



Policy LP3 Level and Distribution of Growth Evidence Report

**Proposed Submission
April 2016**

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1. Introduction and Policy Context

Introduction

- 1.1 A joint Local Plan for the Central Lincolnshire area is being produced which will set the framework for how development will be considered across the districts of the City of Lincoln, North Kesteven and West Lindsey to 2036.
- 1.2 This Evidence Report (which is one of a collection) provides background information and justification for Policy LP3, which relates to the level and distribution of growth across the Central Lincolnshire area.

National policy

- 1.3 The National Planning Policy Framework (NPPF) was published in March 2012 and the National Planning Practice Guidance (NPPG) was introduced in 2014 which offers 'live' government guidance.
- 1.4 The NPPF provides guidance for how growth levels should be determined in a plan, based on an objective assessment of housing and employment needs. The core planning principles within the NPPF provide some clear expectations of how Local Plans should plan for growth as it states that planning should:
 - *objectively...identify and then meet the housing, business and other development needs of an area, and respond positively to wider opportunities for growth;*
 - *take account of the different roles and character of different areas, promoting the vitality of our main urban areas, protecting the Green Belts around them, recognising the intrinsic character and beauty of the countryside and supporting thriving rural communities within it; and*
 - *actively manage patterns of growth to make the fullest possible use of public transport, walking and cycling, and focus significant development in locations which are or can be made sustainable.*
- 1.5 At paragraph 47, the NPPF makes it clear that a “*Local Plan [should meet] the full, objectively assessed needs for market and affordable housing in the housing market area*”
- 1.6 Further guidance is provided in a separate section on ‘Plan-making’, which states:
 - *Paragraph 156 – Local planning authorities should set out the strategic priorities for the area in the Local Plan. This should include strategic policies to deliver ... the homes and jobs needed in the area;*
 - *Paragraph 159 – Local planning authorities should have a clear understanding of housing needs in their area, through the preparation of a Strategic Housing Market Assessment...*
- 1.7 The above expectations from the NPPF have been taken into account in preparing the Local Plan as a whole, including policy LP3.
- 1.8 The NPPG provides detailed guidance (ID: 2a) about what approach to take when assessing housing need. Some relevant extracts include:

- ID: 2a-003-20140306 *“Need for housing in the context of the guidance refers to the scale and mix of housing ... that is likely to be needed in the housing market area over the plan period – and should cater for the housing demand of the area and identify the scale of housing supply necessary to meet that demand...Assessing development needs should be proportionate and does not require local councils to consider purely hypothetical future scenarios, only future scenarios that could be reasonably expected to occur.”*
- ID: 2a-004-20140306 *“The assessment of development needs is an objective assessment of need based on facts and unbiased evidence. Plan makers should not apply constraints to the overall assessment of need, such as limitations imposed by the supply of land for new development, historic under performance, viability, infrastructure or environmental constraints.”*
- ID: 2a-005-20140306 *“There is no one methodological approach or use of a particular dataset(s) that will provide a definitive assessment of development need.... The assessment should be thorough but proportionate...”*
- ID: 2a-014-20140306 *“Establishing future need for housing is not an exact science. No single approach will provide a definitive answer. Plan makers should avoid expending significant resources on primary research...as this will in many cases be a disproportionate way of establishing an evidence base. They should instead look to rely predominantly on secondary data (eg Census, national surveys) to inform their assessment which are identified within the guidance.”*
- ID: 2a-015-20140306 *“Household projections published by the Department for Communities and Local Government should provide the starting point estimate of overall housing need...The household projections are trend based, ie they provide the household levels and structures that would result if the assumptions based on previous demographic trends in the population and rates of household formation were to be realised in practice. They do not attempt to predict the impact that future government policies, changing economic circumstances or other factors might have on demographic behaviour. The household projection-based estimate of housing need may require adjustment to reflect factors affecting local demography and household formation rates which are not captured in past trends. For example, formation rates may have been suppressed historically by under-supply and worsening affordability of housing. The assessment will therefore need to reflect the consequences of past under delivery of housing. As household projections do not reflect unmet housing need, local planning authorities should take a view based on available evidence of the extent to which household formation rates are or have been constrained by supply.”*
- ID: 2a-018-20140306 *“Plan makers should make an assessment of the likely change in job numbers based on past trends and/or economic forecasts as appropriate and also having regard to the growth of the working age population in the housing market area...Where the supply of working age population that is economically active (labour force supply) is less than the projected job growth, this could result in unsustainable commuting patterns (depending on public transport accessibility or other sustainable options such as walking or cycling) and could reduce the resilience of local businesses. In such circumstances, plan makers will need to consider how the location of new housing or infrastructure development could help address these problems.”*

- ID: 2a-019-20140306 “*The housing need number suggested by household projections (the starting point) should be adjusted to reflect appropriate market signals, as well as other market indicators of the balance between the demand for and supply of dwellings.*”

2 Central Lincolnshire Context in Relation to Policy LP3

- 2.1 Central Lincolnshire has a number of complex relationships between different locations within the area and with neighbouring areas. Lincoln, a major regional attractor for retail, accommodation, tourism and for employment, has a significant influence on all areas of Central Lincolnshire, with many residents commuting there for work. Gainsborough and Sleaford, and to a lesser extent, Market Rasen also act as hubs for retail, employment and services for the rural hinterland. Outside of Central Lincolnshire other towns and cities draw in workers and visitors, particularly from the parts of Central Lincolnshire that are geographically close to them.
- 2.2 However, overall, the Central Lincolnshire area has been seen for some time as a distinct housing market area (HMA), something reconfirmed in the 2015 SHMA for the area. Indeed, this housing market area was a key determining factor in proceeding with the preparation of a single Local Plan.
- 2.3 Key issues facing the Central Lincolnshire authorities in relation to this policy include:
- Defining the objectively assessed need for housing and jobs to be delivered in the plan;
 - Defining the appropriate distribution for the homes and jobs to support the functions of Lincoln, Gainsborough and Sleaford and the rural areas and will deliver on market requirements; and
 - Managing development so that it results in a sustainable pattern of growth, without overburdening some areas and without overlooking others and where it will make the best use of existing services and infrastructure.

3 Local Plan Policy: Preliminary Draft

- 3.1 The Preliminary Draft version of the Local Plan (published for consultation in October – November 2014) included a policy on the Level and Distribution of Growth. At that stage, the policy identified a very wide range for the possible level of housing growth (25,000-47,500 new homes), and indicatively suggested the spread of that growth could be
- Around 50% to the Lincoln Area
 - Around 15% each to Gainsborough and Sleaford
 - Around 20% to ‘elsewhere’
- 3.2 At the Preliminary Draft stage, a fully complete SHMA was not published (though work was underway on it), and a wide range of other evidence base material was being produced or in the pipeline.
- 3.3 Issues raised in the consultation on the Preliminary Draft Local Plan included:
- Employment growth should be aligned to housing growth and employment should be the driver for where houses are built;
 - Major development should be located at Lincoln and the main towns to protect the rural character of villages;

- It is difficult to provide comment on distribution as there is no objectively assessed need;
- The distribution should take account of the Humber Bank employment growth;
- Questions about the validity and basis of the distribution proposed in the previous draft plan;
- Housing targets above the objectively assessed need are acceptable without having to take need from neighbouring authorities;
- Suggestions that both the higher and lower growth levels suggested in the plan should be used;
- Concerns about infrastructure keeping up with growth;
- Support for an approach that focuses growth at locations that are less-reliant on the private car and reduce the need to travel;
- Comments for and against the proposed approach for the Lincoln Area, Gainsborough, Sleaford, and the rural area, proposing higher and lower levels of growth for each;
- The distribution should focus growth where it is needed, or where brownfield land is available; and
- The approach taken needs to be clearly justified and based on evidence.

3.4 The comments received were considered alongside the evidence work being produced.

4 Local Plan Policy: Further Draft

4.1 The policy in the Further Draft version of the Local Plan was amended from the original Preliminary Draft in response to both the comments received and the new evidence in the *Strategic Housing Market Assessment (SHMA)* (Ref E003 in the planning policy library), *Economic Needs Assessment (ENA)* (Ref E008) and the *Lincoln Strategy Area Growth Study* (ref E017) and in light of comments received during the consultation on the Preliminary Draft version of the Local Plan. There are two distinct elements to the policy, namely the overall housing target, and the subsequent distribution of growth. These are discussed separately, as follows:

Further Draft Local Plan – overall housing target:

4.2 The NPPG gives some detail (though is far from prescriptive) in terms of how need should be calculated. A limited number of extracts are set out earlier in this Evidence Report, though in essence, the NPPG says that national household projections “*should provide the starting point estimate of overall housing need*”, though adjustments should be made to this starting point to reflect evidence such as local demography, household formation and ‘market signals’.

4.3 In addition, a crucial element of the NPPG for Central Lincolnshire (as will become apparent later in this evidence report) is where it states that “*Plan makers should make an assessment of the likely change in job numbers based on past trends and/or economic forecasts as appropriate and also having regard to the growth of the working age population in the housing market area...Where the supply of working age population that is economically active (labour force supply) is less than the projected job growth, this could result in unsustainable commuting patterns (depending on public transport accessibility or other sustainable options such as walking or cycling) and could reduce the resilience of local businesses. In such circumstances, plan makers will need to consider how the location of new housing or infrastructure development could help address these problems.*”

- 4.4 Thus, the above paragraph does not say that a calculation of the ‘objectively assessed need’ (OAN) for housing must match whatever housing is needed to accommodate the likely change in job growth numbers. However, in practice, some Inspectors have taken the line as established in the Bath and North East Somerset case, which in essence is that if both a job-led projection and a trend-led demographic projection have been prepared, the higher of the two resulting housing numbers is the objectively assessed need.
- 4.5 Some Inspectors have taken a slightly different line, especially where an authority has proposed what the Inspector regards as an over optimistic job growth figure, and subsequently made provision for housing to match. In these cases, the Inspector has regarded both the job growth forecast and the housing target as not being ‘objectively assessed’. Durham is a recent example of this.
- 4.6 The complications, uncertainties and challenges of establishing an OAN, and how to take into account the various forecasts (population, households, economic, etc) is well illustrated in the Planning Advisory Service (PAS) Guide of July 2015.
- <http://www.pas.gov.uk/documents/332612/6549918/OANupdatedadvicenote/f1bfb748-11fc-4d93-834c-a32c0d2c984d>
- 4.7 Overall, what all the policy, guidance and Inspector decisions point to is that, in reaching an ‘objectively assessed need’ for housing and subsequent housing target for the Local Plan, an authority should:
- Be mindful there is no single ‘right way’ to do it;
 - Be mindful it is far from an exact science;
 - Be reasonable, proportionate and transparent in coming to a position
- 4.8 To assist Central Lincolnshire establish its targets and meet national policy, consultants Turley’s were commissioned to prepare two essential documents:
- (A) **An Economic Needs Assessment (ENA)**
 (B) **A Strategic Housing Market Area Assessment (SHMA)**
- 4.9 These two reports reached their conclusion in July 2015. They are technical and comprehensive documents, based on best practice, and have been prepared using experienced consultants and well respected data sources. A large range of issues and conclusions arise, useful for a wide variety of policies in the Local Plan. However, these two reports reach two crucial broad conclusions:
- forecast job growth in Central Lincolnshire, which subsequently will need translating into employment land requirements (allocations) in the Local Plan?
 - forecast need for new dwellings (‘objectively assessed need’ (OAN)) in Central Lincolnshire.
- 4.10 The Evidence Report in support of Policy LP5 (EVR5 on the website) sets out detailed aspects relating to employment matters, but this EVR3 Evidence Report also needs to consider some aspects of the ENA, due to its links to establishing the OAN.
- 4.11 **Turning to the ENA first.** As explained at 4.55 of the SHMA, “*The ENA draws upon a detailed analysis of a range of economic datasets and forecasts to independently devise*

and test a number of employment growth scenarios, providing evidence on the level of employment growth that Central Lincolnshire is expected to support over the plan period from 2012 to 2036”

- 4.12 The ENA acknowledges quite clearly that forecasts are “*indicative rather than exact*”.
- 4.13 For reasons set out in the ENA report, one of forecasts considered, the Experian forecasts, are dismissed as not likely to be representative of what will happen in Central Lincolnshire. Turley’s therefore note that (SHMA para 4.59) “*the most robust baseline position for future likely employment growth in Central Lincolnshire*” is by Oxford Economics (summer 2014), which results in a net jobs growth forecast of 12,197 jobs between 2012 and 2030. Turley’s also note (SHMA para 4.59) that this “*scale of growth is considered to be realistic, based on the area’s performance in the previous growth period and recent indications of slowed business confidence and growth in the interim period*”.
- 4.14 However, despite the above positions, and as neatly summarised at para 4.60 of the SHMA “*The ENA also develops and presents two variant ‘adjusted scenarios’, which apply different levels of optimism to the baseline position to take account of specific local evidence. The first adjusted scenario applies higher growth rate assumptions to a number of specific industrial sectors, based on local market intelligence. The second adjusted scenario applies slightly more conservative adjustments albeit still representing a more positive position than the baseline rates of growth assumed by Oxford Economics.*”
- 4.15 Full details of these ‘adjusted scenarios’ (entitled ‘Adjusted Scenario (Lower Growth)’ and ‘Adjusted Scenario (Higher Growth)’) and are set out in the ENA, but, in essence, it is certain sectors (rather than all sectors) which are boosted to a greater or lesser degree in terms of forecast job growth, and as a result, the total job growth forecast is increased. No sectors are decreased compared with the ‘baseline’ forecast, even in the Adjusted Scenario (Lower Growth) i.e. the ‘lower growth’ scenario is somewhat a misnomer, as it is not a scenario proposing lower growth than the baseline, but rather ‘lower’ growth than the Adjusted Scenario (Higher Growth).
- 4.16 In addition, to reflect that the end date of the Local Plan is 2036, the three forecasts (Baseline, Adjusted Lower and Adjusted Higher) are also extrapolated from 2030 to 2036.
- 4.17 The net consequence of all this, is that three job growth scenarios result in the following:

ENA Forecast Job Growth Scenarios 2012 – 2036:

	Total Change 2012 – 2036		
	Baseline	Adjusted Scenario (Lower Growth)	Adjusted Scenario (Higher Growth)
Lincoln	4,204	6,916	8,572
North Kesteven	6,792	7,822	8,518
West Lindsey	4,076	4,914	5,380
Central Lincolnshire	15,071	19,653	22,469
	Annual Average Change		
Lincoln	175	288	357
North Kesteven	283	326	355
West Lindsey	170	205	224
Central Lincolnshire	628	819	936

Source: Figure 4.26, SHMA

- 4.18 As explained at 4.67 of the SHMA, *“The ENA concludes that based upon the assessment of the local economy there is evidence of potential for the economy to grow at a stronger rate than forecast under the Oxford Economics baseline forecasts, which...are considered to represent a sound baseline position. The Higher Growth Adjusted Scenario represents a level of growth which is comparatively aligned with historic rates of growth prior to the recession and therefore represents an assumed continuation of a more positive economic context in the area...The Adjusted Scenario Lower Growth forecasts a level of employment change that sits between the baseline and the higher growth scenario and can be considered as representing a slightly more cautious view of the long-term employment growth potential of the area.”*
- 4.19 Further, the SHMA (para 4.68) notes that, *“The two adjusted scenarios are both deemed realistic yet ambitious, based on the areas’ historic growth trends, local evidence and the views of businesses in the area. It is important to note that whilst they are based on the Oxford Economics baseline, the projection of growth under the adjusted scenarios departs from the published outputs of any one of the economic forecasting models.”*
- 4.20 Turning to the SHMA as a whole, and its fundamental requirement to reach recommendations on an OAN, it clearly considers more than just the economic forecasts. As stated at its para 9.2, the SHMA overall *“aligns with guidance in the NPPF and [N]PPG, which require Local Plans to meet full needs for market and affordable housing based on a demographic starting point that may require adjustment to take account of local circumstances and more up-to-date demographic evidence. The [N]PPG also suggests that alignment with other factors – such as likely jobs growth and market signals – is important to consider, potentially justifying an adjustment to demographic-based assessments of need.”*
- 4.21 This EVR3 Evidence Report does not repeat all the information, analysis and conclusions contained in the SHMA. However, the following draws out the key messages.

- 4.22 Ultimately, the conclusion of the SHMA notes (para 9.10) that the ‘demographic starting point’ (as required by national policy) for determining the OAN implies a dwellings need of **970 dwellings per annum** for Central Lincolnshire. However, for reasons set out in the SHMA, this figure is not considered to accurately reflect local demographic, migration and household formation rates and circumstances (especially when considering a longer-term historic period for matters such as migration), nor does it make any adjustment for market signals. Thus, not reflecting any of these matters would make the 970 dwellings per annum figure non-compatible with NPPF / NPPG advice, and should be discounted as a target for housing in the Local Plan.
- 4.23 However, with detailed evidence and reasoning (predominantly around the use of longer term data and detailed interrogation of local demographics), the SHMA does suggest a more appropriate demographic derived need is for **1,432 dwellings per annum**.
- 4.24 However, following complex modelling, the SHMA (see para 6.71 for example) then derives a set of annual dwellings needed in order to accommodate the three employment scenarios described above, which can be summarised as follows:

Employment Scenario	Dwellings per year needed
Baseline	1,540
Adjusted (Lower Growth)	1,681
Adjusted (Higher Growth)	1,780

- 4.25 As can be seen, each of these scenarios points to a higher level of housing need than both the ‘demographic starting point’ (970dpa) and the adjusted demographic based one (1,432dpa). Thus, to be clear, what the SHMA is saying, in simple terms, is that it is the likely growth in jobs (and the need for people to be available to fill those jobs, with those people, in turn, requiring homes to live in) which is pointing towards the greatest need for new homes, rather than evidence relating to matters such as household projections, demographics and market signals.
- 4.26 The SHMA (para 9.46) therefore concludes that, “*The modelling suggests a need for a minimum of **1,540 dwellings per annum** to support this baseline level of job growth identified within the ENA.*” However, if job growth is determined to be set for the plan period 2012-36 “*more closely aligned to that seen in the ten years preceding the recession in 2008*” (SHMA 9.47), a scenario which the ENA concludes has the ‘potential’ to be realised and reflects the Adjusted (Higher Growth) scenario, then up to **1,780 dwellings per annum** might be needed.
- 4.27 Overall, the SHMA therefore sums up its conclusions as follows:

*“9.48 Application of the [N]PPG methodology therefore suggests that **the OAN for the Central Lincolnshire HMA falls within a range of 1,432 dwellings per annum to 1,780 dwellings per annum** over the period 2012 – 2036.*

9.49 This range of implied need should be considered as the OAN for the HMA where there are no identified development constraints. The bottom end of this range takes full account of adjustments for local evidenced longer-term demographic projections and an adjustment to household formation rates for younger households to respond to market signals. This level of need represents only a modest boosting of long-term housing supply levels. The implied level of population growth at the lower end of the range will support the

growth of the economy, albeit at a level which falls slightly below the scale of job growth seen on average pre and post-recession.

*9.50 In order to support higher levels of job growth, responding to the assessment of potential likely change in numbers concluded within the ENA, a larger growth in the labour-force is likely to be required, which in turn results in a higher need for housing. Responding to the assessment of likely job growth in the ENA suggests an uplift to the range to provide for between **1,540 and 1,780 dwellings per annum** over the period 2012 – 2036. The implied higher level of provision would also represent a more significant boost to housing numbers representing a return to development levels seen briefly prior to the recession and a return to the stronger profile of net migration into the HMA in this period.”*

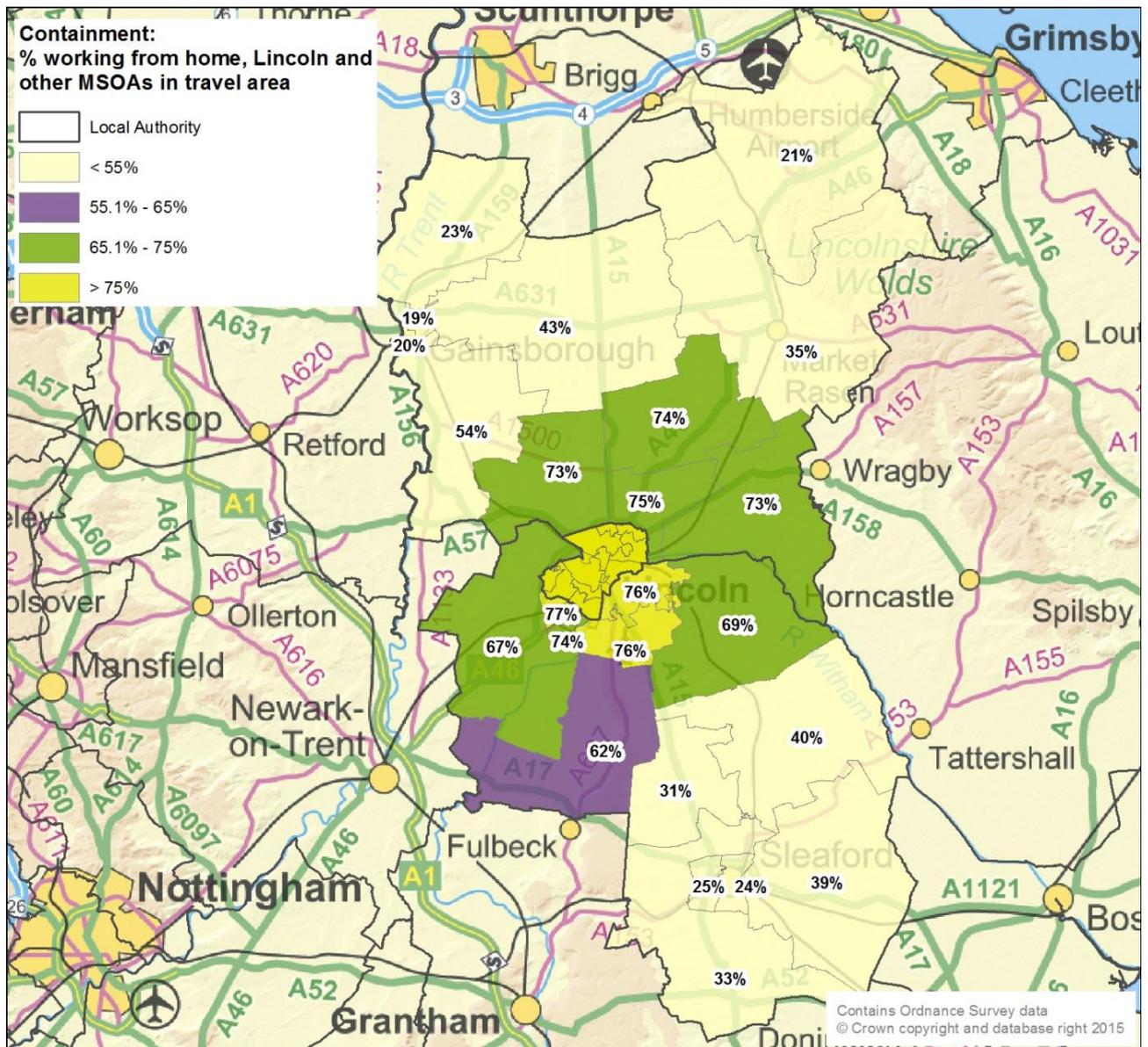
- 4.28 Thus, the SHMA stop short of recommending a definitive single OAN, rather it suggest the OAN falls somewhere in the range of 1,432 – 1,780 dwellings per annum.
- 4.29 The Central Lincolnshire Joint Strategic Planning Committee carefully considered the evidence, including at its public meeting of 7 September 2015. In doing so, it was mindful that there is no absolute right or wrong answer, and the process is not an exact science. It is about being reasonable and objective.
- 4.30 On balance, it was determined that a housing target of 1,540 dwellings (net) per annum be an appropriate single figure for the need for new dwellings, and thus the target for housing growth, for the plan period 2012-36, resulting in a total dwelling target of 36,960 dwellings. This figure was consulted upon in the Further Draft Local Plan. This 1,540pa figure is within the range recommended by the SHMA, and is higher than the ‘demographic starting point’ (970pa) or the adjusted demographic and market signals calculation (1,432pa). Instead, it is derived from the calculated housing need estimated to be required in order for the baseline forecast in job growth to be accommodated.
- 4.31 It was accepted by the Committee that to set the figure lower than 1,540pa would mean that the Local Plan would be providing sufficient dwellings to meet a range of household and demographic forecast signals and would support some growth in the economy, but would risk providing insufficient homes to match the potential growth in the economy. This insufficient provision could lead to businesses being constrained (because they lack a local labour force) or result in higher than appropriate commuter levels (because the jobs would be filled by people commuting from outside Central Lincolnshire), or, most likely, a combination of both. In addition, to go below providing for 1,432 dwellings pa would be contrary to national policy which dictates that the full need should be met unless there are exceptional reasons for not being able to meet such need (eg extensive Green Belt; extensive flood issues). There are no such apparent insurmountable constraints for not meeting the need within Central Lincolnshire.
- 4.32 It was accepted by the Committee that to set a figure higher than 1,540 pa would mean that the Local Plan would be making provision for new homes entirely based on the higher forecast prospects of job growth despite the inherent uncertainties in such forecasts, and despite such forecasts being broadly aligned (for the entire plan period) with the growth in the economy in the prosperous pre-recession years of 1998-2008. And in doing so, if the higher forecasts of job growth were not to materialise (eg due to: jobs not created sufficiently; loss of jobs in public sector being higher than forecast; and/or national recessions), then too many homes could be built (compared with jobs available), leading to either higher unemployment or higher levels of out-commuting (as residents are forced to commute outside Central Lincolnshire to secure employment).

- 4.33 Going for such optimistic higher growth targets would be contrary to national policy, PAS guidance and recent Inspector decisions.
- 4.34 Whilst not relevant (for national policy reasons) to setting the OAN or housing target, a higher figure would also be questionable in delivery terms, as the market has never consistently delivered in excess of 1,540pa.
- 4.35 It was therefore determined that the plan be based upon:
- the creation of a net increase in 15,071 jobs, or 11,894 FTE net new jobs, 2012-2036 (i.e. the baseline forecast)
 - the delivery of 36,960 net increase in new homes, at 1,540 dwellings per annum.
- 4.36 However, the Committee was conscious that it would be unfortunate to simply dismiss the more optimistic job growth forecasts out of hand. Clearly, if the more optimistic annual forecasts in job creation consistently occurs across the entire plan period (at a similar, or even better, rate than they did in the prosperous period of 1998-2008), then it would be unfortunate for the Local Plan to, in principle, put a break on such economic growth. Instead, a prudent way forward would be to enable a degree of flexibility in the Local Plan. This would be in line with NPPF advice, as follows:
- Para 14 “*Local Plans should meet objectively assessed needs, with sufficient flexibility to adapt to rapid change*”
 - Para 21 “*Policies should be flexible enough to accommodate needs not anticipated in the plan and to allow a rapid response to changes in economic circumstances*”
- 4.37 Thus, the Further Draft Local Plan proposed land to meet its need (11,894 FTE net new jobs; 36,960 homes), but that (a) a choice and range of employment land is provided, above the minimum required to deliver 11,894 FTE net new jobs, to help facilitate economic growth, together with (b) additional ‘broad locations for future growth’ also being indicatively identified, for predominantly housing purposes. The Further Draft Local Plan made it clear that the broad locations will only be used in the plan period if monitoring data consistently suggests that the job growth figures (628 pa net increase in jobs, which result in the 1,540pa dwelling requirement) are likely to be exceeded, thus triggering the need for more homes to accommodate the greater level of workers.
- 4.38 If the optimistic employment growth does not materialise (i.e. the baseline forecast or less does materialise), and thus the broad locations are not needed in the plan period, they nevertheless have the benefit of offering the public and infrastructure providers a long term steer as to where future growth could take place, beyond 2036.
- 4.39 To put the **housing figures in context**, 1,540 homes per annum is nearly twice the rate of house building than achieved in each of the years 2012-15. The last time 1,540 homes or more were built was in 2007/08 (i.e. there have been 7 consecutive years whereby house building has been below 1,540pa, often considerably below). In contrast, in eight of the ten years between 1998/9 – 2007/8 more than 1,540 dwellings pa were completed, with a peak of 1,989 in 2006/7. (Source: SHMA figure 5.10, p68).

- 4.40 In the shorter term (first five years of the Local Plan), a target of 1,540 dwellings pa is likely to need to demonstrate the capability of delivering well over 2,000 dwellings per year, in order to pass the national 'five years supply' test (i.e. it being higher than 1,540 dpa, because of the national policy requirement to make up the shortfall of recent years in the first five years of the plan).
- 4.41 It is, therefore, quite clear that the plan, at 1,540 dpa (or likely over 2,000 dpa for the period 2016-21), is not only meeting its objectively assessed need for new homes, but is also 'boosting' the supply of homes, in line with NPPF policy.

Further Draft Local Plan – distribution of growth:

- 4.42 The distribution element of the Policy LP3 for the Further Draft was developed using a greater level of evidence than was available at the Preliminary Draft stage. The Lincoln Strategy Area Growth Study Options Report (July 2015 – ref E017) (which has subsequently been updated and republished as an April 2016 version) used population levels in the 2011 Census as a basis for how growth could be distributed across Central Lincolnshire and reviewed the travel to work patterns across Central Lincolnshire, revealing that in areas nearer to Lincoln a greater number of residents commuted into Lincoln.
- 4.43 This study identified a significant drop off in the influence of Lincoln for travel to work patterns as is shown in figure 1, below:



4.44 This evidence helped to identify a clearly defined area where Lincoln’s influence is substantially greater, and that could be used to define the Lincoln Area for distribution purposes. The study identified that 64% of the population lived in the Lincoln Area as defined by the map, with 6% living in both Sleaford and Gainsborough and the remaining 24% residing in other parts of Central Lincolnshire.

4.45 It is these figures which form the basis for the distribution, however, it was considered that this approach would benefit from an adjustment to take account of the following issues:

- Regeneration and growth aspirations, as well as existing commitments, in Sleaford and Gainsborough; and
- Over-reliance on rural areas that are less-sustainable than larger towns and would require greater infrastructure investment.

4.46 Therefore the distribution of growth in Central Lincolnshire as proposed in the Further Draft Local Plan was:

- Lincoln Area (64%);
- Gainsborough (12%)
- Sleaford (12%)
- Elsewhere (12%)

Representations at the Further Draft stage

4.47 Policy LP3 attracted quite a high level of attention at the Further Draft consultation stage, with representations on both the overall target and the distribution of growth. The following summarises these comments:

Level of growth:

- Large number of representations with broadly half thinking the target should be lower, and half think it should be higher. Some support for the actual proposed target set out in the plan (1,540pa), though some suggest this should be regarded as a 'minimum'.
- Growth (36,960 homes) should be lower: it is over optimistic, lacks evidence, lacks local evidence, relies on exaggerated employment growth forecasts, is unsustainable, is not supported by infrastructure.
- The evidence given in the SHMA does not appear cohesive or well justified in concluding that the housing needs for the Central Lincolnshire plan area should be 60% above the DCLG 2012 projections.
- Forecasting is too prone to error – leading to too high a growth target
- Assuming we will deliver double the rate of recent house building is unrealistic
- To deliver 36,960 new homes into an area of low employment is 'very stupid'.
- Housing target should be aspirational (higher)
- Housing target should be top of identified range – 1,780pa or 42,710 across plan period (to reflect the high growth economic scenario)
- Housing target reduced from previous plan target of 42,800 – object.
- The negative aspects of a higher growth rate are not outweighed by the positive benefits.
- Forecasts upon which numbers are based will be out of date by 2017 – update now
- Duty to Cooperate has not been fully explored – CL might need to take growth from its neighbours.
- Housing target should be based on the principle of reducing the housing waiting list – not forecasts

Distribution of growth:

- Many comments supporting the broad distribution of growth
- Concern that 12% (4,435) is not deliverable / desirable at Gainsborough. Should be lower (eg 10%)
- Gainsborough / north of West Lindsey should have more growth
- Lincoln area should grow greater than pro-rata
- Not clear if villages within the Lincoln Area count towards the 64%
- Lincoln Strategy Area too large – it shouldn't include Navenby / Leadenham
- 12% to 'elsewhere' (rural areas) too low. Should be higher (eg 16% or 20%)
- Sleaford should be lower – eg 10%
- Sleaford should be higher – eg 20%
- Growth should be more dispersed / less reliance on SUEs
- General concerns about too much growth in rural areas

Other issues:

- Growth needs phasing across plan period
- Infrastructure is needed if growth is to happen
- LP3 should set the employment target – too vague at present
- Objection to the housing supply paper / 5 year land supply report

5 Local Plan Policy: Proposed Submission

- 5.1 The representations at the Further Draft stage were carefully considered. The majority of the points made are covered, in terms of a response, by the evidence set out in this Evidence Report, and associated detailed evidence reports. Most, arguably all, of the representations received did not critically appraise in detail the evidence published, or set out new compelling evidence.
- 5.2 Some of the representations would, if implemented, be contrary to national policy, and therefore, without evidence to justify such a departure, have been rejected.
- 5.3 Overall, therefore, the policy has been carried forward unaltered to the Proposed Submission stage, as there was no representation supported by detailed and compelling evidence, to suggest an alternative approach.

6 Alternative Reasonable Options

- 6.1 The NPPF is quite clear in that it expects local planning authorities to meet their full Objectively Assessed Need (OAN). Within Central Lincolnshire, there are no fundamental constraints which would prevent the identified need being accommodated. In addition, under the Duty to Cooperate, there is no intention for Central Lincolnshire to either accommodate any need arising in any neighbouring district, nor 'offload' any need arising in Central Lincolnshire on to a neighbouring area. No neighbouring district is objecting to this approach (see separate evidence report entitled Duty to Cooperate Statement of Compliance).
- 6.2 As such, the Local Plan proposes to plan for its housing need within its own area. Arguably, therefore, it could be seen that no alternative growth levels are considered 'reasonable alternatives' as there appears no basis for such alternatives. This was the approach taken at the Further Draft stage (including the IIA / SA published at that time).
- 6.3 However, following the large volume of representations on the growth target, the reasonable options for this policy have been expanded.
- 6.4 The first set of options relate to the growth target. Option 1 is the approach in the Local Plan (i.e. 36,960 dwellings target), with Options 2 and 3 being higher and lower options respectively. The IIA / SA similarly considers these two new options.
- 6.5 **Option 2** (higher growth target eg – 1,780dpa or 42,710 across plan period) has been dismissed because such a target is based on optimistic employment forecasts, and could lead to high levels of out commuting, higher levels of unemployment, high levels of allocations which aren't taken forward, and considerable uncertainty (or over provision) of infrastructure by, for example, the utility companies. It would lead to some less suitable land

being allocated (because the 'most suitable' would be allocated for the option 1 target, leading inevitable to less suitable allocations being allocated to make up the difference), which could result in greater impact on matters such as climate change, landscape, agricultural land, flood risk, nature conservation and / or the historic environment. However, the plan is very flexible, including 'reserve' sites for future development should demand arise, and as such, the benefits of Option 2 are incorporated in the plan, without the negative aspects of Option 2.

- 6.6 **Option 3** (lower growth target eg 1,432dpa or less) has also been dismissed. Whilst this option has some benefits (eg a slightly greater protection of greenfield sites, agricultural land, natural and historic assets, landscaping and flood risk), it would have the considerable negative benefit of not meeting the identified need for housing, and could constraint the ability of the economy to function successfully and to its ability. The constraints which do exist in Central Lincolnshire are not of such a degree (or harm created) to justify a lower target.
- 6.7 The second set of options relate to the distribution element of this policy, with Option 1 being the approach included in the Proposed Submission Local Plan.
- 6.8 **Option 2:** Use the distribution proposed in the Preliminary Draft Local Plan of Lincoln Area (50%), Gainsborough (15%), Sleaford (15%), and elsewhere (20%). In light of the evidence work that has defined the Lincoln Area, it would be inappropriate to use these distribution levels, which are not based on evidence, but were an initial proposal to encourage feedback. It was clear also from the consultation responses that there were concerns about these figures. Whilst it would be impossible to satisfy all comments, the revised approach provides a more robust basis.
- 6.9 **Option 3:** Use the basic population levels of each of the defined areas, Lincoln Area (64%), Gainsborough (6%), Sleaford (6%), and elsewhere (24%). Whilst this approach is based solely on evidence, it would not follow the key objective of the plan of directing development to the most sustainable locations and would leave growth levels short of what is expected in the main towns where there are regeneration ambitions.
- 6.10 **Option 4:** Do not include any strategic distribution. This would lead to market forces delivering where it chose and, whilst it would likely deliver a good amount of growth where it was needed, it might leave other areas starved of growth and as such would not be as sustainable as the chosen option. It would also result in less certainty for the allocation of sites in the plan (which have been subsequently informed by this strategic distribution policy. It would also lead to uncertainty in the delivery of infrastructure to support the growth.

7 Conclusion

- 7.1 This evidence report demonstrates the rationale for the proposed policy as contained in the Proposed Submission Local Plan. This helps demonstrate how we have responded to comments received during the Preliminary and Further Draft consultation, as well as how the latest evidence and national guidance has been taken into account.