summer/autumn 2024, bringing in to very significant doubt the deliverability of the East Lutterworth SDA – and notwithstanding the acknowledged viability concerns.
- 2.78 The draft HLP’s near total reliance on this SDA to deliver the homes needed in Lutterworth (and the District) should be re-considered on this basis, and notwithstanding that Lutterworth should be making a larger contribution to the District’s higher housing requirements as a Market Town anyway, other allocations, including potentially large-scale and strategic-scale allocations should be made to Lutterworth to ensure that a sufficient amount, and variety, of land can come forward where it is needed, in this top-tier settlement.
- 2.79 In similar circumstances, we note that land north of Scruptoft was also allocated in the 2019 HLP to deliver about 1,200 new homes during the 2019 Plan period (2011 to 2031) in a Strategic Development Area (SDA). The 2019 HLP Trajectory showed homes being

- delivered from the Scraftoft site from 2021/22 and delivering 1,200 homes by the end of the 2019 HLP period in 2030/31.
- 2.80 The June 2019 Harborough District 5 Year Housing Land Supply Report included 322 homes from the Scraftoft site in its 5 year period from 2021/22, indicating that it was more advanced than the East Lutterworth SDA.
- 2.81 However, similar to the East of Lutterworth SDA, the Council's May 2024 5YHLS Report confirms that "significant delays have been encountered with allocated site 'SC1 Scraftoft North'".
- 2.82 Also like the East Lutterworth SDA, the Council concluded that "*until developers are able to provide greater certainty, annual supply for this site has been pushed back in the plan period, beyond the 5 year supply period*" – confirming the site is not deliverable.
- 2.83 However, and unlike the East of Lutterworth SDA, the Harborough Council press release informing of the Regulation 19 draft HLP being discussed at the Council's Cabinet⁸, confirms that "*The current local plan allocated a site known as Scraftoft North for development. It is proposed to no-longer pursue this as an allocation for development in the draft new local plan. This is due to the effects of well known, long-standing and well publicised issues with development viability*" (our emphasis underlined).
- 2.84 The same approach must be taken for the East Lutterworth SDA. Draft HLP policy DS01 allocates 1,125 new homes in Scraftoft, including from a new strategic-scale development of 950 new homes at Scraftoft East (S1). The new allocation, in replacing the previous and failed allocation, continues the draft HLP's support for Scraftoft being a sustainable location for growth in Harborough, albeit to support Leicester City's housing needs, but importantly it recognises that the former allocation is not deliverable or viable and ultimately is not the correct location for growth in Scraftoft going forward.
- 2.85 This raises questions around the draft HLP continuing to rely on Scraftoft as a location for strategic growth to meet Leicester's unmet need in Harborough, because it has failed to deliver the growth required of it to date, suggesting that it is not the correct location for strategic-level growth in principle. This is unlike Lutterworth which is an already sustainable location for sizeable growth to support its function and place in the Harborough Settlement Hierarchy, but whose SDA is the wrong location in the town. Lutterworth is the right settlement for growth, it is just saddled with the wrong allocation and unrealistic expectations about its delivery.

⁸ As referenced at paragraphs 2.31 and 2.32 above

- 2.86 These East of Lutterworth and Scraftoft SDA examples further call into question the continued reliance by Harborough District Council to deliver strategic level growth in the wrong locations, and indicates that other, and alternative, locations should be identified to deliver strategic-level growth, or at least larger-scale growth. This is particularly pressing in Lutterworth which is recognised as a sustainable location at the top of Harborough’s own settlement hierarchy, but is earmarked in the draft HLP to deliver only very limited growth in the emerging HLP and is almost entirely relying on delivery from a single strategic location that has so far failed to deliver any homes, and is acknowledged to be unviable as a commitment site and an allocation. An alternative strategic-scale or large-scale growth option (or options) must be identified in Lutterworth to ensure that a sufficient amount and variety of land can come forward for housing in the HLP period.
- 2.87 The draft HLP acknowledges (paragraph 5.3) that site allocations enable the delivery of the Development Strategy. This is outlined in Policies DS01 to DS05. It also recognises their importance for delivering the Plan’s overall strategy (paragraph 5.4). It is therefore fundamental that the site allocations, and the strategic development allocations in particular, it identifies are deliverable and in the correct, and most sustainable, locations.
- 2.88 In summary, alternative and additional housing allocations, specifically Richborough’s site to the west of Lutterworth⁹, should be identified in Lutterworth to ensure that Lutterworth can make a suitable and effective contribution to Harborough’s growing housing needs, in a sustainable location at the top of the HLP’s settlement hierarchy.

Affordable Housing

- 2.89 Added to the points made above around the inability of the East Lutterworth SDA to deliver the homes generally needed in Harborough, and in Lutterworth itself (a top-tier settlement in the Plan’s Settlement Hierarchy), draft HLP Policy HN01 Housing Need: Affordable Homes is clear that *“To meet the need for affordable housing 40% of the total number of homes in residential developments of 10 or more homes (or capable of delivering 10 or more homes) must be affordable”*.
- 2.90 Supporting paragraph 6.5 goes on to say that *“This policy is designed to help provide more affordable housing. It will help ensure that families and younger people, including those who have a local connection, can find a home they can afford. By addressing affordability, we can help ensure that living in Harborough is not just a possibility for those on high incomes.”* (our emphasis underlined).

⁹ See Planning Prospects’ representations to the Harborough Local Plan Proposed Submission Draft (Regulation 19) consultation submitted on behalf of Richborough

- 2.91 Paragraph 6.6 highlights that house prices in the District have risen, meaning it has become increasingly challenging for some people to access homes in the private sector – whether buying or renting. It confirms that affordability in the district has worsened over the last decade. The average house price of £327,000 is one of the highest in Leicestershire, and the affordability gap for many renters is also significant.
- 2.92 The draft HLP identifies a need for 421 affordable homes each year. Paragraph 6.7 says that most of the District's affordable housing need can be met if major developments deliver 40% affordable homes (emphasis underlined). Whilst the Plan anticipates that some developments by registered providers, such as housing associations, will deliver up to 100% affordable housing (again emphasis underlined) the Plan relies on most major developments delivering 40%.
- 2.93 This is particularly important for the strategic development allocations which, as set out previously, are important if the Plan's overall strategy is going to be delivered. However, and even if the East Lutterworth SDA does come forward and deliver some homes, the evidence provided above indicates that it is not a viable development unless the policy compliant cap on warehousing size is removed and unless the affordable housing provision is reduced, possibly down to 10%.
- 2.94 Given the over-reliance on the East Lutterworth SDA to deliver the homes needed generally in the District in the draft HLP, and particularly in Lutterworth (a top-tier settlement), if it severely under provides affordable housing this will mean that the affordable homes needed for people in the District, and particularly in Lutterworth (including for people with a local connection to the town and its surrounding area), will not be met.
- 2.95 This provides another reason why alternative and additional residential sites, including Richborough's site, must be allocated in Lutterworth if the District, and Lutterworth's, affordable housing needs are going to be met over the draft HLP period 2020 to 2041.

Housing Delivery Trajectory

- 2.96 Added to the concerns around distribution, and deliverability, of the draft HLP's anticipated housing supply raised above, its housing trajectory indicates that 14,839 homes will be delivered over the HLP period (2020 to 2041). The draft HLP (paragraph 4.12) recognises that the anticipated pace of delivery may vary on a site-by-site basis and says that the Plan includes a contingency above the housing requirement to account for the risk of slower or lower delivery. To this end, the draft Plan goes on to say that it has allocated and made provision for a total of 14,839 dwellings to meet the housing requirement of 13,182 dwellings. This represents a contingency, or buffer, of 1,657 homes (or 12.5%).

- 2.97 Notwithstanding that the draft HLP requirement of 13,182 is substantially below Harborough's latest LHN calculated using the Government's updated SM (as set out above) so that rather than providing a contingency the HLP as drafted is going to under-deliver the number of homes needed in the District, the 'contingency' that the draft HLP has identified over its suppressed housing requirement, is only roughly equal to the contribution being made by any one of the Plan's individual SDAs over the Plan period. This means that if any one of the SDAs does not deliver the homes anticipated from it, as has been the case with the 2019 HLP's SDAs to date (as referenced above), the draft HLP's 'contingency' will have been all but eliminated.
- 2.98 Moreover, the draft HLP's trajectory appears to suggest that a number of its large-scale and strategic allocations are projected to deliver homes in the next couple of years, despite not yet having any planning permission(s) in place.
- 2.99 The Third Edition of the 'Start to Finish' report published by Lichfields suggests that the Council's trajectory is unrealistic. The Start to Finish report is '*an authoritative evidence base for considering housing delivery in the context of planning decisions, local plans and public policy debates*'. It focuses its analysis on the pace at which large-scale housing sites emerge through the planning system and how quickly they are built out. In doing so, it analyses the typical 'lead-in' time, the typical planning approval periods and the typical 'planning to delivery' periods, as well as build-periods and rates of delivery.
- 2.100 The Third Edition of the 'Start to Finish' report was published in March 2024 and indicates that for schemes of 100 to 499 dwellings, the average time taken for planning permission to be granted and then homes to start to be delivered is 6 years. For schemes of 500-999 dwellings it is 4.9 years, and for schemes of 1,000 to 1,499 dwellings it is 6.2 years.
- 2.101 The draft HLP trajectory includes numerous allocation sites of between 100 and 4,000 homes which have no planning applications referenced, but where the trajectory assumes delivery will begin well ahead of the average times identified in the 'Start to Finish' report. If some of these sites do not come forward in the timeframes anticipated in the trajectory, and instead come forward more in keeping with the timeframes set out in the 'Start to Finish' report or even do not come forward at all, as has been the case for the 2019 SDAs referenced previously, this would mean that hundreds (if not thousands) of homes that are anticipated to come forward in the HLP period (2020 to 2041) will not come forward in the Plan period at all, further eroding its suggested 'contingency', and casting further doubt on the Plan's ability to deliver even its suppressed housing requirement.

- 2.102 Whilst there is no 'rule' for how much flexibility, or 'contingency', should be built into a strategic development plan to ensure delivery of a housing requirement, many experts, including the HBF, often advocate a 20% buffer. The lower (12.5%) contingency in the draft HLP is considered particularly deficient given its over-reliance on sites that are unlikely to deliver the housing suggested from them in the draft Plan's Trajectory.
- 2.103 The emerging HLP's over-reliance on the East Lutterworth SDA to deliver homes needed in Lutterworth over the planned period (2020 to 2041) (highlighted above) also shines a light on the HLP's continued over-reliance on existing housing commitments (including 2019 HLP allocations) and completions, as well as a significant windfall allowance.
- 2.104 Our concerns around the emerging Plan's trajectory are compounded where of the emerging HLP's housing requirement of 13,182, the emerging Plan is seeking to allocate just 6,422 homes from new sites. More than half of the proposed housing requirement will be delivered through existing housing commitments and completions, and a significant windfall allowance.
- 2.105 If the Council wishes to rely on existing permissions and allocations as part of its housing supply to meet its emerging Plan requirement, it should provide robust evidence to demonstrate that the existing sites remain deliverable and developable over the emerging Plan period.
- 2.106 Moreover, and notwithstanding the NPPF only permits a windfall allowance if there is compelling evidence that such sites have consistently become available and will continue to be a reliable source of supply, including windfall sites within the planned housing requirement removes any opportunity for windfalls to provide some additional housing numbers and add some flexibility to the planned supply. Windfalls do not provide the choice and flexibility in the market that allocation sites do and any supply provided by windfalls should be in addition to the 'contingency' identified in the Plan and also in addition to the buffer added to the housing need figures derived from the Standard Method to provide choice and competition in the market.
- 2.107 This is of course in the context that the draft HLP fails to plan for enough homes to deliver Harborough's identified housing needs anyway, and by a significant margin, and where it continues to follow the same over-reliance on stalled sites and locations set out in the 2019 HLP that have so far failed to deliver any homes needed in Harborough since 2011.

Deliverable Supply Upon Adoption

- 2.108 As set out previously, the latest Harborough LDS anticipates that the HLP 2020 to 2041 will be submitted for Examination in September/October 2025 and adopted between October and December 2026 (subject to detailed arrangements for Examination by the Planning Inspectorate and decisions/recommendations by the Inspector including the need for and scope of any main modifications arising out of the Examination).
- 2.109 Paragraph 78 of the December 20024 NPPF requires that local planning authorities should identify and update annually a supply of specific deliverable sites sufficient to provide a minimum of five years' worth of housing against their housing requirement set out in adopted strategic policies, or against their Local Housing Need (LHN) (using the Standard Method (SM) as set out in national planning practice guidance (PPG)) where the strategic policies are more than five years old.
- 2.110 Paragraph 78 of the NPPF also sets out that the supply of specific deliverable sites should include a buffer (moved forward from later in the plan period) of 5% to ensure choice and competition in the market for land, or 20% where there has been a significant under delivery of housing over the previous three years (measured against the Government's Housing Delivery Test (HDT), where this indicates that delivery was below 85% of the housing requirement)¹⁰.
- 2.111 Paragraph 78 of the NPPF also says that "from 1 July 2026, for the purpose of decision-making only, [a] 20% [buffer should be applied] where a local planning authority has a housing requirement adopted in the last five years examined against a previous version of this Framework, and whose annual average housing requirement is 80% or less of the most up to date local housing need figure calculated using the standard method set out in national planning practice guidance.
- 2.112 As set out above in reference to NPPF paragraphs 234 and 237 (implementation), the latest LHN for Harborough, using the updated SM (including recently updated Affordability Ratios), amounts to 723 dpa. This means that the draft HLP requirement of 13,182 over the 21 year period 2020 to 2041 would amount to 628dpa or 87% of the latest LHN using the updated SM, and over the NPPF paragraph 78 threshold of 80%.
- 2.113 However, as also highlighted previously, the draft HLP requirement includes 123dpa during the period 2020 to 2036 to meet Leicester City Council's unmet housing need, and not Harborough District's housing need. The HLP draft requirement drops to 534dpa 2036 to

¹⁰ to improve the prospect of achieving the planned supply

2041, as this reflects Harborough's own needs without any contribution to Leicester City's needs (when calculated using a previous version of the SM). This 534dpa figure amounts to just 74% of the latest LHN figure, which is well below the NPPF paragraph 78 threshold, where a 20% buffer would apply.

2.114 PPG sets out that ***'the purpose of the 5 year housing land supply is to provide an indication of whether there are sufficient sites available to meet the housing requirement set out in adopted strategic policies for the next 5 years. Where strategic policies are more than 5 years old, or have been reviewed and found in need of updating, local housing need calculated using the standard method should be used in place of the housing requirement'¹¹***.

2.115 The Council's latest published 5 year housing land supply position is set out in its 5 Year Housing Land Supply report (5YHLS report) published May 2024 (the May 2024 5YHLS Report). This sets out the Council's 5YHLS position measured against the 2019 HLP requirement as at the end of March 2023. Whilst the requirement, and supply, is not relevant to the 5YHLS position associated with the draft HLP, it shows that the Council has incorporated an 'oversupply' of homes during the 2019 HLP period to the end of March 2023 (2011 to 2023) within its 5YHLS calculation.

2.116 The May 2024 5YHLS Report acknowledges that *"at the current time it is a matter of planning judgment to determine if over-supply should be included when considering the Council's housing requirement/supply and if so, how it should be included"* but it nonetheless includes the previous over-supply (of 958 homes between 2011 and 2023) in its 5YHLS calculation for the following reasons:

- The extent of oversupply is in excess of 14% more than the cumulative requirement from 2011 to 2023.
- Site trajectories demonstrate that the Authority is on track to fulfil delivery of the adopted plan's housing requirement of 11,140 within the plan period; the current trajectory forecasts 11,358 new homes will be built by 2031¹².
- Harborough District has a strong Housing Delivery Test (HDT) track record and currently stands at 216%.

¹¹ Paragraph: 003 Reference ID: 68-003-20190722

¹² Indicating that the requirement will only just be met and this assumes that all of the supply included in the trajectory will be delivered in accordance with the trajectory

- An update to the Planning Practice Guidance (PPG) is expected imminently to align guidance with the revised 2023 NPPF, regarding treatment of oversupply and how this should be taken in account for the purposes of the 5 Year Housing Land Supply calculation. A letter was issued to all Chief Planning Officers from England's Chief Planner on 5 February 2024, confirming that guidance setting out how past oversupply can be considered by authorities who are calculating their 5-year housing land supply will be published in due course¹³

2.117 In fact, PPG has not been updated and still says *“Where areas deliver more completions than required, the additional supply can be used to offset any shortfalls against requirements from previous years^{14”}*. It does not suggest that future supply should be suppressed because supply from previous years has been above the planned minimum requirement.

2.118 The Harborough May 2024 5YHLS report then goes on to say that when considering how past oversupply is assessed, there are primarily two methodologies that have been established and these are known as the Sedgefield and Liverpool methods. It says that both methods have been established in dealing with oversupply by subtracting it from the remaining housing requirement. The Sedgefield method applies the ‘reduction’ in full to the next five years of the plan, and in the Liverpool Method the ‘oversupply’ is deducted from the housing requirement spread across the remainder of the plan period. The May 2024 5YHLS Report goes on to say that both established methodologies have been used to inform how over supply and high completions could be calculated within the five-year supply, in the absence of updated guidance.

2.119 The Sedgefield and Liverpool methodologies were actually introduced to take account of undersupply in 5YHLS calculations and not ‘oversupply’. As such, the May 2024 5YHLS report is applying the Sedgefield and Liverpool methods ‘in reverse’ to factor in its suggested ‘oversupply’.

2.120 The above notwithstanding, and whilst the May 2024 5YHLS report says that there is no preference in terms of which of the Liverpool or Sedgefield methods are used, the Report sets out that **“the Council can demonstrate a 6.17 years supply of housing based on the Liverpool Method”** (paragraph 1.2), indicating a preference for the Liverpool method

¹³(https://assets.publishing.service.gov.uk/media/65c1f056c43191000d1a45f8/240205_Chief_Planners_Letter_Housing_Supply_PPG.pdf).

¹⁴ Paragraph: 023 Reference ID: 68-032-20190722 - Revision date: 22 07 2019

- to spread undersupply, or in this case 'oversupply', over the remaining Plan period (in this case to 2041).
- 2.121 The draft HLP Trajectory suggests that during the five year period immediately after the HLP is adopted¹⁵ (between 1st April 2026 and 31st March 2031) 2,959 homes are forecast to be delivered in Harborough. This suggests that an average of 592 homes will be delivered per annum during this period, with a peak of 640 homes anticipated in 2030/31 and a low of 527 in 2027/28. This would mean that, at face value, the HLP's (suppressed) requirement of 657dpa is not going to be met during these initial years following the Plan's adoption.
- 2.122 The slower anticipated delivery between 2026/27 and 2030/31 follows stronger anticipated delivery during the early years of the Plan period. The trajectory shows that between 2020/21 and 2022/23, which represents the years when completions are known, there were 2,965 homes completed. It then indicates that between 2023/24 and 2026/27 (when the Plan is anticipated for adoption) a further 1,849 are expected to be delivered (at an average of 616 dpa, again lower than the draft HLP requirement). In total, 4,814 homes are anticipated from the start of the Plan period 2020 to 31st March 2026 (or the monitoring year immediately before the Plan's anticipated adoption). This would represent an 'over supply' of 872 homes.
- 2.123 It is not considered that an 'over supply' should be included in a 5YHLS calculation in principle. This is because an adopted housing requirement represents a minimum requirement and in context of a national housing crisis and of the Government's objective to 'significantly boost' the supply of homes there cannot truly be an 'over' supply and any delivery above the minimum requirement should be considered positively and not used to stifle future housing delivery.
- 2.124 Moreover, in circumstances where Harborough District Council has rushed its draft HLP through to Regulation 19 stage, to beat the NPPF paragraph 234 12th March 2025 deadline and to suppress its housing requirement by avoiding the District's now known LHN of 723dpa, any 'over supply' during early years of the draft HLP 2020 to 2041 period should be treated with caution and is likely to represent an undersupply when measured against the District's actual minimum LHN.
- 2.125 The Council should be particularly cautious to deduct future supply as a result of a perceived 'oversupply' where an 'oversupply' that has accrued has been from the very first few years of the HLP period and the following years, including the 5 years immediately after

¹⁵ Noting the latest Harborough LDS suggests this will be between October and December 2026

- the HLP is anticipated for adoption, are projected to under-deliver against even the draft Plan's suppressed housing requirement; and in circumstances where it is likely that the HLP will require an immediate review to ensure that it Plans for the District's needs beyond 2041 and the review will need to plan for the latest LHN calculated using the Government's updated SM anyway (as set out earlier in our Assessment).
- 2.126 Nonetheless, even including an 'oversupply' of 872 homes, and applying the Liverpool method 'in reverse' to spread that 'oversupply' over the remaining 15 years of the Plan period (2026/27 to 2040/41), this would add an additional 58 homes per year to the 5YHLS calculation, for the period 2026/27 to 2030/31, or for the 5 year period immediately following the Plan's adoption.
- 2.127 Assuming that a 5% buffer should be applied, which assumes that the Council's HDT score at the time does not require a 20% buffer and setting aside NPPF paragraph 78 part c) for the time being, this would mean that the Council's 5 year requirement would be 3,450 homes (at least).
- 2.128 The Council's anticipated supply of 2,959 homes during 2026/27 and 2030/31, plus the 'oversupply' of 58 dpa (or 290 homes over the 5 year period), would amount to a deliverable, or 5 year, supply of 3,249 homes. This is below the 5 year minimum required of 3,450 homes and would mean that upon adoption the Council would not be able to demonstrate the minimum 5 year housing land supply required by NPPF paragraph 78. This would mean that on adoption the HLP's housing policies would be out of date (as set out in NPPF paragraph 11 and its Footnote 8).
- 2.129 By way of further caution, the draft HLP's deficient deliverable supply on adoption assumes that all of the homes anticipated in the draft HLP trajectory are delivered as anticipated by the Council (in its trajectory). However, it includes some supply from the East Lutterworth SDA (for example) from 2029/30 but where this SDA has known viability issues its deliverability cannot be assumed. If any other sites are removed, or pushed back within the draft trajectory, then the 3,249 homes supply will reduce further and the deficient 5YHLS position on adoption will become further deficient.
- 2.130 Additionally, if a 20% buffer is applied because NPPF paragraph 78c) is engaged (as anticipated) then the 5 year requirement would be 3,942 and the Council's deliverable supply of 3,249 homes would be further deficient.
- 2.131 The projected lack of 5 year housing land supply when the HLP is adopted, further highlights the pitfalls of rushing through the Regulation 19 draft of the HLP to beat the NPPF's 12th March 2025 deadline, and further points to the Plan's inability to deliver the

homes needed in Harborough District, and provides yet another reason why the HLP must plan for its latest LHN calculated using the Government's updated SM and must allocate more housing in sustainable locations such as Lutterworth, and at Richborough's site to the west of Lutterworth in particular.

3. SUMMARY AND CONCLUSIONS

- 3.1 As drafted the Regulation 19 version of the HLP 2020 to 2041 raises some very serious concerns over its inability to meet Harborough's minimum housing needs over the planned for period, and by some considerable margin.
- 3.2 It does not grapple with the scale of housing needed in Harborough as calculated using the Government's updated Standard Methodology to calculate Local Housing Need. Instead, Harborough Council openly admits that it has been rushed through specifically to avoid planning for the District's latest Local Housing Need which was known when the Regulation 19 draft was published. The Development Objectives of the Plan include to deliver the housing needed. The approach leading to and then expressed in draft Policy DS01 is at odds with this. It deliberately seeks to avoid meeting the housing need.
- 3.3 It does not grapple with unmet need from other authorities in the Leicester and Leicestershire HMA, not just Leicester which has a known unmet need but also Oadby and Wigston which has had to stall its own draft Plan because of its higher Local Housing Need calculated using the latest Standard Method, and which is likely to result in Oadby and Wigston having an unmet need also.
- 3.4 In rushing through the Regulation 19 version of the HLP 2020 to 2041 Harborough Council is unlikely to have a Plan that will plan for the minimum required 15 years as required by national policy set out in the NPPF. In such circumstances, the HLP is likely to require an immediate review, and the immediate review will need to Plan for the higher Local Housing Need in any event.
- 3.5 Additionally, the draft HLP's trajectory indicates that Harborough will be unable to demonstrate the minimum required 5 year housing land supply upon its adoption – which will make its housing policies out of date upon adoption; and fails to include sufficient contingency to ensure that the homes needed in Harborough will be delivered and this is compounded where the Plan relies too heavily on existing commitments and delivery from windfall sites.
- 3.6 Each of these points individually highlight that the Regulation 19 HLP 2020 to 2041 fails to address in any tangible way how the HLP will deliver the homes needed in Harborough and its neighbouring authorities during the HLP period. As a result, it fails to meet the tests of soundness set out in the Framework. When combined, these points compound the Plan's failure.

- 3.7 This fundamental concern is exacerbated where there is also a distinct lack of flexibility to deliver the suppressed 13,182 homes identified as being needed in Policy DS01 of the draft HLP. This also necessitates identifying additional housing sites to provide flexibility in Harborough's housing supply over the HLP period and to ensure that a sufficient amount and variety of land can come forward where it is needed, also required by national (NPPF) policy.
- 3.8 Moreover, the draft Plan's lack of flexibility is compounded in Lutterworth, which is a top tier settlement in the draft Plan's Settlement Hierarchy, reflective of its high level of sustainability. Despite this, the draft Plan has allocated a disproportionately low level of housing growth towards Lutterworth.
- 3.9 The low level of growth allocated in Lutterworth is also heavily reliant on a single site for strategic level growth which has been allocated previously, in the 2019 HLP. However, the East of Lutterworth SDA has so far failed to deliver any homes in the 2019 HLP period to date and continues to be substantially delayed. In fact, recent submissions made to reduce the level of affordable housing and to reduce the scale of warehousing at the East Lutterworth SDA have confirmed that the allocated site is unviable if it is going to be delivered in accordance with its permission and in accordance with Policy.
- 3.10 The draft HLP's entire housing strategy is inextricably linked to, and built upon, the delivery from strategic scale allocations, including East Lutterworth SDA, but also in Scraftoft which is identified because of its proximity to Leicester and to meet Leicester's unmet housing need, but which has also been the location for a failed SDA in the 2019 HLP. However, the East Lutterworth SDA in particular is inextricably linked to the draft HLP's growth strategy and if as seems likely it fails to deliver the homes anticipated of it the HLP's failure will be substantially worsened.
- 3.11 Moreover, as a result of the draft HLP's near entire reliance on the East Lutterworth SDA to deliver the homes, and affordable homes, needed in Lutterworth over the period 2020 to 2041, its continued failure will also compound the failure to deliver homes needed in Lutterworth specifically. As such, the HLP must allocate additional land in Lutterworth for residential development, and Richborough's site to the west of Lutterworth is suitably placed in this regard.
- 3.12 The concerns raised above in reference specifically to Policies DS01 and SA01 are far reaching and point to a fundamental failing of the draft Plan to meet the tests of soundness set out in the Framework.

- 3.13 In terms of a remedy for these shortcomings, at a basic level, these Policies require amendment to identify significantly more deliverable and developable housing sites, including in Lutterworth specifically.
- 3.14 However, and crucially, the draft Plan fails to address in any tangible way how the minimum number of homes needed in Harborough, and in its neighbouring HMA authorities, during the HLP period can be delivered, and this exacerbates the very serious shortcomings within Leicester and Leicestershire more generally. This is a recurring strategic planning issue and requires significant bold intervention including a step-change in approach to avoid the new homes that are needed in Harborough and its neighbouring authorities not being provided over the emerging HLP period.
- 3.15 This is a fundamental point. The HLP must do everything possible to meet as much of its minimum requirement, and its neighbouring authorities' unmet needs, as possible within Harborough and more homes are needed, including specifically within Lutterworth. It must also demonstrate convincingly how it will ensure any remaining requirement will be taken up. As drafted, it fails on both counts.