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Dear Sir / Madam

## **CENTRAL LINCOLNSHIRE DRAFT JOINT LOCAL PLAN REVIEW (JLPR) CONSULTATION**

Thank you for consulting with the Home Builders Federation (HBF) on the above-mentioned consultation. The HBF is the principal representative body of the house-building industry in England and Wales. Our representations reflect the views of our membership, which includes multi-national PLC's, regional developers and small local builders. In any one year, our members account for over 80% of all new "for sale" market housing built in England and Wales as well as a large proportion of newly built affordable housing. The HBF submit the following representations to the Central Lincolnshire Draft JLPR consultation.

### **Duty to Co-operate**

As set out in the 2021 National Planning Policy Framework (NPPF), the Councils are under a Duty to Co-operate with other Local Planning Authorities (LPA) and prescribed bodies on strategic matters that cross administrative boundaries (para 24). To maximise the effectiveness of plan-making and fully meet the legal requirements of the Duty to Co-operate, the Councils engagement should be constructive, active and on-going. This collaboration should identify the relevant strategic matters to be addressed (para 25). Effective and on-going joint working is integral to the production of a positively prepared and justified strategy (para 26). The Councils should demonstrate such working by the preparation and maintenance of one or more SoCG identifying the cross-boundary matters to be addressed and the progress of co-operation in addressing these matters. Therefore, as set out in the 2021 NPPF, the JLPR should be positively prepared and provide a strategy, which as a minimum seeks to meet its own housing needs in full and is informed by agreements with other authorities so that unmet need from neighbouring areas is accommodated (para 35a).

The National Planning Practice Guidance (NPPG) explains that a SoCG sets out where effective co-operation is and is not happening throughout the plan-making process. The NPPG confirms that a SoCG is a way of demonstrating that Local Plan is deliverable over the plan period and based on effective joint working across LPA boundaries. It also forms part of the evidence required to demonstrate compliance with the Duty to Co-operate (ID 61-010-20190315).



The Inspector will use all available evidence including SoCG to determine whether the Duty to Co-operate has been satisfied (ID 61-031-20190315).

To provide communities and other stakeholders with a transparent picture of collaboration, the NPPG sets out that authorities should have a SoCG available on their website by the time of publication of their Draft Plan. Once published, the Councils will need to ensure that any SoCG continues to reflect the most up-to-date position of joint working (ID 61-020-20190315). The Draft Central Lincolnshire JLPR consultation is not accompanied by a SoCG.

The Central Lincolnshire JLPR is a demonstration of collaborative working between Lincoln City Council, North Kesteven District Council and West Lindsey District Council. It is understood that Central Lincolnshire's housing needs will be met in full by the JLPR. It is also understood that neighbouring authorities are meeting their own housing needs. However, this understanding and any other strategic matters should be set out in one or more SoCG. After publication of SoCG, the HBF will submit further comments on the Councils compliance with the Duty to Co-operate and the soundness of the JLPR in written representations to the pre-submission (Regulation 19) Central Lincolnshire JLPR consultation.

### **Local Housing Need (LHN) & Housing Requirement**

Under **Draft Policy S2 – Growth Levels & Distribution**, the housing requirement for Central Lincolnshire is set out as a range of 1,060 - 1,325 dwellings per annum between 2018 - 2040. The baseline housing requirement is 23,320 dwellings, however, the JPLR's strategic aim is to facilitate the delivery of 29,150 dwellings and the creation of around 24,000 new jobs over the plan period.

As set out in the 2021 NPPF, 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 (para 66). The determination of the minimum number of homes needed should be informed by LHN assessment using the Government's standard methodology unless exceptional circumstances justify an alternative approach (para 61). In Central Lincolnshire, there are no exceptional circumstances to justify an alternative approach. The latest NPPG sets out the standard methodology for calculating the LHN figure (ID 2a-004-20201216).

The Councils assessment of LHN is set out in Housing Need Assessment dated April 2020 by Turley (Document HOU001). The LHN for Central Lincolnshire is calculated as minimum 1,086 dwellings per annum. As set out in the NPPG, the LHN is calculated at the start of the plan-making process, but this number should be kept under review and when appropriate revised until the JLPR is submitted for examination (ID 2a-008-20190220). The minimum LHN for Central Lincolnshire may change as inputs are variable. Using the standard methodology, the minimum LHN for Central Lincolnshire is 1,062 dwellings per

annum based on 2014 SNHP, 2021 as the current year and 2020 affordability ratios of 5.55 in Lincoln, 6.91 in North Kesteven and 6.25 in West Lindsey respectively.

The NPPG clearly states that the standard methodology is the minimum starting point in determining the number of homes needed. The NPPG explains that “*circumstances*” may exist to justify a figure higher than the minimum LHN. The “*circumstances*” for increasing the minimum LHN are listed in the NPPG including, but not limited to, situations where increases in housing need are likely to exceed past trends because of growth strategies, strategic infrastructure improvements, agreeing to meet unmet need from neighbouring authorities or previous levels of housing delivery / assessments of need, which are significantly greater than the outcome from the standard methodology. The NPPG indicates that if previous housing delivery has exceeded the minimum LHN, the Councils should consider whether this level of delivery is indicative of greater housing need (ID 2a-010-20201216). In Central Lincolnshire, there is justification for a housing requirement above the minimum LHN.

In Central Lincolnshire, the 2015 SHMA previously assessed a greater need for housing than the standard methodology. The adopted Joint Local Plan has a housing requirement for 1,540 dwellings per annum. Historically, housing delivery has also been significantly greater than the minimum LHN, over both the long-term between 1996 - 2012 and in the more recent years. The 2020 Housing Delivery Test (HDT) shows completions of 1,135 dwellings in 2017/18, 1,586 dwellings in 2018/19 and 1,807 dwellings in 2019/20. This implies that there has been a higher sustained level of demand for new homes than suggested by the standard methodology. The minimum LHN is representative of a low recessionary rate of housing delivery.

Furthermore, the 2014-based SNPP anticipated that the population of Central Lincolnshire would grow by around 7,700 people between 2014 and 2018. Subsequently released ONS population estimates instead show actual population growth of approximately 10,900 persons, which means that the population of Central Lincolnshire is already larger and growing to a greater extent than assumed in the standard methodology demographic baseline assumptions.

The 2021 NPPF seeks to achieve sustainable development by pursuing economic, social and environmental objectives in mutually supportive ways (para 8). To date, Central Lincolnshire has seen continued employment growth as set out in detail in the Employment Need Assessment (ENA) Update. On average about 1,850 jobs have been created per annum, with certain sectors performing considerably better than was previously forecast. This has been assisted by an increasing supply of floorspace within commercial properties and reduced unemployment amongst the resident labour force.

Bespoke modelling prepared by Edge Analytics suggests that housing provision in line with the standard methodology (1,083 dwellings per annum) could support the creation of circa 14,890 new jobs (677 jobs per annum) across

Central Lincolnshire over the JLPR plan period of 2018 - 2040. This will enable some job growth, but it is unlikely to provide the labour force needed to fully support anticipated levels of job growth.

The ENA Update introduces forecasts sourced from Experian and Oxford Economics. Experian is the more optimistic envisaging the creation of circa 714 jobs per annum compared to circa 420 jobs per annum in the Oxford Economics forecast. These forecasts were adjusted to provide a more locally representative outlook for Central Lincolnshire, which indicated that circa 992 jobs will be created annually. Housing provision in alignment with the standard methodology would provide the labour force to support only two thirds (68%) of the jobs that could be created in Central Lincolnshire over the JLPR plan period. Therefore, housing provision would act as a constraint to economic growth.

To support the long-term sustainability of Central Lincolnshire, the Councils are seeking to achieve a sustainable balance between employment and housing growth. A jobs-led modelling scenario to achieve alignment with the forecast jobs growth set out in the ENA Update indicated that approximately 1,323 dwellings per annum would be needed, which would also boost the rate of housing delivery towards previously recorded delivery rates.

The Councils should also recognise economic benefits of housing development in supporting local communities as highlighted by the HBF's latest publication Building Communities – Making Place A Home (Autumn 2020). The Housing Calculator (available on the HBF website) based on The Economic Footprint of House Building (July 2018) commissioned by the HBF estimates for every additional house built in Central Lincolnshire, the benefits for the local community include creation of 3 jobs (direct & indirect employment), financial contributions of £27,754 towards affordable housing, £806 towards education, £297 towards open space / leisure, £1,129 extra in Council tax and £26,339 spent in local shops.

The NPPG sets out that households whose needs are not met by the market, who are eligible for one or more of the types of affordable housing as defined in Annex 2 : Glossary of the 2021 NPPF, should be considered in need of affordable housing (ID 67-005-20190722). The HNA identifies an overall affordable housing need of 592 dwellings per annum. This is a significant proportion (56%) of the minimum LHN. The NPPG states that total affordable housing need should be considered in the context of its likely delivery as a proportion of mixed market and affordable housing developments. As set out in the NPPG, an increase in the total housing figures may be considered where it could help deliver affordable housing (ID 2a-024-20190220). The HBF acknowledge that the Councils may not be able to meet all affordable housing needs but a housing requirement above the minimum LHN will make a greater contribution to delivering more affordable housing.

As set out in the NPPG, the Government is committed to ensuring that more homes are built and supports ambitious Councils wanting to plan for growth (ID 2a-010-20201216). The NPPG states that a higher figure “*can be considered*

*sound*” providing it “adequately reflects current and future demographic trends and market signals”. The Councils have demonstrated that “circumstances” exist to justify a housing need higher than indicated by the standard methodology.

The HBF support the Councils in identifying a housing need, which is greater than the minimum standard methodology LHN figure. However, the NPPG does not set any limitations on a higher figure, which is a matter of judgement. The Government’s objective of significantly boosting the supply of homes set out in the 2021 NPPF remains (para 60). The HBF believe that the Councils should have been more ambitious. The upper end of the proposed housing requirement range is below previously achieved housing delivery rates and misaligned with the strategic aim of creating 24,000 new jobs (1,090 jobs per annum). The proposed housing requirement range is not a significant boost to the supply of homes. A higher housing requirement would support economic growth and deliver more affordable housing.

The HBF also note that the housing requirements set out in **Draft Policy S2** are not expressed as minimum figures. Before the JLPR pre-submission consultation, the Councils should consider a more ambitious housing requirement. **Draft Policy S2** should also be amended to set out the housing requirement as a minimum figure.

### **Housing Land Supply (HLS)**

The JLPR’s strategic policies should ensure the availability of a sufficient supply of deliverable and developable land to deliver a housing requirement, which meets Central Lincolnshire’s LHN. This sufficiency of HLS should meet the housing requirement, ensure the maintenance of a 5 Year Housing Land Supply (YHLS) and achieve HDT performance measurements.

**Draft Policy S1 – Spatial Strategy & Settlement Hierarchy** sets out an eight-tiered settlement hierarchy comprising of Lincoln Urban Area, Main Towns, Market Towns, Large Villages, Medium Villages, Small Villages, Hamlets and Countryside. The focus is to concentrate growth on the main urban areas of Lincoln, Gainsborough and Sleaford with remaining growth delivered elsewhere across Central Lincolnshire in other sustainable settlements.

**Draft Policy S2 – Growth Levels & Distribution** proposes provision for 29,150 dwellings between 2018 – 2040 to be distributed as follows :-

- Lincoln Strategic Area (defined on Map 1) – 18,656 dwellings (64%) ;
- Gainsborough - 3,498 dwellings (12%) ;
- Sleaford - 3,498 dwellings (12%) ; and
- Elsewhere - 3,498 dwellings (12%).

Non-allocated development proposals within or immediately adjacent to the developed footprint of Lincoln Urban Area, Main Towns and Market Towns are supported by **Draft Policy S3 – Housing in Urban Areas**. Unallocated

development proposals in or adjacent to Large, Medium and Small Villages are supported by **Draft Policy S4 – Housing in or adjacent to Villages**.

Sustainable Urban Extensions (SUEs) form an integral part of the JLPR by delivering more than 50% of the planned housing requirement over the plan period (2018 – 2040). Eight SUEs located around Lincoln and at Gainsborough and Sleaford were allocated in the adopted Plan. An overarching policy approach is provided by **Draft Policy S67 – Sustainable Urban Extensions**. The following policies provide specific requirements for each individual SUE.

**Draft Policy S68 – Lincoln SUEs** allocates 4 SUEs for circa 12,600 dwellings at :-

- Western Growth Corridor (3,200 dwellings) ;
- SE Quadrant (6,000 dwellings of which 3,400 dwellings expected to be delivered by 2040 see **Draft Policy S75**) ;
- NE Quadrant (1,400 dwellings) ; and
- SW Quadrant (2,000 dwellings of which 1,000 dwellings expected to be delivered by 2040 see **Draft Policy S75**).

**Draft Policy S69 – Gainsborough SUEs** allocates 2 SUEs for circa 5,000 dwellings at :-

- Southern Neighbourhood (2,500 dwellings of which 750 dwellings expected to be delivered by 2040 see **Draft Policy S75**) ; and
- Northern Neighbourhood (2,500 dwellings of which 750 dwellings expected to be delivered by 2040 see **Draft Policy S75**).

**Draft Policy S70 – Sleaford SUEs** allocates 2 SUEs for circa 2,850 dwellings at :-

- South Quadrant (1,450 dwellings) and
- West Quadrant (1,400 dwellings of which 850 dwellings expected to be delivered by 2040 see **Draft Policy S75**).

Numerous regeneration & opportunities areas in Lincoln, Gainsborough and Sleaford are identified in **Draft Policies NS71, NS72, NS73 and NS74**.

**Draft Policy S76 – Housing Sites in Lincoln Urban Area** allocates 23 sites for circa 1,919 dwelling of which 5 sites are less than 1 hectare accommodating circa 98 dwellings. **Draft Policy S77 – Housing Sites in Main Towns** allocates 19 sites for circa 2,048 dwellings of which 6 sites are less than 1 hectare accommodating circa 121 dwellings. **Draft Policy S78 – Housing Sites in Market Towns** allocates 15 sites for circa 1,154 dwellings of which 2 sites are less than 1 hectare accommodating circa 43 dwellings. **Draft Policy S79 – Housing Sites in Large Villages** allocates 66 sites for circa 7,375 dwellings of which 4 sites are less than 1 hectare accommodating circa 73 dwellings. **Draft Policy S80 – Housing Sites in Medium Villages** allocates 33 sites for circa 1,490 dwellings of which 6 sites are less than 1 hectare accommodating circa

90 dwellings. **Draft Policy S81 – Housing Sites in Small Villages** allocates 16 sites for circa 508 dwellings of which 5 sites are less than 1 hectare accommodating circa 67 dwellings.

Whilst, the HBF have no comments on individual sites, it is critical that an accurate assessment of availability, suitability, deliverability, developability and viability is undertaken. The Councils assumptions on lead in times and delivery rates should be correct and supported by parties responsible for the delivery of housing on each individual site. These HBF representations are submitted without prejudice to any comments made by other parties.

The Councils overall HLS is estimated as 31,815 dwellings comprising of (see Table 1) :-

- 2,989 dwellings from completions 2018 – 2020 ;
- 1,520 dwellings from small sites with planning permission at 31 March 2020 ;
- 11,766 dwellings from allocations and other large sites with planning permission at 31 March 2020 ;
- 14,190 dwellings from allocations without planning permission at 31 March 2020 ; and
- 1,350 dwellings from windfalls.

The Councils windfall allowance of 75 dwellings per annum should be robustly evidenced. National policy only permits an allowance for windfall sites if there is compelling evidence that such sites have consistently become available and will continue to be a reliable source of supply.

There is a headroom of 2,665 dwellings (9%) between the overall HLS of 31,815 dwellings and Central Lincolnshire's upper end range housing requirement of 29,150 dwellings. The HBF always advocates as large a contingency as possible to facilitate optimum flexibility. There is no numerical formula to determine a quantum for flexibility but where HLS is highly dependent upon one or relatively few large strategic sites and / or localities then greater numerical flexibility is necessary than if HLS is more diversified. In Central Lincolnshire, 20,450 dwellings are allocated on SUEs of which 12,800 dwellings are expected to be delivered by 2040 (see **Draft Policy S75**) representing 40% of overall HLS and 25,652 dwellings (88%) of housing growth are located in Lincoln, Gainsborough and Sleaford. Furthermore, in Central Lincolnshire, there are delivery concerns about brownfield sites in all Value Zones and non-strategic greenfield sites and SUEs in mid lower and lower Value Areas (see HBF representations on Viability and Deliverability below).

Housing delivery is optimised by the widest possible range of housing site sizes and market locations, which provides suitable land buying opportunities for small, medium and large housebuilding companies. On SUEs, there may be long lead in times before the commencement of on-site development and build up to optimum delivery rates. To ensure a continuous short to medium term HLS, SUEs should be complimented by smaller non-strategic sites. The widest mix of sites provides choice for consumers, allows places to grow in sustainable

ways, creates opportunities to diversify the construction sector, responds to changing circumstances, treats the housing requirement as a minimum rather than a maximum and provides competition in the land market. A diversified portfolio of housing sites also offers the widest possible range of products to households to access different types of dwellings to meet their housing needs. As set out in the 2021 NPPF at least 10% of the housing requirement should be accommodated on sites no larger than one hectare or else demonstrate strong reasons for not achieving this target (para 69a). For Central Lincolnshire, 10% of the housing requirement is 2,915 dwellings. Under **Draft Policies S76 – S81**, 28 sites of less than 1 hectare are allocated for circa 492 dwellings representing less than 2% of the housing requirement. Therefore, the JLPR is inconsistent with national policy.

The 2021 NPPF sets out that strategic policies should include a trajectory illustrating the expected rate of housing delivery over the plan period and if appropriate to set out the anticipated rate of development for specific sites (para 74). The Councils Housing Trajectory is set out in Table 2, which shows yearly completions from allocations with / without planning permission and windfalls. The Councils Housing Trajectory is not site-specific, which provides insufficient detail to check the realism of the Councils delivery assumptions, which may be overly optimistic. The Councils have not provided the clear evidence necessary to satisfy the 2021 NPPF Glossary definition of deliverable. The insertion of a more detailed housing trajectory would assist in the annual monitoring of housing delivery from SUEs and non-strategic sites.

A 5 YHLS Statement has not been provided. If the Councils cannot demonstrate a 5 YHLS on adoption of the JLPR and maintain a 5 YHLS throughout the plan period, the JLPR should not be found sound. Furthermore, it is not clear if the Councils are wishing to demonstrate their 5 YHLS via adoption of the Central Lincolnshire JLPR as set out in 2021 NPPF (para 74b).

Before the JLPR pre-submission consultation, further clarity on the deliverability of the Councils HLS should be provided including the insertion of a detailed housing trajectory and 5 YHLS Statement.

### **Viability and Deliverability**

In plan-making, viability is inseparable from the deliverability of development. At Examination, viability will be a key issue in determining the soundness of the Central Lincolnshire JLPR. The viability of individual developments and plan policies should be tested at the plan making stage. As set out in the 2021 NPPF, the contributions expected from development including the level & types of affordable housing provision required and other infrastructure for education, health, transport, flood & water management, open space, digital communication, etc. should be set out in the JLPR (para 34). As stated in the 2021 NPPF, development should not be subject to such a scale of obligations that the deliverability of the JLPR is threatened (para 34). Viability assessment should not be conducted on the margins of viability especially in the aftermath of uncertainties caused by the Covid-19 pandemic and Brexit. Without a robust

approach to viability assessment, the JLPR will be unsound, land will be withheld from the market and housing delivery targets will not be achieved.

The Councils viability evidence is set out in Whole Plan Viability Assessment dated June 2021 by Aspinall Verdi (Document INF002a). This Study assesses generic site typologies together with the individual separate testing of 9 larger strategic sites (see Table 5-7).

Central Lincolnshire is sub-divided into 4 Value Areas (higher, mid, mid lower and lower), which the HBF assume correlate with Value Zones of Map 3 set out in **Draft Policy S21 – Affordable Housing**. It is estimated that the percentage of greenfield HELAA sites located in each Value Zone are 25% in higher, 63% in mid, 5% in mid lower and 8% in lower (see Table 5-4). The percentage of brownfield HELAA sites located in each Value Zone are 10% in higher, 23% in mid, 19% in mid lower and 48% in lower (see Table 5-5). The 9 strategic sites are located in mid (5 strategic sites), mid lower (2 strategic sites) and lower (2 strategic sites) Value Zones (see Table 6-7). Of proposed allocations 146 sites for circa 44,335 dwellings are greenfield and 18 sites for circa 2,963 dwellings are brownfield (see Table 6-13).

The Councils viability assessment should accurately account for all costs for affordable housing provision, CIL, S106 contributions and policy requirements sought. Viability assessment is highly sensitive to changes in its inputs whereby an adjustment or an error in any one assumption can have a significant impact.

It is noted that the Councils Viability Assessment uses lower quartile BCIS build costs, which may not be most applicable to smaller developers. The Councils acknowledge that there is a prevalence of smaller rather than national housebuilding companies operating across Central Lincolnshire.

The Council's baseline viability assessment appraisal is based on the following assumptions (see Table 6-6) :-

- 5%, 10%, 15%, 20% & 25% affordable housing provision ;
- specified housing mix ;
- minimum 10% biodiversity net gain ;
- optional water efficiency standards (£9 per dwelling) ;
- air quality assessments ;
- Sustainable Urban Drainage ; and
- adopted open space standards.

It is explicitly stated that the baseline viability assessment appraisals exclude costs for (see Table 6-6) :-

- Primary school education (£1,200 per primary pupil) ;
- NHS contributions (£632.50 per dwelling) ;
- Accessible & adaptable dwellings (£420 per dwelling) ;
- Future Homes Standard (2021 Interim Part L Uplift £4,847 per dwelling plus not yet quantified costs for 2025 Future Homes Standard) ;

- Electric Vehicle Charging Points (£500 per house & £2,500 per apartment) ; and
- Zero Regulated Carbon (£10,000 - £14,500 per dwelling).

The HBF have submitted separate comments on the Viability Study assumptions for specific policy requirements contained in following policies :-

- **Draft Policy S21 – Affordable Housing ;**
- **Draft Policy S22 – Meeting Accommodation Needs ;**
- **Draft Policy NS23 - Custom & Self Build Housing ;**
- **Draft Policy S6 – Reducing Energy Consumption – Residential Development ;**
- **Draft Policy S17 – Electric Vehicle Charging ; and**
- **Draft Policy S60 - Biodiversity Opportunity and Delivering Measurable Net Gains.**

Using the Councils baseline viability assessment appraisal :-

- greenfield sites in higher Value Zone with 25% affordable housing provision as set out in Draft Policy S21 result in a surplus of £26,000 - £34,000 per dwelling (see Table 7-1) ;
- greenfield sites in mid Value Zone with 20% affordable housing provision as set out in Draft Policy S21 result in a surplus of £8,000 - £12,000 per dwelling (see Table 7-2) ;
- greenfield sites in mid lower Value Zone with 15% affordable housing provision as set out in Draft Policy S21 are unviable (see Table 7-3) ;
- greenfield sites in lower Value Zone with 10% affordable housing provision as set out in Draft Policy S21 are unviable (see Table 7-3) ;
- brownfield sites in all Value Zones are unviable (see Table 7-4) ; and
- only 5 strategic sites in mid Value Zone with 20% affordable housing as set out in Draft Policy S21 result in a surplus of £4,000 - £6,000 per dwelling. The remaining strategic sites are unviable (see Table 7-5).

These results demonstrate viability challenges for brownfield sites in all Value Zones and greenfield sites in mid lower and lower Value Areas. The results also show that the surpluses generated in the mid and higher Value Zone will be insufficient to cover the costs excluded from the baseline viability assessment appraisal plus the addition of further outstanding infrastructure costs.

The Infrastructure Delivery Plan identifies that the infrastructure requirements for non-strategic sites will be higher than £10,000 per dwelling. The potential outstanding infrastructure requirement of £26,751 per dwelling will wipe out any available surpluses even in the higher Value Zone (see para 9.12). Furthermore, the infrastructure requirements for the strategic sites cannot be supported by the development surpluses alone (see para 9.15).

As the Councils are aware, there is a tipping point beyond which the land value cannot fall as the landowner will not be sufficiently incentivised to release their site for development. The Councils viability assessment confirms that a large

proportion of typologies including Strategic Sites will be unable to bear the Council's full policy aspirations. If the viability of sites is overstated, policy requirements will be set at unrealistic levels. Most sites should be deliverable at planning application stage without further viability assessment negotiations. Viability negotiations should occur occasionally rather than routinely.

Before the JLPR pre-submission consultation, the Councils overall policy requirements should be revisited and reduced. Without revision, trade-offs between policy requirements, affordable housing and infrastructure provision will be necessary. The Councils will have to accept site specific viability assessments at development management stage. Such negotiations at planning application stage causes uncertainty for developers and may result in significant delay to housing delivery or even non-delivery.

## **Draft Housing Policies**

### **Draft Policy S21 – Affordable Housing**

Under **Draft Policy S21**, affordable housing will be sought on sites of 10 or more dwellings or 5 or more dwellings within Designated Rural Area in North Kesteven District. The percentage sought will be based on the Value Zones indicated on Map 3, which are 25% in Value Zone A, 20% in Value Zone B, 15% in Value Zone C and 10% in Value Zone D.

The HBF is supportive of the Councils differentiated policy approach to the provision of affordable housing, which is justified by the Councils Viability Assessment. However, the Councils own viability evidence suggests that there should also be a differentiation between greenfield and brownfield sites (see HBF comments on Viability & Deliverability above).

Under **Draft Policy S21**, the exact tenure mix should be identified through discussions with the Councils and informed by the latest up to date HNA. The starting point for discussions will be based on delivery of 25% of all affordable housing delivered through planning obligations as First Homes, after which priority will be for delivery of affordable rent, subject to satisfying national policy requirements for 10% all housing being for affordable home ownership.

The HBF note that the Councils Viability Assessment tests an affordable housing tenure mix of 25% First Homes, 50% affordable rent and 25% intermediate (shared ownership). However, the impacts of First Homes on viability have not been fully considered. There will be an increased cost to developers selling First Homes in terms of marketing plus an increased risk as they will not be able to sell First Homes in bulk to a Registered Provider thus obtaining a more reliable up front revenue stream. The 6% developers return on GDV of affordable housing does not reflect this risk. Furthermore, First Homes may impact on the ability of developers to sell similarly sized open market units. First Homes may dampen the appetite of first-time buyers for 1, 2 & 3 bedroomed open market dwellings as some households, which would have opted to purchase a home on the open market will use the discounted First Homes route instead. This may result in slow sales of similar open market units,

increased sales risk and additional planning costs (if sites have to be re-planned with an alternative housing mix). There may be similar impacts on demand for shared ownership products. These impacts are not tested in the Councils Viability Assessment.

Before the JLPR pre-submission consultation, further viability testing should be undertaken. **Draft Policy S21** should also be modified to differentiate between greenfield and brownfield sites.

### **Draft Policy S22 – Meeting Accommodation Needs**

Under **Draft Policy S22**, proposals which deliver housing at the higher access standards (M4(2)) of Part M Building Regulations or M4(3) standard will be viewed favourably.

This policy is ambiguous. The 2021 NPPF states that policies should be clearly written and unambiguous so that a decision maker knows how to react to a development proposal (para 16d). To be effective, the Councils should provide further clarification of their precise requirements for M4(2) and M4(3) standards, which should be justified by supporting evidence.

If the Councils wish to adopt the optional standards for accessible & adaptable dwellings, then this should only be done in accordance with the 2021 NPPF (para 130f & Footnote 49) and the latest NPPG. Footnote 49 states *“that planning policies for housing should make use of the Government’s optional technical standards for accessible and adaptable housing where this would address an identified need for such properties”*. As set out in the 2021 NPPF, all policies should be underpinned by relevant and up to date evidence which should be adequate, proportionate and focus focussed tightly on supporting and justifying the policies concerned (para 31). A policy requirement for M4(2) and M4(3) dwellings must be justified by credible and robust evidence. The NPPG sets out the evidence necessary to justify a policy requirement for optional standards (ID 56-005-20150327 to 56-011-20150327). Currently, the evidence set out in the HNA does not demonstrate local circumstances to show that the specific needs of Central Lincolnshire differ substantially to those across the East Midlands or England. The Councils are also reminded that the requirement for M4(3) should only be required for dwellings over which the Council has housing nomination rights as set out in the NPPG (ID 56-008-20150327).

It is noted that the Councils Viability Assessment refers to the additional cost of £1,400 per dwelling for M4(2) as set out in the Government’s consultation “Raising Accessibility Standards for New Homes” (ended on 1st December 2020) (see Table 6-6) but this cost is specifically excluded from the baseline viability assessment appraisal. No costs for M4(3) compliant dwellings are referenced. In September 2014 during the Government’s Housing Standards Review, EC Harris estimated the cost impact of M4(3) per dwelling as £7,607 - £8,048 for apartments and £9,754 - £23,052 for houses (Table 45). M4(2) and M4(3) compliant dwellings are also larger than NDSS (see DCLG Housing Standards Review Illustrative Technical Standards Developed by the Working Groups August 2013), therefore larger sizes should be used when calculating

additional build costs for M4(2) / M4(3) and any other input based on square meterage except sales values, which are unlikely to generate additional value for enlarged sizes. If the Councils intend to require M4(2) and / or M4(3) dwellings, these additional costs should be included in the baseline viability assessment appraisal and further viability testing undertaken.

Before the JLPR pre-submission consultation, the requirements sought under **Draft Policy S22** should be clarified.

### **Draft Policy NS23 - Custom & Self Build Housing**

Under **Draft Policy NS23**, large sites for 100 or more dwellings will provide serviced (with water, foul drainage, broadband connection & electricity supply available at the plot boundary) plots to deliver at least 5% of the total number of dwellings on the site as self-build or custom build homes. If plots remain unsold after a thorough and proportionate marketing exercise (including making details available to people on the Councils Custom & Self-build Registers) over a period of at least 36 months from the date at which the relevant design code or plot passports are approved, these plots may be built out as conventional market housing subject to detailed permission being secured and the relevant Council being satisfied that the marketing exercise has been satisfactorily concluded.

As set out in the NPPG, the Councils should use their Custom & Self Build Registers and additional data from secondary sources to understand and consider future need for this type of housing (ID 57-011-20210208). The Councils evidence is set out in the HNA. For the period 2016 – 2019, there were 136 entries for Central Lincolnshire comprising 57 entries in Lincoln, 72 entries in North Kesteven and only 7 entries in West Lindsey. This evidence demonstrates that there is minimal demand for custom & self build housing across Central Lincolnshire. Moreover, a simple reference to the headline number of entries on the Register may over-estimate actual demand. The Register may indicate a level of expression of interest in self & custom build but it cannot be reliably translated into actual demand should such plots be made available. The Register's entries may have insufficient financial resources to undertake a project, be registered in more than one local authority area and have specific preferences.

There is no legislative or national policy basis for imposing an obligation on landowners or developers of sites of more than 100 dwellings to set aside at least 5 serviced plots for self & custom build housing. Under the Self Build & Custom Housebuilding Act 2015 and 2021 NPPF (para 62), it is the Councils responsibility, not the landowner or developer, to ensure that sufficient permissions are given to meet demand. The Councils are not empowered to restrict the use of land to deliver self & custom build housing. The NPPG sets out ways in which the Councils should consider supporting self & custom build by “*engaging*” with developers and landowners and “*encouraging*” them to consider self & custom build “*where they are interested*” (ID 57-025-201760728).

It is unlikely that self & custom build serviced plots on larger residential sites will appeal to those wishing to build their own home. The Councils should ensure that the JLPR will result in a wide range of different self & custom build housing opportunities. Numerous policy mechanisms could be used to ensure a reliable and sufficient provision of self & custom build opportunities across Central Lincolnshire including allocation of small and medium scale sites specifically for self & custom build housing and permitting self & custom build outside but adjacent to settlement boundaries on sustainable sites especially if the proposal would round off the developed form.

The provision of self & custom build plots on sites of more than 100 dwellings adds to the complexity and logistics of developing these sites. It is difficult to co-ordinate the provision of self & custom build plots with the development of the wider site. Often there are multiple contractors and large machinery operating on-site, the development of single plots by individuals operating alongside this construction activity raises both practical and health & safety concerns. Any differential between the lead-in times / build out rates of self & custom build plots and the wider site may lead to construction work outside of specified working hours, building materials stored outside of designated compound areas and unfinished plots next to completed and occupied dwellings resulting in consumer dissatisfaction.

It is important that unsold plots are not left empty to the detriment of neighbouring dwellings or the whole development. The timescale for reversion of these plots to the original housebuilder should be as short as possible because the consequential delay in developing those plots presents further practical difficulties in terms of co-ordinating their development with construction activity on the wider site. The proposed marketing period of at least 36 months is too long. The policy wording "*thorough and proportionate*" is also too vague.

As well as on-site practicalities impacts on viability should be tested. However, it is not apparent if the Councils Viability Assessment considers these impacts. The provision of serviced self & custom build plots will have a bearing on the development economics of developments of more than 100 dwellings. It is unlikely that up front site promotion costs (including planning & acquisition costs) and fixed site externals, site overheads and enabling infrastructure costs will be recouped because the plot price a self & custom builder is able to pay may be constrained by much higher build costs for self-builders. There are also impacts of not recouping profit otherwise obtainable if the dwelling was built and sold on the open market by the site developer, disruption caused by building unsold plots out of sequence from the build programme of the wider site and a worst-case scenario of unsold plots remaining undeveloped.

Before the JLPR pre-submission consultation, the requirement for at least 5% serviced plots for self-build or custom build housing on sites of 100 or more dwellings should be deleted from **Draft Policy NS23**, which is not justified nor viability tested.

## Other Draft Policies

### Draft Policy S6 – Reducing Energy Consumption – Residential Development

Unless covered by an exceptional basis clause, all new residential development proposals must include an Energy Statement which confirms that all such residential units :-

- 1. Will meet or exceed the latest available Government published draft Future Homes Standard (FHS) building specification, until such time that the final FHS specifications are mandated ; and
- 2. Use no fossil fuel energy on-site (ie, no connection to the gas network) ; and
- 3. Can generate at least the same amount of renewable electricity on-site (and preferably on-plot) as they demand over the course of a year, such demand including all energy use (regulated and unregulated), calculated using a methodology proven to accurately predict a building's actual energy performance; and
- 4. To help achieve all above (and reduce the burden on achieving part 3 above), target achieving a space heating demand of around 15-20kWh/m2/yr and a total energy demand of 35 kWh/m2/yr, achieved through a 'fabric first' approach to construction. No unit to have a total energy demand in excess of 60 kWh/m2/yr, irrespective of amount of on-site renewable energy production.

Exceptional Basis Clauses :-

- Clause 1. Where, on an exceptional basis, points 3-4 cannot be met for technical (e.g. overshadowing) or other policy reasons (e.g. heritage), then the Energy Statement must demonstrate both why it cannot be met, and the degree to which each of points 1-4 are proposed to be met. A lack of financial viability will not be deemed either a technical or policy reason to trigger this exceptional basis clause. Where Clause 1 is utilised, and where the proposal is of 10 units or more then the applicant must either :-
  - a. enter into an appropriate legal agreement which will either provide renewable energy infrastructure offsite equivalent to at least offsetting the additional energy requirements not achieved on site ; or,
  - b) enter into an appropriate legal agreement to provide a financial contribution to the applicable LPA of a value sufficient to enable that LPA to offset (via off site renewable energy infrastructure or other agreed offsite infrastructure) the remaining performance not achieved on site (with this being a minimum contribution of £5k and a maximum of £15k per dwelling unit) ; or
  - c) demonstrate that the residential units will be connected to a decentralised energy network or combined heat and power unit, in accordance with Policy S8.

- Clause 2. To simplify the decision making process, applicants are able to demonstrate that they have met the requirements of this policy if they provide certified demonstration of compliance with :
  - Passivhaus Plus, Premium or Classic
  - Any other recognised national independent accreditation scheme, provided such scheme is demonstrated to be consistent with the requirements of this policy.
  
- Clause 3. In Value Zones C and D (Sleaford & Gainsborough & immediately surrounding land only), it is acknowledged that the full delivery of requirements 3 and 4 in this policy may not be possible in some cases for viability reasons. Consequently, in such areas, the applicable local planning authority will continue to require an Energy Statement to be submitted, and, if full delivery of requirements 3 and 4 are not proposed to be met, such a Statement must set out the degree to which points 3 and 4 are proposed to be met in order to enable the development to become viable.

The Energy Statement must include details of assured performance arrangements. For major development, this will include arrangements for the annual energy use and renewable energy generation on-site / on-plot to be reported and independently verified in-use each year for the first 5 years post occupation. This can be done on an aggregated and anonymised basis, to prevent individual residential data being released. Where performance is 20% or more worse than predicted in any particular year of those first five years, an Action Plan to address the poor performance must be produced by the original developer within 6 months and submitted to both the LPA and to each applicable dwelling occupier. Measures within the Action Plan must be meaningful to help address the identified poor performance, and must involve no cost to the occupier or home owner. Despite no cost, the occupier or home owner will not be obliged to implement or give consent to any proposals set out in an Action Plan. The performance reports and Action Plans will be published on our website, with developers ranked in order of the performance of their buildings (a 'performance league table'), to enable future home buyers to have confidence in the product being purchased from specific developers.

Today's new homes are already very energy efficient with lower heating bills for residents in comparison to older existing homes. Energy performance data has shown that 8 out of 10 new build dwellings have an A or B energy efficiency rating, compared to only 3% of existing properties. In November 2019, the average new build buyer in England saved £442.32 every year on heating costs compared to owners of existing dwellings.

Nevertheless, the HBF recognise the need to move towards greater energy efficiency via a nationally consistent set of standards and timetable, which is universally understood and technically implementable. The Government Response to The Future Homes Standard : 2019 Consultation on changes to Part L (conservation of fuel and power) and Part F (ventilation) of the Building

Regulations for new dwellings dated January 2021 provides an implementation roadmap, the Government's aim is for the interim Part L (Conservation of fuel and power), Part F (Ventilation) & Overheating Regulations to be regulated for in late 2021 and to come into effect in 2022. The 2021 interim uplift will deliver homes that are expected to produce 31% less CO2 emissions compared to current standards. To ensure as many homes as possible are built in line with new energy efficiency standards, transitional arrangements will apply to individual homes rather than an entire development and the transitional period will be one year. This approach will support successful implementation of the 2021 interim uplift and the wider implementation timeline for the Future Homes Standard from 2025. The Future Homes Standard will ensure that new homes will produce at least 75% lower CO2 emissions than one built to current energy efficiency requirements. By delivering carbon reductions through the fabric and building services in a home rather than relying on wider carbon offsetting, the Future Homes Standard will ensure new homes have a smaller carbon footprint than any previous Government policy. In addition, this footprint will continue to reduce over time as the electricity grid decarbonises.

The HBF support the Government's approach to the Future Homes Standard but there are difficulties and risks to housing delivery given the immaturity of the supply chain for the production / installation of heat pumps and the additional load that would be placed on local electricity networks in combination with Government proposals for the installation of EVCPs in new homes (see HBF comments to **Draft Policies S17 & S48**). In autumn 2020, the HBF established a Future Homes Task Force to develop workable solutions for the delivery of the home building industry's contribution to meeting national environmental targets and objectives on Net Zero. Early collaborative work is focussed on tackling the challenges of implementing the 2021 and 2025 changes to Building Regulations successfully and as cost-effectively as possible, in particular providing information, advice and support for SME developers and putting the customer at the centre of thinking.

On 27 July 2021, the Future Homes Delivery Plan was published (see attached Appendix A : The Future Homes Delivery Plan – Summary of the goals, the shared roadmap & the Future Homes Delivery Hub). To drive and oversee the plan, the new delivery Hub will be launched in September, with the support and involvement of Government. The Hub will help facilitate a sector-wide approach to identify the metrics, more detailed targets where necessary, methods and innovations to meet the goals and the collaborations required with supply chains and other sectors. It will incorporate the needs of all parties including the public and private sector and crucially, consumers, such that they can all play their part in delivering environmentally conscious homes that people want to live in.

The HBF consider that the Councils should comply with the Government's intention of setting standards for energy efficiency through the Building Regulations. The key to success is standardisation and avoidance of individual Council's specifying their own policy approach to energy efficiency, which undermines economies of scale for product manufacturers, suppliers and

developers. The Councils should not need to set local energy efficiency standards to achieve the shared net zero goal because of the higher levels of energy efficiency standards for new homes proposed in the 2021 Part L uplift and the Future Homes Standard 2025.

It is noted that in its Response to the Future Homes Standard consultation, the Government has confirmed that the Planning and Energy Act 2008 will not be amended, therefore for the moment the Councils retain powers to set local energy efficiency standards for new homes. However, the Government has acknowledged the need to clarify the role of Councils in setting energy efficiency requirements for new homes that go beyond the mandatory standards set out in the Building Regulations. The Housing, Communities & Local Government Committee have opened a new inquiry into “Local Government and the path to net zero”. The aim of the inquiry is to scrutinise the Government’s plans to make all new homes “zero carbon ready” by 2025, through the introduction of the Future Homes Standard, and to explore how Local Government can help the UK to reduce its carbon emissions to “net zero” by 2050. The deadline for the submission of evidence on the role of Councils in determining local energy efficiency standards was 30th April 2021.

The Councils supporting evidence in Documents CLC001 – CLC010 set out a contextual background for **Draft Policy S6** but this evidence does not set out specific local circumstances to justify a requirement for standards above and ahead of 2025 implementation for Future Homes Standard.

Furthermore, the Councils baseline viability assessment appraisal excludes any costs associated with the requirements of **Draft Policy S6**. The baseline viability assessment appraisal shows that non-strategic greenfield typologies and strategic sites in mid lower and lower Value Zones are unviable. Brownfield sites are unviable in all Value Zones. Surpluses generated in higher and mid Value Zones are insufficient to cover additional costs for exclusions and further outstanding infrastructure requirements (see HBF comments on Viability & deliverability). Additional excluded costs are estimated as (see Table 6-6) :-

- 2021 Part L Interim Uplift £4,847 per house (£2,256 per apartment) to take effect in June 2022 ; and
- The cost to achieve zero regulated carbon, the cost of achieving net zero regulated carbon (by employing energy efficiency, on site carbon reduction and other allowable solutions (carbon offsetting)) for a detached home circa £10,000 when using either gas or air sourced heat pump heating. The cost of the zero regulated and unregulated carbon policy option is around £14,500 per home as set out in Research by Currie & Brown for Centre for Sustainable Energy dated December 2018.

Before the JLPR pre-submission consultation, **Draft Policy S6** should be modified to align with the Government’s intention to set standards through Building Regulations. Further viability testing should be undertaken to include costs for 2021 Part L interim Uplift, 2025 Future Homes Standards and any

other policy option for zero regulated & unregulated carbon in the baseline viability assessment appraisal.

### **Draft Policy S10 – Embodied Carbon**

Under **Draft Policy S10**, all major development proposals should explicitly set out what opportunities to lower a building's embodied carbon content have been considered, and which opportunities, if any, are to be taken forward.

To 31 December 2024, there will be no requirement (unless mandated by Government) to use any specific lower embodied carbon materials in development proposals, provided the applicant has at least demonstrated consideration of options and opportunities available. From 1 January 2025, there will be a requirement for a development proposal to demonstrate how the design and building materials to be used have been informed by a consideration of embodied carbon, and that reasonable opportunities to minimise embodied carbon have been taken. Further guidance is anticipated to be issued by the LPA on this matter prior to 1 January 2025.

The Councils should provide further information on the requirements of this policy. It is unacceptable to state that further guidance is anticipated. The Councils should also justify the proposed site threshold of 10 or more dwellings. The Councils should not place unduly onerous requirements onto small sites and SME builders. The smallest companies may not have the in-house resources to calculate embodied carbon contents. It is important that there is a diverse range of companies operating within the house building industry. One of HBF's key messages is reversing the trend in the decline of small house building companies :-

- today, there are 80% fewer SMEs in the industry in comparison to the early 1090s prior to the introduction of the plan led planning system ;
- in 1988 small builders were responsible for 4 in 10 new build homes compared with only 10% today ;
- in the period 2007-2009, one-third of small companies ceased building homes ;
- returning to the number of house building companies operational in 2007 would boost housing supply by 25,000 homes per year ;
- small sites are consistently efficient in their delivery of new homes across multiple market areas.

Furthermore, any additional costs associated with embodied carbon have not been estimated nor included in the Councils viability testing.

Before the JLPR pre-submission consultation, **Draft Policy S10** should be deleted. When the Councils have provided further details and undertaken further viability assessment, a replacement policy could be incorporated into the next five yearly review of the JLP post 2025.

### **Draft Policy S11 – Water Efficiency & Sustainable Water Management**

Under **Draft Policy S11**, to minimise impact on the water environment all new dwellings should achieve the Optional Technical Housing Standard of 110 litres per day per person for water efficiency as described by Building Regulation. Proposals which go further than this would be particularly supported.

Under Building Regulations, all new dwellings must achieve a mandatory level of water efficiency of 125 litres per day per person, which is a higher standard than that achieved by much of the existing housing stock. If the Councils wish to adopt the optional standard for water efficiency of 110 litres per person per day, then the Councils should justify doing so by applying the criteria set out in the NPPG. The NPPG states that where there is a “*clear local need, LPA can set out Local Plan Policies requiring new dwellings to meet tighter Building Regulations optional requirement of 110 litres per person per day*” (ID : 56-014-20150327). The NPPG also states the “*it will be for a LPA to establish a clear need based on existing sources of evidence, consultations with the local water and sewerage company, the Environment Agency and catchment partnerships and consideration of the impact on viability and housing supply of such a requirement*” (ID : 56-015-20150327).

In the Council’s supporting evidence, there is an absence of any justification for the requirement for new development to meet the optional water efficiency standard. A clear local need has not been demonstrated.

Before the JLPR pre-submission consultation, **Draft Policy S11** should be deleted.

### **Draft Policy S17 – Electric Vehicle Charging**

Under Draft Policy S17, each dwelling must, as a minimum, be ‘electric vehicle ready’, by having a sufficient and accessible electrical supply point to the on-site driveway and, if applicable, garage (i.e. both locations, if a development includes both), or to an allocated parking space if the dwelling has no private on-site parking space, to enable owners (or other authorities, if off site) to install a vehicle charging point easily in the future if desired. Each such supply point should be clearly identified on the ground before occupation and prior to occupation, the new occupier must be presented with a description as to how the home is ‘electric vehicle ready’, explaining what steps the home-owner would need to take should the home owner have, or gain in the future, an electric vehicle.

### **Draft Policy S48 – Parking Provision**

**Draft Policy S48** states that infrastructure relating to EVCPs should be included within garages and other appropriate locations in accordance with **Draft Policy S17**.

The HBF recognise that electric vehicles will be part of the solution to transitioning to a low carbon future. As set out in the Department of Transport

consultation on Electric Vehicle Charging in Residential & Non-Residential Buildings (ended on 7<sup>th</sup> October 2019), the Government's preferred option is the introduction of a new requirement for EVCPs under Part S of the Building Regulations. The inclusion of EVCP requirements within the Building Regulations will introduce a standardised consistent approach to EVCPs in new buildings across the country and supersede the Council's policy approach.

Until the introduction of proposed changes to Part S of the Building Regulations, the HBF consider that the physical installation of active EVCPs is inappropriate. The evolution of automotive technology is moving quickly therefore a passive cable and duct approach is a more sensible and future proofed solution, which negates the potential for obsolete technology being experienced by householders. A passive cable and duct approach means that the householder can later arrange and install a physical EVCP suitable for their vehicle and in line with the latest technologies.

Whilst the HBF support the Councils "*vehicle ready approach*", the HBF and its Members have serious concerns about the capacity of the existing electrical network in the UK. The supply from the power grid is already constrained in many areas across the country. Major network reinforcement will be required across the power network to facilitate the introduction of EVCPs and the move from gas to electric heating as proposed under the Future Homes Standard. These costs can be substantial and can drastically affect the viability of developments. If developers are funding the potential future reinforcement of the National Grid network at significant cost, this will have a significant impact on their businesses and potentially jeopardise future housing delivery.

Whilst, the Councils Viability Assessment refers to a lower cost of only £550 per house and £2,500 per apartment and no costs for upgrading local electricity networks (see Table 6-6). The cost of EVCPs is excluded from the baseline viability assessment appraisal. The Department for Transport - Electric Vehicle Charging in Residential & Non-Residential Buildings consultation estimated an installation cost of approximately £976 per EVCP plus any costs for upgrading local electricity networks, which under the Government's proposal automatically levies a capped figure of £3,600 on developers. Before the JLPR pre-submission consultation, further viability assessment should be undertaken to include costs for **Draft Policies S17** and **S48** and the Government's proposed changes to Part S Building Regulations.

### **Draft Policy S50 – Creation New Open Space**

Under **Draft Policy S50**, all new residential developments of 10 or more dwellings will be required to provide new or enhanced publicly accessible open space, sports and leisure facilities to meet the needs of their occupiers in accordance with this policy, the standards set out in Appendix 3, and in compliance with the latest Central Lincolnshire Developer Contributions Supplementary Planning Document (SPD) (or similar subsequent document).

The policy wording reference to “*compliance with the latest Central Lincolnshire Developer Contributions SPD*” should not be interpreted by the Councils Development Management Officers as conveying the weight of a Development Plan Document (DPD) onto this guidance, which has not been subject to examination and does not form part of the JLPR.

The Town and Country Planning (Local Planning) (England) Regulations 2012 are clear that development management policies, which are intended to guide the determination of applications for planning permission should be set out in policy in the Local Plan. The Councils approach of requiring compliance with an SPD is giving DPD status to a document, which is not part of the JLPR and has not been subject to the same process of preparation, consultation and examination.

To ensure a policy is effective, it should be clearly written and unambiguous so it is evident how a decision maker should react to development proposals. The Councils requirements should be set out in sufficient detail to determine a planning application without relying on, other criteria or guidelines set out in a separate SPD. National policy clearly defines the scope and nature of an SPD in the planning process as providing more detailed advice and guidance on adopted Local Plan policies. The NPPG confirms that an SPD cannot introduce new planning policies nor add unnecessarily to the financial burdens on development (ID: 61-008-20190315).

Before the JLPR pre-submission consultation, this referencing should be removed from **Draft Policy S50**.

### **Draft Policy S58 – Green Infrastructure Network**

Under **Draft Policy S58**, development will be expected to make a contribution proportionate to their scale towards the establishment, enhancement and on-going management of green infrastructure by contributing to the development of the strategic green infrastructure network within Central Lincolnshire, in accordance with the Developer Contributions SPD.

The policy wording reference to “*compliance with the latest Central Lincolnshire Developer Contributions SPD*” should not be interpreted by the Councils Development Management Officers as conveying the weight of a DPD onto this guidance, which has not been subject to examination and does not form part of the JLPR.

The Town and Country Planning (Local Planning) (England) Regulations 2012 are clear that development management policies, which are intended to guide the determination of applications for planning permission should be set out in policy in the Local Plan. The Councils approach of requiring compliance with an SPD is giving DPD status to a document, which is not part of the JLPR and has not been subject to the same process of preparation, consultation and examination.

To ensure a policy is effective, it should be clearly written and unambiguous so it is evident how a decision maker should react to development proposals. The Councils requirements should be set out in sufficient detail to determine a planning application without relying on, other criteria or guidelines set out in a separate SPD. National policy clearly defines the scope and nature of an SPD in the planning process as providing more detailed advice and guidance on adopted Local Plan policies. The NPPG confirms that an SPD cannot introduce new planning policies nor add unnecessarily to the financial burdens on development (ID: 61-008-20190315).

Before the JLPR pre-submission consultation, this referencing should be removed from **Draft Policy S58**.

### **Draft Policy S60 - Biodiversity Opportunity and Delivering Measurable Net Gains**

Under **Draft Policy S60**, all development proposals must deliver, as a minimum, a 10% measurable biodiversity net gain attributable to the development.

It is the HBF's opinion that the Councils should not deviate from the Government's proposals on biodiversity gain as set out in the Environment Bill. This legislation will require development to achieve a 10% net gain for biodiversity. It is the Government's opinion that 10% strikes the right balance between the ambition for development and reversing environmental decline. 10% gain provides certainty in achieving environmental outcomes, deliverability of development and costs for developers. 10% will be a mandatory national requirement, but it is not a cap on the aspirations of developers who want to voluntarily go further. The Government will use the DEFRA Biodiversity Metric to measure changes to biodiversity under net gain requirements established in the Environment Bill. The mandatory requirement offers developers a level playing field nationally and reduced risks of unexpected costs and delays. The Councils should not specify a requirement above 10%.

In the Environment Bill, the Government also makes provision for a transition period of two years. The Government will work with stakeholders on the specifics of this transition period, including accounting for sites with outline planning permission, and will provide clear and timely guidance on understanding what will be required and when.

There are significant additional costs associated with biodiversity gain, which should be fully accounted for in the Councils Viability Assessment. The Government has confirmed that more work needs to be undertaken to address viability concerns raised by the housebuilding industry in order that biodiversity net gain does not prevent, delay or reduce housing delivery. The Councils Viability Assessment (see Table 6-6) uses the DEFRA Biodiversity Net Gain & Local Nature Recovery Strategies : Impact Assessment Table 16 : Net gain delivery costs per greenfield development (residential) East Midland cost of £1,011 per dwelling (based on 2017 prices and the central estimate). However,

there are significant cost increases for off-site delivery under Scenario C to £3,562. There may also be an impact on the ratio of gross to net site acreage. It is unclear if this has been considered by the Council. Further viability work should be undertaken to sensitivity test higher costs for biodiversity net gains.

Before the JLPR pre-submission consultation, the prefix “at least” in **Draft Policy S60** should be deleted. **Draft Policy S60** should be modified to incorporate transitional arrangements.

### **Conclusion**

For the Central Lincolnshire JLPR to be found sound under the four tests of soundness as defined by the 2021 NPPF (para 35), the JLPR must be positively prepared, justified, effective and consistent with national policy. The aforementioned Draft Policies are unsound, which should be re-considered by the Councils. If any further information or assistance is required, please contact the undersigned.

Yours faithfully  
for and on behalf of **HBF**



**Susan E Green MRTPI**  
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