

# Proposed Submission Response Form

#### PLEASE USE BLACK INK TO COMPLETE THIS FORM Please refer to the 'Guidance notes on completing the Representation Form'

From 16 March to 9 May 2022 you can make representations on the soundness and legal compliance of the Proposed Submission Local Plan. All comments must be <u>received</u> by 11:59pm on 9 May 2022. Responses made at this stage will be treated as formal representations and considered by an independent Planning Inspector; late submissions are unlikely to be considered by the Inspector.

Where possible we prefer people to use the online consultation system.

You can access the Plan online via <u>https://www.n-kesteven.gov.uk/central-lincolnshire/local-plan-review/</u> or via <u>https://central-lincs.inconsult.uk/CLLP.Proposed.Submission./consultationHome</u>. However, if you cannot use the online system, then your views can be made by email or through the post, preferably using this form.

## PART A: YOUR DETAILS

#### Important information about data protection:

Any comments you make as part of the consultations into the Central Lincolnshire Local Plan will be made public as it is a statutory requirement to publish comments. We will publish these online. If you have any concerns then please contact us. The Councils will however remove personal email addresses, postal addresses, telephone numbers and signatures. Your information will be retained by the Councils as part of our statutory plan making duty, until no later than six months after the Plan is adopted, at which point your information will be securely deleted / destroyed. We will consult you at subsequent stages of the Plan's preparation to seek further comments from you and to keep you informed. If you do not wish to be contacted at subsequent stages of the Plan, please let us know using the contact details at the top of this page. **By submitting this form you are agreeing to these conditions**.

| Signature: P. Hughes                                    | Date:                  | 5 May 2022 |
|---|------------------------|------------|
| Tel: 01673 866224                                       | Tel:                   |            |
| Email: phil.hughes@lincolnshire.gov.uk                  | Email:                 |            |
| Postcode: LN1 1XX                                       | Postcode:              |            |
| Address: Lancaster House, 36 Orchard Street,<br>Lincoln | Address:               |            |
| Council   | Name:                  |            |
| Organisation (if applicable) : Lincolnshire County      | Nome                   |            |
| Name: Phil Hughes                                       | Agent (if applicable): |            |

We will send all correspondence by email if you provide us with your email address. If Agent details are provided, we will send all correspondence to them.

Do you wish to be notified of any of the following? (Please tick as appropriate)

The Submission of the Local Plan for independent examination:

The Publication of the Inspector's Report:

The Adoption of the Local Plan:

| х |  |
|---|--|
| х |  |
| х |  |

Please note your representation should cover succinctly all the information, evidence and supporting information

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Please email forms to: talkplanning@central-lincs.org.uk Or post to: Central Lincolnshire Local Plan Team, District Council Offices, Kesteven Street, Sleaford, NG34 7EF



necessary to support/justify the representation and the suggested change. After this stage, further submissions will be only at the request of the Inspector, based on the matters and issues he/she identifies for examination.

#### PART B: QUESTIONS

Q2.

Q3.

#### ONE FORM SHOULD BE COMPLETED FOR EACH REPRESENTATION

Q1. To which part of the Local Plan or Sustainability Appraisal (SA) does this representation relate?

| Paragraph  | Policy                 | S7<br>Clause 3<br>– Viability | Policie | es Map |   | SA         |   |  |
|--|------------------------|-------------------------------|---------|--------|---|------------|---|--|
| Do you consider the following to be legally compliant? |                        |                               |         |        |   |            |   |  |
| Local Plan   |                        |                               | Yes x   | No     |   | Don't know | 7 |  |
| Sustainabi   | ity Appraisal (SA)     |                               | Yes x   | No     |   | Don't know |   |  |
| Do you consider  | the Local Plan is:     |                               |         |        |   |            |   |  |
| Positively I   | Prepared               |                               | Yes     | No     | х | Don't know |   |  |
| Justified  |                        |                               | Yes     | No     | х | Don't know |   |  |
| Effective  |                        |                               | Yes     | No     | х | Don't know |   |  |
| Consistent   | with national policy   |                               | Yes     | No     | x | Don't know |   |  |
| In complia   | nce with the Duty to C | o-Operate                     | Yes x   | No     |   | Don't know |   |  |

Q4. If you answered 'No' to question 2 or 3 above, please give details below. Please be as precise as possible and follow guidance in our note 'Guidance notes on completing the Representation Form'. If you answered 'yes' or 'don't know', you can also use this box to set out details of your representation on the Local Plan or SA.

Lincolnshire County Council (LCC) believes Policy S7 Clause 3 (viability) is unsound as it discriminates against areas with relatively low house prices (Map 3 in Chapter 4) and ultimately against lower cost housing occupied by lower income households. This will only exacerbate fuel poverty in a period of unprecedented increases in energy costs. The objective of the Local Plan (para. 3.2.7) is that no homes are built that must be retrofitted for energy efficiency at a later date. An analysis of the Committee for Climate Change report on the 6<sup>th</sup> Carbon Budget shows that the extra cost of meeting the FHS during construction is around £4,800. If the same measures are retrofitted at a later date the cost was £26,300 – which means that it would probably be unviable to retrofit the house. LCC does not believe we need these exceptions – the energy efficiency requirements can quickly become standard practice in the construction industry.

There are several concerns which need to be addressed in the evidence provided to justify Clause 3 (viability): values (house prices), construction costs and developer profit.

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**<u>Residential Sales Values</u>**: the Whole Plan Viability (WPV) Addendum published in March 2022 (Ref: INF003) points to increasing house prices in the Gainsborough and Sleaford areas. Paragraph 7.2 states:

"The net increase in sales values has resulted in viability improvements across Central Lincolnshire. Some typologies that were previously unviable now display a viability surplus. All typologies that previously displayed viability deficits also now show smaller deficits based on our updated costs and values."

It is accepted that the updated report provides a snapshot but it is clear that the Sleaford mid-lower (+ 11%) and Gainsborough lower (+ 14%) value areas are increasing at a faster percentage rate than the other areas (para. 2.34) reflecting the attractiveness of these locations to the market and better affordability offered compared to other regions.

<u>Construction Costs</u>: the use of Building Cost Information Service (BCIS) data is highly problematic when trying to determine an accurate assessment of viability. The Central Lincolnshire Whole Plan Viability (WPV) Assessment published 18 June 2021 (Ref: INF002a) states in paragraph 8.5:

"**Build costs** – we know from RICS that housebuilders do not typically feed into the BCIS data, as shown in Figure 8-1 it is primarily consultants and government agencies. Therefore, the underlying data for BCIS may not necessarily reflect how development is delivered locally and the associated costs"

In addition, paragraph 8.6 states:

"For a study of this nature, it is difficult to deviate away from using BCIS as a data source, despite its limitations; the PPG supports the use of BCIS88 as a data source, and it is not proportionate to have costs plans created for all the proposed allocations. Therefore, these costs unveil a **disconnect between how the market operates and the viability process under the PPG**."

This raises questions regarding the true cost of development in areas such as Gainsborough and Sleaford, especially when set against rapidly improving sales values and viability.

Regarding the costs of energy saving technologies, there is increasing evidence of falling prices for heat pumps: <u>https://www.hvpmag.co.uk/Heat-pump-costs-could-fall-by-up-to-40-research-finds/12780#:~:text=HVP%20Magazine%20%2D%20Heat%20pump%20costs,up%20to%2040%25%2C%20 research%20finds&text=Research%20by%20Delta%2DEE%20reveals,margins%20across%20the%20supply %20chain. and solar panels: <u>A comprehensive guide to solar panels - Energy Saving Trust</u>.</u>

**Developer Profit**: there are concerns raised regarding the appropriate amount of profit on market housing (20% Gross Development Value) used in the viability assessment (WPV 2021, para. 6.8, Table 6.4). MHCLG, 05 May 2019, PPG, Paragraph: 018 Reference ID: 10-018-20190509 states:

"For the purpose of plan making, an assumption of 15-20% of gross development value (GDV) may be considered a suitable return to developers in order to establish the viability of plan policies. Plan makers may choose to apply alternative figures where there is evidence to support this according to the type, scale, and risk profile of planned development".

No attempt is made to justify the higher figure of 20% GDV in the WPV Assessment which has the effect of artificially increasing the cost of development (profit is a cost to the home buyer) thereby reducing

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## viability.

In summary, Policy S7 (Clause 3 – viability) is considered **unsound** in terms of being:

- Not positively prepared (does not meet infrastructure requirements in lower value areas);
- unjustified (evidence used is not proportionate);
- ineffective (does not deliver energy efficient homes across all Central Lincolnshire); and,
- is not consistent with national policy (NPPF) and guidance (PPG) as it fails to deliver sustainable housing across all Central Lincolnshire.

(Continue on a separate sheet if necessary)

Q5. If you answered 'No' to question 2 or 3 above, please set out what change(s) you consider necessary, and why, to make the Local Plan or SA legally compliant or sound. It will be helpful if you are able to put forward your suggested revised wording for any policy or text. Please be as precise as possible.

Delete Clause 3 (viability) in Policy S7: Reducing Energy Consumption – Residential Development

(Continue on a separate sheet if necessary)

Q6. It is important to note that written and oral representations carry exactly the same weight and will be given equal consideration in the examination. As such, do you consider it necessary to participate at the oral part of the examination?



 $\ensuremath{\text{No}}$  I do not wish to participate at the oral examination

Yes I do wish to participate at the oral examination

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