

HBF response to Harborough Local Plan (March 2025) Examination

Matter 1: Procedural and legal requirements

HBF is the principal representative body of the house-building industry in England and Wales. Our representations reflect the views of our membership, which includes multi-national PLC's, regional developers and small, local builders. In any one year, our members account for over 80% of all new "for sale" market housing built in England and Wales as well as a large proportion of newly built affordable housing.

Please note that we have not responded to all the questions only those of relevance to our members, and reflecting the issues in the Reg 19 response that HBF submitted.

Stage 2 Matters, Issues and Questions (MIQs)

Matter 1: Procedural and legal requirements

Whether the Plan has met all relevant legal requirements, including in the 2004 Act (as amended) and the 2012 Regulations?

Issue 3: Strategic Cross-Boundary Engagement

1. The Council provides its Duty to Cooperate (Effective Cooperation) Statement of Compliance [SNLP9] and all signed Statements of Common Ground [SCG- NLP1-26 and HDC 4B, C, D, 9 and 15]. It considers together those demonstrate that the Council has collaborated effectively and constructively with neighbouring authorities and prescribed bodies on strategic cross-boundary matters throughout the Plan's preparation. Does this provide the necessary clear evidence of effective and ongoing joint working, in relation to matters including housing, transport, education provision and warehousing?

HBF have long acknowledged the partnership approach that has been taken to plan-making in Leicester and Leicestershire, where the boundary of Leicester City's urban area goes beyond the City Council boundary and efforts have been made to engage in constructive dialogues between the City and neighbouring authorities in Leicester and Leicestershire. The unmet need was quantified and a clearly established an agreement was reached on a distribution of that unmet need amongst the neighbouring authorities.

We have noted in our response to Local Plan consultations elsewhere that this how good spatial planning was intended to work, and despite the changes to the legal requirement for DTC, HBF would suggest that this approach represents a sensible way to plan for the unmet need of an area in advance of an SDS under the new system. However, the unmet need of Leicester City is longstanding and will continue beyond 2036. There is also now a known unmet need from Oadby and Wigston and HBF suggest that the Harborough Plan should be doing more to help to meet these known unmet housing needs.

2. What is the up-to-date position in respect of transport matters?

As we mentioned in our Reg 19 response HBF is concerned that the cumulative impact of transport requirements has not been fully understood in terms of viability and deliverability of this Plan. This was a significant issue at the Charnwood EIP causing delays and uncertainty and necessitating a further EIP session. Although Harborough Council is clear that it now intends to introduce CIL, the mandatory nature of this will impact on viability and deliverability of sites and others policy requirements, particularly affordable housing.

HBF are mindful of the ministerial letter around viability and Local Plans. However, our members experience suggests that the viability challenges facing developers are not just a short-term issue triggered by geo-political events. Although this has undoubtedly made viability worse, even without this recent turmoil viability would be difficult due to increasing cost burdens and policy requirements.

HBF recently published our 'Viability Crunch report' <https://www.hbf.co.uk/research-insight/viability-crunch/> which details the cumulative impact of increasing regulatory, and other requirements, on the viability and deliverability of development. This has added an average of £76,000 to the cost of a new home over compared to five years ago. We remain concerned that the ever-increasing regulatory burden will have an impact on both the viability and deliverability of this Plan.

As such HBF caution against Councils seeking to introduce policies that require higher than Building Regulations requirements in relation to water consumption, carbon and energy, as ultimately these policies, in combination with section 106 asks and CIL payments result in less affordable housing.

It is therefore essential that the whole plan viability assessment fully consider the implications of all of the proposed policies and s106 and CIL payments to ensure that when taken together the policies do not make development, and in particular housing delivery unviable. The lack of certainty around transport matters adds further weight to our concerns around the viability testing of this Plan.

Issue 5: Plan Period

1. NPPF paragraph 22 sets out the requirement for strategic policies (other than those in relation to town centre development) to look ahead over a minimum of 15 years from adoption. The Plan period runs from 2020-2041. If adopted in Q2 2027 it would not meet that requirement. In doing so would this be a sound approach?

As we said in our Reg 19 response the plan period needs to be extended to ensure compliance with the NPPF requirement for strategic policies to look ahead over a minimum 15-year period from adoption, or 30 years where larger scale developments form part of the strategy for the area. In light of the second set of EIP Hearing sessions

only beginning in Nov 2026, the Plan will not be adopted this year. As such the Plan period needs extending so there are 15 years or more remaining when the Plan is adopted.

HBF would therefore also question the Council's decision to use a plan period that starts in 2020, several years prior to the local plan being submitted for Examination.

Local plans are meant to look forward at what needs to be delivered with past delivery being taken into account through the standard method. The standard method also requires the affordability adjustment to be the most recent data. This adjustment is to reflect the price signals in the market and ensure that housing needs are responding to these signals which suggests that the starting point for any plan should be the year to which the affordability ratio relates.

We would highlight the recent conclusion of the Inspectors examining the West Berkshire Local Plan and North Norfolk Local Plan have, following similar concerns about the Plan period. They required the plan period to be extended in response to paragraph 22 of the NPPF and for the starting point of the plan to be brought forward a year to reflect national policy with regard to the assessment of housing needs. In particular, we would highlight paragraph 6 of the Inspector's post hearing note on the North Norfolk Local Plan which states in relation to a plan period starting in 2016 and ending in 2036:

"At present, there are only 12 years of the plan period remaining, and once the further steps necessary to ensure a sound plan have been taken, it is likely to be nearer to 11 years. The National Planning Policy Framework (NPPF) states in paragraph 222 that strategic policies should look ahead a minimum 15 years from adoption, and to be consistent with this the plan period should be extended to 31 March 2040 to allow for adoption during the next 12 months. Turning to the base date of the plan, this should correspond to the date from which the housing needs of the district are quantified. As set out in paragraph 12 below, this should be April 2024. The plan period should therefore be 2024-40."

Whatever the final plan period it will be essential for the supporting evidence will need to cover the whole plan period.