



East Lindsey District Council,
Planning Policy Section, Room 49,
Tedder Hall,
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Manby,
Louth,
Lincolnshire,
LN39 6UP.

SENT BY E-MAIL AND POST

25 January 2017

Dear Sir / Madam

EAST LINDSEY CORE STRATEGY AND SETTLEMENT PROPOSALS PLAN PRE SUBMISSION CONSULTATIONS

Introduction

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. We would like to submit the following representations and in due course attend the Local Plan Examination Hearing Sessions to discuss these matters in greater detail.

Duty to Co-operate

Under S110 of the Localism Act 2011 which introduced S33A into the 2004 Act the Councils must co-operate with other prescribed bodies to maximise the effectiveness of plan making. The Duty to Co-operate requires the Councils to "*engage constructively, actively and on an on-going basis*". The high level principles associated with the Duty are set out in the National Planning Policy Framework (NPPF) (paras 156, 178 – 181). There are also 23 paragraphs in the National Planning Practice Guidance (NPPG) concerning the Duty. When determining if the Duty has been satisfied it is important to consider the outcomes arising from the process and the influence of these outcomes on the Development Plan Document (DPD). One required outcome of co-operation is the delivery of full objectively assessed housing needs (OAHN) for market and affordable housing in the housing market area (HMA)

as set out in the NPPF (para 47) including the unmet needs of neighbouring authorities where it is reasonable to do so and consistent with sustainable development (para 182).

The NPPF requires the Council to meet in full OAHN in the HMA. The NPPG defines a HMA as a geographical area reflecting the key functional linkages between places where people live and work. Although it has been determined that East Lindsey District is its own HMA and that full OAHN can be met within its own administrative area without recourse to neighbouring authorities East Lindsey District Council is not isolated. The Council has four neighbouring authorities namely North East Lincolnshire, West Lindsey, North Kesteven and Boston District Councils. It is noted that the Council's Statement of Co-operation indicates that the Council's position is accepted by neighbouring authorities and no requests for unmet housing needs from elsewhere have been received. However it also noted that Lincolnshire County Council have raised concerns about the length of the plan period and the impact of limitations on development in the Coastal Area.

Scope of Core Strategy & Settlement Proposals Plan

The Council's Local Plan comprises of two separate DPDs. The Core Strategy setting out the overall spatial strategy including the broad direction of growth and development targets together with the Settlement Proposals Plan which identifies and allocates development sites. However the NPPF expresses a preference for one single plan (para 153) and the NPPG requires a justification from the Council for continuing to proceed with separate documents (ID 12-012-20140306). The HBF has assumed that the Council's intention is to submit these two DPDs together for examination at the same time. If this is the Council's intention it should be clearly set out in the DPDs.

Plan period & proposed plan review

The NPPF states a preference for a 15 year time horizon for DPDs (para 156). However if the Core Strategy and the Settlement Proposals Plan are not formally adopted until the beginning of 2018 as set out in the latest Local Development Scheme dated March 2016 then less than the preferred plan period of 15 years would remain.

It is noted that the Council refers to a full review of policies **Policy SP3 – Housing Growth & the Location of Inland Growth** and **Policy SP18 – Coastal Housing** within 5 years. However this proposal is not set out in the wording of either policy. It is suggested that the Council's intention to review these policies within 5 years is widened to encompass the whole Local Plan thereby facilitating the amalgamation of two separate DPDs into one single document and the extension of the plan period beyond 2031. Such a policy commitment to a proposed Local Plan review within 5 years would assist in resolving the lack of consistency between the Council's DPDs and national policy.

OAHN and Housing Requirement

The NPPG sets out a methodology for the calculation of OAHN stating :-

- Sub National Household Projections (SNHP) produced by DCLG are the starting point for OAHN (ID 2a-015-20140306) ;
- worsening trends in market signals should be considered which may necessitate an upward adjustment above demographic projections (ID 2a-018-20140306 & 2a-019-20140306). The NPPG is explicit in stating that a worsening trend in any one of the market signal indicators will require an upward adjustment to planned housing numbers (ID : 2a-020-20140306) ;
- supporting economic growth is an equally important factor which plan makers should assess (ID : 2a-018-20140306). It is essential that housing and employment strategies are properly aligned ;
- an increase in the total housing provision included in a Plan should be considered where it could help to deliver the required number of affordable homes (ID : 2a-029-20140306).

The Council's original OAHN was set out in a number of reports including the Housing Topic Paper dated February 2016 and the Updating the Demographic Evidence Report by Edge Analytics dated June 2015. Since the draft Local Plan consultation ended in August 2016 the Council has undertaken a re-assessment of its OAHN to account of the most up to date data available including the 2014 SNHP as set out in East Lindsey Demographic Forecasts Updating the Evidence Report dated October 2016 by Edge Analytics and the Housing Topic Paper dated November 2016. The Council concludes that no meaningful change has arisen from the publication of the 2014 SNPP and SNHP. The OAHN remains 481 dwellings per annum based on official projections plus local sensitivity testing adjustments for 10 year migration trends and Household Formation Rates (HFR) together with a vacancy / second homes conversion rate of 6.5%. This equals an OAHN figure of 7,215 dwellings for the period 2016 – 2031 to which is added 553 dwellings of housing under supply for the period 2011 – 2016 resulting in a housing requirement of 7,768 dwellings (517 dwellings per annum) as set out in **Policy SP3**.

It is noted that the Council's updated evidence provides no further information or analysis of market signals in particular if worsening trends indicate the need to increase OAHN above demographic led projections.

There also appears to be a mismatch between economic growth and housing provision. The Council's Economic Baseline is +240 jobs per annum but all demographic led scenarios are below this figure. The latest evidence shows that the Council's preferred scenario will only support an average annual employment growth of 149 jobs indicating a foreseeable reduction in the resident labour force even after taking account of optimistic assumptions on economic activity rates in older age groups and unemployment rates falling to pre-recession levels. The Council has not justified its reasons for proposing a housing requirement which will not support its economic growth proposals.

It is the Council's intention to meet its OAHN in full but away from the Coastal Area with its high risks of flooding. Therefore the housing requirement is

divided between the Coastal and the Inland Areas of the District. **Policy SP1 – A Sustainable Pattern of Places** sets out a settlement hierarchy and **Policy SP3 - Housing Growth & the Location of Inland Growth** sets out the distribution of housing growth. In the Coastal Area the housing requirement is restricted to approximately 1,308 dwellings (derived from existing planning consents). In the Inland Area the housing requirement is set as minimum of 6,460 dwellings (430 dwellings per annum). In the Inland Area the preferred pattern of housing distribution is based on Option 2 for a Moderately Dispersed Distribution of Growth focussing on the District's 5 inland towns and 20 large villages outside the Coastal Flood Risk Area. In medium and Small Villages housing development is restricted to conversion of existing buildings and redevelopment of brownfield land under **Policy SP4 – Housing in Medium & Small Villages**.

Housing Land Supply (HLS)

Table A sets out an overall housing land supply of between 8,336 – 10,271 dwellings against a housing requirement of 7,768 dwellings which indicates a contingency of between 7.3% - 32.2% for unforeseen circumstances which prevent sites coming forward as envisaged.

Currently the Council is proposing a 5% buffer in its 5 YHLS calculation rather than 20% buffer which the HBF consider more appropriate given the historic under delivery of housing. The Council is proposing a phased housing delivery of 591 dwellings per annum between 2016 – 2021 and 482 dwellings per annum thereafter as set out in **Policy SP3**. This phasing is proposed in order to deliver the housing under supply from the period 2011 – 2016 in accordance with the Sedgefield approach to shortfalls. The HBF supports the use of the Sedgefield approach.

As set out in the Council's Housing Topic Paper dated November 2016 there will not be a 5 years housing land supply (YHLS) on adoption of the DPDs and it is unlikely that the Council will be able to maintain a 5 YHLS throughout the plan period. The HBF estimate the Council's actual 5 YHLS is even less than the 3.85 years stated. Without a 5 YHLS the DPDs fail the NPPF soundness tests of positively prepared, effective and consistent with national policy (para 182). Unless there is a 5 YHLS under the NPPF (para 49) the policies for the supply of housing in the DPDs including all policies restricting housing development (see the Court of Appeal Judgement *Richborough Estates Partnership LLP v Cheshire East Borough Council & SoS CLG (C1/2015/0894)*) would be rendered instantly out of date on adoption of the DPDs.

When allocating more housing sites the Council should be mindful that to maximize housing supply the widest possible range of sites, by size and market location are required so that house builders of all types and sizes have access to suitable land in order to offer the widest possible range of products. The key to increased housing supply is the number of sales outlets including multiple outlets on Sustainable Urban Extensions (SUE). The maximum delivery is achieved not just because there are more sales outlets but

because the widest possible range of products and locations are available to meet the widest possible range of demand.

Although the HBF would not wish to comment on the merits or otherwise of individual sites contained within the Council's housing trajectory it is critical that the Council's assumptions on lapse rates / non implementation allowance, lead in times and delivery rates contained within its calculations are correct and realistic to provide sufficient flexibility in its land supply. These assumptions should be supported by house builders.

Housing Standards

Policy SP10 - Design Bullet Point 6 proposes the higher optional standard for water efficiency of 110 litres per person per day. The NPPG is explicit that higher water efficiency standards should only be proposed in identified areas of water stress. It is noted that "*the East Lindsey Phase 2 Water Cycle Study 2016 shows that there are no issues which indicate that the planned scale, location and timing of planned development within the District is unachievable from the perspective of supplying water and waste services and preventing the deterioration of water quality in receiving waters*" (para 10 page 119). Therefore it is recommended that Bullet Point 6 of **Policy SP10** is deleted.

Conclusions

For the East Lindsey Core Strategy and Settlement Proposals Plan to be found sound under the four tests of soundness defined by the NPPF the DPDs must be positively prepared, justified, effective and consistent with national policy (para 182). It is considered that for the pre submission versions of the Council's DPDs are unsound because of :-

- no justification for two separate DPDs rather than one single Local Plan;
- the plan period will be less than 15 years on adoption ;
- a housing requirement based on demographic led OAHN which under-estimates housing needs and will not support economic growth ;
- no 5 YHLS on adoption of the Plan ;
- no evidence to justify proposed higher optional housing standards for water efficiency.

It is hoped that these representations are of assistance to the Council in informing the next stages of the East Lindsey Core Strategy and Settlement Proposals Plan. In the meantime if any further information or assistance is required please contact the undersigned.

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



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