

EAST LINDSEY LOCAL PLAN 2016 – 2031

EXAMINATION IN PUBLIC

Response to Inspector's Matters, Issues and Questions

Made on Behalf of KCS Developments Ltd

June 2017

MATTER 10 – AFFORDABLE & LOW COST HOUSING (POLICIES SP7; SP8 AND SP9)

Preamble

- 1.1 Barton Willmore is instructed by KCS Developments Ltd ('our Client') to submit responses to the Inspectors Matters, Issues and Questions following the submission of the East Lindsey Local Plan ('Local Plan') for examination. The Local Plan comprises two separate documents; the Core Strategy (CD107/CD108) which sets out the vision and strategic policies for growth and development in the district over the plan period and the Settlement Proposals Plan document (CD109/CD110) which contains site allocations and areas shown on the proposals maps which relate to the Core Strategy.
- 1.2 KCS Developments Ltd is a Leeds based development company who have a successful track record of promoting land through the Local Plan process and obtaining planning consents for residential developments throughout the Country.
- 1.3 Our Client's land interest in the district is land to the rear of Chestnut Drive, Louth (reference: LO311) which the Council identify as having a capacity for 275 dwellings and a potential affordable housing contribution of 30% (82 units). An outline planning application (Ref: N/092/01853/16) for the first phase of development of the site, which comprises 100 units was approved at planning committee on 15th December 2016, subject to the completion of a Section 106 Agreement.
- 1.4 The Inspector has identified the main issue for this session to be:

"Has the objectively assessed need for affordable housing been correctly assessed? Will Policies SP7 and SP8 ensure the delivery of sufficient affordable housing having regard to the viability of development; and are they justified in respect of how financial contributions could be used? Are the policy criteria sound? Should there be an uplift to the housing requirement to help meet affordable housing needs?"
- 1.5 Our response to the relevant questions in relation to Matter 10 are found below. We have had specific regard to the tests of soundness outlined in Paragraph 182 of the National

Planning Policy Framework ("NPPF"); namely that for the policies of the Local Plan to be sound, they need to be justified, effective, positively planned and consistent with national policy.

1. Has the objectively assessed need for affordable housing of 2,825 homes been established in accordance with national policy and guidance?
- 1.6 The basis for calculating the total number of affordable homes required for the plan is set out in the *Affordable Housing Needs Assessment Update 2016* (CD7). Our Client's view is that the methodology is consistent with national policy and guidance and so in this instance the overall figure can be regarded as sound.
- 1.7 The document itself provides a breakdown of the type of affordable requirement and it is noted that a substantial proportion of the 2,825 affordable homes required is driven by current unmet need within the district (891 units gross or around 32%). This is stated as a gross figure and we support the identification of vacated affordable housing to provide a net figure which reduces the unmet need to 652 dwellings.

Questions 2 – 5

- 1.8 Our Client does not have any specific comments in relation to these questions at this time, however they reserve the right to comment on them further should it affect their land interests.
6. Are the contribution requirements for the Coast (0%), the rest of the District excluding Woodhall Spa (30%), and Woodhall Spa (40%) justified by the viability evidence? In particular, would the viability of larger sites subject to the 30% requirement be put at risk? Is the new build sales value used in the Economic Viability Assessment Update 2015 (CD23) realistic? Is it justified to calculate financial contributions *in lieu* of on-site provision on the basis of market sales values rather than land values?
- 1.9 Whilst our representations to the Publication Draft did not raise an issue with the percentage of affordable housing sought, it should be noted that the ability for any given site to be able to provide affordable housing in line with the policy requirement contained in SP7 will depend on site specific viability and could likely be influenced by elements such as abnormal costs or the need to provide specific pieces of infrastructure. In our experience of examining

Local Plan viability we also know that localised factors can greatly affect residential sales values on a case by case basis (which comes from a finer grain analysis which is not necessarily picked-up in the Local Plan evidence) and this too can materially affect the ability of a site to accommodate affordable housing.

1.10 The NPPF is clear in Paragraph 173 that:

“To ensure viability, the costs of any requirements likely to be applied to development, such as requirements for affordable housing, standards, infrastructure contributions or other requirements should, when taking account of the normal cost of development and mitigation, provide competitive returns to a willing land owner and willing developer to enable the development to be deliverable.”

1.11 It also advises in Paragraph 14 that local plans need to be flexible and adapt to rapid change. This would therefore include wider changes to the housing market which may occur over the duration of the plan period.

1.12 It is for these reasons that a clause is featured within the Policy SP7 which allows for a reduction in affordable provision where viability issues are presented. We note the inclusion of such a clause in the policy and support this, however the policy only outlines what is required from the applicant in this instance and not how the Council intends to deal with issues of viability. To ensure the effectiveness of the policy, greater clarity should be provided here.

1.13 We also note that affordable provision such as starter homes are referenced in Paragraph 12 of the Core Strategy but then Paragraph 13 states that a starting point for affordable housing negotiations is 70% rented properties and 30% shared ownership. To ensure a sound approach which is justified, effective and consistent with national policy (current and emerging) all types of affordable housing should be considered when negotiating affordable housing and this should be informed by the requirements of the specific area around the application site. This flexible approach ensures the soundness of the policy by ensuring the policy will endure throughout the plan period and adapt to changes in the housing market and site specific challenges.

1.14 The final part of the question relates to financial contributions. The option to provide financial contributions *in lieu* of on-site affordable housing provision is welcomed as it provides flexibility for developers and will allow the authority to better target affordable need where it is most apparent in the district. However, the approach which is set out in Clause 4

of Policy SP7 is unsound as it seeks to set the financial contribution as a general percentage of the market value of a property. Our Client believes such an approach is overly rigid and does not take into account the differing housing markets/values within the district; rather it assumes the market value is proportionately the same everywhere in East Lindsey. This is unlikely to be the case. On this basis, we believe this element of the policy is unsound on the basis of being ineffective, not positively planned and inconsistent with national policy.

1.15 To ensure the approach is sound, we believe an agreement on the values to apply for calculating a financial contribution in lieu of affordable housing should be agreed on a case by case basis and take into account site specific circumstances.

7. Are the precise zones to which the different contribution rates apply clearly set out in the plan? If not, should they be defined in order to ensure clarity and effectiveness?

1.16 Our Client does not have any specific comments in relation to this question at this time, however they reserve the right to comment on this further should it affect their land interests.

8. Should Clause 2 be reworded to clarify that Clause 1 will apply unless a detailed, site specific assessment commissioned by the developer demonstrates that a reduced level of affordable housing is justified on grounds of viability? Is proposed amendment ADM19 required for soundness?

1.17 Our Client would not object to the rewording suggested by Question 8, although we do not believe the policy is unsound without the changes. We would however emphasise that the comments in our response to Question 6 should also be considered in the rewording of the policy.

9. Should Clause 4 specify the circumstances in which off-site provision would be acceptable.

1.18 We do not believe such an amendment is required to make the policy sound and believe the current wording provides sufficient flexibility to ensure the policy is adaptable over the plan period.

Questions 10 - 18

- 1.19 Our Client does not have any specific comments in relation to these questions at this time, however they reserve the right to comment on them further should it affect their land interests.