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Dear Planning Policy Team,

NORTH EAST LINCOLNSHIRE LOCAL PLAN REVIEW: DRAFT LOCAL PLAN

1. Thank you for consulting with the Home Builders Federation (HBF) on the North East Lincolnshire Local Plan Review – Draft Plan.
2. 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.
3. The HBF would like to submit the following comments upon the Draft Plan, these responses are provided to assist the Council in the preparation of a sound plan. The HBF is keen to ensure that the Council produces a sound local plan which provides for the housing needs of the area.

Plan Period

4. The Council are proposing a Plan period of 2022 to 2042. The HBF considers that this is should be appropriate and should be in line with the NPPF¹ which states strategic policies should look ahead over a minimum 15-year period from adoption and that where larger scale developments form part of the strategy for the area, policies should be set within a vision that looks further ahead (at least 30 years), to take in account the likely timescale for delivery.

Housing Requirement

5. The Council have set out four potential options in relation to the housing requirement these are: Scenario A – Standard method (203 dwellings per annum (dpa)); Scenario I – Past Housing Delivery (313dpa); Scenario F – Experian Baseline December 2022 (415dpa); and Scenario G – Experian ‘Policy On’ (507dpa). The Council have stated that they are minded to support Scenario F and a housing requirement of 415dpa and a jobs growth of 2,600 jobs over the plan period.

¹ NPPF September 2023 paragraph 22 / December 2023 Paragraph 22



6. The HBF notes that within Question 1 in relation to the employment requirement the Council states that *'to support the economic opportunities in the Borough, the Council is minded to support Option 2 – 'Policy On' aligned to maximising the opportunities for economic growth'*. The HBF notes that Option 2 – 'Policy On' sets the employment requirement at net workforce jobs growth of 4,560 over the Plan period 2022 to 2042.
7. The HBF is therefore concerned at the misalignment between the proposed employment requirement and the housing requirement. If the employment requirement is intended to meet the 'Policy On' growth, it would be appropriate to have the housing requirement reflect the 'Policy On' scenario too. This would give a housing requirement of 507dpa.
8. The HBF also considers that the 'Policy On' requirement would be in line with the Plan's objectives which looks to significantly boost housing supply to meet the existing and future housing needs of the whole community. It would also be in line with the NPPF² which also looks to support the Government's objective of significantly boosting the supply of homes, and states that planning policies should seek to address potential barriers to investment, such as inadequate housing.
9. The HBF also considers that the 'Policy On' requirement would be in line with the PPG³ which sets out when it might be appropriate to plan for a higher housing need figure than the standard method indicates, it suggests this includes but is not limited to where there are growth strategies, strategic infrastructure improvements, taking unmet need from a neighbouring authority, where previous levels of delivery or previous assessments of need are significantly greater than the outcome of the standard method. The Plan sets out infrastructure projects and investment proposals that have been identified in paragraph 3.1.3 these include the Humber Freeport Zone, Grimsby Town Deal and South Humber Industrial Investment Programme.
10. The Housing and Economic Development Needs Assessment (HEDNA) (2023) identifies a net annual affordable housing need of between 177 and 302 dwellings, dependent on the income multiplier used (25% or 31%). The PPG⁴ also states that an increase in the total housing figures included in the plan may need to be considered where it could help deliver the required number of affordable homes. The HBF considers that the affordable housing evidence also support using a figure above the LHN and above the Experian Baseline scenario.

Vision and Objectives

11. The Council are proposing an objective, SO4 Housing, to *'significantly boost housing supply to meet the existing and future housing needs of the whole community. High quality market and affordable housing, specific provision for the elderly, special needs housing and gypsy and travellers accommodation will be supported. A balanced supply of deliverable sites will be identified to achieve as a minimum, the objectively assessed needs of the Borough'*. The HBF considers that this objective should be appropriate, and

² NPPF Dec 2023 paragraph 60 and 86

³ PPG ID: 2a-010-20201216

⁴ PPG ID: 2a-024-20190220

should help to ensure that housing is considered as part of the development and delivery of the Plan.

Growth and Distribution

12. The Council have set out several options for growth and distribution: Option 7 – Urban focus including strategic urban extensions, Option 8 – Greater Arc growth, excluding strategic urban extensions, Option 9 – Arc constraints including strategic urban extensions and urban focus, Option 10 – wider distribution excluding strategic urban extensions. The Council state that under all of the options brownfield sites will be given priority and that sites under construction are not subject to review. The Council are currently proposing to support Option 9, this option would see a strengthening of the policy of restraint relating to the arc settlements and safeguarding the gaps between settlements and would see the development of the Grimsby West and Humberston Road strategic urban extensions.
13. The HBF considers that it is important that the spatial distribution of sites follows a logical hierarchy, provides an appropriate development pattern and supports sustainable development within all market areas.

Draft Strategic Policy 2: Development Boundaries

14. This policy sets out criteria that will be considered for development both inside and outside of development boundaries. Part 3 of the policy relates to development beyond the development boundaries, it states the development will be supported where it is in harmony with the local setting and recognises the distinctive open character, landscape quality and role these areas play in providing the individual setting for independent settlements. The policy then goes on to identify development it would support including affordable housing to meet specific local needs or is development that has been specifically defined and identified through the neighbourhood planning process.
15. The HBF considers that this policy needs to be reconsidered particularly Part 3 of the policy which appears to be contradictory in supporting affordable homes and development identified within Neighbourhood Plans whilst also recognising distinctive open character and landscape quality. The HBF recommends that the Council differentiates between land adjacent to settlements and settlement boundaries which may be sustainable and appropriate for development, sustainable development in rural areas where it will enhance or maintain the vitality of rural communities and sites which are located in isolated areas.

Draft Policy 1: Health and Wellbeing

16. This policy states that the Council will expect development proposals to promote, support and enhance physical and mental health and wellbeing. It goes on to state that development of 150 dwellings or more will need to submit a Health Impact Assessment (HIA), it states that the HIA should be commensurate with the size of the development.
17. The HBF generally supports plans that set out how the Council will achieve improvements in health and well-being. In preparing its local plan the Council should normally consider the health impacts with regard to the level and location of

development. Collectively the policies in the plan should ensure health benefits and limit any negative impacts and as such any development that is in accordance with that plan should already be contributing positively to the overall healthy objectives of that area.

18. The PPG⁵ sets out that HIAs are ‘a useful tool to use where there are expected to be significant impacts’ but it also outlines the importance of the local plan in considering the wider health issues in an area and ensuring policies respond to these. As such Local Plans should already have considered the impact of development on the health and well-being of their communities and set out policies to address any concerns. Consequently, where a development is in line with policies in the local plan a HIA should not be necessary. Only where there is a departure from the plan should the Council consider requiring a HIA. In addition, the HBF considers that any requirement for a HIA should be based on a proportionate level of detail in relation the scale and type of development proposed. The requirement for HIA for development proposals of 150 dwellings or more without any specific evidence that an individual scheme is likely to have a significant impact upon the health and wellbeing of the local population is not justified by reference to the PPG. Only if a significant adverse impact on health and wellbeing is identified should a HIA be required, which sets out measures to substantially mitigate the impact.

Housing Allocations

19. The Council is minded to support setting the housing requirement at 415dpa, which supports a very modest level of job growth of 130 jobs per annum. The HBF have already set out their concerns about the housing requirement as set out previously. However, Table 10.1 sets out the sites where development is already committed and under construction, it suggests that these sites will provide 3,390 dwellings. The Council suggests that 65dpa will continue to be delivered from small site windfalls, and they have included 45 losses per year. The Council have therefore identified that they will need to identify sites to accommodate at least 6,350 dwellings. The HBF considers that this is likely to need to be higher.

Baseline requirement 2023 to 2042	10,140
minus windfall contribution	-1,300
minus sites under construction	-3,390
plus demolitions and losses	900
Requirement to be found	at least 6,350
Requirement applying 10% buffer	at least 6,985

Table 10.2 Overall Requirement Based on Meeting Higher Jobs Growth

20. The HBF would generally recommend that an allowance for windfall should not be included in the supply and instead should form part of the flexibility in supply. However, the HBF recommends that if the Council intends to include an allowance for windfall that they have an appropriate evidence base to support this, this would be in line with the

⁵ PPG ID:53-005-20190722

NPPF⁶ which states that where an allowance is made for windfall sites there should be compelling evidence that they will provide a reliable source of supply and should be realistic having regard to the historic windfall delivery rate and expected future trends.

21. The HBF is keen that the Council produces a plan which can deliver against its housing requirement. To do this it is important that a strategy is put in place which provides a sufficient range of sites to provide enough sales outlets to enable delivery to be maintained at the required levels throughout the plan period. The HBF and our members can provide valuable advice on issues of housing delivery and would be keen to work proactively with the Council on this issue.
22. The Plan's policies should ensure the availability of a sufficient supply of deliverable and developable land to deliver the housing requirement. This sufficiency of housing land supply (HLS) should meet the housing requirement, ensure the maintenance of a 5 Year Housing Land Supply (5YHLS), and achieve Housing Delivery Test (HDT) performance measurements. The HBF also strongly recommends that the plan allocates more sites than required to meet the housing requirement as a buffer. This buffer should be sufficient to deal with any under-delivery which is likely to occur from some sites and to provide flexibility and choice within the market. Such an approach would be consistent with the NPPF requirements for the plan to be positively prepared and flexible.
23. The Council's overall HLS should include a short and long-term supply of sites by the identification of both strategic and non-strategic allocations for residential development. Housing delivery is optimised where a wide mix of sites is provided, therefore strategic sites should be complimented by smaller non-strategic sites. The widest possible range of sites by both size and market location are required so that small, medium and large housebuilding companies have access to suitable land to offer the widest possible range of products. A diversified portfolio of housing sites offers the widest possible range of products to households to access different types of dwellings to meet their housing needs. Housing delivery is maximised where a wide 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 choice / competition in the land market.
24. The Council should identify at least 10% of its housing requirement on sites no larger than one hectare or else demonstrate strong reasons for not achieving this target in line with the NPPF requirements.
25. The Council should also provide some headroom between its minimum housing requirement and overall housing land supply. Whilst there is no numerical formula to determine the appropriate quantum of headroom, if the Local Plan is highly dependent upon one or relatively few sites and geographical locations then greater numerical flexibility is necessary than where supply is based on a more diversified portfolio of sites.

Draft Strategic Policy 18: Affordable Housing

⁶ NPPF Dec 2023 paragraph 72

26. This policy sets the percentage of affordable housing required it states that on sites of greater than 10 units or which have a combined floorspace of more than 1,000m² the percentage varies from 0% in the low value areas to 20% in the high value areas. It suggests that 60% will be social / affordable rent and 40% First Homes / Intermediate housing ownership.
27. The Council state that they will be completing a viability assessment prior to the next stage of the Local Plan and that the policy thresholds and requirements may therefore be subject to future adjustment.
28. The HEDNA (2023) identifies a net annual affordable housing need of between 177 and 302 dwellings, dependent on the income multiplier used (25% or 31%). The HBF supports the need to address the affordable housing requirements of the borough. The NPPF⁷ is, however, clear that the derivation of affordable housing policies must not only take account of need but also viability and deliverability. The Council should be mindful that it is unrealistic to negotiate every site on a one-by-one basis because the base-line aspiration of a policy or combination of policies is set too high as this will jeopardise future housing delivery. As the Council has not provided a Viability Assessment during this consultation it is not possible for the HBF to comment on the soundness or suitability of this policy.
29. The HBF does note that the NPPF defines a major development for housing as a development where 10 or more homes will be provided, or the site has an area of 0.5ha or more. The HBF recommends that the policy is updated to reflect this definition.

Draft Policy 8: Housing Mix

30. This policy states that in developing allocated and windfall housing sites developers will be required to adopt an approach that will establish sustainable communities, providing a choice of homes to meet an appropriate range of housing needs. It states that a mix of housing tenures, types and sizes should be provided, appropriate to the site size, characteristics and location. It goes on to state that on larger sites developers will be required to deliver specific provision to meet key housing needs.
31. Part 5 of the policy states that all new specialist homes designed for older people shall be built to current Lifetime Homes Standards (or subsequent replacements) as a minimum. It is noted that the Lifetime Homes standard is no longer applicable following the Government's Housing Standards review, Lifetime Homes have now been replaced by the optional Building Regulations accessibility standards (M4(2) and M4(3)). These standards can be introduced via a plan but only where there is specific evidence to justify their inclusion. The HBF consider that the Council should remove this reference.
32. Part 7 of the policy states that the Council will address development density on a site-by-site basis. Sites should be developed efficiently but respect local character and context. The setting of residential density standards should be undertaken in accordance with the NPPF⁸ where policies should be set to optimise the use of land. The HBF would also

⁷ NPPF Paragraph 34

⁸ NPPF 2021 Paragraph 125

recommend the Council ensure appropriate flexibility is provided by this policy to allow developers to take account of the evidence in relation to site specific conditions, market aspirations, deliverability, viability and accessibility.

33. The Council will also need to consider its approach to density in relation to other policies in the plan. Policies such as open space provision, SuDs, tree provision, biodiversity net gain, cycle and bin storage, housing mix, residential space standards, accessible and adaptable dwellings, energy efficiency and parking provision will all impact upon the density which can be delivered upon a site.
34. Part 9 of the policy states that where appropriate, the Council will consider the use of planning conditions to restrict occupancy and subsequent sale.
35. The HBF considers that it is not clear whether this applies to all new homes or whether it is only intended to apply in certain circumstances. The HBF seeks assurances from the Council that this requirement will not be an impediment to the effective delivery of homes. The HBF has concerns in relation to these restrictions and the potential implications they could have on the delivery of homes, including the potential to deliver infrastructure and other policy requirements set out in the plan and the impacts on future financing and rights of occupants. The HBF also has concerns on the impact these restrictions could then have on the second-hand home market which may see significant prices rises, as these homes are not subject to restrictions.
36. The HBF considers that merging policies in relation to the housing mix, provision for elderly person's housing and housing density does not create a comprehensive policy and instead creates unnecessary confusion.

Draft Policy 9: Self-build and custom build homes

37. This policy states that landowners promoting the development of strategic sites in combination with development partners will be expected to make provision for 1% of homes to be delivered on site by self-builders, or through custom build. It goes on to state that plots should be made available and offered at competitive rates, to be agreed by the Council. This is similar to the existing policy which also expects the 1% provision of large strategic sites and that sale rates should be agreed with the Council.
38. The HBF would be keen to understand the evidence to support the need for custom and self-build housing in North East Lincolnshire, and how it has informed the requirements of this policy. The PPG⁹ sets out how custom and self-build housing needs can be assessed. The HEDNA sets out that as of the end of October 2022 the Council had 46 individuals and 5 groups on the register, of these 2 individual applications for the register were made in the October 2021 to 2022 period, with three planning permissions for serviced plots suitable for self-build granted in this time.
39. The HBF does not consider that the Council has appropriate evidence to support the requirement for developers on sites of strategic sites to make provision for 1% of all new

⁹ PPG ID: 67-003-20190722

homes as service plots for custom or self-build housing. The HBF is concerned that as currently proposed this policy will not assist in boosting the supply of housing and may even limit the deliverability of some sites and homes. The HBF considers that the Council's own evidence show that there is not a demand from custom and self-builders to live on sites within a larger residential development scheme.

40. The PPG¹⁰ sets out how local authorities can increase the number of planning permissions which are suitable for self and custom build housing. These include supporting neighbourhood planning groups to include sites in their plans, effective joint working, using Council owned land and working with Home England. The HBF considers that alternative policy mechanisms could be used to ensure a reliable and sufficient provision of self & custom build opportunities across the Borough 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.

Viability

41. The Council will need to ensure that they have considered viability, viability assessment should not compromise sustainable development but should be used to ensure that policies are realistic, and that the total cumulative costs of all relevant policies will not undermine deliverability of the Plan. The Council need to ensure that policy requirements should be set at a level that takes account of affordable housing and infrastructure needs and allows for the planned development to be deliverable without need for further viability assessment at the decision-making stage.

Monitoring

42. The HBF recommends that the Council include an appropriate monitoring framework which sets out the monitoring indicators along with the relevant policies, the data source and where they will be reported, this should also include the targets that the Plan is hoping to achieve and actions to be taken if the targets are not met. The HBF recommends that the Council provide more details as to how the plan will actually be monitored, and identifies when, why and how actions will be taken to address any issues identified.

Future Engagement

43. I trust that the Council will find these comments useful as it continues to progress its Local Plan. I would be happy to discuss these issues in greater detail or assist in facilitating discussions with the wider house building industry.
44. The HBF would like to be kept informed of all forthcoming consultations upon the Local Plan and associated documents. Please use the contact details provided below for future correspondence.

Yours sincerely,

¹⁰ PPG ID: 57-025-20210508



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