

Examination of the Central Lincolnshire Local Plan 2018 –2040.

Matter 2 – Housing, Employment and Retail Need.

On behalf of Persimmon South Yorkshire

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1. Introduction

- 1.1. This Hearing Statement has been produced by Pegasus Group on behalf of our client, Persimmon South Yorkshire. It focuses upon the Inspectors Matters, Issues and Questions which relate to our previous representations.
- 1.2. Our client wishes to ensure that the Central Lincolnshire Local Plan (CLLP) is prepared in a robust manner that passes the tests of soundness contained in paragraph 35 of the 2021 NPPF, namely that the plan is:
 - Positively Prepared;
 - Justified;
 - Effective; and
 - Consistent with national policy.
- 1.3. The CLLP also needs to be legally compliant and adhere to the Duty to Cooperate.
- 1.4. Our client submitted representations to previous stages of the Local Plan Review production including the Regulation 18 Draft Local Plan Consultation (June 2021) and Regulation 19 Proposed Submission Local Plan Consultation (March 2022). Despite the issues our client has identified with the CLLP, the amendments made to the plan do not reflect the comments which we have made. Accordingly, the Joint Strategic Planning Committee (hereafter referred to as JSPC) have not overcome the issues identified and we therefore believe the CLLP is unsound.
- 1.5. Persimmon are one of the largest home builders in the country with an excellent track record of delivery. Our client has a direct interest in respect of their site at Land to the East of Station Road, North Hykeham (ref: NK/NHYK/009). Our previous representations identify why this site should have been selected for allocation.

2. Response to the Inspector's Matter 2 Issues and Questions

2.1. We welcome the opportunity to comment on the Inspector's Matters, Issues and Questions (MIQs) and provide the following responses to selected questions. Our client reserves the right to respond to specific issues raised by the JSPC and other parties within the hearing session in so far as they relate to our previous representations.

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')?

2.2. The NPPF, paragraph 61, identifies that the minimum number of homes required within an area should be informed by a local housing need assessment (LHN), conducted using the standard method in national planning guidance. The PPG (section 2a), as currently drafted, sets out a four-step process for identifying this minimum need. In summary these steps are:

- Step 1: 10-year average of the 2014-based household projections
- Step 2: Affordability uplift
- Step 3: Cap at 40% above household projections or adopted plan
- Step 4: 35% Uplift for 20 largest urban areas

2.3. Step 4 is not relevant to any of the CLLP authorities and as such is not considered further.

2.4. The PPG (ID 2a-008-20190220) also identifies that:

*"However, 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.**" (our emphasis).*

2.5. The CLLP was submitted to the Planning Inspectorate on 8th July 2022. This LHN at this time must, therefore, represent the minimum housing requirement. This is calculated below.

Table 1: LHN calculation for CLLP area

Local Authority	Step 1	Step 2	Step 3	Total
North Kesteven	357.6	451	N/A	451
West Lindsay	285.1	336	N/A	336

City of Lincoln	281.1	316	N/A	316
Total				1,103

- 2.6. The minimum requirement as calculated by the standard method is, therefore, 1,103 dwellings. This is 43dpa, or 946 dwellings over the plan period, greater than the 1,060 dwellings identified in Policy S2 of the submitted plan (STAOO1). This figure must, in accordance with the PPG, be amended.

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?

- 2.7. No. The PPG (ID 2a-O10-2019O220) re-iterates that the standard method is the minimum housing requirement. It is, therefore, implicit that requirements above this minimum are acceptable. Whilst the PPG does identify specific circumstances where greater levels of housing should be catered for, these are not exhaustive. The PPG states:

"...It does not attempt to predict the impact that future government policies, changing economic circumstances or other factors might have on demographic behaviour.

Therefore, there will be circumstances where it is appropriate to consider whether actual housing need is higher than the standard method indicates.

*This will need to be assessed prior to, and separate from, considering how much of the overall need can be accommodated (and then translated into a housing requirement figure for the strategic policies in the plan). 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:*

- *growth strategies for the area that are likely to be deliverable, for example where funding is in place to promote and facilitate additional growth (e.g. Housing Deals);*
- *strategic infrastructure improvements that are likely to drive an increase in the homes needed locally; or*
- *an authority agreeing to take on unmet need from neighbouring authorities, as set out in a statement of common ground;*

*There may, occasionally, also be situations **where previous levels of housing delivery in an area, or previous assessments of need (such as a recently-produced Strategic Housing Market Assessment) are significantly greater than the outcome from the standard method.**" (PPG ID 2a-O10-2019O220, our emphasis)*

- 2.8. Furthermore, in respect of affordable housing need, the PPG (ID: 67-008-2019O722) also states:

"An increase in the total housing requirement included in the plan may need to be considered where it could help deliver the required number of affordable homes."

2.9. It is, therefore, clear that there are numerous reasons why the housing requirement should be set above the minimum identified by the standard method. Within our comments upon the publication version of the CLLP (paragraphs 4.15 to 4.24) we outline several reasons including more recent household and population projections, economic aspirations, and recent levels of delivery.

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?

2.10. The level of jobs growth identified in the plan is considered realistic but not aspirational. Indeed, the 'Economic Needs Assessment Update' published in 2020 (ECO01) identifies that growth of 1,850 jobs per annum have been created on average in Central Lincolnshire over the plan period to date. This far exceeds the anticipated growth within the period and is almost twice the figure used to model the housing requirement. Whilst it is recognised that economic growth is cyclical the implications of this strong performance should be further considered with reference to the housing requirement.

Q4. How does it compare to past performance?

2.11. I refer the Inspectors to the above response.

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

2.12. The HNA undertakes modelling work to translate the ambition for jobs (992 per annum) into new homes required. This is inevitably reliant upon several assumptions. This modelling work provides the upper end of the range 1,323dpa, rounded to 1,325dpa.

2.13. The modelling utilises the 2016-based SNPP as its basis, rather than the more up to date 2018-based SNPP. Whilst the impact of this has not been modelled it is notable that the 2018-based SNPP suggest a greater population in 2018 and 2040 compared to their 2016-based counterparts. This is particularly pronounced in North Kesteven where significantly greater growth is now anticipated. However, it is recognised that a slightly lower overall population growth is anticipated. This is illustrated in table 2 below.

Table 2: Comparison of 2016-based and 2018-based SNPP (Persons)

	2018-SNPP		2016 SNPP	
Local Authority	2018	2040	2018	2040
North Kesteven	115985	132221	115102	126586
City of Lincoln	99039	102295	98091	104048
West Lindsey	94869	102249	95351	105437

Total Population	309893	336765	308544	336071
Difference		26872		27527

- 2.14. The upper end of the housing requirement range is based upon a jobs-led scenario. This is, therefore, reliant upon having enough working age adults to fill the jobs created. The impact of the lower overall population growth identified within the 2018-based projections will inevitably have implications upon the modelled scenario.

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?

- 2.15. The March 2020 'Economic Needs Assessment Update' suggests an indicative need for 11.6ha of additional employment land over the plan period (2018 to 2040). However, Policy S29 of the CLLP identifies that proposed strategic sites provide a net undeveloped (May 2020) capacity of a further 97.27ha of employment land.
- 2.16. Within its response to the Inspector's Initial Questions (IIQs) (EX004) the JSPC identifies that much of this land already benefits from permission and that a number of these sites are progressing towards delivery or have already started to deliver. It is, however, unclear from the evidence and JSPC response to the IIQs what the implications for jobs-growth and the housing requirement may be.
- 2.17. Given the recent levels of population, housing and jobs growth (referred to in earlier questions) it appears highly likely that the level of employment land being brought forward is likely to require additional housing provision.

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?

- 2.18. This is considered an issue for the JSPC to address.

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

- 2.19. The implications would be increased pressure on the existing housing market. The net result of a lack of supply to meet demand is increased house prices and reduced affordability leading to a greater affordable housing need and in some instances over-crowding.
- 2.20. In addition, the lack of available housing to meet demand combined with additional jobs will result in an increase in 'in-commuting' to fill available jobs. This will have implications for both infrastructure and the sustainability of the CLLP.

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?

2.21. Within our comments upon the Publication version of the CLLP and in response to the questions in issue 1 of this matter we outline why the housing requirement should be greater than 1,325dpa. In summary these are:

- Aligning jobs growth and housing growth,
- Recent levels of population and housing growth, and
- Recent levels of housing delivery.

2.22. The extant Central Lincolnshire Local Plan identifies a housing requirement of 1,540dpa. This plan was not adopted until 2017. Prior to its adoption the extant Local Plan would have had limited influence. Since its adoption, it has delivered 1,284dpa on average. This includes 2020/21 a year when housing delivery was severely hampered by the Covid-19 Pandemic and numerous 'lock-downs'. In the two years prior to the pandemic (2018/19 and 2019/20) housing delivery approximated to the extant Local Plan requirement.

2.23. It therefore appears premature to abandon a plan requirement based upon just 4-years' worth of delivery, particularly given that one was in the midst of a global pandemic. In addition, the HNA notes that delivery over the period 2012-19 appears '*particularly low in the long-term context*' (paragraph 5.20). The HNA also notes that the long-term average prior to the plan period was 1,477dpa (1996-2012) and over the period 1996-2020 it has been closer to 1,350dpa. Given this context setting the upper limit of the housing requirement at 1,325dpa is contrary to the aspiration of the NPPF (paragraph 60). Based upon the levels of delivery experienced over the longer-term and the promising levels of delivery over the last two years it appears that the existing housing requirement of **1,540dpa** is achievable and should be retained in the new plan. Such a figure would better align with the economic aspirations of CLLP.

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?

2.24. Yes, I refer the Inspectors to the comments to Q1 above.

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?

2.25. Our client does not consider that a justification exists. Whilst we note the JSPC comments to the IIQs we do not agree. Notwithstanding our comments above, if the plan is seeking to make provision for 1,325dpa it should positively seek to do so.

2.26. The NPPF paragraph 66 notes that:

"Strategic policy-making authorities should establish a housing requirement figure for their whole area, which shows the extent to which their identified housing need (and any needs that cannot be met within neighbouring areas) can be met over the plan period..."

2.27. The simple reading of this paragraph is that a single figure rather than a range should be provided. It should be noted that whilst the 2018 draft PPG did refer to a range this was removed from the final guidance on housing need. Furthermore, the JSPC may be aware of

the recent Doncaster Local Plan Inspectors Report which required main modifications to the plan to remove the Council's reference to a range in its proposed housing requirement. Like this proposal the bottom of the range was the LHN figure and the top based upon economic aspirations. The Doncaster housing requirement was set on the upper end of the range.

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

2.28. As discussed above our client does not consider a range should be provided.

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

2.29. No comment.

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?

2.30. No comment.

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?

2.31. This is an issue for the JSPC to address.

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

2.32. No. In terms of affordable housing the HNA identifies a total combined annual affordable housing need of 592 affordable dwellings per annum, this represents nearly 56% of the bottom of the range and 45% of the top of the range. Clearly, affordable housing is not only delivered through market housing schemes, but it is the primary contributor.

2.33. The CLLP, Policy S21, identifies 4 value zones across the CLLP area which require different levels of affordable housing contribution ranging from 10 to 25%. These values are based upon viability testing. Given these are significantly less than the proportion of affordable housing compared to overall housing requirement it is highly unlikely the affordable housing needs will be met.

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?

2.34. Given the level of affordable housing required a higher overall housing requirement would assist in the delivery of affordable housing. This is consistent with the NPPF, paragraph 60, and PPG (ID: 67-008-20190722).



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

2.35. This is clearly a reasonable option and as such should have been considered.

Town & Country Planning Act 1990 (as amended)
Planning and Compulsory Purchase Act 2004

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