

# Central Lincolnshire Joint Strategic Planning Committee Hearing Statement

November 2022

[MATTER 2: Housing, Employment and Retail Need](#)



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## Issue 1 – Local Housing Need

***Q1 – What is the minimum number of new homes needed over the plan period as calculated using the standard method? Are the calculations accurate and do they reflect the methodology and advice in the national Planning Practice Guidance ('the PPG')?***

The minimum number of homes needed over the plan period when calculated using the standard method is 24,244 dwellings. This is based on the calculation following the methodology and advice in the PPG which, when using the latest affordability ratios published in March 2022, results in an annualised requirement of 1,102 dwellings.

In accordance with the methodology set out in the PPG, this is calculated using 2014-based household projections (Table 406) to identify the projected average annual household growth over a ten year period with the current year being used as the starting point (i.e. 2022-2032) for each of the Central Lincolnshire authorities.

This has then been adjusted using an affordability multiplier or 'adjustment factor' to take account of the latest *Median Workplace-based Affordability Ratios* published in March 2022 to apply the adjustment factor as follows:

$$\text{Adjustment factor} = \left( \frac{\text{Local affordability ratio} - 4}{4} \right) \times 0.25 + 1$$

The average annual change in households is then multiplied by the adjustment factor to calculate the Local Housing Need for each district.

No caps or uplifts have been applied as set out in Step 3 and 4 of the methodology in the PPG as is consistent with the guidance.

These calculations have been undertaken for each of the Central Lincolnshire authorities before being combined to create a minimum requirement for Central Lincolnshire as is shown in the tables below:

## Local Housing Need Calculations 2022

Lincoln		
a.	Median affordability ratio (2021)	5.97
b.	Adjustment factor	0.1231250
c.	Adjustment factor + 1	1.1231250
d.	Households in 2022	43,102
e.	Households in 2032	45,913
f.	Change in households	2,811
g.	Average annual change	281.10
h.	Local Housing Need	315,710

NKDC		
a.	Median affordability ratio (2021)	8.16
b.	Adjustment factor	0.2600000
c.	Adjustment factor + 1	1.2600000
d.	Households in 2022	51,037
e.	Households in 2032	54,613
f.	Change in households	3,576
g.	Average annual change	357.60
h.	Local Housing Need	450,576

WLDC		
a.	Median affordability ratio (2021)	6.85
b.	Adjustment factor	0.1781250
c.	Adjustment factor + 1	1.1781250
d.	Households in 2022	42,271
e.	Households in 2032	45,122
f.	Change in households	2,851
g.	Average annual change	285.10
h.	Local Housing Need	335,883,4375

Central Lincolnshire		
h.	Combination of Local Housing Need figure	1,102.170

**Q2 – Does the PPG list only those circumstances where it would be appropriate to plan for an alternative level of housing provision than the standard method, or, could other locally specific reasons justify a higher figure?**

The wording of paragraph 10 of the PPG, titled “When might it be appropriate to plan for a higher housing need figure than the standard method indicates?”<sup>1</sup>, provides circumstances where it **may** (rather than ‘would’, as implied by Q2) be appropriate to plan for an alternative level of housing than the standard method, but makes it clear that it is not limited to these situations where it says [our emphasis added] “Circumstances where this may be appropriate include, **but are not limited to** situations where increases in housing need are likely to exceed past trends because of:...”.

Therefore it is clear that where there is adequate local justification, the PPG implies more homes can be planned for.

<sup>1</sup> PPG Reference ID: 2a-010-20201216

The Committee is, however, conscious that the PPG is not national policy (as confirmed by the Courts<sup>2</sup>), and therefore should be used with caution when assessing the soundness of the Plan.

It is, therefore, important to refer to NPPF for national *policy* on this matter, and specifically paragraph 61 which makes it clear that strategic policies should be ‘informed by’ the LHN (i.e. not rigidly set by), to determine the ‘minimum number’ of homes needed (i.e. LHN is not a fixed and only figure that must be used). Taken together, this confirms that there could be locally specific reasons for planning for a higher housing amount than the ‘minimum’ figure derived from the LHN method. However, on a strict reading of the NPPF, this additionality appears somewhat an option (rather than requirement) for a local planning authority to take up should they choose to do so, with the exception (because paragraph 61 says so) of potentially meeting unmet housing needs from neighbouring areas.

Pulling all of the above together, the Committee’s view is that the Inspectors should not place too much reliance on what the PPG says (because it is not policy), but instead focus on the NPPF which, it suggests to the Committee, provides the national policy backing to go beyond the minimum housing figure provided by the LHN, should the Committee choose to do so (and provided the justification exists to do so).

The question becomes, therefore, not whether the Committee can go for a higher figure (because it can), but whether it is justified in doing so.

***Q3 – Is that level of job growth realistic? How has it been calculated and how does it compare to other projections for employment in Central Lincolnshire over the plan period?***

The Central Lincolnshire Economic Needs Assessment Update 2020 (**ECO001**) compares employment forecasts from two of the leading forecasters (Experian and Oxford Economics) to assess projected job growth in the plan period and to create a baseline (see chapter 5 of the ENA). It is observed that the two forecasting houses do project different levels of growth but also some similarities in growth or shrinkage in some sectors. A summary of the overall job growth is provided in paragraph 5.19 of the ENA where it states that Oxford Economics forecast a growth of 420 jobs per year whereas Experian projected an annual growth of 714 jobs.

These forecasts are then critically reviewed in chapter 6 of the ENA to avoid too much reliance being placed on the top-down approach taken in creating forecasts, and to apply some local trends to the assumptions being made – it then builds in some assumptions based on past trends achieved locally since 2012 to create an average. Details of and justification for the blended approach is detailed in paragraphs 6.9-6.32 with the approach used for creating this blended approach being set out in paragraph 6.30 and as shown by sector in figure 6.6 on page 56 of the ENA. This concludes that using a blended approach to reviewing local trends in sectors with the trends in the forecasts, that 992 jobs are forecast to be created annually across the plan period.

This forecast is shown to be realistic in chapter 4 of the ENA as it also looks at recent job growth compared to the forecasts made in support of the adopted Local Plan. This look-back found that around 1,850 jobs per year had been created on average in Central Lincolnshire between 2012 and 2018 – higher than the forecasts made previously. Whilst this recent growth achieved is higher than that projected, it is important to note that this high growth level did take place immediately following the global recession and a period of growth which will highly likely not be replicated across the entire plan period, but the level identified (992pa) is considered to be realistic.

However, all economic forecasting is prone to considerable margins of error, even in settled times. With recent turbulence (Brexit; covid after-effects; exceptionally high energy prices; 40-year high

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<sup>2</sup> See R (Solo Retail) v Torridge DC [2019] EWHC 489 (Admin) [33]-[34]

inflation; and national government uncertainties), it is acknowledged that any economic forecasting should be treated with considerable caution.

***Q4 – How does it compare to past performance?***

See answer to question 3.

***Q5 – How has the number of new homes needed to support that level of employment growth been calculated? Are the calculations accurate and robust??***

Chapter 5 of the Central Lincolnshire Housing Needs Assessment (HNA) (**HOU001**) looks at the prospects for justifying a higher level of housing need than that being provided for through the standard method. Paragraphs 5.34-5.45 look at the relationship between household growth and the economy.

This identifies that by using Edge Analytics demographic modelling, the standard method for identifying Local Housing Need at the time (1,083 dwellings per year) could be expected (using a range of assumptions) to provide enough population increase to support an annualised increase of 677 jobs per year (paragraph 5.35 and 4.27-4.39 of the HNA). Figure 5.6 of the HNA shows how this relates to the job forecasts from the Experian and Oxford Economics modelling before any local trends data was applied to uplift the projected job growth.

Using the Edge Analytics demographic modelling data to make projections (and based on assumptions about household formation, working age population, migration, and more – as set out in Appendix 1 of the HNA), it is then estimated that 1,323 dwellings per year would result in a population growth of 46,871 between 2018 and 2040. This would support the adjusted employment forecast in the Economic Needs Assessment Update (**ECO001**) of 992 jobs per year when factoring in local characteristics in net internal migration as well as the national assumptions on growth.

Whilst population and job growth projections are notoriously difficult to accurately predict, particularly over a longer period, this evidence, which is consistent with the approach generally applied in the industry, provides a robust forecasting position for identifying the amount of homes that might be needed to support the forecasted, albeit ambitious, job growth.

***Q6 – How does the projected number of jobs compare to the supply of employment land? Could the projected number of new jobs (and thus homes needed) be higher?***

The projected number of new jobs, and the sectors in which this job growth is expected to take place, is set out in Chapter 6 of the Economic Needs Assessment Update (ENA) (**ECO001**). This growth is perhaps most clearly set out in Figure 6.6 on page 56 of the ENA.

Chapter 7 of the ENA then looks to assess the employment land needed (in traditional B-Class Uses) to match this job growth and this calculation is set out in Table 7.3 on page 68 which concludes that 11.6ha of land will be needed to support the forecast job growth.

As is detailed in the response to other questions (see Issue 5 question 2), given that there is almost 90ha of employment land with planning permission, this plan is only allocating sites which have planning permission, form part of a mixed use site or through other routes, such as enterprise zones. These employment sites (which are already allocated in the adopted Local Plan) provide sufficient land to meet the forecast requirements, both in locational terms and in overall land available, with sufficient headroom for market choice.

This does not mean that all of this employment land will necessarily be delivered within the plan period – the rate of delivery will be determined by the market but will be focused in these sustainable locations which align to the locations where population growth will be located.

Whilst in recent years job growth exceeded the projections, this was in a period of national growth following a recession. This period of growth has since been followed by a pandemic, Brexit and now rising inflation – all of which present challenges to the economy and where there is substantial volatility. This makes it very challenging to make accurate projections at the current time – even more challenging than in normal, stable conditions.

There is no evidence that indicates that there is expected to be a higher level of job growth in the plan period, nor that the need for homes will be higher than that being planned for. In any event, through the flexible policies in this plan and given that the allocation of sites which would, if fully utilised, deliver more homes than is required to support the projected growth, the plan provides adequate flexibility to provide a robust position that will be responsive to changing needs.

***Q7 – In the current Central Lincolnshire Local Plan, Policy LP54 identified broad locations for future growth which could come forward if net job growth exceeded 496 jobs per year. Does this Plan include a similar mechanism? If not, why not?***

The new Local Plan does not include any broad locations as were included in the adopted Local Plan.

It is worth stating at the outset, that there is no national policy requiring the provision of broad locations beyond the plan period, especially so with a Plan that will have 17 years of its plan period remaining on adoption (assuming adoption takes place Spring 2023).

Nevertheless, the primary reason why this new Plan for Central Lincolnshire does not take the same approach as the current adopted Plan, is that this new Plan builds in even greater flexibility than its predecessor, including accommodating a much higher jobs growth forecast (992pa), and a large buffer of housing allocations above baseline Local Housing Need requirement. Such a positively prepared Plan does not necessitate the provision of even further flexibility (and potential complexity and uncertainty) through the provision of ‘top up’ broad locations.

***Q8 – What would be the implications if housebuilding did not match projected increases in job growth?***

If housebuilding failed to keep up with job growth, a number of scenarios could occur, such as (but not necessary all of these):

- Out-commuting could decrease
- In-community could increase
- Double-jobbing may increase
- Unemployment rates could decrease
- Economically inactive population may decrease

Put simply, it is somewhat difficult to predict precisely what would happen, and the degree it would happen would depend on the scale of mis-match between job growth and housing provision.

Ultimately, it could mean house-prices rise, to reflect the lack of supply to meet demand. But that should then trigger the housebuilding industry to supply more (because the land is available), bringing house prices back down to equilibrium.

All of the above could equally apply, but in reverse, if job growth failed to keep up with housebuilding.

However, housebuilding is usually linked to the wider economy and therefore, over an economic cycle, job growth and housebuilding rates tend to broadly align to one another.

It is important to note that the Plan, overall, is seeking to maintain a balance between job growth and housing requirements, and is not seeking to force an increase in one over another, or attempt to correct any perceived current imbalance.

Finally, it is worth remembering that Local Plans are regularly reviewed, at least every five years, so any negative emerging imbalances or consequences arising can be addressed by an update of the Plan.

## Issue 2 – Housing Requirement – Policy S2

***Q1 – Is the higher figure of 1,325 dwellings per year over the plan period justified and consistent with national planning policy and guidance? If not, what should the housing requirement be for the plan period?***

The 1,325 dwellings per year housing figure is established by the evidence in paragraphs 5.34 to 5.49 of the Central Lincolnshire Housing Needs Assessment (HNA) (**HOU001**). Put simply, and using a number of robust assumptions, this level of housing is forecast to be needed to support the ambitious forecasted job growth of 992 jobs per year. However, as explained above, the level of job growth projected in the Economic Needs Assessment (ENA) (**ECO001**) is higher than the output figures from the two forecasting houses used in the study to take account of recent trends in growth in a buoyant period of time and to reflect positive growth strategies in the local area.

Please also see the Committee's response to Q3 below.

***Q2 – The Committee's response to the Inspectors' Initial Questions includes details of housing completions between 2012 and 2019 (Table 2). Is a housing requirement of 1,325 dwellings per year achievable over the plan period?***

The Local Plan allocates sufficient sites, together with positively worded and flexible policies, to facilitate the delivery of 29,150 dwellings in the plan period or 1,325 dwellings per year. These sites are considered to be deliverable within the plan period with a small number of them, such as some of the Sustainable Urban Extensions, also expected to continue delivering homes beyond the plan period.

As is shown in Table 9 of the latest five year land supply report (**HOU009.1**) it is expected that significantly more than 1,325 dwellings will be built in each year of the five year period. When we look beyond the five year period to the rest of the plan period, it is expected that the delivery of housing should remain comfortably above the requirement of 1,325 dwellings per year until 2036/37. Beyond this point the number forecast to be delivered tails off slightly, but this will allow for any slippage in site delivery up to that point. It is also highly likely that there will be a plan review well before the end of the Plan period, and so new sites will highly likely be added into the supply in such plan updates.



As was set out in the response to the Inspectors' Initial Question 10, the main concern about delivering 1,325 dwellings per year is if there is a national or global economic slowdown, which would be entirely outside of the Committee's control.

***Q3 – If the Local Plan seeks to make provision for 1,325 dwellings per year in response to projected employment forecasts, then what is the justification for setting the housing requirement as a range?***

In responding to this question, and the closely linked Q4, the Committee has carefully reconsidered the Submitted Plan; the representations received on it; the Inspectors Initial Questions, and the Committee's response to those Questions; and has carefully considered the questions arising in the MIQs.

Overall, the Committee remains committed to the same aims and intentions as set out in the opening two paragraphs of Policy S2, as well as the spatial distribution as set out in the second half of the Policy. However, on reflection, the Committee is of the opinion that some adjustment to the presentation of the Policy may be necessary, for effectiveness, to ensure future users of such an important policy have absolute clarity what the Committee's intentions are.

We have particularly reflected on the use of the phrase 'housing requirement' (found in the first and second paragraph), and the phrase 'strategic aim' (second paragraph), which has the potential for confusion. We've also reflected on the phrase (and application of) 'a range'. And we've reflected on the provision of two separate housing figures in the policy.

Below, we have prepared some suggested modifications, for effectiveness, but, first, an explanation of the rationale for them.

**The 'housing need' and 'housing requirement'**

The Committee is firmly of the opinion that the 'housing requirement' must be set in line with NPPF paragraph 61, and (because NPPF directs the reader to do so) that part of the PPG which sets out the 'standard method' for calculating a local housing need. Being mindful of the court's judgement as referred in Issue 1, Q2, the use of other elements of the PPG should be used with considerable caution.

The Committee is clear that the latter part of paragraph 61 (unmet need) does not apply. There is no evidence to suggest Central Lincolnshire should either receive or give any unmet need.

Thus, turning to the first part of para 61, it tells us to establish a LHN based on the standard method. This we have done, and (as updated), is 1,102 dwelling per annum.

The same para then goes on to say that the standard method must be used "*unless exceptional circumstances justify an alternative approach which also reflects current and future demographic trends and market signals*".

To be clear, the Committee is not suggesting that 'exceptional circumstances' do exist, and consequently it has calculated, and seeks to apply the outcome of, the LHN using the standard method.

The Committee is clear, therefore, that the "*minimum number of homes needed*", which paragraph 61 asks us to determine, is 1,102 dwelling per annum. This forms the basis for planning for housing in Central Lincolnshire.

**The 'economic vision'**

However, Policy S2 is not just about how the Committee is to meet NPPF paragraph 61. It is also about how the Committee is to meet NPPF para 82. That paragraph, under the sub heading

‘Building a strong, competitive economy’, requires planning policies to have a “*clear economic vision and strategy which positively and proactively encourages sustainable economic growth*” and “*to meet anticipated needs*” and “*be flexible...and to enable a rapid response to changes in economic circumstances*”.

As explained in our evidence base and in response to other MIQs, the Committee has fully embraced that requirement, and established a robustly evidence jobs creation target of 24,000 jobs over the plan period, and places that headline target within Policy S2.

To be absolutely clear, this is an ambitious target, well ahead of national based forecasting house predictions, and around double the forecast of the current Local Plan. It is a ‘vision’ to support ‘sustainable economic growth’, which is what paragraph 82 asks us to do. It might not happen, but the Committee and the Plan it has prepared wants to facilitate, the best it can, to make it happen.

### **Aligning the economic vision with housing need and requirement**

Having established the ‘minimum number of homes needed’ (1,102 dpa, or 24,244 over the plan period) and the jobs growth vision (24,000 jobs growth target), the evidence points to a potential mismatch between the two; put simply, if the jobs growth target is achieved, then the supply of homes to meet the ‘minimum number of homes needed’ might not be a sufficient supply of homes.

The Committee has calculated in the Economic Needs Assessment (ECO001) that a more appropriate housing supply, to match the economic vision, is 1,325 dpa, or 29,150 dwellings over the plan period.

### **Facilitating the economic vision**

Thus, in order to give the economic vision the best chance of success, the Committee has prepared a plan which provides sufficient allocations and other positive policies to enable a sufficient number of homes to be developed to match it. This results in a Plan which seeks to deliver more homes than its housing requirement figure suggests.

The Committee makes no apology for that – it wants to see economic growth, and not see such economic growth hindered by a lack of housing supply. But equally, the Committee does not want to be held to account for not delivering on the aspirational and higher housing supply target. It should be held to account on its *housing requirement*; but not held to account for being ambitious and not quite meeting such ambition. That would be wrong, that would be unfair and, most important of all, could lead to significant harm.

### **What is the housing requirement?**

The answer is simple: 1,102 dpa, or 24,244 over the plan period. The NPPF tells us so.

Accordingly, those tests which use such a figure (eg Five Year Land Supply; Housing Delivery Test), should use such a figure.

The higher housing figure (1,325 dpa, or 29,150 dwellings over the plan period) is an aspirational one to facilitate the aspirational jobs growth target. It is not the housing requirement. But it is the figure upon which the process of preparing site allocations and positive planning policies rests.

### **Suggested modifications**

The Committee accepts that there may be the potential, in the way Policy S2 is phrased, of future decision makers misinterpreting the Committee’s intentions as described above. Thus, and taking account all of the above explanation, the following modifications are proposed.

In summary, they are:

- (a) Making it clearer what the housing requirement is and what the aspirational housing target is;
- (b) Making it clearer what the jobs growth target is;
- (c) Removing any confusion in respect of the 'range';
- (d) Removing the confusing break down of the housing figures to each of the strategic areas, and retaining just the % splits.

In full, they are (and this incorporates, but will supersede, MMSC1):

### **Policy S2: Growth Levels and Distribution**

The housing requirement for Central Lincolnshire is **1,102** a range of 1,060<sup>3</sup>–1,325 dwellings per year ~~during~~, **and 24,244 dwellings over** the plan period of 2018-2040.

~~Whilst 23,320<sup>4</sup> new dwellings is the baseline housing requirement, and this This baseline will be used for Five Year Housing Land Supply calculations, Housing Delivery Test purposes and any other such similar calculations, the Local Plan's strategic aim is to facilitate the delivery of the top end of the range of 29,150 new dwellings and the creation of around 24,000 new jobs over the plan period 2018–2040 through allocated sites, distributed as follows:~~

**The economic vision and strategy of this plan is to seek to facilitate the creation of 24,000 new jobs over the plan period, 2018-2040. To help facilitate that target, and ensure the provision of new homes is in balance with job creation, this plan aims to facilitate the delivery of 1,325 dwellings per annum, or 29,150 dwellings over the Plan period.**

**In order to facilitate all of the above, this Plan identifies a sufficient supply and mix of sites to not only meet its identified housing requirement and its economic vision jobs growth target, but also sufficient supply to meet the housing needed should the economic vision be successfully delivered.**

**Such a supply and mix of housing and employment sites have been provided in this Plan to broadly meet the following spatial strategy:**

- a. Lincoln Strategy Area – around 64% **of the supply** (18,656) ~~of the total homes and employment land needed~~, delivered through a combined strategy of (and in priority order):
  - i. urban regeneration;
  - ii. sustainable urban extensions to Lincoln; and
  - iii. growth at settlements which serve, and are serviced by, Lincoln.
- b. Gainsborough - around 12% **of the supply** (3,498) ~~of the total homes and employment land needed~~, delivered through a combined strategy of urban regeneration, sustainable urban extensions and sites at nearby and well-connected villages.
- c. Sleaford – around 12% **of the supply** (3,498) ~~of the total homes and employment land needed~~, delivered through, primarily, a strategy of sustainable urban extensions and on other urban sites and sites at nearby and well-connected villages.
- d. Elsewhere – around 12% **of the supply** (3,498) ~~of the total homes and employment land needed~~ will come forward in settlements elsewhere, primarily located at the market towns and in well-connected villages and villages with a good range of services present.

<sup>3</sup> This is the latest Local Housing Need Figure for Central Lincolnshire at the time of finalising the Local Plan for submission

<sup>4</sup> This is based on the latest Local Housing Need Figure for Central Lincolnshire at the time of finalising the Local Plan for submission extrapolated across the plan period of 2018–2040

Note: there will also be consequential suggested modifications arising, such as Tables 1 and 2 at pages 169-170 of the Plan. The Committee will provide these in due course.

**Q4 – Is the proposed housing range sufficiently clear to decision-makers, developers and local communities? Is Policy S2 effective in this regard?**

Please see response to Q3 above.

**Q5 – What is the justification for suggested modification MMSC1? Is it necessary for soundness?**

For ease of reference, MMSC1 updates Policy S2 so that LHN derived housing requirement figure increases to 1,102 dwellings per annum (up from 1,060dpa), and total baseline housing requirement increase to 24,244 dwellings for the plan period (up from 23,320).

Modification MMSC1 is suggested to ensure that any baseline housing requirement is as up to date as possible at the point of adopting the local plan. This modification is for the LHN based housing requirement baseline to be updated taking into account the latest affordability ratios (issued March 2022) in accordance with the standard method.

The Planning Practice Guidance (PPG) stipulates that “*local housing need calculated using the standard method may be relied upon for a period of 2 years from the time that a plan is submitted to the Planning Inspectorate for examination*”<sup>5</sup>. At the time of submitting the plan the affordability ratios for 2021 had been published (in March 2022) but this was after the plan was finalised for the regulation 19 consultation. As such, to be fully aligned to national guidance (to which national policy specifically refers us to in this instance), modification MMSC1 is necessary.

For the avoidance of doubt, the Committee does not intend to seek to modify the figure again, even if new national data which feeds into the standard formula is published prior adoption of the Plan.

### Issue 3 – Affordable Housing Need – Policy S22

**Q1 – The Central Lincolnshire Housing Needs Assessment (‘HNA’) states that the overall need for affordable housing is around 592 homes per year. Is this figure accurate and robust? If not, what is the need for affordable housing over the plan period?**

The Central Lincolnshire Housing Needs Assessment (HNA) (**HOU001**) reviewed the affordable housing need for Central Lincolnshire in chapter 7. This looked at the current affordable housing need and supply, and also looked at projected needs consistent with the methodology provided in the Planning Practice Guidance.

To establish the current level of need, the HNA looked to data on the Central Lincolnshire Districts’ housing registers. The approach to highlighting the current level of need is set out in paragraphs 7.6-7.9 of the HNA.

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<sup>5</sup> PPG Reference ID: 2a-008-20190220

The second stage of the process is to understand the supply of affordable housing in housing commitments and sites under construction. This is based on housing monitoring from the districts and is set out in Table 7.2 of the HNA.

The sum of these first two stages is then used to identify any shortfall in affordable housing supply. Table 7.3 of the HNA identifies that this remaining shortfall is 575 dwellings across Central Lincolnshire.

The next stage of the process is to project forward to estimate future affordable housing need, this is detailed from paragraph 7.25 of the HNA. Using Edge Analytics tools and an affordability benchmarking exercise, the HNA seeks to calculate the number of households whose needs are not met by the open market. This process includes the review of the price of market housing both to buy and rent in Table 7.5 and then estimating the proportion of newly forming households that will not be able to afford this market housing based on household income data, as set out in Table 7.6. On top of this, estimates for existing households which will fall into need is made, based on data from housing registers.

The final stage of the process looks at re-lets of social rental properties and intermediate housing which comes available as is shown in Table 7.8 of the HNA. Once these are factored in, a clear picture of total need and supply is established, and this provides the annual net new need of 592 dwellings in Table 7.11 of the HNA.

The approach and calculations set out in chapter 7 of the ENA provides an accurate and robust figure for plan making purposes.

***Q2 – Do affordable housing needs differ between the City of Lincoln, North Kesteven and West Lindsey? Does the Plan seek to differentiate between needs across the three Councils? If not, why not?***

Table 7.11 of the Central Lincolnshire Housing Needs Assessment (HNA (**HOU001**)) sets out the affordable housing needs for each of the Central Lincolnshire Districts – whilst these do differ, they could be argued to be a reasonably similar proportion compared with the overall needs of Central Lincolnshire – 26% in West Lindsey, 35% in North Kesteven and 39% in City of Lincoln.

Parts of North Kesteven and West Lindsey relate very closely to City of Lincoln and even form part of the Lincoln Urban Area – as such there are opportunities to work together to deliver the housing to meet need in the right locations, not constrained by administrative boundaries. Furthermore, given that there is a strong travel to work area around Lincoln (the Lincoln Strategy Area) which extends beyond the City of Lincoln administrative area and the fact that Central Lincolnshire continues to perform as a functional housing market area (as is verified in chapter 2 of the HNA), the approach taken is not to differentiate between the needs of each council on an administrative boundary. This is consistent with the approach to the distribution of housing development in the plan.

***Q3 – Based on the expected rate of housing delivery, will the affordable housing needs of the area be met?***

If the affordable housing need figure of 592dpa is assumed to be robust, this would mean 53.7% of all homes would need to be affordable if the (as updated) LHN derived housing requirement figure was met.

This is above the thresholds set in Policy S22 which are between 10% and 25% depending on the value zone within which a site is located.

Whilst it is not unusual for a Plan not to be able to accommodate, via s106 policy related mechanisms, meeting the full affordable housing need, it is evident in the Plan as submitted that the Committee has prepared a positive plan to facilitate considerably more homes than the LHN derived minimum housing requirement of (as updated) 24,244 homes. We can see at table 2 (page 170) of the submitted Plan, a total of 32,672 homes are forecast to be facilitated by the Plan (subject to minor revision via a very limited number of suggested modifications to specific sites in the Plan). That is around a full 1/3 increase in the number of homes facilitated to come forward, above baseline requirement. Such a positively prepared plan will go a significant way towards helping to meet the full affordable housing needs of the area, whereas a Plan which strictly only accommodated its minimum LHN derived housing requirement would not do.

In addition to above, s106 related policy mechanisms are not the only way to achieve affordable housing delivery. Direct delivery by housing associations, local authorities, community-led groups or other not-for-profit organisations can result in a boost to actual affordable housing units delivered, on top of s106 derived provision. National programmes and grants are also a key driver to boost affordable home provision.

Overall, the Committee is confident that the Plan is as positively prepared as possible to help facilitate the delivery of as much affordable housing as is possible (whilst aligning to national policy), and there is a good prospect that a significant proportion of all affordable housing needs will be met, and certainly sufficient to meet the most vulnerable and priority needs.

***Q4 – Paragraph 7.85 of the HNA states that it is for the Councils to consider whether an increased housing requirement could help to increase the delivery of affordable housing in Central Lincolnshire. Has this been done and what were the reasons for not pursuing higher rates of housing delivery to meet identified needs?***

It was considered whether increasing the housing requirement to increase the delivery of affordable housing would be an option, but as is detailed in paragraphs 2.4-2.6 of the Growth Options Paper (**STA011.1**) using a reasonable assumption of 20% of affordable housing delivery on sites, meeting the affordable housing needs expressed in the Housing Needs Assessment (**HOU001**) in full would require the delivery of 62,195 dwellings between 2018 and 2040 or 2,827 dwellings per year. This is unrealistic. It is far beyond what has ever been delivered in Central Lincolnshire and so there would be serious question marks about deliverability, market saturation and wider impacts of such a high level of growth.

This option was also tested in the Sustainability Appraisal (**STA004.1g**) as option 4 in the part one assessment of Policy S2 (pages 19-33). Whilst this found that the delivery of more housing, particularly affordable housing, would deliver substantial benefits, given that it would introduce a level of housing never before seen in the area it could have significant negative impacts on other objectives, and that it was difficult to assess these effects in full.

As a result of the potential impacts, no affordable housing specific further increase over the housing requirement has been proposed in this plan, but as set out in our response to Q4, the Plan already facilitates the delivery of a very substantial increase in homes above baseline need, which will help facilitate meeting as much as possible of the full affordable housing needs identified.

***Q5 – Were such options considered as part of the SA process?***

See answer to question 4.

## Issue 4 - Viability

**Q1 – How was the 25% threshold determined for the high value areas? Could residential development in Zone A viably contribute more affordable housing?**

The 25% threshold has been determined through a robust viability assessment as set out in the Central Lincolnshire Whole Plan Viability Report (WPV) (**INF002a**). This followed a methodology that is consistent with that set out in the Planning Practice Guidance and in guidance by the Royal Institution of Chartered Surveyors (RICS).

Central to the methodology and guidance for undertaking viability assessments is the need to undertake sensitivity analysis of all inputs and have regard to risks and returns to ultimately safeguard deliverability. As such it is important to understand how changes in inputs affect viability and therefore recognise the extent of these changes to form an appropriate judgement of viability. In this case it is an area wide assessment relating to value zone A.

The Market Report (**INF002b**), which accompanied the WPV, established assumed value zones based primarily on evidence of recent sales values. These 'assumed values' in each value zone were established both on a unit basis and on a £psm basis. This is shown in Table 5-2 in the WPV and is replicated below.

**Table 5-2 Proposed sale values in viability testing**

	Typology	Lower value zone	Mid lower value zone	Mid value zone	Higher value zone
Sale prices	1 bed house	£130,000	£145,000	£170,000	£180,000
	2 bed house	£150,000	£170,000	£200,000	£220,000
	3 bed house	£180,000	£210,000	£245,000	£275,000
	4 bed house	£215,000	£250,000	£290,000	£360,000
	1 bed flat	£110,000	£120,000	£135,000	£150,000
	2 bed flat	£125,000	£135,000	£150,000	£180,000
Unit sizes	1 bed house	60	60	60	60
	2 bed house	70	70	70	70
	3 bed house	90	90	90	90
	4 bed house	110	110	110	130
	1 bed flat	50	50	50	50
	2 bed flat	60	60	60	65
£ psm	1 bed house	£2,167	£2,417	£2,833	£3,000
	2 bed house	£2,143	£2,429	£2,857	£3,143
	3 bed house	£2,000	£2,333	£2,722	£3,056
	4 bed house	£1,955	£2,273	£2,636	£2,769
	1 bed flat	£2,200	£2,400	£2,700	£3,000
	2 bed flat	£2,083	£2,250	£2,500	£2,769

Source: Market Report Appendix 3, 2021

Assumed densities and dwelling mixes were then established to be applied on a number of sample sites in each zone on both greenfield and brownfield sites (see paragraphs 5.15 to 5.28 of the WPV).

The WPV identified expected costs of development in chapter 6, taking into account values of affordable housing, build costs and associated fees, profit margins, interest costs, and CIL costs. It then identifies and builds in 'policy costs' in Table 6-6 and this was used to inform decisions on policy requirements in the plan.

The WPV then looked at land value to determine a value per hectare and acre based on recent sales of greenfield land and brownfield uses (see paragraphs 6.61-6.71 of the WPV).

All of this provided an evidence-based residual value for sites of different typologies in different zones across Central Lincolnshire.

Chapter 7 of the WPV then tested the typology sites at various levels of affordable housing ranging from 5%-25% to identify remaining surplus or deficit for each typology in each value zone. In the higher value zone (which is called Value Zone A in the Local Plan) this identified a surplus of between £26,000 and £34,000 between the four typologies on greenfield land in this zone when 25% affordable housing is delivered which would allow for the full range of policy requirements proposed in the plan to be achieved. This is set out in Table 7-1 of the WPV and is replicated below.

Table 7-1 Greenfield higher value zone development surplus (deficit) results

Typology	Net density	Dwelling surplus (deficit) 5% AH	Dwelling surplus (deficit) 10% AH	Dwelling surplus (deficit) 15% AH	Dwelling surplus (deficit) 20% AH	Dwelling surplus (deficit) 25% AH
27	34	£40,000	£36,000	£34,000	£32,000	£28,000
65	28	£38,000	£36,000	£32,000	£30,000	£26,000
137	31	£36,000	£34,000	£30,000	£28,000	£26,000
350	33	£46,000	£44,000	£38,000	£38,000	£34,000

Source: AspinallVerdi, 2021

As is set out in paragraph 9.3 of the WPV, the recommendations are made based on the lowest achieved surplus in an area to allow a suitable buffer to allow for potential changes in the market.

For completeness, the WPV Addendum (**INF003**) found that the surpluses identified above had increased by around £4-6k in each case.

Thus, whilst it is possible that *some* sites in Value Zone A could achieve more than 25% affordable housing, this level has been selected based on sound viability judgement. This means that schemes remain viable and deliverable achieving full policy-compliance, whilst allowing for some site-specific variations and reducing the need to renegotiate contributions where market conditions change over the life of the plan.

Therefore, whilst the Addendum does indicate a greater surplus, even since that document was produced, the variables will undoubtedly have changed again. For example, there was a 13.6% rise in house prices in the last 12 months<sup>6</sup>, but also reports of rising material/build costs, together with forecast drops in house prices over the coming 12 months, with Lloyds bank (the UK's largest mortgage provider) reporting on 27 October 2022 that it is basing its best-guess expectation on an 8% fall in 2023, but sees it could be anywhere between 2.7%-17.9% fall.

It is also important to note that the 'surpluses' identified in the table above (and the further improved surpluses in similar tables in the Addendum (**INF003**)), do not build in the full policy costs of the Plan, especially the energy efficiency measures associated with Policy S7. The WPV refers in section 9 to these as potential 'options' that could be delivered by utilising the surplus identified.

<sup>6</sup> See <https://www.ons.gov.uk/economy/inflationandpriceindices/bulletins/housepriceindex/august2022>



Putting that another way, if the affordable housing level was set at greater than 25%, this would utilise more of the surplus identified, and potentially putting at risk the ability to require the energy efficiency measures of Policy S7. Put simply, the Committee knows it can't have its cake and eat it, namely, it can't further increase the affordable housing ask and require the energy efficiency measures of Policy S7 – the surpluses wouldn't allow.

(Though, it is worth identifying at this point that, should the Inspectors decide, albeit against the very strong objections of the Committee of doing so, to 'water down' the requirements of Policy S7, then this would release more of the surpluses to be made available for affordable housing, and, in order to further maximise the chances of meeting affordable housing needs, then the affordable housing asks in Policy S22 should be increased. Put simply, those representors seeking to limit the financial implications of Policy S7 equally, like the Committee, can't have their cake and eat it – the cost (or utilisation of the development surpluses) would simply be transferred to the affordable housing requirements.

***Q2 – How were the zones defined and are they accurate and appropriate?***

The value zones were introduced through developing and testing residential typologies through the whole plan viability work. The process is explained in chapter 5 of the Central Lincs Whole Plan Viability Study (**INF002a**).

As part of the work on the Whole Plan Viability Study, an assessment was undertaken of the residential market across Central Lincolnshire in the Whole Plan Viability Market Report (**INF002b**). This work looked at average property prices in the Central Lincolnshire districts but then also drilled down into Land Registry data sold prices in each Ward in Central Lincolnshire (as is presented in Figure 2-4 of the Market Report. It also considered house size and number of bedrooms as is illustrated between paragraph 2.10 and 2.41 of the Market Report.

This process also included telephone conversations with estate agents in Lincoln, Gainsborough and Sleaford.

This work identified that there were some substantial differences in sales values across Central Lincolnshire and that there were four distinct value zones in the area. This is perhaps most clearly presented in Table 2-28 on pages 31 and 32 of the Market Report or in Table 5-2 of the Whole Plan Viability Report (replicated above in question 1).

Whilst there will be developments in each area which over and under-perform against these established values, the evidence clearly identifies value differences in these areas. Applying these zones in policy allows the Local Plan to ensure that schemes will remain viable whilst ensuring that important policy requirements will be satisfied.

***Q3 – Does the Whole Plan Viability Assessment accurately account for all likely development costs, from contributions towards healthcare and education to site specific design costs such as higher optional technical standards?***

Predominantly, yes. The Whole Plan Viability Assessment (WPV) (**INF002a**) sets out all build cost inputs and assumptions in Chapter 6 from paragraph 6.8 onwards. Table 6-4 details the standard appraisal build cost inputs and assumptions. Table 6-6 then provides a breakdown of all potential policy cost inputs and assumptions including healthcare and education. Where applicable, the report identifies which costs are already included in the appraisals, and which costs are not.

These costs are based on evidence such as real world examples, some standard inputs, or government research and the source of these assumed costs are provided in the final column of both Table 6-4 and Table 6-6.

The recommendations of the report are then set out in chapter 9 and this clarifies what is being recommended in each of the housing zones, including specific costs, differentiating for both brownfield and greenfield sites. Section 9 then offers a flavour of what additional policy requirements might be possible, within identified surpluses, with the highest cost of these being around the energy efficiency measures. These recommendations were then used to make judgements by the Committee as to precisely what policy asks would be made in the Plan.

***Q4 – Does the Whole Plan Viability Assessment differentiate between greenfield and brownfield sites, and if so, how is this reflected in the Plan?***

Yes, the Whole Plan Viability Assessment (WPV) (INF002a) assesses typologies of both brownfield and greenfield sites – see the response to Issue 4, Question 1 above for the various stages of the process where this is considered.

The conclusions in chapter 9 of the WPV differentiate between brownfield and greenfield in higher value zones, making separate recommendations for each based on their viability. For brownfield sites in the other medium and lower value zones, the recommendation is grouped with greenfield sites in mid lower and lower value zones, as the evidence shows that they are all challenging from a viability perspective.

The plan recognises the potential challenges with viability in relation to the different value zones and site typologies. As such there is some flexibility in Policy S22 where it states “*The Central Lincolnshire Authorities will seek the level of affordable housing on the basis of the above targets, but will negotiate with developers if an accurate viability assessment which reflects the recommended approach in the national Planning Practice Guidance demonstrates these cannot be met in full.*” This does not specifically or solely relate to brownfield land but will be applied to such sites to support delivery where viability is shown to affect the deliverability of a site.

***Q5 – Does the Whole Plan Viability Assessment differentiate between strategic and non-strategic site allocations, and if so, how is this reflected in the Plan?***

Yes, the Whole Plan Viability Assessment (WPV) (INF002a) does differentiate between strategic and non-strategic sites. As is clarified in paragraphs 3.27 and 3.28, the site promoters and developers of strategic sites were contacted as part of the WPV process to gauge costs, opportunities and constraints on these sites and the responses received informed the work behind establishing viability on such sites.

Table 6-7 of the WPV identifies which value zones have been applied for each strategic site and paragraphs 6.15-6.53 provides a detailed commentary and summary of the position for each of the strategic sites. The impact of sensitivity testing of affordable housing levels on each of the strategic sites is set out in Table 7-5. This shows the development surplus or deficit when applying varying levels of affordable housing from 5% to 25%.

The WPV does recognise the challenging viability on some of these SUEs when standard costs are applied and they are then subject to sensitivity testing, using varied inputs in Table 8-7. It also provides evidence as of the continued deliverability of these sites. The strategic sites in Central Lincolnshire are long established, with most making good progress. The SUE policies S68-S71 set out the specific requirements for each site and the Central Lincolnshire Districts will continue to work closely with owners and developers of the SUEs to ensure the timely delivery of the sites.

***Q6 – What are the viability implications of the preference for 25% of all affordable housing to be delivered as first homes in Policy S22?***

The preference for 25% of affordable housing to be delivered as first homes, is in accordance with the Planning Practice Guidance<sup>7</sup>. First Homes has a positive impact on viability when compared to the other affordable housing tenures. Out of the three affordable housing tenures used in the viability testing (the analysis is set out in Paras 6.3 and 6.4 Whole Plan Viability Assessment (WPV) (**INF002a**)), First Homes are the most valuable i.e. 70% of Open Market Value (OMV). The other tenures are 45% of OMV for affordable rent and 65% of OMV for shared ownership.

***Q7 – When taking into account the need for and cost of likely development contributions, will the policies in the Local Plan undermine its deliverability?***

No. The Whole Plan Viability Assessment (WPV) (**INF002a** and **INF003**) has taken a conservative but pragmatic approach to all viability inputs, including those relating to developer contributions. It is informed by robust evidence and extensive sensitivity testing as well as the Infrastructure Delivery Plan (IDP) (**INF001a**).

Decisions on policy requirements, including where adequate flexibility for negotiation has been allowed, has been informed by both the WPV and IDP. It is recognised that we are in a particularly volatile period at present with inflation and political uncertainty impacting on the development industry, but the preparation of the Plan has been undertaken based on careful judgements, taking account of viability and the policy aspirations of the Committee, and the resultant plan establishes realistic requirements yet allows enough flexibility, particularly under the affordable housing policy, to negotiate to ensure that the plan, as a whole, will be deliverable.

It should be further emphasised that, due to the considerable buffer of housing supply above the housing requirement, should a particular site at a particular point in time be deemed unviable, and the flexible provisions of the Plan be demonstrated to be insufficient to enable that particular site at that particular point in time to become viable, then the excess supply should more than ensure that an adequate supply of homes are deliverable and are delivered to meet the identified need and requirements.

## Issue 5 – Employment Land Requirement- Policy 28

***Q1 – What is the need for employment land over the plan period and is this adequately set out in the Plan?***

The need for employment land is 11.6ha of “additional land in B use classes” set out in table 7.3 (pg 68) of the Economic Needs Assessment (**ECO001**). Paragraph 5.1.4 of the supporting text for policy S28 itemises the need by market sectors. This was not set out as a total figure because of the changes in the use classes in 2020, since the ENA was published. The Committee believed that the reference to B use classes did not translate well into the plan and could confuse the reader and so it was decided to set out the specific uses that make up the total need.

The Committee considers that the needs are clearly set out in the plan, but equally would have no objection to adding a total figure in paragraph 5.1.4 if this is deemed necessary.

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<sup>7</sup> PPG Reference ID: 70-001-20210524

**Q2 – The PPG advises that strategic policy making authorities will need to develop an idea of future needs based on a range of data which is current and robust, such as labour demand, labour supply, past take-up of employment land and consultation with relevant organisations.<sup>11</sup> How have these factors been taken into account in determining future demand for employment space in Central Lincolnshire?**

The Economic Needs Assessment (ENA) (**ECO001**) has used a range of data aligned to best practice set out in the PPG. Economic forecasts from Oxford Economics and Experian have been used to form a baseline of employment needs both overall and by sector (see chapter 5 of the ENA). These were then evaluated against each other and assessed against recent growth trends in chapter 6 of the ENA. This data has then informed the implied need for 11.6 hectares of employment land.

Past take up on the allocated employment sites in the adopted Local Plan, since 2017, has seen approximately 10 hectares of employment land being built in this five year period. The ENA also notes that commercial vacancy rates have dropped to 1.6% set out in table 4.9, pg 29 of the ENA. There also remains a significant amount of land with permission for employment uses at the Strategic Employment Sites – some 89.6 hectares – which has been taken into account when considering what land to allocate and where in the new Local Plan.

Relevant organisations have been drawn upon in the development of the evidence base for this policy. The Greater Lincolnshire Local Enterprise Partnership (GLLEP) Local Industrial Strategy (**ECO009**) has fed into the evidence base, set out in Section 3 page 6 (**EVR0028-34**) and as is referenced in numerous locations in the ENA.

The ENA sets out in Appendix 1 (pages 75-76) the consultation that took place with a range of public and private sector organisations. These consultation discussions have fed into the findings of the ENA in determining likely job growth and the land requirements to meet this need.

The ENA sets out how these sources of evidence have all fed into its conclusions and these informed the decisions made about assumptions to be used and the final requirements which are appropriate for Central Lincolnshire and represent a robust evidential position. This is best summarised and justified in chapter 8 of the ENA.

**Q3 – The Central Lincolnshire Economic Needs Assessment identifies a need for around 11.6 hectares of land. This is less than the amount previously projected to support the existing Local Plan (around 23 hectares). What are the main reasons for this reduction?**

Paragraph 7.20 of the ENA (**ECO001**) notes the reasons for this reduction are due to the greater requirement for higher density office development, and less optimistic outlook for the retail sector and wholesale sector and the knock on for requirements for warehousing than in the evidence informing the Local Plan.

**Q4 – The Committee's response to the Inspectors' Initial Questions states that there is approximately 100 hectares of land on Strategic Employment Sites yet to be developed, with around 90 hectares benefits from planning permission. How does the committed supply of employment land relate to the identified need? I.e. – does the scale, type and location of approved employment space match the anticipated requirements for land going forward?**

The identified need for employment land is set out in the ENA (**ECO001**) page 68 as being 11.6 hectares. Paragraph 5.1.4 of the supporting text for policy S28 itemises the need by market sectors

as follows – office 6.5ha (Class E g), industrial (B2) 0.9ha and warehouse (B8) 4.3ha and this reflects the breakdown of need in Table 7.3 of the ENA.

A brief summary of the status and land available at each of the Strategic Employment Sites in the plan is set out on page 18-19 of the CLJSPC response to initial questions and this includes some information about the range of uses with permission on the sites.

The amount of land with permission clearly exceeds the anticipated need, but this allows for flexibility for the market to deliver at the appropriate time. This also provides adequate land to meet the floorspace needs of each of the uses defined in paragraph 5.1.4 of the local plan.

Whilst the ENA does not conclude about land requirements for each district or for other specific geographies in Central Lincolnshire, the locations of these sites at Lincoln city and the main towns of Gainsborough and Sleaford are the best connected locations in Central Lincolnshire and ensure that there is a reasonable spread across the area to ensure that there will be land available near to where specific needs arise. Furthermore, these locations are the focus for population growth in the plan which will likely result in the need arising in these locations.

Finally, it is important to note that the suite of employment policies (Policies S28-S34) also provide a flexible framework to allow for more localised needs to be met as and when they arise.

***Q5 – Is the Local Plan justified in seeking to allocate significantly more employment land than required?***

Yes. Firstly, it is important to recognise that these sites already have permission or have been identified as an Enterprise Zone. The local plan cannot remove these permissions or designations.

Secondly, by having more land allocated than is projected as being needed, the local plan ensures that there is sufficient flexibility and choice, both in terms of location and in terms of type of site, so that the market can deliver as needs arise without encumbrance. This is essential to ensure that the local plan does not unduly restrict employment growth and to ensure that a reactive approach will not be needed to changes in needs.

## Issue 6 – Retail Need

***Q1 – Where are the anticipated needs for retail, leisure, office and other main town centre uses set out? Is the information on future needs based on appropriate and up-to-date evidence?***

The Economic Needs Assessment (ENA) (**ECO001**) identifies projected job growth identified by two of the major forecasting houses in Table 5.3. This is separated out by sector to include 'Wholesale and retail trade', 'Arts, entertainment and recreation' and other sectors that might require office or other town centre uses.

The latest retail-specific studies undertaken are the Central Lincolnshire City and Town Centres Study (2012) and update (2015) (**ECO002**), and these conclude the roles of the main centres throughout Central Lincolnshire – and these roles are not considered to have changed as is set out in paragraphs 3.2-3.3 of the Evidence Report to Policy S35 (**EVR035**).

Since that time, each of the Central Lincolnshire districts has undertaken substantial amounts of work in support of their city and town centres more recently. The main documents have been

included in the policy library (**ECO003-ECO008**), but these should not be seen as an exhaustive list as new documents are produced quite frequently.

Retail and town centres are facing an extremely challenging period where changes are fast-moving and need to adapt quickly to ensure continued health. There is a need to maintain flexibility, and for local authorities to work with the industries that occupy town centres and other partners and stakeholders, to ensure that town centres can adapt and maintain a healthy provision. More than just considering retail, town centres now need to be viewed as a destination with a multitude of uses on offer to attract visitors.

Any attempt to quantify needs during the production of this plan would quickly become out of date, particularly given the challenges relating to covid and Brexit, and so the preferred approach for retail is to consider the roles of centres. These challenges are further exacerbated by the change in use classes in 2020 which allows for substantial changes of use between town centre uses. These changes allow for fluid changes between town centre uses without hindrance from planning policies.

It is for these reasons why greater reliance has been placed on the District Council's strategies for the main centres to help ensure they maintain as a destination, fit for their strategic role. The flexibility in policies in this plan, will ensure that the town centre outlook remains responsive to need whilst maintaining the roles set out for the centres in the 2015 Town Centres Study which still remain appropriate today. This approach to planning for town centres is consistent with the Planning Practice Guidance where it says that "*Local planning authorities can take a leading role in promoting a positive vision for these areas, bringing together stakeholders and supporting sustainable economic and employment growth.*"<sup>8</sup>

***Q2 – Does the Local Plan allocate a range of suitable sites in town centres to meet the scale and type of development likely to be needed, looking at least 10 years ahead, as required by paragraph 86 of the Framework?***

Town centres are going through a transitional phase at present with a challenging outlook for retail. The Government has sought to address this by changing the Use Classes Order to create a new E Use Class which allows fluid changes between different commercial, business and service uses within this class.

The local plan identifies boundary of Lincoln City Centre and boundaries for other town centres, as well as Primary Shopping Areas in Policies S35 to S39 for the top two tiers of the retail hierarchy. Given the changes to the Use Classes Order and the flexibility of the policies in the plan, much of the need will be accommodated within the town centres as and when the market requires it.

Given the current retail climate and pace of change it is nearly impossible to project needs forward 10 years and any such predictions should be treated with great caution. Instead the Committee considers it to be more appropriate to provide policies that are supportive of town centre uses, taking into account the valuable assets and opportunities of the town centres and providing a positive framework against which to consider applications and to assist in the delivery of other strategies for the centres.

This is also supplemented by the identification of a number of regeneration and opportunity areas within Lincoln City Centre and Gainsborough and Sleaford Town Centres in policies NS72, NS73 and NS74 which provide for opportunities to enhance the offer of these centres.

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<sup>8</sup> PPG Reference ID: 2b-001-20190722