

Examination of the Leicester Local Plan 2020-2036

MATTERS, ISSUES AND QUESTIONS FOR THE EXAMINATION (MIQs)

Response from HBF, September 2024

Please note, these comments are in addition to our Regulation 19 comments, which we have not repeated here. We have referred to our Reg 19 comments where we have expanded our comments or provided additional comments, but only where we believe this is helpful.

We have not responded to all of the questions only those where we have further comments to make. Our original Reg 19 comments still stand.

MATTER 16 – DEVELOPMENT AND INFRASTRUCTURE

Issue 16: Has the Plan been positively prepared and is it justified, effective and consistent with national policy in respect of its policies and proposals for infrastructure in Leicester?

Policy DI01 - Developer Contributions and Infrastructure

469. Does Policy DI01 satisfy paragraph 34 of the NPPF, which states that plans should set out the contributions that are expected from development, including infrastructure for, amongst other things, education, health and transport?

470. What is the timescale for the production of the ‘developer contributions and infrastructure supplementary planning document’ (SPD) and what will it cover, bearing in mind that the Planning Practice Guidance states that it is not appropriate to set out new formulaic approaches to planning obligations in SPDs or supporting evidence base documents, as these would not be subject to examination? To be effective does this SPD need to be mentioned within the policy?

HBF suggest any SPD should only be mentioned in the supporting text, not the policy, as this would give SPD Local Plan policy status which is not appropriate. However, HBF would request that the policies on developer contributions and infrastructure are included within the Leicester Local Plan and subject to viability testing.

471. The Whole Plan Viability Assessment (May 2022) [EB/DI/3] states, in paragraph 12.100, that, on the whole, the Council is not securing developer contributions. Where is the evidence to show that Policy DI01 would be effective in delivering contributions, particularly on brownfield sites?

HBF have been unable to locate an updated Whole Plan Viability Assessment. The 2022 Viability cannot, and does not reflect the current range of factors impacting viability, for example, the introduction of mandatory BNG, the costs of which are still emerging.

We flagged this issue in our Reg 19 response to Chapter 15: Natural Environment, in para 56 noting that there are significant additional costs associated with biodiversity gain, which should be fully accounted for in the Council’s viability assessment. More work needs to be undertaken to address viability concerns raised by the housebuilding industry in order that net gain does not prevent, delay or reduce housing delivery.

The implementation of mandatory BNG has shown it presents challenges for viability, particularly for brownfield sites see our response to questions 23 and 430.

472. In considering viability in decision making, is Policy DI01 clear and unambiguous on the guidance being referred to and the circumstances in which development contributions may be varied?

Whole Plan viability testing is an important part of the plan-making process. However, as noted in PPG (ID: 10-003-20180724) assessing the viability of plans does not require individual testing of every site or assurance that individual sites are viable.

In light of this, and the other factors impacting viability such as BNG, HBF would therefore note that additional flexibility should be included within the Local Plan policies and allocations. This is needed because whole plan viability assessments use methodologies that test typologies of sites, and not the detailed circumstances of individual sites. As such there may be individual

sites that are already not viable, for example if the costs or values of a specific site fall outside the parameters used of a typology that was tested. Some sites will be on the very margins of viability and other sites may already be unviable even without a change of circumstances. Therefore, additional flexibility is needed in the Local Plan policies, and without this flexibility the plan is unsound because it was neither justified nor effective.

For example, HBF information suggests that complying with the current new part L is costing £3500 per plot. The Future Homes Standard Part L in 2025 is anticipated to cost up to £7500+ per plot. There will also be the addition of the Building Safety Levy that is coming in pay for cladding. This will be a per plot basis around the UK, and initial values are around £1500- £2500 per plot.

Other factors that need to be taken into account include increasing costs of materials and labour due to inflation and the costs of mandatory BNG, which are still emerging as the off-site market is yet to be established. HBF members are reporting costs of £20-30k per off-site BNG unit. Although the initial price of statutory credits is now known this national fallback option has been deliberately highly priced to discourage their use. Whilst this intention is understandable, at present the lack of functioning local markets for off-site credits causes viability problems because HBF members experience to date suggests that any scheme that needed to rely on statutory credits would become unviable.

HBF suggest the Local Plan policy wording should include the opportunity for negotiation around policy requirements for site specific reasons, as any sites whose circumstances fall outside the parameters of the typologies tested could already be unviable under the proposed Local Plan policies. To accord with the PPG viability guidance the Plan should allow for site specific viability considerations to be taken into account.

473. Within the updated Infrastructure Assessment 2023 [EB/DI/2], it is stated that a number of the infrastructure requirements would be funded by the Local Authority. What evidence is there to demonstrate that the necessary funding would be available over the Plan period?

Development can only be required to mitigate its own impact and cannot be required to address existing deficiencies in infrastructure or services. It is therefore essential for the IDP to clearly show the existing and known deficiencies in the current infrastructure, before reaching any conclusion on the cumulative effects of new development, and any contribution that is needed from new development to mitigate any additional individual and/or cumulative impacts.

474. What evidence is there to demonstrate that the necessary infrastructure requirements can be delivered over the Plan period?

See response to 473.