

## Home Builders Federation

### Matter 8

#### CENTRAL LINCOLNSHIRE LOCAL PLAN EXAMINATION

##### Matter 8 –

##### Issue 1 – Affordable Housing – Policy S22

Q1. The plan area has been divided into four value zones where the percentage of affordable housing sought will differ in each zone on qualifying developments as set out by Policy S22. Is this approach justified by robust, up-to-date evidence?

The HBF welcomes the decision to include variable rates based on different value areas. Such an approach is consistent with national policy that seeks to ensure that viability negotiations at the application stage are significantly reduced.

Q2. Are the different areas sufficiently clear? Will the policy be effective?

Yes, we consider the boundaries to be sufficiently clear and the approach is an effective one that seeks to reflect the different levels of viability seen across Central Lincolnshire.

Q3. Policy S22 states that the starting point for discussions on the exact tenure mix of affordable homes will be based on the delivery of approximately 25% of all affordable housing through planning obligations as first homes which would be priced at least 30% below full market value at a maximum value of £140,000. Is this approach justified? What is it based on, how was it calculated and what alternatives were considered?

In delivering First Homes the HBF consider it necessary to ensure that there is sufficient flexibility to ensure that a wide variety of such homes can come forward. A cap of £140,000 on the value of such homes will limit the type of house that can be delivered as a First Homes restricting choice and the potential benefits across Central Lincolnshire. PPG is sets out at paragraph 70-001 that the first home sale price should be no more than £250,000 and we would suggest that the Council maintain consistency with PPG and remove the £140,000 cap.



Q4. Based on the requirements for qualifying developments, how many affordable homes is the Local Plan expected to deliver? How does this compare to the identified need?

This is for the Council to answer; however, we note that the Council states in S22 that it expects to deliver circa 12,000 affordable homes over the plan period which is circa 37% of the total amount of housing that is expected to be delivered. Given that the maximum that is expected from a development is 25% and that this applies to just one zone we are concerned that the Councils will fall significantly short of the 12,000 homes it expects to deliver.

Q5. How does this compare to previous performance? How many affordable homes have been provided as a percentage of total output over the past 5-10 years?

This is for the Councils to answer.

Q6. Policy 22 states that that if a proposed development scheme falls below the relevant thresholds for the provision of affordable housing but is followed by an obviously linked subsequent development scheme at any point where the original planning permission remains extant, or up to five years following completion of the first scheme, then relevant affordable housing policies will apply. Is this approach justified?

No comment

Q7. Is it sufficiently clear to decision makers, developers and local communities how this 'back-dated' approach to the provision of affordable housing on two or more linked schemes will work in practice? Is this part of the policy effective?

No comment

Q8. Are the thresholds set out in part one of the policy justified?

No. The results in the Whole Plan Viability Study (INF002a) show in table 7-1 to 7-5 that the surpluses generated in the mid and higher Value Zones will be insufficient to cover the costs excluded from the baseline viability assessment appraisal plus the addition of further outstanding infrastructure costs. Whilst the Council recognises that there is viability concern instead of amending policies to reflect the evidence it has instead examined in chapter 8 the impact on viability of a significant reduction in build costs and land values. This outcomes of this are that the majority of development that was unviable becomes viable. However, this approach is unjustified. Firstly, to use the lowest observed build costs may not necessarily reflect the cost of building homes within the area just the lowest possible cost. The Council would not expect to use the highest observable build cost identified recognising that whilst this may happen this would not be appropriate in most circumstances. The much lower build cost also fails to take into account the higher standard that are being promoted through the local plan nor the rapidly increasing costs of material and labour. The likelihood of the majority of developers being able to achieve the lower build costs suggested are slim. With regard

to land values the Council need to be cautious. There will be a point at which land will just not come forward. There is a risk that if it is expected that land values will reduce significantly, particularly on PDL sites, development will just not come forward impacting on the overall deliverability of the plan. As a minimum we would suggest that the thresholds are modified to reduce requirements on brownfield sites in line with the evidence.

Q9. Is the requirement for the provision of affordable specialist housing for older people deliverable and justified?

No comment

Q10. Part three of Policy S22 allows for sites adjacent to an existing settlement to be developed for affordable housing where a local need has been identified. For effectiveness should the scale of development, which is intended to be allowed, and the relevant settlements, be identified?

No comment

Q11. Is part three of Policy 22 consistent with national policy as set out in paragraph 78 of the Framework?

No comment

### **Issue 3 – Custom and Self-Build Housing – Policy NS24**

Q1. How has Committee identified the need for self-build and custom housebuilding?

It would appear from the Local Plan that the only evidence of the demand for self-build housing is from the self-build register. Paragraph 4.3.6 notes that in 2019 there were 136 people on the register. This is not indicative of an area where there is significant demand for self-build plots and certainly not sufficient to warrant 2% of all plots on sites of over 100 units being set aside for self-builders. It is also the case that self-build registers can overstate the level of demand. The Register may indicate a level of interest in self & custom build but cannot be reliably translated into actual demand should plots be made available because entries may have insufficient financial resources to undertake a project, be registered in more than one LPA area and have specific preferences.

Q2. How many self or custom build homes is the Local Plan expected to deliver and will the identified need be met?

This is for the Council to answer. Evidence will also need to be provided by the Council as to how they have examined opportunities to use their own land to increase the supply of plots for self-builders in line with paragraph 57-025 of PPG. The Council should not place the responsibility solely on the development industry to meet these needs but look at its own ability to support those looking to build their own home.

Q3. How many self or custom build homes have been provided as a percentage of total output over the past 5 years?

This is for the Council to answer. However, where there is a considerable number of self-build plots coming forward on windfall, we would suggest that a more appropriate policy would be one that encourages and supports such applications rather than seeking to meet demand by requiring self-build plots to be provided on larger residential developments.

Q4. Part 3 of Policy NS24 stipulates that residential development proposals for 100 or more dwellings will provide serviced plots to deliver at least 5% of the total number of dwellings as self or custom build homes. What is the justification for this percentage?

For Council.

Q5. Is the requirement for each plot on qualifying sites to include a 'plot passport' justified?

No comment.

Q6. What is the justification for requiring the submission of additional specifications such as landscaping details on each plot after outline planning permission or permission in principle has been obtained?

No comment

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