



Gladman Developments Ltd

Central Lincolnshire Local Plan EiP

Matter 2 – Objectively Assessed Need, the Housing Requirement and Affordable Housing (LP3, LP11)

Issue 2a Housing Market Area

Q1 Is the degree of containment sufficient to justify Central Lincolnshire as a single HMA for the purposes of the Local Plan?

1. It has long been recognised that the local authorities that make up the Central Lincolnshire area have a number of complex inter-relationships with locations beyond this area. Sufficient recognition should be given to these inter-relationships within the Plan. In addition, an appropriate level of cross-boundary working should have taken place in the preparation of the Plan to ensure that these important inter-relationships have been considered appropriately. This includes in the consideration of what constitutes the strategic housing market area and also spatial decisions that are taken in terms of the future distribution of growth and any the consideration of any unmet need.
2. The SHMA¹ at section 2 seeks to justify the 'single HMA' approach for Central Lincolnshire. It identifies that containment is below the 'typical' 70% threshold recommended in Planning Practice Guidance². The overlaps with neighbouring areas that are identified cannot be disregarded and at the very least should be monitored closely to ensure that the HMA remains relevant over the plan period. The definition of the HMA should also be considered in the context of how HMAs are being defined in the neighbouring areas with which there is a large degree of overlap. It is noted from the SHMA (paragraphs 2.32 to 2.34) that the Coastal Lincolnshire area appears to be poorly defined and that it may have been appropriate to consider the extent to which that area forms part of a common HMA with Central Lincolnshire.

¹ Strategic Housing Market Assessment (document reference 034 E003)

² Planning Practice Guidance Reference ID: 2a-011-20140306).

Q 2 Does the HMA include the western part of East Lindsey, which forms part of the Lincoln HMA as defined in The Lincolnshire Sub-Regional Housing Strategy? If so, what implications would this have on calculating OAN?

3. The information contained in Section 2 of the SHMA provides data which shows a strong inter-relationship between the authorities in the Central Lincolnshire Local Plan area and several of their neighbours. In the case of East Lindsey District Council, it is notable from the SHMA (paragraphs 2.32 to 2.34) that an individual study has been undertaken to determine housing need for that authority area as part of the plan making process. That approach is not particularly satisfactory and it is unclear as to whether consideration has been given to the inclusion of an area of East Lindsey within this HMA given the strong inter-relationships that are identified within the SHMA.
4. The inclusion of East Lindsey (in part) within the HMA would need to be factored into the calculation of OAN and the distribution of growth that is considered through this Plan. Such an approach might be helpful in re-distributing unmet need from East Lindsey, which is likely to be constrained as a result of issues such as coastal flooding.

Q 3 Have any neighbouring authorities identified housing needs which they are unable to accommodate, and which could affect the Central Lincolnshire HMA?

5. Gladman reserve the right to respond to the explanation provided by the Central Lincolnshire authorities if necessary.

Issue 2b – Objectively Assessed Need for Housing

Q 4 Does the latest data have any bearing on the OAN?

6. It is agreed that the 2014 Sub National Household Projections have not resulted in a meaningful change in relation to the starting point for the calculation of OAN for Central Lincolnshire.

Q5. The baseline household projection has been adjusted upwards based on 10 year migration trends (rather than 5 years assumed in the CLG figures). Why are 10 year trends more likely to be representative of what will happen over the plan period than 5 year trends?

7. Gladman have no specific comments to make.

Q6. Figure 6.2 of the SHMA illustrates that levels of net internal migration were higher between 2001-07 than from 2007-12 (on which the DCLG projections are based). What factors caused the higher levels of internal migration pre-2007? What evidence is there to suggest that these factors will underpin a higher rate of internal migration over the plan period going forward?

8. Gladman have no specific comments to make.

Q7. Is the increase in the OAN to account for Unattributable Population Change reasonable and justified?

9. The increase in OAN to take account of unattributable population change (UPC) is justified. This consideration is standard practice and takes into account the underestimation of population growth between census years. The upward adjustment is necessary to provide a more robust position on demographic need. The approach is acknowledged in the Planning Advisory Service Guidance³. If such an increase was not made, then there would be an unacceptable risk that the plan would be taking forward an OAN that under represents future projected growth.

Q8. Is the return to previously higher household formation rates for younger people (aged 20-39) reasonable and justified?

10. The approach is reasonable and justified and demonstrates a positive approach that is in keeping **with the Government's ambition to transform generation rent into generation buy**. The PPG indicates that sensitivity testing can be carried out to take consideration of local circumstances such as household formation rates⁴. The uplift in this instance reflects the suppressed household formation rates amongst younger people that were observed over the last 10 years. In particular, as a result of the undersupply of housing, the growth in house prices during the early to mid 2000's and the **economic downturn in the late 2000's**.

Q9. Is it appropriate to use adjustments to household formation rates of younger people (aged 20-39) as a mechanism for responding to worsening market signals? Is the level of uplift appropriate?

11. The adjustment to household formation rates of younger people would be a demographic adjustment and must therefore be separate to the consideration of market signals.

Q 10. Has the assessment of housing need adequately taken market signals into account, including in respect of land prices, house prices, rents, affordability, rate of development and overcrowding (PPG Ref 2a-03020140306). Should any specific uplift be made to the OAN?

12. Only a modest uplift has been applied following the analysis of market signals. The SHMA identifies that growth in house prices has exceeded the national average in Lincoln and West Lindsey (Paragraph 5.74) and the area is experiencing worsening affordability (paragraph 5.25). It is considered that an uplift of 3% should be increased to address this issue. The Local Plan Expert Group (LPEG) Report (at Appendix 6) sets out recommendations on changes to the Planning Practice Guidance. Here (under recommendations for ID: 2a-020-20140306) it is indicated that there should

³ Pages 23 & 24 - Planning Advisory Service Objectively Assessed Need and Housing Targets Technical Advice Note July 2015, Peter Brett Associates.

⁴ Planning Practice Guidance ID: 2a-017-20140306

be an uplift of 10% or 25% where required following the outcome of the analysis of house price and rental affordability ratios.

13. **It is notable from the “ratio of lower quartile house price to lower quartile earnings by Local Authority, 2013 to 2015” that the percentage change observed over that period in West Lindsey was 15.95%, in Lincoln was 14.86% and in North Kesteven was 4.40%. It is clearly evident from this data that affordability is worsening across Central Lincolnshire.**

Q 11. What factors underpin the difference between the Experian Economic Forecasts and the Oxford Economics Forecasts for total job creation? Why are they so different? Why does the Oxford Economics baseline provide the more robust set of data and why has it been used? Is this justified? Applying the Oxford Economics baseline, what would be the requirement for new employment land?

14. **Gladman reserves the right to comment on the Council’s response to this question.**

Q 12. The Local Plan states (paragraph 3.5.10) that baseline job growth will result in a requirement for around 23 ha of new employment land over the plan period. However, the Local Plan allocates significantly more – some 153 ha (111ha through Policy LP5 and 42ha through the SUEs). Given that the housing land requirement is based on baseline economic growth, will the supply of housing land be sufficient to ensure that there are enough workers in relation to the amount of allocated employment land?

15. **The Plan’s ambitions for economic growth are reflected through the proposed allocation of 153ha of employment land. This needs to be fully taken into account in setting an associated requirement to ensure that the Plan’s vision for Central Lincolnshire to be a location of ‘positive growth’ can be achieved.**

Q 13. What if employment land development and job creation is higher than the baseline forecast, and subsequently there is insufficient housing to support the development of allocated employment sites? Will there be a need to find more housing sites?

16. **Yes, there will need to be more housing sites identified in order to meet the Plan’s strategy for economic growth.**

Q14. Should this be monitored and should there be a review mechanism in the Local Plan to review job growth against the forecasts?

17. In the first instance, a housing requirement should be included within the Local Plan that correctly reflects the economic growth ambitions of the area. Failure to do so will result in a Local Plan that cannot be considered to have been positively prepared. In addition to this, a monitoring requirement and review mechanism should be included.

Q15. The SHMA identifies that Bishop Grosseteste University has seen sustained periods of growth which reflects their ambitions. Representations from the University of Lincoln also identify plans for growth as part of a new 'food corridor'. Does this have any bearing on the OAN?

18. The growth ambitions of the local universities are factors that the Central Lincolnshire authorities should be taking into account in the preparation of their Local Plan. Plan makers should be able to demonstrate that they have engaged with universities and other higher educational establishments to better understand their student accommodation requirements⁵.

Issue 2c – Housing Requirement

Q 16. The conclusions of the SHMA identifies an OAN of between 34,368 - 42,720 (or 1,432 - 1,780 dpa), but confirms that the bottom end of the range only represents a modest 'boost' to long-term housing supply. With this in mind, why was the housing requirement for Central Lincolnshire established as 1,540 (baseline economic growth), which sits towards the lower end as identified by the SHMA?

19. It is a significant concern that the housing requirement contained within the Local Plan does not correspond with the upper end of the OAN range that is set out in the SHMA. The selection of a lower **figure does not reflect the NPPF's requirement to set a positive vision for the future of the area** (Paragraph 17). It also fails to support the requirement to proactively encourage sustainable economic growth by recognising and addressing a lack of housing (Paragraph 21). The selection of the lower end of the range is not considered to be a positive response to the evidence that has been prepared by the Council and does **not support the NPPF's requirement to "boost significantly the supply of housing"** (paragraph 47).

Q 17. Will the housing requirement in the Local Plan significantly boost the supply of housing as sought by paragraph 47 of the Framework? Does it reflect the Vision of the Local Plan which states that Central Lincolnshire will be a location of 'positive growth'?

20. The selection of the upper end of the range as the basis for plan making would have represented a more positive approach and would have been more **akin to supporting the NPPF's requirement to "boost significantly the supply of housing"** (paragraph 47) and the Plan's clear ambition for Central Lincolnshire to be a location of positive growth.

Q 18. Should the housing requirement at paragraph 2.4.1 and Policy LP3 be expressed as a minimum figure given the range of OAN identified by the SHMA? Is it adequately clear that this figure is the housing requirement?

21. The housing requirement should be amended to reflect the upper end of the range contained in the evidence base (42,720) and expressed as a minimum figure.

⁵ PPG (ID: 2a-021-20160401).

Q19. Is the housing requirement expressed as a net or gross figure? Has the figure taken into account potential demolitions or other changes of use (i.e. any losses from existing housing stock)?

22. It is assumed that the figure represents the net housing requirement for the plan period. Any future demolitions should be factored into the consideration of supply through the monitoring process.

Q 20. Have there been any requests from neighbouring authorities to accommodate any of their unmet housing needs?

23. The issue of tackling unmet housing should not be hampered by the varying timescales associated with neighbouring Local Plans. Even if there has been no formal request to support a neighbouring authority in meeting its housing need, it does not mean that this will not become a requirement during the course of the plan period. A trigger mechanism is therefore required to ensure that any issues of unmet need that emerge from neighbouring authority areas can be adequately addressed. This is particularly pertinent in the case of those areas where there is significant overlap between housing markets.

Issue 2d – Affordable Housing

Q21. Has the affordable housing need (17,400 dwellings) been correctly established?

24. Gladman have no specific comments to make.

Q22. How have the three Local Authorities performed since 2012 on the delivery of affordable housing to cover the first years of the plan period? Is the figure of 17,400 still appropriate or does it need up-dating? What overall percentage of affordable housing has been achieved over recent years?

25. Any shortfalls observed since 2012 will need to be addressed through the Local Plan, together with a mechanism to explain the actions that will be taken should shortfalls be observed in future years.

Q23. Is MM/SC/3 necessary to make the Local Plan consistent with national planning policy?

26. MM/SC/3 is necessary to be consistent with national policy.

Q24. Based on a higher threshold of 11 units how many affordable housing units are likely to be delivered in the plan period through the application of Policy LP11 and from any other sources? Policy LP11 recognises that not all of the need will be met through the planning system. What will be the extent of the shortfall? Will Policy LP11 help deliver the Vision of the Plan, which seeks to meet the housing needs of all?

27. Gladman have no specific comments to make, however the Local Plan should consider how any shortfall can be remedied **in order to fulfil the ambition to 'meet the housing needs of all'**.

Q 25. The PPG (Ref 2a-029-20140306) states that an increase to the total housing figures should be considered where it would help deliver the required number of affordable homes (i.e. to deliver more market housing and therefore more affordable housing). Has an uplift to the housing requirement for this reason been considered? If no uplift is proposed, what is the justification for that?

28. An increase in the total housing included in a Local Plan should be considered where it could help to deliver the required number of affordable homes⁶. It is not clear whether this consideration has been taken. In its current form, the plan is likely to significantly under-deliver affordable housing and opportunities to remedy this situation need to be seriously considered.

Q26. Is the requirement for 15-25% affordable housing justified by reference to viability evidence?

29. **The Council's viability evidence must take all proposed costs to** development into account. It is unclear whether or not these percentages for affordable housing take into account the CIL rates that are being promoted. There is a real concern that these policy expectations for affordable housing are being set at a level where many schemes will be rendered unviable by the cumulative burden being placed on them. A policy mechanism to enable the negotiation of affordable housing contributions on a case by case basis is required, but the affordable housing target should be set at a level where this needs to be undertaken on a regular basis. The negotiation process causes delays to the granting of planning permission on sites in sustainable locations and as such delays in the delivery of much need housing.

Q27. Why is the requirement lower for the Sustainable Urban Extensions (SUEs) (20% in Lincoln and 15% elsewhere), than for other sites in the Lincoln Strategy Area (25%) and elsewhere (20%)? Is this justified?

30. Gladman have no specific comments to make.

Q28. Is the policy sufficiently flexible? Should it accept that policy requirements for affordable housing would be proportionately reduced if it were demonstrated that a full contribution would cause a development to be unviable?

31. The policy needs to include a mechanism for the negotiation of affordable housing. Any percentage for affordable housing should be expressed as a target and a starting point for consideration on a case by case basis.

Q29. In Rural Areas Policy LP11 states that a local needs assessment is required to demonstrate both a need and a 'desire' in respect of exception sites. How is this defined from a development management perspective? Would the Policy be effective in this regard? Does it give sufficient clarity to decision makers, developers and communities?

32. Gladman have no specific comments to make.

Q30. Is the local support for rural affordable housing facilitated by a small amount of market housing a relevant and justified criterion? Would the Policy be effective in this regard?

33. **An explanation is required as to what would constitute 'a limited amount of market housing' and how its appropriateness would be assessed through the development management process. There may well be circumstances where a more than 'limited' supply of market housing in sustainable rural locations would support the delivery of rural affordable housing and this should be considered favourably bearing in mind the affordable need identified in the SHMA.**

Q31. Should Policy LP11 and/or its supporting text recognise and/or reference the different types of affordable housing, including Starter Homes?

34. The policy will need to be sufficiently flexible to enable the delivery of all types of affordable housing and be responsive to any change in the definition (such as the inclusion of starter homes). The recognition of different types of affordable housing, including starter homes, and the need for such flexibility would be useful within the supporting text to demonstrate that the Local Plan is responsive to meeting all types of affordable need.

Q 32. Is it necessary to have a review mechanism in the Plan to consider progress against the delivery of affordable housing and to identify any appropriate steps to help increase supply, if appropriate?

35. It is considered necessary to include a trigger mechanism in order that progress against the delivery of affordable housing is properly considered. Notwithstanding this, there is no reason why the steps/actions that the Central Lincolnshire authorities will take to increase affordable housing supply cannot be included within the supporting text of the Local Plan together with a commitment to them. Any such steps or actions will need to be sufficiently flexible to respond any changes in the definition of affordable housing that could occur over the course of the plan period.

Issue 2e – Conclusion on Local Plan Housing Requirement

Q33. Overall, is the housing requirement in the plan justified? If not, what should it be?

36. It is considered that the housing requirement should at least be increased to reflect the upper end of the range contained within the SHMA (42,720). In addition, strong consideration must be given to:

an uplift to support affordable housing delivery: and, to setting a housing requirement that more appropriately supports the ambitions of the plan in relation to economic growth.