Examination of the Harborough Local Plan 2020-2041

Panel Note 6 Viability Assessment and Infrastructure

The Council thanks the Panel for the queries contained within Panel Note 6, dated 22nd July 2026.

The following provides a response to each of the queries raised in your note.

Paragraph 3: We note that the Council has submitted the Plan on the basis that it be examined under the December 2023 NPPF. However, the transport evidence references the most recent version of the NPPF. What is the significance of this to the examination of the Plan?

The Council's response:

1. References to the NPPF24 in the transport evidence are not considered to raise any issues of significance.

2. The Local Plan has been prepared and submitted for examination under the December 2023 NPPF. The transport evidence references the December 2024 NPPF because this represents the current national policy position. The transport provisions of the two versions of the NPPF are materially consistent, with the principal changes relating to the introduction of a more explicit vision-led approach to transport planning and a stronger emphasis on prioritising sustainable transport modes. These changes do not fundamentally alter the policy tests against which development is assessed, nor do they affect the overall conclusions of the transport evidence in relation to infrastructure requirements, deliverability or viability. The transport evidence and policy seek to prioritise sustainable transport, which is consistent with both the NPPF23 and NPPF24.

Paragraph 4: The Plan is aligned with the Leicester and Leicestershire Strategic Growth Plan [SGP] [HDC5] which was approved in 2018. This included an upgrade to the A46 which is no longer included as a proposed scheme. Please provide further background information on this and what, if any impact, that the scheme is no longer is being promoted will have on future transport infrastructure requirements of the Plan.

The Council's response:

Background

3. The Leicester and Leicestershire Strategic Growth Plan [HDC5] is an agreed long-term plan for Leicester and Leicestershire, prepared by the ten partner organisations (Leicester City Council, Leicestershire County Council, the seven District and Borough Councils and the Leicester & Leicestershire Local Enterprise

Partnership) and agreed in 2018. The Strategic Growth Plan (SGP) is a non-statutory plan but provides an agreed framework to use when preparing individual local plans and other strategies.

4. The SGP is based upon a number of ‘building blocks’ including: an understanding of the existing settlement pattern and identifying Leicester as the strong central city; local economic aspirations and proposals supported by the Midlands Engine Strategy; and road and rail infrastructure proposals supported by the Midlands Connect Strategy.

5. The Midlands Connect Strategy was prepared jointly by the Midlands Connect Partnership and government agencies. It supported the Midlands Engine Strategy and set out a series of long-term transport investment priorities to help unlock growth. It proposed a rolling 25-year programme of strategic road and rail improvements around a series of economic hubs and intensive growth corridors. One of these strategic road proposals included improvements to the A46 to Expressway standard and a new strategic road connection to the south and east of Leicester, linking into the M69 and M1 in the west and the A46 to the northeast of Leicester (see SGP Figure 4).

6. Subsequently, further work was undertaken by Midlands Connect (Midlands Connect A46 Corridor Study Phase 2 Task 1 Final Report, Ch7). This demonstrated that although the proposed orbital route to the south and east of Leicester was useful in supporting growth, it did not offer sufficient benefits for long distance travel to support the necessary investment. A strategic case could not therefore be made, and the proposal was no longer supported. Provision of the orbital route remains an aspiration of Leicestershire County Council as local highway authority who have committed time and resources to further developing this proposal.

Impact

7. There is no impact to the Harborough Local Plan resulting from Midlands Connect no longer promoting the orbital route to the south and east of Leicester. The Midlands Connect Phase 2 report was published in 2020, significantly pre-dating work to develop the spatial strategy of the Local Plan and was, therefore, known and fully taken into account in the preparation of the spatial strategy.

8. The spatial strategy is aligned with the Strategic Growth Plan’s focus on locating growth on strategic sites in sustainable locations. This results in significant allocations on the edge of Leicester, including Land South of Gartree Road (SA02) and allocations in Scraptoft (S1 and S2), Thurnby and Bushby (TB1), all within the ‘A46 priority growth corridor’ identified by the SGP (see SGP figure 7).

9. Delivery of the proposed Local Plan allocations are not, however dependent upon delivery of an orbital route to the south and east of Leicester or 'A46 Expressway' referred to in the Strategic Growth Plan. Given the known position of Midlands Connect and the lack of costed and planned strategic transport improvements, the strategy of the Local Plan does not rely upon significant strategic transport improvements.

10. Instead, the Local Plan spatial strategy is to allocate growth in sustainable locations close to existing urban areas with a choice of means of transport and which are capable of being accessed from existing transport infrastructure. The strategy is based upon the District's existing settlement hierarchy which identifies the most sustainable locations close to the Leicester urban area and the market towns of Market Harborough and Lutterworth. Whilst the Plan seeks to ensure that development does not constrain the potential for future delivery of an orbital route to the south and east of Leicester, crucially delivery of none of the Local Plan sites relies upon this potential future route.

Paragraph 5: We also are aware that no Community Infrastructure Levy Charging Schedule (CIL) has been submitted with the Plan. However, there are numerous references in the Council's evidence, including the Local Development Scheme 2025 [S-NLP 6]; within the February 2026 Local Plan Viability Assessments Addendum-Market Conditions Feb 2026 [INF-NLP 4]; and the Infrastructure Topic Paper [TPC-NLP 9], which suggest that the Council may produce such a document. Conversely, the March 2026 version of the Infrastructure Delivery Plan (IDP) [INF-NLP 2] does not suggest that the production of a CIL Schedule is imminent.

Paragraph 6: A clear position is required whether the Council will only rely on S106/S278 and/or other external funding sources to ensure that the requisite infrastructure is provided, or whether it will also collect a Community Infrastructure Levy.

Paragraph 7: This is particularly important in the context of potential ambiguity as to how cumulative impacts of development on the infrastructure, both within the district and the wider region, are to be addressed in the context of existing infrastructure restraints. For example, with reference to the wider highway network or the provision of school places and how any proposed site-specific mitigation will relate to the legal tests set out within the Community Infrastructure Levy Regulations 2010.

The Council's response:

11. The Council acknowledges that a Draft CIL Charging Schedule has not been submitted alongside the Local Plan. At the point of submission, the Council's primary mechanisms for securing infrastructure funding were Section 106 Agreements, Section 278 Agreements and other public and private sector funding sources. However, alongside the preparation and examination of the Local Plan, the Council has been undertaking substantial work to progress the introduction of

CIL as an additional infrastructure funding mechanism to support the delivery of planned growth.

12. The Council has moved beyond consideration of the principle of CIL and is now actively progressing the statutory stages required for its implementation. This includes committing financial resources, commissioning specialist technical evidence, obtaining Cabinet approval at key milestones and establishing a programme towards consultation, examination and adoption.

13. On 9 February 2026 (Item 8), Cabinet considered a report setting out progress on the preparation of the technical evidence necessary to support the introduction of CIL. Cabinet provided support for progressing CIL, subject to viability evidence. The report identified CIL as the most appropriate mechanism for securing additional funding towards strategic infrastructure requirements and recognised that reliance solely on Section 106 obligations would limit the Council's ability to secure contributions towards district-wide infrastructure.

14. On 27 July 2026 (Item 13), Cabinet considered a further progress report which noted the completion of significant elements of the evidence base, including district-wide viability testing, and approved progression to the next stage of work through the preparation of an Infrastructure Funding Gap Analysis. The purpose of this work is to identify infrastructure requirements arising from planned growth, assess existing funding sources and quantify any residual funding gap which may justify the introduction of CIL.

15. The Council's commitment to progressing CIL remains. A further Cabinet report is scheduled for consideration in Autumn 2026. Subject to Cabinet approval, the Council intends to undertake consultation on a Draft Charging Schedule towards the end of 2026 for a period of approximately six weeks. The Council will then notify the Planning Inspectorate of its intention to publish a Draft Charging Schedule in accordance with the requirements of the Community Infrastructure Levy Regulations 2010 (as amended).

16. **Relationship Between CIL and Infrastructure Delivery.** The Council does not consider there to be any inconsistency between the Infrastructure Delivery Plan (IDP) (March 2026) and the progression of CIL.

17. The purpose of the IDP is to identify the infrastructure required to support planned growth, together with delivery agencies, indicative costs, funding assumptions and delivery mechanisms. It was not prepared solely as a CIL evidence document and therefore does not seek to determine whether CIL should be introduced. Furthermore, the Infrastructure Schedule (Appendix A) of the March 2026 IDP is currently being updated to reflect additional transport and

education evidence prepared following submission of the Local Plan. This reflects the iterative nature of infrastructure planning and does not alter the Council's commitment to progressing CIL. The updated Infrastructure Schedule will accompany the Draft Charging Schedule as part of the consultation pack.

18. Rather than indicating an alternative approach to infrastructure funding, the IDP forms a key component of the evidence base supporting the emerging CIL Charging Schedule. In particular, the infrastructure costs, funding assumptions and delivery requirements identified through the IDP are informing the Infrastructure Funding Gap Analysis currently being prepared.

19. **Addressing Cumulative Infrastructure Impacts.** The Council agrees that clarity is required regarding how cumulative infrastructure impacts arising from planned growth will be addressed. The Council's approach is that site-specific mitigation will be secured through Section 106 Agreements and Section 278 Agreements where necessary to make development acceptable in planning terms and where they meet the relevant statutory and policy tests. Cumulative infrastructure impacts will be addressed through a combination of:

    - Strategic infrastructure investment secured through public sector investment programmes and other external funding sources;
    - Future CIL receipts, subject to the successful adoption of a Charging Schedule; and
    - Infrastructure delivery mechanisms identified through the Infrastructure Delivery Plan and associated evidence base.

20. The Council considers that this approach is fully consistent with national planning policy and the Community Infrastructure Levy Regulations 2010 (as amended).

21. The IDP identifies infrastructure requirements across a broad range of sectors, including transport, education, health, utilities, green infrastructure and community facilities. The Council has worked closely with infrastructure providers, including Leicestershire County Council, National Highways, NHS bodies and utility providers, to identify the infrastructure requirements.

22. **Future Relationship Between CIL and Section 106 Obligations.** Should a CIL Charging Schedule be adopted, the Council's intention is that CIL and Section 106 obligations will operate in a complementary manner, consistent with national planning policy and the Community Infrastructure Levy Regulations 2010.

23. The draft CIL Viability Evidence prepared by Aspinall Verdi indicates that the major strategic allocations within the Local Plan should continue to deliver infrastructure through bespoke Section 106 obligations rather than through a

standard CIL charge. This reflects the substantial site-specific infrastructure requirements associated with those developments, including transport infrastructure, education provision, green infrastructure and other mitigation measures necessary to support delivery.

24. The draft CIL Viability Assessment specifically recommends that strategic allocations are subject to a nil CIL rate. The assessment concludes that strategic sites generate significant infrastructure requirements and that applying a CIL charge could create an inefficient circular funding arrangement whereby contributions collected through CIL would subsequently need to be directed back towards infrastructure required to support the same developments. Instead, the assessment assumes that strategic allocations, including SA02 and SA03, will continue to deliver the infrastructure necessary to mitigate their direct impacts through bespoke Section 106 agreements and other site-specific delivery mechanisms.

25. Accordingly, Section 106 obligations will continue to be used to secure infrastructure that is necessary to make some specific developments acceptable in planning terms, and which satisfies the statutory tests set out in Regulation 122 of the Community Infrastructure Levy Regulations 2010.

26. Conversely, CIL would be intended to contribute towards strategic infrastructure requirements arising from the cumulative effects of growth across the district where those requirements are not appropriately secured through site-specific planning obligations. This approach would ensure that:

- Site-specific mitigation continues to be secured through Section 106 and Section 278 Agreements;
- Strategic infrastructure funding is enhanced through an additional funding mechanism;
- Double charging is avoided;
- Infrastructure providers retain clarity regarding funding and delivery responsibilities; and
- Infrastructure delivery keeps pace with planned housing and employment growth.

27. **Infrastructure Funding Gap.** The Council's emerging CIL evidence base provides further assurance that the proposed approach represents an appropriate and proportionate response to the cumulative infrastructure impacts arising from planned growth.

28. Alongside the CIL viability assessment, the Council is preparing an Infrastructure Funding Gap Analysis to support the emerging Draft Charging Schedule. Whilst

this work remains ongoing, the initial findings indicate that a district-wide infrastructure funding gap exists of sufficient scale to justify the progression of a CIL.

29. Full details of the infrastructure funding gap, together with supporting evidence and justification for the proposed Charging Schedule, will be published as part of the consultation material accompanying the Draft Charging Schedule.

30. The Infrastructure Funding Gap Analysis is being prepared using the most up-to-date infrastructure evidence available to the Council, including the Infrastructure Delivery Plan (March 2026) and ongoing updates to the Infrastructure Schedule. This work is incorporating the latest transport evidence, including the additional transport work undertaken since submission of the Local Plan, together with updated education infrastructure requirements arising from continued engagement with Leicestershire County Council.

31. In summary the Council's position is clear. Infrastructure required to support the Local Plan will continue to be delivered through Section 106 Agreements, Section 278 Agreements and other public and private sector funding mechanisms. However, the Council is also actively progressing a Community Infrastructure Levy Charging Schedule and has established a clear programme towards consultation, examination and adoption.

32. The Council considers that the introduction of CIL would significantly strengthen its ability to address cumulative infrastructure impacts arising from planned growth by providing an additional and more flexible source of funding for strategic infrastructure. This would complement, rather than replace, the continued use of Section 106 obligations as the principal mechanism for securing site-specific mitigation in accordance with the Community Infrastructure Levy Regulations 2010.

Paragraph 8: It would be useful if the Council could set out how it has differentiated between existing infrastructure capacity matters and any arising from the development proposed within the Plan.

The Council’s response:

33. The Council has sought to clearly distinguish between existing infrastructure capacity constraints and infrastructure requirements arising from the development proposed in the Local Plan through the preparation of the IDP, its two-stage methodology, and ongoing engagement with infrastructure providers.

34. The Stage 1 Baseline Infrastructure Needs Assessment established the existing infrastructure position across the district, identifying known capacity constraints, committed investment programmes, and strategic priorities identified by

infrastructure providers. This provided a baseline understanding of existing infrastructure conditions against which the impacts of planned growth could be assessed.

35. Building on this baseline, the Stage 2 Infrastructure Schedule considers the implications of the proposed Local Plan strategy and site allocations. It draws on evidence provided by infrastructure providers alongside wider technical evidence, modelling, and analysis from across the Local Plan evidence base. The focus of Stage 2 is therefore on identifying the additional capacity, upgrades, and new infrastructure required to support the planned growth proposed in the Plan, taking account of forecast population, employment, and service demand growth.

36. Where infrastructure improvements are required to mitigate the impacts of development, the Infrastructure Schedule identifies the relevant site-specific mitigation measures and anticipated developer contribution requirements. For example, where additional education provision is required, the IDP distinguishes between existing baseline capacity pressures and the additional pupil yield generated by proposed housing allocations, with developer contribution requirements / CIL linked specifically to the latter.

37. Where infrastructure schemes address both existing deficiencies and future development needs, the Council has worked with infrastructure providers to identify, wherever possible, the proportion of costs attributable to planned growth. This ensures that developer contributions are sought through S106/S278 only where they meet the relevant statutory and policy tests. As such S106/S278 are proposed to continue to be used to secure targeted site-specific infrastructure, for example where these are directly provided on strategic sites.

38. Infrastructure interventions that primarily address existing needs, such as general network improvements or infrastructure provider-led upgrades, are included within the IDP where relevant to understanding infrastructure delivery, but responsibility for funding and delivery remains with the relevant infrastructure provider or public sector body rather than being apportioned to Local Plan development. For example, wastewater network improvements identified by Anglian Water to address existing capacity constraints are included within the IDP but are expected to be funded through the company's investment programme rather than through developer contributions associated with Local Plan growth.

Paragraph 9: We have recently received the Open Space Strategy Review 2026 [HDC 4A]. Could the Council confirm how, if at all, its specific conclusions in terms of land required for open space and related financial costings, impact on the inputs included within the submitted viability evidence [INF- NLP3 & INF- NLP4] and the IDP [INF-NLP 2]?

The Council's response:

39. The Council does not consider that the findings of the Open Space Strategy Review 2026 give rise to any material implications for either the submitted viability evidence [INF-NLP3 and INF-NLP4] or the IDP [INF-NLP2].

40. The review confirms that the majority of the open space quantity standards remain unchanged from those previously applied within the Local Plan evidence base. The only substantive change relates to the standard for Parks and Gardens, which increases from 0.5ha to 0.8ha per 1,000 population. All other quantity standards remain unchanged, including those for allotments and community gardens, amenity greenspace, cemeteries and burial grounds, natural and semi-natural greenspace, provision for children and young people, and greenways. Outdoor sports facilities continue to be assessed through the Playing Pitch Strategy and Sport England methodologies rather than through a fixed quantity standard.

41. The principal effect of the 2026 review is therefore not a change in the amount of land required for open space provision, but an update to the cost assumptions and contribution rates used to secure open space provision and enhancement. These revised costs reflect updated construction, enhancement and maintenance cost data. A comparison of the previous and updated standards and contribution rates is provided below:

Open Space Typology	Existing Standard	Proposed Standard	Existing Cost per Person (£)	Proposed Cost per Person (£)
Allotments & Community Gardens	0.35ha/1,000 population	0.35ha/1,000 population	27.65	36.21
Amenity Greenspace	0.90ha/1,000 population	0.90ha/1,000 population	88.34	110.35
Cemeteries & Burial Grounds	0.35ha/1,000 population	0.35ha/1,000 population	94.13	102.70
Civic Spaces	No standard	No standard	As required	As required
Natural & Semi-Natural Greenspace	8.50ha/1,000 population	8.50ha/1,000 population	1,226.56	1,434.49
Outdoor Sports Facilities	Playing Pitch Strategy based	Playing Pitch Strategy based	Site specific	Site specific
Parks & Gardens	0.50ha/1,000 population	0.80ha/1,000 population	212.62	232.19

Provision for Children & Young People	0.25ha/1,000 population	0.25ha/1,000 population	46.45	52.57
Greenways	3.3km/1,000 population	3.3km/1,000 population	162.56	194.36

42. In relation to viability, Aspinall Verdi's Whole Plan Viability Assessment already incorporated allowances for public open space provision through the Section 106 cost assumptions. These allowances ranged from £1,000 to £3,000 per dwelling across the development typologies, with bespoke assumptions applied to the strategic allocations. These assumptions are set out within the Typologies Matrix contained in Appendix 1 of the Whole Plan Viability Assessment (January 2025).

43. Furthermore, the viability assessment reflected the land take associated with open space provision through the density assumptions and net-to-gross developable area ratios applied to each development typology. These assumptions directly influence the amount of land available for development and therefore already capture the effect of on-site open space requirements on residual land values and overall scheme viability.

44. Whilst the updated contribution rates contained within the Open Space Strategy Review 2026 are generally higher than those previously applied, the changes are not of a scale that would materially alter the conclusions of the submitted viability evidence. The viability assessment was intentionally undertaken using conservative assumptions and tested a cumulative package of policy and infrastructure requirements. Consequently, the Council is satisfied that the updated open space cost assumptions do not undermine the conclusions of the Whole Plan Viability Assessment or the associated CIL Viability Assessment.

45. With regard to the IDP [INF-NLP2], the Council acknowledges that the revised contribution rates and cost estimates now represent the most up-to-date evidence base position. As the IDP is a live document, these updated figures will be reflected through future updates and monitoring of infrastructure costs as presented in the upcoming revised Infrastructure Schedule to be provided with the CIL consultation. The review does not identify any significant change in the scale, type or quantity of open space infrastructure required to support the planned level of growth and therefore does not materially affect the infrastructure requirements or delivery assumptions set out in the submitted IDP.

46. The Council also notes that the Open Space Strategy Review identifies the potential for commuted maintenance sums, typically over a 15-year period, where appropriate. However, developers cannot be compelled to transfer public open space to either the District Council or a Parish Council, and the eventual

management and maintenance arrangements will continue to be determined through the planning application process on a site-by-site basis

Paragraph 10: We also would like clarity as to the status of any Supplementary Planning Documents which relate to the collection of planning obligations, and how this impacts on potential costs to developments. This is of particular significance given the recent legislative changes.

The Council's response:

47. Harborough District Council adopted the Planning Obligations Supplementary Planning Document (SPD) on 20 June 2022. The SPD provides detailed guidance on the implementation of developer contribution requirements associated with the adopted Harborough Local Plan 2011–2031 and currently carries significant weight as a material consideration in the determination of planning applications. It will remain in force until the adoption of the Harborough Local Plan 2020–2041, subject to the relevant savings and transitional provisions set out in the Levelling Up and Regeneration Act 2023.

48. The developer contribution requirements identified within the Planning Obligations SPD were fully incorporated into the baseline assumptions underpinning the Local Plan Viability Assessment (January 2025) [INF-NLP 3] and subsequently reviewed and updated through the Local Plan Viability Assessment Addendum (February 2026) [INF-NLP4]. The viability assessments tested the cumulative impact of the SPD requirements alongside all emerging Local Plan policies, ensuring that the combined effect of policy requirements and infrastructure contributions was appropriately considered.

49. It should also be recognised that the future status of the SPD will be affected by the adoption of the new Local Plan and any subsequent review of the Council's approach to securing developer contributions, including the introduction of CIL. Upon formal adoption of the Harborough Local Plan 2020-2041, the Planning Obligations SPD will be superseded by Council guidance on Section 106 obligations, which will hold the status of a material consideration, used to determine planning applications and establish Heads of Terms for Section 106 agreements. No change in development costs is anticipated. The guidance will reflect the developer contributions set out in the emerging Local Plan, which were informed and fully accounted for within the baseline assumptions of the Local Plan Viability Assessment (January 2025) [INF-NLP 3]. The allowances made within the Aspinall Verdi viability assessments represent a robust and conservative approach, reflecting a worst-case scenario based on evidenced infrastructure requirements, historic contribution levels secured from previously delivered developments, and obligations associated with schemes currently progressing through the planning system.

Paragraph 11: Whilst viability assessment (VA) at plan level requires a broad-brush approach predominantly relying on typologies, and one which takes into account the cyclical nature of the economy, it is important that any assumptions made for generic policy costs are transparent.

The Council's response:

50. Aspinall Verdi's Local Plan Viability Assessment (January 2025) [INF-NLP 3] sets out in detail the methodology, assumptions and outcomes underpinning the viability testing of the identified development typologies and strategic site allocations. The assessment recognises that plan-level viability testing requires a proportionate, broad-brush approach, using representative typologies rather than site-specific appraisals, while also taking account of the cyclical nature of the development market and the need to test whether the cumulative effect of emerging policies is likely to affect deliverability.

51. To ensure that the assessment is robust and transparent, the assumptions applied in respect of policy costs are clearly identified and explained within the tables on pages 60–62 of INF-NLP 3. The tables provide a detailed breakdown of the costs applied for the various policy requirements arising from the emerging Local Plan, including the assumptions made for items such as affordable housing, infrastructure contributions and other development-related obligations. In addition, the Typologies Matrix sets out the policy costs applied to each development typology, allowing the relationship between policy requirements and viability outcomes to be readily understood.

Paragraph 12: Similarly, for key sites on which the delivery of the Plan relies, proportionate evidence is required to demonstrate that developments are viable over the plan period. To that end, we would request that an addendum be provided which clearly sets out broad expectations for costs associated with the individual policy requirements of the Plan. This should not defer to other documents, and whilst we appreciate that there is likely to be inherent uncertainty relating to some costs, these should be set on the basis of the best available information, such as the information included within the Draft Joint Transport Evidence 2.8- Identifying Mitigation and Costs April 2026 [TRP- NLP 4] which post-dates the VA by more than a year.

The Council's response:

52. Aspinall Verdi will work with the Council to prepare a Viability Assessment Addendum Report in relation to the strategic sites upon which delivery of the emerging Local Plan relies. The purpose of the addendum will be to provide a clear and transparent assessment of the broad expectations for costs associated with the individual policy requirements of the Plan, using the best available evidence.

53. The existing assessment of the strategic sites within the Whole Plan Viability Report (January 2025) [INF-NLP 3], including the Land South of Gartree Road and East of Oadby Cross-Boundary Assessment (Appendix 7), already has incorporated robust and conservative allowances for infrastructure requirements, Section 106 contributions, Section 278 highway works and other policy-related costs arising from the emerging Local Plan. The assumptions adopted reflect the evidence available at that time and were considered appropriate for plan-making purposes.

54. However, it is recognised that further technical work has progressed since the preparation of the January 2025 Viability Assessment, particularly in relation to transport and education infrastructure requirements associated with the strategic allocations. The Council is currently working collaboratively with Leicestershire County Council and other relevant stakeholders to refine this evidence, including the implications of the updated transport evidence and infrastructure mitigation requirements. The addendum will incorporate the outcomes of this ongoing work and update the relevant cost assumptions to ensure that they reflect the most up-to-date and robust evidence available.

55. For context, the January 2025 viability testing applied realistic allowances for infrastructure and policy costs. When infrastructure, Section 106 and Section 278 costs were considered collectively, the allowances adopted for the strategic sites equated to between approximately £43,000 and £61,000 per dwelling. The range for such allowances was informed by recent area-wide assessments in neighbouring authorities. These allowances were intended to provide a robust assessment of the potential cost burden arising from the Plan's requirements and represent a prudent approach to testing deliverability.

56. The Council acknowledges the Panel's comments regarding the importance of ensuring that viability evidence for key sites reflects a proportionate and pragmatic approach to deliverability over the Plan period. In preparing the addendum, Aspinall Verdi will therefore consider the latest available evidence relating to infrastructure and policy costs, whilst recognising the inherent uncertainty associated with forecasting long-term development costs and values. The updated appraisals will continue to be considered alongside the sensitivity testing and scenario analysis contained within the Whole Plan Viability Assessment (INF-NLP3), ensuring that conclusions are based on a balanced assessment of viability, risk and deliverability over the lifetime of the Plan.

Paragraph 13: Please also cross check the generic assumptions relating to the VA and the detailed costings set out in Appendix A of the IDP. We would also request further information on how the setting of costs and Benchmark Land Value (BLV) accords with the bullet points set out in paragraph 12 Reference

ID:10012020180724. This is particularly relevant in the context of the larger sites which will have significant infrastructure costs associated with them.

The Council's response:

57. The Aspinall Verdi Whole Plan Viability Assessment (WPVA) [INF-NLP 3] explains that the development and policy cost assumptions adopted within the viability testing represent a robust and conservative approach, informed by the best available evidence available at the time of preparation. The assessment identifies that the assumptions should be regarded as a 'worst-case' scenario, with a number of policy requirements tested cumulatively to ensure that the combined impact of the emerging Local Plan's requirements has been appropriately assessed. This provides an appropriate level of robustness for plan-making purposes whilst recognising that the application of individual policies will need to remain proportionate and allow for flexibility, where justified, through the development management process.

58. The Council has undertaken an initial review of the generic policy and infrastructure cost assumptions applied within the WPVA against the detailed infrastructure costs identified within Appendix A of the Infrastructure Delivery Plan (IDP) (March 2026). The purpose of this review is to test that the viability evidence remains aligned with the Council's latest understanding of infrastructure requirements and that the potential costs associated with delivering the Plan's strategic allocations have been appropriately reflected and reflect the most up to date position.

59. The Viability Assessment Addendum Report will ensure that it reflects the most appropriate and current understanding of infrastructure requirements and associated costs.

60. It is important to reflect that infrastructure planning is a live iterative process which evolves throughout plan preparation, pre-application discussions and the subsequent development management process. Infrastructure requirements, costs and delivery arrangements are refined as technical evidence develops, engagement with infrastructure providers progresses and further information becomes available. This is particularly relevant for strategic allocations, where transport modelling, education requirements and other infrastructure requirements continue to be refined through ongoing technical work and collaboration with infrastructure providers.

61. PPG recognises that, for large-scale developments, complete certainty regarding infrastructure requirements and funding arrangements may not always be available at the point a Plan is prepared. The Council is therefore committed to maintaining an IDP which is progressively updated as new evidence becomes

available. This approach is consistent with national guidance and established PAS good practice, which recognises that infrastructure evidence is capable of evolving through the plan-making process.

62. Accordingly, the infrastructure requirements and associated cost assumptions within the current evidence base represent the Council's best understanding based on the information available at the relevant point in time. Where subsequent technical work has refined requirements, this has been incorporated into the ongoing evidence base and will inform updated viability and deliverability assessments.

Cross-Check of Whole Plan Viability Assessment Assumptions Against PPG

63. The Council has set out below the principal assumptions and methodologies adopted within the WPVA against the requirements of the Viability Planning Practice Guidance. The review demonstrates that the assessment follows the approach advocated by national guidance and incorporates appropriate allowances for infrastructure costs, policy requirements and development risk.

WPVA Assumption / Approach	Relevant PPG Guidance	Compliance Commentary
Residual valuation approach comparing Residual Land Value (RLV) against Benchmark Land Value (BLV)	PPG Paragraph 011 (Reference ID: 10-011-20180724)	The WPVA follows the residual valuation methodology advocated by PPG and tests viability by comparing RLV against a BLV derived from Existing Use Value plus a premium.
Cumulative policy testing	PPG Paragraph 002 (Reference ID: 10-002-20251216)	The assessment explicitly tests the cumulative impact of affordable housing, infrastructure, biodiversity, accessibility and other policy requirements.
Evidence-based market values	PPG Paragraph 012 (Reference ID: 10-012-20180724)	Residential value assumptions are informed by local market evidence and prevailing market conditions.
BCIS-based build costs with local adjustments	PPG Paragraph 013 (Reference ID: 10-013-20240214)	Build cost assumptions are derived from recognised industry-standard sources and adjusted to reflect local conditions.
Policy cost allowances incorporated	PPG Paragraph 002 (Reference ID: 10-002-20251216)	Explicit allowances are included for affordable housing, biodiversity net gain, accessibility standards, Future Homes requirements and infrastructure costs.
Strategic infrastructure and S106 cost assumptions	PPG Paragraph 001 (Reference ID: 10-001-20251216)	Strategic site appraisals incorporate known highways, education, open space and other infrastructure requirements identified through

		the evidence base available at the time of assessment.
Sensitivity testing	PPG Paragraphs 002 and 005	Testing demonstrates that conclusions remain robust under a range of market scenarios and infrastructure cost assumptions.
Developer return assumptions	PPG Paragraph 019 (Reference ID: 10-019-20190509)	Profit assumptions reflect prevailing market practice and provide an appropriate reward for development risk.
BLV derived from Existing Use Value plus a premium	PPG Paragraphs 013 and 014	The methodology directly follows the EUV+ approach advocated by PPG.
Strategic site BLV adjustments	PPG Paragraph 014 and 015	Lower premiums are applied to strategic allocations to reflect significant infrastructure obligations, abnormal costs, longer build-out periods and increased development risk.
Treatment of abnormal and infrastructure costs	PPG Paragraph 014 and 015	The methodology appropriately captures infrastructure requirements and abnormal costs within the residual valuation framework.
Recognition that infrastructure requirements evolve over time	PPG Paragraph 001 and 003	The assessment adopts a proportionate plan-making approach recognising that infrastructure requirements for strategic sites will continue to be refined through subsequent stages of the planning process.

Benchmark Land Values and Compliance with PPG Paragraph 12 (Reference ID: 10-012-20180724)

64. In relation to Benchmark Land Values (BLV), the methodology adopted by Aspinall Verdi is set out in detail within the Land Market Paper (Appendix 3) accompanying the Whole Plan Viability Assessment [INF-NLP 3]. The methodology has been informed by the requirements of national guidance, which requires viability assessments to ensure that landowners receive a sufficient return to incentivise land release whilst ensuring that an appropriate proportion of the uplift in land value generated through the planning process contributes towards the delivery of sustainable development, infrastructure and policy objectives.

65. PPG Paragraph 013 (Reference ID: 10-013-20190509) states that BLV should be established on the basis of Existing Use Value (EUV) plus a premium for the landowner. The Aspinall Verdi methodology adopts Existing Use Value as the starting point for establishing BLVs and does not rely upon historic purchase

prices, option values or speculative market bids. Instead, BLVs are derived using an EUV+ approach consistent with national guidance.

66. PPG Paragraph 014 further advises that the premium should provide a reasonable incentive for a landowner to release land for development whilst allowing sufficient value to remain available to support policy compliance. The BLVs adopted within the WPVA have therefore been established having regard to the need to incentivise land release whilst ensuring that affordable housing, infrastructure provision and other policy requirements remain deliverable.

67. The methodology is informed by detailed analysis of local land market evidence as contained within INF-NLP3. The resulting BLVs therefore reflect local market circumstances whilst remaining policy compliant.

68. PPG also makes clear that the price paid for land is not a justification for failing to comply with relevant policies in the Plan. INF-NLP3 is fully consistent with this principle and adopts the policy-compliant approach advocated by national guidance whereby land values should adjust to reflect the costs of delivering development, including affordable housing, infrastructure provision and other policy requirements.

69. This approach is particularly important in relation to the strategic allocations where significant infrastructure requirements, long delivery periods, abnormal costs and greater levels of development risk are anticipated. For strategic sites, Aspinall Verdi applied a reduced premium of approximately 10 times EUV compared with premiums of between 15 and 20 times EUV applied to the generic typologies. The reduced premium reflects the substantial infrastructure requirements, abnormal costs, complex delivery arrangements, extended build-out periods and increased development risk associated with strategic-scale development.

70. The Council considers that this approach accords with the principles set out in PPG Paragraph 12 (Reference ID: 10-012-20180724) and related paragraphs, as summarised below.

PPG Requirement	**WPVA Response**
Existing Use Value should be the starting point for BLV	BLVs are derived from EUV rather than transactional land prices or speculative hope value.
Premium should be sufficient to incentivise land release	Premiums of between 10x and 20x EUV are applied depending on site type and circumstances, informed by market evidence and landowner expectations.

Premium should reflect policy compliance	BLVs are established on the basis that developments comply with affordable housing, infrastructure and other policy requirements.
Premium should reflect site-specific circumstances	Strategic sites are assessed using a lower premium reflecting substantial infrastructure requirements, abnormal costs, long delivery periods and increased development risk.
Market evidence should inform assumptions	The methodology is informed by detailed local land market analysis contained within Appendix 3 of the WPVA.
Approach should support delivery of plan policies and sustainable development	The methodology captures land value uplift generated through the planning process whilst ensuring sufficient value remains available to support affordable housing, infrastructure and other Local Plan objectives.

71. Overall, the Council considers that the assumptions adopted within the WPVA INF-NLP3 are consistent with the requirements of the Viability Planning Practice Guidance supporting the December 2023 NPPF. The assessment adopts an evidence-based and policy-compliant approach to infrastructure costs, viability testing and BLV's, and provides an appropriate basis for assessing the viability and deliverability of the emerging Local Plan, including the strategic allocations where significant infrastructure costs and delivery risks are anticipated.

Paragraph 14: On a related note, we are aware that Infrastructure Delivery Plans are 'live' documents, nonetheless, the IDP [INF-NLP2] requires an addendum to make factual updates consistent with the March 2026 date of the document. For example, section 4.2.2 on page 40 of the document references '*Further information is …anticipated in Spring 2025*'.

The Council's response:

72. The Council acknowledges that, as identified by the Inspectors, there are a small number of references within the IDP [INF-NLP2] which reflect the position at the time the document was prepared in March 2026 and which have subsequently become dated. The example cited in relation to Section 4.2.2 and the anticipated publication of the Leicestershire County Council Planning Obligations Policy is noted. Whilst work on the preparation and update of the County Council's Planning Obligations Policy has continued, the document has not yet been formally adopted and published. Accordingly, the reference within the IDP reflects the position at the time of drafting but does not affect the substance of the infrastructure evidence or the conclusions reached within the IDP.

73. The Council would also emphasise, however, that these references relate principally to the timing of external policy, consultation, investment programme, or evidence base updates rather than to the assessment of infrastructure capacity, infrastructure requirements, delivery mechanisms, or funding assumptions underpinning the IDP. Consequently, they do not materially affect the infrastructure needs identified within the document, the Infrastructure Schedule, or the overall conclusions regarding the ability of infrastructure to support the scale and distribution of growth proposed in the Plan.

74. The Council recognises that the IDP is, by its nature, a live document which is intended to evolve as further information becomes available from infrastructure providers, delivery partners, and other stakeholders. Since publication of the March 2026 IDP, a number of infrastructure providers have continued to refine their investment programmes, update capacity assessments, and provide further information on delivery arrangements. In parallel, additional evidence has become available through the ongoing preparation of the CIL Charging Schedule. The Council therefore accepts that there is merit in updating the IDP.

75. To ensure the Examination is informed by the most up-to-date information, the Council proposes to prepare and publish the updated Infrastructure Schedule. This will provide factual updates to any time-sensitive references contained within the March 2026 IDP, record any relevant changes in circumstances since publication and present updated costs. The addendum will not alter the overall methodology or purpose of the IDP but will provide a clear and transparent update to support the Examination process.

76. The Council also intends to publish the addendum as part of the forthcoming CIL consultation documentation in the autumn, ensuring that stakeholders, infrastructure providers, and the Inspectors have access to a consistent and up-to-date position regarding infrastructure requirements, funding, and delivery.