

Executive Summary

Introduction

ES 1 The purpose of this study has been to assist the Central Lincolnshire Authorities (CL) in their review of the Local Plan to specifically identify the viability impacts, issue and choices of emerging planning policies, and make recommendations to ensure that the Central Lincolnshire Local Plan, when taken as a whole, is viable and deliverable.

Residential generic site testing

ES 2 Our assessment has found that the majority of the proposed residential allocations, excluding strategic sites assessments, are viable and there are sufficient surpluses to fund additional policy ask - such as increasing sustainability measures for carbon reduction.

ES 3 In the areas identified as “higher value” in Figure E-2, there is scope to introduce requirements for zero regulated carbon homes and maintain existing policy requirements. In those areas identified as “mid value” there is sufficient surplus for Future Home Standards and to maintain existing policy requirements.

ES 4 The higher and mid value areas are where the majority of the planned growth has been identified, exclusive of the strategic sites.

ES 5 Viability in the mid lower and lower value areas is more challenging, but there is much less growth planned here (around 17% of all dwellings (see Table 5-4 and Table 5-5) excluding strategic sites). We see in these areas that development is coming forward despite challenging viability, which suggests that development can be made or is viable on a site by site basis. We demonstrated through our sensitivity testing the circumstances on how these sites may become more viable i.e., lower build costs and lower land value. Our report is bound by the viability PPG methodology and as such, it could be considered, that our testing is conservative but pragmatic as it is not appropriate to set our testing against the lowest in the ranges of cost inputs and the highest in the range for value inputs. In these areas, it is appropriate that policy asks at the current level are maintained as they are generally being delivered, but additional policy asks could be challenging to deliver.

Source: AspinallVerdi, QGIS, 2021

Residential strategic site testing

- ES 6 Our viability assessment has shown that the majority of the strategic sites are viable before taking into account strategic infrastructure costs. The strategic sites around Gainsborough and Sleaford are more challenging but our sensitivity testing has shown how they maybe being delivered. Indeed, there are commitments from the landowners in bringing these sites forward as they have planning permissions, with signed S106s in place. Generally speaking, once strategic infrastructure costs are reflected in the assessment viability becomes more challenging across all the strategic sites, and this is germane with many large-scale strategic allocations across the region.
- ES 7 The infrastructure requirements for the strategic sites in this analysis cannot be supported by the development surpluses alone. The more challenging strategic sites will need assistance to be unlocked through alternative funding schemes or flexibility with regards to developer contributions. This is something we know is already happening in the area (i.e., the Western Growth Corridor has received HE grant funding and the North Gainsborough SUE has flexible S106 payments falling into latter phases of development). In conjunction with this, CL should also carefully consider the timing/cash flow for investment in infrastructure as well as perhaps reducing the level of strategic infrastructure that is required to be supported by the developers of these strategic sites. In this latter scenario, where possible, only a portion of these costs should be requested from developers. Further discussion and engagement with site representatives are needed to identify what can be 'afforded'. Due to the challenges in delivering infrastructure on the strategic sites, CL should continue to be flexible in how the policy ask is captured and monitoring is required.

Elderly & student accommodation

- ES 8 Our testing has shown that elderly and student accommodation is very sensitive to small changes to the viability inputs. Development of this type of accommodation does come forward in the CL area but the economics are determined by the scheme specifics. It is recommended that CL should take a flexible policy approach to these types of development and the scheme specifics should be assessed at the planning application stage. As for strategic sites, the local plan will need to carefully consider what level of contribution might be sought from such developments across CL, and on our analysis, there should not be an expectation that funding from the surpluses from such developments will routinely be secured.

Comparison retail

- ES 9 The underlying market conditions mean development in this sector is likely to remain challenging for some time. Development may come forward as part of a mixed used development or for an owner occupier. In our analysis surpluses are unlikely.

Convenience retail

- ES 10 Convenience retail is currently viable with the current CIL indexed linked. Given the current flux in the retail market, we would not recommend increasing the current CIL charge.

Office

- ES 11 Office development is challenging on a speculative basis, development may come forward as part of a mixed used development or to an owner occupier. We recommend that CL should take a flexible policy approach to this type of development.

Industrial

- ES 12 Industrial development is considered marginally viable, and there are examples of speculative development being brought forward and occupied (for example St Modwen Park, formerly Network 46, at Witham St Hughs) indicating that there is demand in CL for industrial floorspace. In our view industrial development will continue to come forward as long as the current policy requirements remain.