



Harborough Local Plan 2020-2041

Matter 3

Hearing Statement

October 2026

MATTER 3 – AMOUNT AND DISTRIBUTION OF DEVELOPMENT

Issue 3: Housing Need and Requirement

Q1. The Plan area's housing need is calculated using the standard method set out in PPG [ID: 2a-002-20241212] [ID:2a-004-20201216]. That results in a Local Housing Need (LHN) figure for the District of 534 homes per year. The Council in its response to the Panel's PQ 16 confirms that its latest calculation of LHN is in 2022 [HDC2]. The Plan's housing requirement includes an element of LHN plus an allowance for unmet needs in the Leicester City. The Plan's housing requirement is the same as the housing to be delivered by this Plan.

In deriving the Plan's housing requirement from the calculation of LHN, should supply prior to the latest calculation of LHN be taken into account? Given that the PPG explains that the purpose of the affordability adjustment applied in the Standard Method takes account of past delivery would this be a justified approach consistent with national policy? [ID: 2a-011-20241212] [2a-011-20190220]

- 1.1.1 No, the Standard Method provides a forward-looking assessment of housing need. The resulting LHN figure is intended to identify the minimum number of homes needed over the plan period and is not a target that should be adjusted to reflect historic over- or under-delivery.
- 1.1.2 As set out within the question, the PPG explains past delivery is already accounted for by the affordability adjustment applied in the Standard Methodology. The PPG, as relevant in December 2023, states:

'An affordability adjustment is applied as household growth on its own is insufficient as an indicator of future housing need because:

- *household formation is constrained to the supply of available properties – new households cannot form if there is nowhere for them to live; and*
- *people may want to live in an area in which they do not reside currently, for example to be near to work, but be unable to find appropriate accommodation that they can afford.*

The affordability adjustment is applied in order to ensure that the standard method for assessing local housing need responds to price signals and is consistent with the policy objective of significantly boosting the supply of homes. The specific adjustment in this guidance is set at a level to ensure that minimum annual housing need starts to address the affordability of homes.'

1.1.3 The PPG is clear that in order to ensure the correct minimum annual housing need is identified, an understanding of prior supply is necessary to be included within the methodology for its derivation. To then subtract housing delivered before the base date of the latest LHN calculation would not represent an assessment of housing need. Rather, it would amount to reducing the requirement by reference to historic supply, which is not supported by national policy and would be inconsistent with the purpose of the Standard Method.

1.1.4 There is therefore no policy basis for reducing the housing requirement because housing completions have exceeded requirements in previous years or because significant supply has come forward prior to the latest LHN calculation.

Q2 The Panel notes the Council's response to the Panel's PQ16 [HDC2]. If the Panel were to decide that the Plan's housing supply prior to the latest calculation of LHN should be discounted from its housing requirement, what is the implication for the Plan housing requirement?

1.1.5 As set out above, housing supply delivered prior to the latest Local Housing Need (LHN) calculation should be discounted from the Plan's housing requirement. The Standard Method provides a forward-looking assessment of housing need, and the affordability adjustment already reflects past delivery performance.

- 1.1.6 Should the Panel disagree, the consequence of retaining prior housing supply within the Plan's housing requirement is that the Plan continues to plan for a reduced overall quantum of housing across the plan period. Conversely, excluding prior supply would boost the Plan's overall housing requirement. Planning for an increased requirement would be consistent with the objective of boosting the supply of homes and maintaining flexibility, should delivery from allocated sites not come forward as anticipated.
- 1.1.7 The HENA identifies a LHN for Harborough of 534 dpa but does not recommend any adjustment to reflect housing completions occurring before the date of the LHN calculation. Nor does it suggest that historic over-delivery should reduce the assessed housing need. Accordingly, the evidence base does not demonstrate that the proposed housing requirement should benefit from housing completed prior to June 2022, nor does it quantify the effect of doing so.
- 1.1.8 Gladman requests further clarity regarding latest LHN calculation and how the prior housing land supply features as part of the LHN calculation. Gladman reserve the right to comment on any further information published by the Council at the EiP hearing session.

Issue 4: Leicester City's Unmet Need

Q1 The Plan's housing requirement includes an allowance for Leicester City's unmet need until 2036. This is made up of a requirement above LHN of 123 homes per annum 2020-2036 based on evidence in the Housing Distribution Paper (June 2022) [HSG-NLP3]. What is the robust justification for this approach?

- 1.1.9 The inclusion of an additional 123 dwellings per annum to address Leicester City's unmet housing need is justified and represents a sound approach to assisting in delivering the housing needs arising across the Leicester and Leicestershire Housing Market Area.
- 1.1.10 This figure has been ascertained from the Housing Distribution Paper (June 2022), which fed into the Statement of Common Ground (SoCG) (June 2022). These were

part of the evidence base prepared jointly by the Leicester and Leicestershire authorities to address unmet housing needs that could not be accommodated within Leicester City's administrative boundary. This demonstrates cross-boundary working and provides a clear mechanism for ensuring that housing needs arising within the Housing Market Area are met in accordance with national policy.

- 1.1.11 The 123dpa figure was derived from the best available evidence at the time and provides a transparent and evidenced basis for apportioning a proportion of Leicester City's unmet need to Harborough. In this respect, the emerging Local Plan is positively prepared by seeking to contribute towards addressing wider strategic housing needs across the HMA through effective cooperation with the neighbouring authorities. Indeed, the inclusion of the 123dpa towards Leicester City's unmet need supports the objective of boosting housing supply and provides a suitable response to cross-boundary issues.
- 1.1.12 However, whilst the approach remains justified on the basis of the evidence available at the time of plan preparation, it is recognised that a more recent evidence base is now available following the introduction of the Stock-Based Standard Method. This has seen marked changes in Leicester City's unmet housing needs and Harborough's LHN. An Updated Housing Distribution Paper (November 2025) has been prepared and states that the updated apportionment of unmet need to 2036 would be 20dpa for Harborough, reflecting a significant reduction. In turn, Harborough's LHN has increased to 747dpa (at the time of writing).
- 1.1.13 As such, it would be appropriate for the Council to utilise the latest evidence through an early review of the Plan, or through preparation of a successor plan under the new plan-making system.
- 1.1.14 The existence of more recent evidence does not undermine the justification for the current approach as it is vital that housing needs are not left undelivered, however, it highlights the importance of updating the plan through the new plan making system to ensure future housing needs are recognised and planned for. This is tuned to within Matter 11.

Q2 Should the Plan's housing requirement include provision for unmet need beyond 2036? Has Leicester City's unmet need beyond 2026 been quantified through the local plan process? In the absence of robust evidence justifying Leicester City's capacity, is there robust evidence to support such an approach?

- 1.1.15 As set out above, it is considered that the plan requires an immediate review. This would allow for the unmet needs of Leicester post 2036 to be considered and accommodated through that process.
- 1.1.16 The immediate review is turned to in more detail within Gladman's response to Matter 11.

Issue 5: Housing Supply

Q1 PPG confirms that a Plan's housing requirement may be set as a stepped requirement in plan-making where this is appropriate to reflect circumstances within the area. In doing so, planning authorities will need to set out the stepped requirement in the strategic housing policy and provide evidence to support this approach. [ID: 68-012-20190722] It also confirms that a stepped housing requirement may be appropriate where there is to be a significant change in the level of housing requirement between emerging and previous policies and/or where strategic sites will have a phased delivery or are likely to be delivered later in the plan period. [ID: 68-021- 20190722] The Plan includes a stepped housing requirement. What is the robust justification specific to this Plan's circumstances to justify the approach taken?

- 1.1.17 No robust justification has been provided to demonstrate that the stepped housing requirement is justified by Harborough's specific circumstances.
- 1.1.18 PPG makes clear that stepped requirements may be appropriate where they reflect local circumstances, particularly where there is a substantial change in housing requirements between plans, or where delivery is dependent upon strategic sites that are expected to come forward later in the plan period.
- 1.1.19 However, the existence of these circumstances does not automatically justify a stepped requirement. The Council must demonstrate, through proportionate and

robust evidence, why a lower requirement in the early years is necessary and why alternative approaches would not be appropriate.

1.1.20 The Council has not demonstrated that the Plan's strategy is so reliant on strategic sites expected to deliver in the later years of the plan period, that a stepped requirement is unavoidable. Whilst some strategic allocations may require significant infrastructure investment or longer delivery periods, this is a common feature of local plans. The Council has not shown why these constraints could not be addressed through:

- additional non-strategic allocations;
- reserve sites;
- greater flexibility within the settlement hierarchy;
- a suitable policy supporting developments on the edge of sustainable settlements that are well-related¹; or
- a broader distribution of growth capable of contributing earlier in the plan period.

1.1.21 Without such analysis, it cannot be concluded that a stepped requirement is the most appropriate strategy.

1.1.22 Additionally, the Council are seeking to progress a housing requirement that does not meet the full LHN figure. The soundness of a reduced figure being utilised within a Local Plan does not equate to a reduced need in practicality, meaning a number of homes can go unplanned for despite a sound housing requirement. This creates an emphasis on the need to deliver the reduced LHN figure in a timely manner to ensure that the element of future need that is being planned for does deliver. Otherwise, the shortfall against future needs further increases.

1.1.23 In this regard, a stepped trajectory further delays the delivery of homes when the circumstances clearly point to new homes needing to be delivered sooner as opposed

¹ In line with the provisions of the 2026 Framework

to being pushed towards the later years of the plan period. It is clear that the circumstances set out within the PPG as to where a stepped trajectory may be appropriate are not relevant in this case and its use will further reduce the delivery of homes in a plan seeking to not meet housing needs in full.

- 1.1.24 Consequently, it is not considered that the Council has provided the robust evidence envisaged by PPG to support this approach, and the stepped requirement is not justified for the purposes of the soundness tests.