



**SOUTH HOLLAND LOCAL PLAN
TOPIC PAPER

HOUSING**

TOPIC PAPER – HOUSING

1 INTRODUCTION

1.1 This topic paper is one of three being produced to assist debate at the Local Plan Inquiry. The overall strategic context for the Re-deposit Local Plan (RLP) (CD/SH/09) is set out in the Core Strategy topic paper and a separate paper addresses the District's economy. The purpose of the topic papers is to explain the background to, and therefore justify, the policies in these key areas contained in the RLP in order to assist the Inspector and others in the consideration of objections to those policies.

1.2 This paper is concerned with the housing strategy and policies of the Plan, in particular the level of provision, distribution and phasing of housing development. The methodology and assumptions used in the Urban Capacity Study (UCS) (CD/SH/13) are also addressed. The paper also deals with the main strategic points that have been raised in response to the housing chapter of the plan.

1.3 The key issues dealt with in this topic paper are:

- distribution and supply of housing;
- phasing and monitoring strategy;
- the Council's Urban Capacity Study;
- housing allocations; and
- affordable housing policies.

1.4 The RLP policies covered by this topic paper are:

Policy HS1- The Housing Requirement

Policy HS2- Monitoring and Phasing of Housing

Policy HS3- New Housing Allocations

Policy HS4- New Housing in Spalding (Non-Allocated Sites)

Policy HS5- New Housing in the Area Centres (Other Towns and Donington)
(Non-Allocated Sites)

Policy HS6- New Housing in the Group Centres (Non-Allocated Sites)

Policy HS7- New Housing in the Open Countryside, Including the Other Rural
Settlements

Policy HS8- Affordable Housing

Policy HS9- Rural Exceptions

2 THE STRATEGIC FRAMEWORK

2.1 The strategic policy framework for the housing policies in the plan is contained in national and regional guidance and in the Lincolnshire Structure Plan.

2.2 **Planning Policy Guidance Note 3: PPG3 (2000) (CD/GO/02) (as amended in January 2005) (CD/GO/05)**

2.2.1 PPG3 sets out a range of advice to local planning authorities in developing their policies in relation to the provision of housing land. This advice relates to:

- maintaining a supply of housing;
- widening housing opportunity and choice; and
- creating sustainable residential communities.

2.3 **Regional Spatial Strategy for the East Midlands (RSS8)**

2.3.1 RPG8 (2002) (CD/EM/01) reduced the strategic housing requirement for Lincolnshire by 18% from 3345 to 2750 dwellings per annum. A partial review of this document has been undertaken and a new RSS8 (CD/EM/02) approved in 2005. Policy 17 sets out the regional housing provision for each Structure Plan area in the East Midlands. Work has begun on a new RSS which will be fully compliant with the requirements of the new forward planning system and will include district level housing requirements. The provision and distribution of housing development in the RLP is consistent with this guidance. The East Midlands Regional Plan to 2026 'Options for Change' (CD/EM/04) was published at the end of October 2005. As the Council has explained in its Core Strategy

topic paper (CD/SH/30), any review of housing numbers will be considered as part of the production of the new LDF documents.

2.4 **Lincolnshire Structure Plan (SP)**

2.4.1 The County Council undertook a review of the Adopted Structure Plan (1982) (CD/LC/01) in 1998 (CD/LC/04) to cover the period 1991-2011. An examination in public (EiP) was held and the policies proposed for adoption were published in November 2000 (CD/LC/05), although the plan was never formally adopted. This plan allocated to the district a figure of 9400 dwellings to be provided in the period 1991-2011. The County Council has begun preparation of a new SP and the EiP was held during the summer of 2005. The Panel Report was published in October 2005 (CD/LC/08). Adoption is anticipated in early 2006. The SP provides the strategic framework for the supply and distribution of housing development and conforms with the reduced RPG8 housing requirements for Lincolnshire.

2.4.2 Policy H1 of the emerging SP sets an overall requirement of 7600 new dwellings to be provided in the district in the period 2001-2021. The SP has allocated to the District the same proportion as before (13.8%) but a lower overall total, down from 470 dwellings per annum to 380 dwellings per annum. This provision is more concentrated in urban areas than before (up from 67% to 75%) with a commensurate reduction in rural areas (down from 33% to 25%) to encourage a more sustainable pattern of development. We are in support of this distribution and supported this stance at the EiP. Paragraph 5.16 of the Proposed Changes Document, February 2005 (CD/LC/07), sets out the key factors in determining the provision in South Holland and states:

- *“The same proportion of County provision is maintained as in the Policies Proposed for Adoption but more concentrated in urban areas to reflect their important employment and service roles, particularly for the food and horticultural industries. Within the urban total it is understood that the District Council particularly wish to concentrate provision in Spalding.*

- *The population of South Holland has been growing at an accelerating rate in recent years. The overall level of provision is therefore significantly lower than recent past building rates (1991-2002) to discourage unsustainable patterns of in-migration and commuting.*
- *The provision in the urban areas would still be maintained above the longer term (1976-2002) building rate and allow scope for new allocations mainly on previously developed land.*
- *There is also a reduced provision in the rural area to encourage a more sustainable and focussed pattern of development than the scattered widespread provision seen in the recent past”.*

3 EVOLUTION OF THE LOCAL PLAN HOUSING STRATEGIES AND SUMMARY OF REPRESENTATIONS

3.1 This section considers the housing provision in the Adopted Local Plan (ALP) (CD/SH/02) and subsequent changes in the RLP. It shows that substantial changes to the plan’s housing provision were made between the ALP and RLP. It also provides a summary of the common or strategic themes arising from the representations received.

3.2 Local Plan Housing Strategies

3.3 Adopted Local Plan 1998

3.3.1 The general locational strategy of the ALP was to guide most new development to the towns. Outside the towns development was spread across the district’s villages with provision made in most settlements. Large scale housing allocations in the plan were directed to towns and Spalding in particular. The ALP reflected the SP (1998) provision of 9400 dwellings in the district over the period 1991-2011.

3.4 **First Deposit Draft Local Plan 2001 (FDD) (CD/SH/04)**

- 3.4.1 The ALP policies were overtaken by changes in national policy guidance on the need for more sustainable patterns of development. Many of the sites allocated for housing in the ALP were greenfield sites in village locations. This approach in the ALP no longer reflected the need for a greater concentration of housing development in urban areas, nor did it meet the more rigorous requirements of the sequential test for site selection required by PPG3.
- 3.4.2 Following the publication of PPG3: Housing, the Council adopted the South Holland Interim Rural Housing Planning Statement in May 2001 (CD/SH/22) with the aim of achieving a more sustainable pattern of housing development in the rural area of the district. This Statement updated housing policies H2 and H5 of the ALP. The strategy was carried forward and further updated by the FDD published in November 2001.
- 3.4.3 The FDD aimed to direct most of the district's new housing to Spalding. The plan recognised that a disproportionately large amount of housing land was located in the smaller settlements. The FDD aimed to address this imbalance and to deal with the existing over-provision of housing land in a sustainable manner. The plan also sought to ensure that local people had the opportunity of access to a decent home, and therefore another essential feature of the plan was the requirement for the provision of affordable housing. The housing policies of the FDD took into account, amongst other things, the Council's Urban Capacity Study and re-assessment of densities in accordance with the requirements of PPG3.
- 3.4.4 The Council decided to de-allocate a number of greenfield sites without planning permission from the ALP, capable of delivering 1640 dwellings. Boundaries of all the smaller settlements were also drawn tightly around the villages to restrict further growth. These reductions brought the FDD in line with the requirements of the SP and enabled a more sustainable pattern of development to be achieved. The FDD reflected the SP (1998) provision of 9400 dwellings over the period 1991-2011.

3.5 **Re-deposit Local Plan 2005 (RLP)**

- 3.5.1 Since the publication of the FDD in 2001 much has changed in terms of the national, regional and sub-regional context. RPG8 (which reduced the strategic housing requirement for Lincolnshire) was published in 2002, a further partial review of RPG8 was undertaken (although this did not look at housing numbers), and the SP is currently under review. The RLP has had to respond to these changing circumstances, in particular the reduced housing requirement.
- 3.5.2 In order to address these strategic housing and sustainable strategy aims and objectives the plan directs the majority of new housing to the 'Main Town' of Spalding. However the policies also aim to bring forward some new development in the 'Area Centres' which comprise the smaller towns and Donington, on small brownfield sites. The housing strategy does not provide for major growth of the smaller villages. However, some limited growth is allowed for to meet the needs of certain rural communities, namely the larger more sustainable villages, the 'Group Centres'. Currently there are still a high number of outstanding permissions and high completion levels in the rural areas, as shown in table 1, and to ensure the plan complies with the SP's policies for the pattern of development, the policies seek to prevent widespread development in these rural locations.
- 3.5.3 The reduced housing provision figure for Lincolnshire exacerbates the existing situation of over-provision in the District. It will therefore be difficult to achieve necessary affordable housing provision due to the large bank of extant permissions on which affordable housing provision was not negotiated and to meet targets set for development on brownfield sites. It has only been through extending the plan period to 2021 that we have been able to allow new permissions which provide greater flexibility in the housing strategy to allow development on brownfield sites in combination with greenfield urban extensions. In spite of these constraints, the percentage of all completions on brownfield sites have increased from 16% in 2001/02 to 33% in 2004/05. The number of permissions (and dwellings) granted on such sites has also increased as a result of our Local Plan review and response to PPG3. The Council is also achieving

greater levels of affordable housing provision with 11 dwellings delivered 2004/05 and a further 398 committed.

3.5.4 We believe that this revised housing strategy is delivering a sustainable pattern of development in accordance with PPG3 principles notwithstanding the constraints in housing numbers resulting from the review of RPG/RSS8 and the large bank of extant planning permissions.

3.6 **Summary of Objections**

3.6.1 Objections have been made to the level of provision, distribution and phasing of housing development and the affordable housing policies in the RLP.

3.6.2 There were a number of representations received regarding the monitoring sections of the plan. These suggested:

- the plan should be flexible enough to respond to any changes resulting from the RSS review;
- there was concern over the lack of flexibility should any of the brownfield sites fail to come forward; and
- the plan needed to incorporate an allowance for non-implementation of some planning consents.

3.6.3 Other comments included:

- more land post-2021 should be allocated during the plan period as UCS figures exaggerate the number of dwellings likely to come forward, leading to a shortfall in provision;
- there should be a more balanced spread of new residential development across the 5 urban areas and Donington;
- the allocation at Holland Park should be reduced as the amount stated was not required to meet either the needs of the district or Spalding; and
- objections were made regarding the allocations at Spalding and Holbeach as objectors felt there were other sites that would provide development in a more sustainable manner.

3.6.4 There were a number of objections made to the affordable housing policies, concerning:

- the low thresholds proposed;
- whether policies would deliver sufficient numbers of affordable units;
- whether the financial viability of sites had been taken into account;
- a perceived lack of compliance with Circular 6/98; and
- that policies should be clear and sites not too large.

4 THE DISTRIBUTION AND SUPPLY OF HOUSING

4.1 The Council undertakes continuous monitoring of its housing land availability. The figures set out below summarise the main aspects of this study as at 1 April 2004, the base date of the plan. A further update has been undertaken to 1 April 2005 and is produced within the Annual Monitoring Report (AMR) (2004-05) (CD/SH/36).

- Between 2001 and 2004 **1976** dwellings had already been completed leaving a further **5624** to be provided by 2021.
- The current build rate is therefore **659** per annum.
- It is anticipated that an additional **2744** dwellings will come forward on sites currently with planning permission (including the site for 290 at Sutton Bridge where the permission is unlikely to be renewed).
- An allowance has been made for **1076** dwellings to come forward on UC sites.
- A further allowance has been made in the rural areas to allow **320** dwellings to come forward.
- The plan has identified land capable of delivering **1780** dwellings.
- The sum of these components is therefore sufficient to meet the SP requirements.

4.2 The following section provides a summary of the figures as at 1 April 2005:

- By 2005 **2526** dwellings had already been completed leaving a further **5074** to be provided by 2021.
- The current build rate is therefore **632** per annum.
- It is anticipated that an additional **2846** dwellings will come forward on sites currently with planning permission (including the site for 290 at Sutton Bridge where the permission is unlikely to be renewed).
- An allowance has been made for **987** dwellings to come forward on UC sites.
- A further allowance has been made in the rural areas to allow **311** dwellings to come forward.
- The plan has identified land capable of delivering **1641** dwellings.
- The sum of these components provides an oversupply of **421** dwellings.

4.3 The RLP has therefore been constrained by a significant level of land committed by extant permissions, some in unsustainable locations, granted under the previous, more relaxed, policies of the ALP. The RLP sets out a settlement hierarchy in Policy SG3 but housing allocations have not been able fully to follow this hierarchy due to the levels of existing commitments. However the main housing allocations promoted by the plan, in Spalding and Holbeach, are based upon this approach. Future reviews will be able to utilise this hierarchy for housing allocation purposes more effectively.

4.4 Notwithstanding this constraint, we believe that the split between urban and rural areas provided by the SP is realistic and achievable in the district. The distribution of housing between urban and rural areas of South Holland is getting closer to SP targets. Taking into account completions 2001-2004 and commitments, the proportion of new housing in rural areas is reducing and the proportion in urban areas is getting closer to the 75% SP target, as shown in the following table.

4.5 **Table 1: Housing Land Availability (1 April 2005)**

	Total Commitments	Completions 2001-05	Total	%
Urban Areas	2484	1394	3878	72
<i>Spalding</i>	<i>1818</i>	<i>841</i>	<i>2659</i>	<i>49</i>
Rural areas	362	1132	1494	28
District Total	2846	2526	5372	100

4.6 The RLP identifies Spalding as the most sustainable location for future development in South Holland and the principal location for providing new services and facilities. The RLP therefore attributes a significant proportion of the district's housing requirement to Spalding, with 53% of all new housing being planned for the town. The allocations in Spalding and Holbeach are the key to the RLP's underlying objective of achieving a more sustainable distribution of development. Spalding contains the main concentration of employment and services in the district and the provision of additional housing there provides the necessary balance between employment and services on one hand and the location of population on the other, thus reducing the need to travel.

4.7 The best way to deliver sustainable development in the district, which is predominantly rural in character, is to concentrate development in the most sustainable location, namely Spalding. In the past new development has been scattered over a range of smaller, far less sustainable communities. Paragraph 40 of PPG3 advises authorities to review carefully all applications to renew permissions in the interest of sustainability. The Council has followed that advice in refusing to renew permissions in unsustainable locations. As a consequence it has had to identify sustainable alternatives, such as the new allocations in Spalding and Holbeach, and allow brownfield sites to come forward in the other urban areas. Therefore the other towns and the main village of Donington have also received appropriate levels of planned growth to reflect their differing size and service functions. More detail on the hierarchy is provided in the Core Strategy topic paper.

- 4.8 The RLP removes the boundaries from a number of the smaller settlements which lack an appropriate level of services and facilities to sustain the community to make it clear that no additional development is envisaged in them. Many smaller villages and hamlets are characterised by loose knit ribbon patterns of housing making it particularly difficult to define settlement boundaries. It was felt the existence of defined boundaries gave the impression that development up to the boundaries was in principle acceptable. A number of objections were received on this issue. However, we feel the removal of such boundaries is an appropriate solution to restrict growth although some potential may remain for small scale rural exceptions development to meet the affordable housing needs of local people.
- 4.9 In accordance with PPG3, the majority of future housing land supply within the district is likely to come forward within the main settlements of Spalding and the Area Centres. However there is also likely to be some growth in the Group Centres albeit comparatively small in scale. A rural allowance has therefore been attributed to the rest of the district to allow for development of affordable housing to meet local needs and for dwellings associated with agricultural use. Given the number of extant permissions and previous levels of growth we believe this approach is suitable to ensure the continuing viability of the smaller settlements.
- 4.10 The plan's housing strategy is therefore aimed at achieving both a sustainable distribution of housing overall and also a level of housebuilding sufficient to meet local needs in the main settlements and larger villages. The distribution reflects the settlement pattern of the district, the availability of jobs and services, and the capacity to accept further growth. It is therefore considered to be a strategy that will meet and achieve sustainable development objectives.
- 4.11 We believe that the distribution of housing provision is in accordance with the RSS8 and the emerging SP.

5 THE PHASING AND MONITORING STRATEGY

- 5.1 PPG3 suggests that LPAs should make provision for sufficient land in their plans and that this should be closely monitored and any over/under provision dealt with through regular reviews and monitoring. We have followed this approach in the RLP and, following consideration of objections to the RLP, Policy HS2 and its text have been amended, as shown in the PIC document (CD/SH/21) to identify how the Council is approaching its duty to 'plan, monitor and manage'. This policy has been revised to include more detailed guidance on phasing and allocation of greenfield sites, in accordance with PPG3 and the aim of sustainability in general.
- 5.2 Paragraphs 32-34 of PPG3 refer to the need to manage the release of housing development to allow brownfield sites to be brought forward before greenfield ones. Policy HS3 of the RLP identifies a number of greenfield sites which are subject to phasing. The annual process of monitoring housing land availability will identify whether these sites and UC sites are delivering the required levels of growth or whether they need to be brought forward earlier.
- 5.3 Representations received suggested the Council should apply a non-implementation allowance. The Council accepts that not all outstanding planning permissions will be implemented; however it is not possible to apply a reliable and defensible non-implementation quota, not least because developers' decisions are largely dependent on market pressures which cannot be anticipated. The plan, monitor, manage approach will identify whether changes need to be made to the policies.

6 THE COUNCIL'S URBAN CAPACITY STUDY

- 6.1 The original Urban Capacity Study (UCS) (CD/SH/07) for the district was undertaken in 2000 and was published in November 2001 alongside the FDD. This study was substantially reviewed in 2002 (CD/SH/37). The UCS results in

- the RLP were informed by a further review of the study in 2005 (CD/SH/13), which included a review of the methodology.
- 6.2 Both the 2002 study and its review have been prepared to be in general conformity with PPG3 and the Good Practice Guide “Tapping the Potential – Assessing Urban Housing Potential: Towards Better Practice” (CD/GO/28).
- 6.3 The UCS was carried out in order to obtain a realistic assessment of the contribution that could be made towards the SP housing requirement from brownfield land and buildings. This was aimed at maximising South Holland’s housing contribution from urban sites in accordance with Government targets. The Inspector at the Wygate Park (Spalding) PLI (2003) stated that “*The District Council has undertaken what I consider to be a robust and thorough Urban Capacity Study*”.
- 6.4 The study looked at the potential capacity of Spalding, Holbeach, Crowland, Sutton Bridge, Long Sutton and the main village of Donington. The study included all sites that could potentially be developed for housing. Further details on the UCS, its aims and methodology are set out in the study itself.
- 6.5 The UCS revealed that, with the exception of Spalding, there is a limited range of unconstrained/moderately constrained brownfield sites available. This can be attributed to the lack of such sites due to the rural nature and lack of industrial heritage of the district. The findings reveal that some greenfield land within the urban areas or urban extensions would also need to be identified to enable the Council to adequately meet the RPG/RSS and SP strategic requirement to 2021. Development of previously developed land will not be enough on its own to fulfil the Council’s need to achieve the appropriate levels of housing completions and have an adequate land supply. Urban Capacity sites are considered to have the potential to deliver only a modest contribution in the future. Taking into account UC sites allowance (987), RLP allocations (1641) and allowance in the rural areas (311) this gives a total of 2939 dwellings. Therefore as a proportion of new permissions only one third of this total could potentially come forward on UC sites, which equates to 62 per annum.

- 6.6 Paragraphs 22-23 of PPG3 emphasise the need to maximise the re-use of urban land and buildings to provide additional housing. Reference is made in paragraph 30 to the need for a sequential approach to site selection, with initial consideration to be given to brownfield land and buildings identified through a UCS. If there is further requirement for additional housing, potential sites on the edge of urban areas should then be considered as being the next most sustainable location.
- 6.7 The Council has followed this approach in identifying additional sites to meet the SP requirement, which led to the allocation of further sites within the RLP at Spalding and two sites in Holbeach.
- 6.8 Some representations suggested that we had over-estimated the amount of housing capable of coming forward on UC sites. The operation of a 'plan, monitor, manage' approach will address the concerns of the non-delivery of UC sites. A major concern of Government is that greenfield sites, especially on the urban fringes, will be developed before brownfield sites, but phasing and monitoring can minimise this risk. Further major building activity is likely to be concentrated on sites in Spalding and on these urban extensions and the Council believes there is nothing to suggest that development on these urban extensions would prevent brownfield sites coming forward concurrently on a gradual basis.
- 6.9 The following table shows the UC situation as at 1 April 2005, with 2004 figures in brackets.

6.10 **Table 2: Urban Capacity update 01 April 05**

Settlement	Total Capacity (after discounting)	Greenfield		Brownfield	
		Total	%	Total	%
Spalding	403 (448)	66 (76)	16 (17)	337 (372)	84 (83)
Crowland	129 (132)	28 (32)	22 (24)	101 (100)	78 (76)
Holbeach	180 (186)	30 (30)	17(16))	150 (156)	83 (84)
Long Sutton	125 (138)	40 (40)	32 (29)	85 (98)	68 (71)
Sutton Bridge	55 (60)	7 (9)	13 (15)	48 (51)	87 (85)
Donington	95 (112)	20 (30)	21(27)	75 (82)	79 (73)
Total	987 (1076)	191 (217)	19 (20)	796 (859)	81 (80)

19% (20%) of the total capacity is located on greenfield sites.

81% (80%) of the total capacity is located on brownfield sites.

6.11 Over the 3 year period 2002-2005 planning permission has been granted on a number of UC sites. The UCS had assessed these sites as capable of delivering 201 dwellings, as shown by table 3. This equates to 67 dwellings per annum (201/3). This would result in sites gaining planning permission which had been assessed in the UCS as being capable of delivering 1072 dwellings (67x16). This figure is close to the remaining total capacity (after discounting) as shown in table 2.

6.12 **Table 3: Planning applications granted on UC sites (2002-2005)**

Location	No of sites	Potential Yield	Total Capacity (after discounting)
Spalding	46 (9)	274	113
Crowland	9 (0)	53	26
Holbeach	10 (2)	48	21
Long Sutton	10 (2)	30	9
Sutton Bridge	5 (0)	9	6
Donington	7 (1)	49	26
Total	87 (14)	463	201

6.13 However it is important to note not all permissions have been for housing and some have been for other uses, such as retail. 14 UC sites that have gained permission have been for uses other than housing, as shown by the figures in brackets in table 3.

6.14 Therefore it is necessary to look at the actual number of dwellings coming forward on urban capacity sites against the potential yield identified in the study. This is shown in table 4 together with the average per annum (2002-2005).

6.15 **Table 4: Figures for Capacity Sites Gaining Permission**

Settlement	Potential Yield	Actual Yield	Average per annum (2002-05)
Spalding	257	283	94
Crowland	53	41	14
Holbeach	37	14	5
Long Sutton	28	34	11
Sutton Bridge	9	72	2
Donington	44	24	8
Total	428	403	134

- 6.16 The table shows that the actual yield is slightly lower than the potential yield, but not by a significant amount. Overall, 403 dwellings have gained permission since 2002 on UC sites which equates to 134 per annum, the largest proportion of which is in Spalding (average 94 per annum). This is a trend we would expect to see based upon the current housing policies and the large number of sites identified within the town. We anticipate this figure will decrease as some sites will not come forward for development and others are coming forward for other, non-housing, uses. Indeed, one of the main aspects of the discounting procedure was to show that some sites were unlikely to come forward whilst others would come forward for other uses.
- 6.17 If this trend of, for example, 94 dwellings per annum in Spalding were to continue over the remainder of the plan period, then Spalding would deliver a figure of 1504 additional dwellings, over 3 times the capacity allowance for Spalding (448). However, there are insufficient brownfield or suitable sites available or likely to become available during the plan period to achieve this, so we would expect that fewer dwellings will be provided on UC sites in later years. In addition, the UCS was 'policy neutral', being concerned only with what was physically achievable, and the development of a number of sites that were identified may well be restricted by other policies in the plan.
- 6.18 Another factor that is likely to reduce the rate of UC sites coming forward is that a number of the larger capacity sites that have been permitted since 2002 are relatively free from constraints and can be more easily developed than others. Further, their size has made them more viable for developers. Of the actual yield of 283 dwellings in Spalding, the majority (217) were delivered by just 8 large sites. Therefore the amount of land coming forward on UC sites will be higher during the early part of the plan period, and as these sites become completed the capacity levels will reduce, with only the smaller, more difficult, sites remaining.
- 6.19 However, it appears that currently the actual number of dwellings being permitted on UC sites is greater than we had envisaged. Currently an average of 134 dwellings per annum are coming forward against 67 per annum anticipated on UC sites. Progress of such sites will be closely monitored through the AMR.

6.20 The UCS gives only a snapshot in time and was prepared on visual inspections of maps, photographs, site visits and officer knowledge. However, we have consulted on the document during 2003 and 2005 and incorporated various comments into the revised versions of the document. Only limited and largely general information has been available on the likely economic viability or marketability of sites or the intentions of owners. However, we believe the comprehensive approach undertaken provides a rigorous assessment of available capacity. The figures for permissions and completions to date indicate that the current methodology and discounting procedure is proving accurate. The UCS will be updated annually and will inform our AMR and any subsequent action required. If monitoring reveals UC sites are coming forward at a rate higher than we had envisaged we may revise the phasing provision on the large allocated sites or review the methodology used within the UCS.

7 THE HOUSING ALLOCATIONS

7.1 The range of sites identified for housing development in the RLP offers the potential for a wide choice of housing types and sizes and provides the opportunity for the development of mixed and balanced communities as envisaged by the Plan's policies. This is consistent with the guidance in paragraphs 9-12 of PPG3.

7.2 In allocating sites in the RLP regard has been had to the advice in PPG3. This sets out in paragraph 30 a search sequence that local planning authorities should follow beginning with the re-use of previously developed sites within the urban areas identified by the UCS, then urban extensions, and finally around nodes in good public transport corridors.

7.3 All the sites have been assessed against the criteria set out in paragraph 31 of PPG3. This states that local authorities should assess the potential and suitability of each site against a set of criteria as follows:

- the availability of previously-developed sites and empty or under-used buildings and their suitability for housing use;
- the location and accessibility of potential development sites to jobs, shops and services by modes other than the car, and the potential for improving such accessibility;
- the capacity of existing and potential infrastructure, including public transport, water and sewerage, other utilities and social infrastructure (such as schools and hospitals) to absorb further development and the cost of adding further infrastructure;
- the ability to build communities to support new physical and social infrastructure and to provide sufficient demand to sustain appropriate local services and facilities; and
- the physical and environmental constraints on development of land, including, for example, the level of contamination, stability and flood risk, taking into account that such risk may increase as a result of climate change.

7.4 In accordance with this guidance, the emphasis of the RLP strategy is on the use of brownfield sites. However, due to the limited supply of such sites, the plan allocates a number of greenfield extensions to the two largest settlements of Spalding and Holbeach. These sites are at the second tier of the sequential approach set out in paragraph 30 of PPG3 and are in the most sustainable locations. Development on these sites will ensure the necessary provision of affordable housing and community infrastructure as part of an integrated strategy, whilst still ensuring development on brownfield sites in sustainable locations. These allocated sites are needed to achieve the district's housing requirement.

7.5 The urban extension at Holland Park forms part of a carefully planned strategy as set out in the ALP and RLP and is in a highly sustainable location. Holland Park is well related to the existing built form of Spalding, and significant infrastructure

has already been provided in the area. The site is required to ensure that the focus of major development is in Spalding and to achieve the existing and emerging spatial strategy for the town. Development would maintain the economic growth of Spalding and provide homes for those who wish to take up new employment opportunities in or near the town.

7.6 The sites in Holbeach also offer the opportunity to deliver additional housing and community benefits. Holbeach is the district's second largest settlement and plays an important service role in the eastern half of the district. Development in the town will provide additional services and facilities to support the town and its surrounding settlements.

7.7 Appendix A to this paper is a sustainability assessment of the allocated sites. The overall score is based upon the same assessment procedure as was used for the UC sites. The final column shows the proximity of each site to a number of facilities. It should be noted that, even though the scores for the local facilities section are low, some of these facilities will be provided as part of these large sites. We believe this approach to allocate large sites is appropriate and more beneficial than allowing a number of smaller sites where potentially less community infrastructure could be achieved.

7.8 The allocated sites will contribute towards creating a more sustainable residential environment through:

- development in locations which are well linked to public transport;
- providing for the housing needs of all the community;
- maximising the efficient use of land and focusing development within urban areas;
- providing affordable housing;
- providing opportunities for additional community and public infrastructure such as open space and leisure facilities, doctors etc.

7.9 It is considered that the allocated sites are suitable for residential development and are deliverable during this plan period. The development of such sites will

allow the 'plan, monitor, manage' approach to be successfully implemented to limit development in less sustainable locations. Development of these sites would secure economic, social and employment benefits for these settlements and help to support their wider communities. They also provide a realistic opportunity to address the significant shortfall of affordable housing and deficiencies in the provision of education and healthcare etc in the district.

- 7.10 A total of 69 additional housing sites were promoted by objectors to the RLP. We have prepared a sustainability matrix of these sites. None of these housing sites was considered suitable at this time to be promoted through the RLP. The justification behind the Council's decision (together with an initial version of the matrix) is shown in the Cabinet report of 6th September 2005 and Full Council 14th September 2005 (CD/SH/34). It is important to stress that whilst some sites have received a high overall suitability score, this does not necessarily mean the site is suitable for allocation. The assessment of suitability as shown in the table is policy neutral and there are a number of other policy and sustainability criteria that need to be considered, such as where it falls within the settlement hierarchy, does it comply with the spatial and housing strategies etc.

8 AFFORDABLE HOUSING POLICIES

- 8.1 This topic paper is dealt with in Appendix B.

9 SUMMARY

- 9.1 The RLP (as amended by the PICs document) has taken full account of the guidance contained within PPG3, other national guidance, RSS8 and the SP (2004) in formulating its housing strategy. The RLP identifies sufficient land to enable the district's strategic dwelling requirement of 7600 dwellings between 2001 and 2021 to be met. The Council is of the view that the distribution we have applied is the most appropriate and sustainable approach to housing location in the district, with the majority of future housing developments likely to come forward within the main settlements. The Council is committed to applying the 'plan, monitor, manage' approach to planning for housing. Careful monitoring

of completions and planning permissions will inform allocation and phasing reviews. The emerging Regional Plan will set a new agenda for Lincolnshire and South Holland to be addressed through our own Local Development Framework.

APPENDIX A

Housing Site Matrix

This matrix consists of sites that have been put forward for consideration for housing allocation during our Re-deposit Local Plan consultation. It closely follows our Urban Capacity Study in form and assessment criteria. Sites which have so far been an

U - unconstrained

C - constrained

Overall Suitability Category: H - High, M - Medium, L - Low, U - Unsuitable

Inset No.	Map Ref.	Site	Settlement	Allocated (Re-deposit)	Size (ha)	PDL/Greenfield	Environmental	Physical	Residential Amenity	Social Infrastructure	Physical Infrastructure	Viability	Other Uses	Overall	Local Facilities Out of 8	
																MAIN TOWN
15	Allocated	Holland Park extension (north)	Spalding	Y	31	G	U	C	U	U	U	U	U	U	H	2
15	Allocated	Holland Park extension (south)	Spalding	Y	34	G	U	C	U	U	U	U	U	U	H	1
15	Allocated	Holland Park Post 2021	Spalding	Y	19	G	U	C	U	U	U	U	U	U	H	1
10	Allocated	Land off Foxes Low Road	Holbeach	Y	6.4	G	U	C	U	U	U	U	U	U	H	5
10	Allocated	Adj. A151 Post 2021 (3 sites)	Holbeach	Y	10.3	G	C	C	C	U	C	U	U	U	M	3
10	Allocated	Land off Northons Lane	Holbeach	Y	6.2	G	C	C	C	U	C	U	U	U	M	5

Appendix B

AFFORDABLE HOUSING NEED AND SUPPLY

B1 INTRODUCTION

B1.1 This appendix explains the basis of the Council's approach to the provision of affordable housing and seeks to justify Policies HS8 and HS9 in the RLP. In particular, it sets out the reasons why leaving the provision of affordable housing to the 'open market' and social housing providers alone is not considered to be sufficient to meet proven local needs.

B1.2 The Council approved revised Supplementary Planning Guidance on Affordable Housing in September 2005 (CD/SH/25) for development control decision-making purposes. This will remain in force and gain added weight on the adoption of the Local Plan.

B2 NEED FOR AFFORDABLE HOUSING

B2.1 David Couttie Associates carried out a Housing Needs Survey on behalf of the Council in 2003. (An earlier Housing Needs Survey had informed the FDD (CD/SH/04) and a summary is available in CD/SH/07) There is a shortfall in affordable housing in each and every sub-area of the District as shown in the Affordable Housing Supply/Demand Analysis 2004-09 and the 2003 Housing Needs Survey report. That 2003 Report identified the housing needs of people having special needs, as does the Council's Housing Strategy (CD/SH/40) and the Supporting People Strategy for Lincolnshire.

B2.2 The Council updated the survey results in 2004 to reflect:

- (i) the change in the housing market locally, and income thresholds to access market housing;
- (ii) changes to population forecasts for the district; and

(iii) a revised affordable housing need forecast.

B2.3 Our Housing Needs Survey Update 2004 (CD/SH/15) identified that 530 affordable housing units are needed annually. This is the sum of:

(iv) an annual need of 114 to reduce the backlog. This calculated by dividing the total backlog of 572 by 5, with the aim of meeting it over five years in line with *Local Housing Needs Assessments: A Guide to Good Practice* (DETR, 2000) (CD/GO/34)

and

(v) a newly arising need of 416

B2.4 The annual need of 530 is significantly higher than the existing supply of 261 lettings, re-lets and shared equity sales per year from both council-owned and registered social landlord (RSL) accommodation. There remains a projected requirement for an extra 269 (530 – 261) affordable homes annually from 2004, for at least five years in order to meet all the backlog of unmet need and address newly arising need over that period. The Housing Needs Survey Update 2004 (CD/SH/14) is a background paper to the RLP (CD/SH/09) and provides further details on the calculation.

B2.5 We anticipate that it will take longer than five years to clear the backlog and hence that the annual requirement thereafter will be in excess of the 155 (416 – 261) homes required purely to meet newly arising need. For example, the number of additional affordable homes provided in the period 1998/99 – 2004/05 is given below:

Financial year	Number of additional affordable homes provided
1998/99	51
1999/00	37
2000/01	44

2001/02	5
2002/03	49
2003/04	27
2004/05	11
TOTAL	224

B2.6 The gross figures above average 32 properties per year, but do not allow for the loss of council-owned properties due to the right-to-buy. Between 1 April 1998 and 1 April 2005, the number of council-owned properties reduced from 4,492 to 3,965. This is a reduction of 527, only partly offset by the 224 additional affordable homes provided during the same period.

B2.7 The annual net shortfall in affordable housing units in South Holland has been rising significantly over recent years:

2001	160	Housing Needs Survey 1998 (2001 update)
2003	217	Housing Needs Survey 2003
2004	269	Housing Needs Survey 2003 (2004 update)

B2.8 In addition to the operation of the factors already mentioned (insufficient provision and the sale of council houses), this trend has also been due to a significant degree to increasing housing costs, not matched by local wages. This factor is explained more fully below. Paragraph 2.19 of the RLP shows the increases in population that are expected in future years, which will increase the pressure on affordable housing.

B2.9 The Council will regularly monitor progress towards meeting need and when necessary will reassess the amount of unmet need.

B3 HOUSE PRICES AND SALES

B3.1 The average house price in Spalding for the period April-June 2005 was £148,231 compared with an East Midlands average of £149,683 and an England and Wales average of £184,924.

B3.2 The average price of a terraced house in South Holland in the quarter April – June in the following years was:

1998	£34,222
1999	£38,106
2000	£42,444
2001	£48,491
2002	£63,252
2003	£76,613
2004	£93,637
2005	£107,479

Source: Land Registry data

B4 PRIVATE RENTED ACCOMMODATION

B4.1 Average private sector rents in South Holland in the period 1998-2005 were:

Property size	Rent in 19 98	Rent in 20 01	Rent in 20 02	Rent in 20 03	Rent in 20 05
2 bedroom	£264 pcm	£315 pcm	£350 pcm	£379 pcm	£447 pcm
3 bedroom	£316 pcm	£405 pcm	£420 pcm	£426 pcm	£494 pcm

'pcm' means 'per calendar month'

Sources: 1998 data – Housing Needs Survey, Fordham Research

2001, 2002 and 2005 data – research by the Council's Housing Strategy team

2003 data – Housing Needs Survey 2003 – prices for semi-detached properties

B4.2 The Council's last survey on the condition of private sector housing (carried out in 1997) showed that levels of unfitness of properties were highest in the private

rented sector, at 23% compared with 7% for the owner-occupied sector (table 15 of the survey report).

B5 AFFORDABILITY

- B5.1 The significant rise in the cost of housing in South Holland has not been matched by increases in incomes, with the result that houses in the area are not affordable to many local people. The Housing Needs Survey Update 2004 showed that 24% of households had incomes of less than £10,409 per annum, and 63% had incomes less than £23,939 per annum.
- B5.2 Incomes in the district are generally lower than in the wider region. The average weekly wage in South Holland is £343.35 compared to £355.68 in the East Midlands. The average full time weekly wage is £389.09 in South Holland, compared to £428.65 in the East Midlands (source: New Earnings Survey 2003).
- B5.3 According to the Housing Needs Survey 2003 (CD/SH/41), of the 5,893 existing households who were seeking to move, nearly 30% were unable to do so, largely because they could not afford to. The survey found that access to home ownership is beyond the reach of 82% of new households. Accessing private renting would be problematic for new households, fewer than 3% of whom would be able to pay even £350 per month for accommodation. The private rented sector makes little contribution to providing affordable homes.
- B5.4 There is a relatively short supply of terraced houses and flats, which are conventionally 'first time buyer' properties. The Housing Needs Survey 2003 compared the mix of properties in South Holland with the national results from the 2001 Census. This found that the supply of terraced houses in South Holland was 7.0%, compared with a national average of 25.8%. The supply of flats and maisonettes in South Holland was 2.8% compared with a national average of 19.7%.

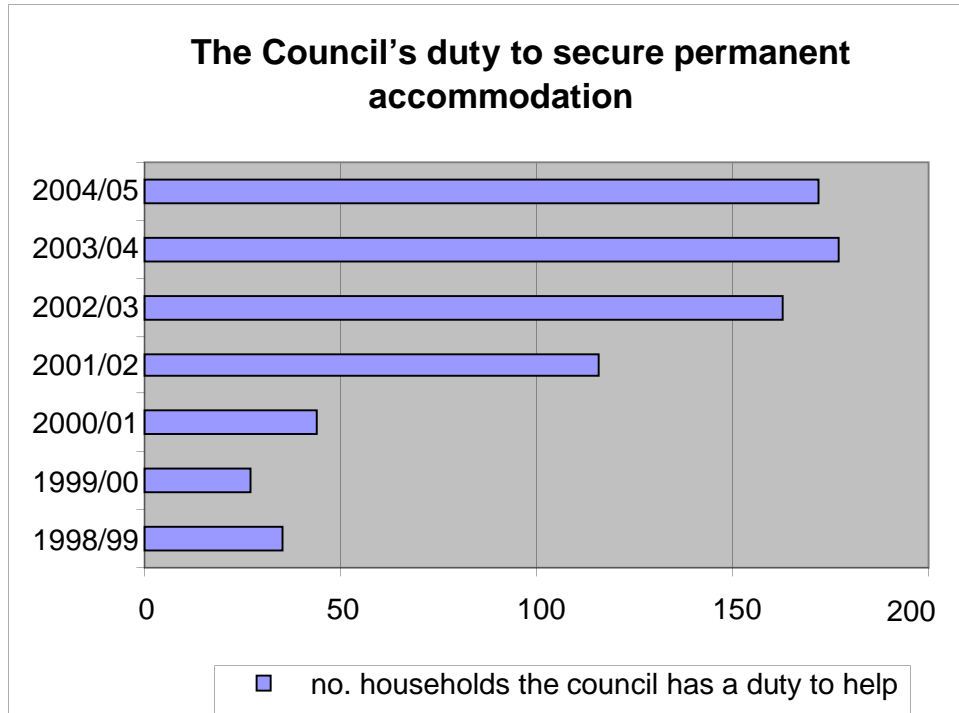
B6 HOMELESSNESS

B6.1 These factors have inevitably resulted in an increase in the incidence of homelessness in the district, largely as many households losing accommodation could no longer afford to make their own arrangements for finding a new home. This was true across much of Lincolnshire, as shown by the table below. This also shows that South Holland experienced the highest percentage increase in the East Midlands between 1999/2000 and 2002/03. This was due to severe problems with affordability and because the period sampled for the Regional Housing Board research coincided with the greatest increase.

Table 8: Homeless acceptances: largest increases in the rate of change 1999/00 to 2002/03

Authority	% change 99/00 – 2002/03
South Holland	507.4
Wellingborough	471.4
Derbyshire Dales	335.5
Ashfield	276.8
Charnwood	152.4
West Lindsey	123.8
Boston	119.4
Lincoln	80.0
Mansfield	71.8

Source: East Midlands Regional Housing Strategy – Digest of Evidence



B6.2 The statistics above show only cases where people were accepted as being homeless, in a priority need group and not intentionally homeless. The total number of homeless households is considerably larger.

B7 THE DEVELOPMENT OF THE COUNCIL'S AFFORDABLE HOUSING POLICIES

B7.1 The ALP (1998) (CD/SH/02) did not contain any policies specifically relating to affordable housing. However the FDD (2001) (CD/SH/04) contained policies which reflected the guidance given in PPG3 (2000) (CD/GO/02) and Circular 6/98 (CD/GO/25).

B7.2 Following consultation, in May 2004 the Council adopted the South Holland Interim Affordable Housing (Full Provisions) Planning Statement (CD/SH/24) and the South Holland Interim Affordable Housing (Rural Threshold) Planning Statement (CD/SH/23).

B7.3 Policy HS8 of the RLP sets out the Council position on the provision of affordable housing. The policy conforms with national advice contained in PPG3 and Circular 6/98, and regional and county guidance contained in RSS8 and the Lincolnshire Structure Plan 2004. Policy HS9 provides for rural exceptions. The Council has carried out sound, regular, comprehensive and up-to-date housing need assessments, in accordance with Government guidance, in order to ascertain the housing needs of the district. These form the basis for policy HS8 on Affordable Housing. In summary, the policy:

(vi) requires one-third affordable housing to be provided on residential development sites of 15 or more dwellings or of 0.5 ha. or more in Spalding, Holbeach, Long Sutton, Crowland, Sutton Bridge and Pinchbeck (the settlements in the District with populations of greater than 3,000)

(vii) provides that for residential development sites in those same settlements of between 3 and 14 dwellings, the Council will seek the provision of one-third affordable housing, provided that seeking affordable housing would have no adverse effect on the overall supply and pace of housing development to meet the community's needs

(viii) requires residential development sites of 3 or more dwellings in settlements with populations of under 3,000 to have one-third affordable housing.

B7.4 The Council normally expects affordable housing to be provided on-site to help in the creation of sustainable communities, unless there are good planning reasons for allowing either off-site provision or a payment in lieu (paragraph 4.54 of the RLP). The various forms of off-site provision are explained in detail in the draft SPG. One of the Council's proposed pre-Inquiry changes to the RLP is to make clear that where off-site affordable housing is provided through financial contributions by the developer, these financial contributions can include contributions towards construction costs as well as land purchase, although

paragraph 4.54 of the RLP already states that, “Neither off site provision nor financial contributions will be a less expensive option than on-site provision, but will be equitable.”

B7.5 In all cases falling under policy HS9, housing would only be allowed on an exceptional basis, and the Council will require the residential development to be wholly affordable.

B7.6 Policy HS8 is considered to set a realistic and achievable framework that will maximise provision to meet identified housing need without threatening the viability of sites or deterring the provision of affordable and market housing in general. The thresholds proposed are considered justified in the light of the limited number of larger sites that are likely to come forward outside the urban areas and the high level of local need in all areas.

B7.7 The May 2004 SPG on Affordable Housing (CD/SH/39) provided a good foundation for the delivery of affordable housing objectives and provision. However, in the light of operational experience, revision to reflect the introduction of the RLP and following further consultation, the guidance has been updated to make it more effective and robust. The revised guidance was approved by Cabinet in September 2005 for development control decision-making purposes. The document carries significant weight because of the way it has been drawn up following two extensive cycles of consultation, but cannot be formally adopted until it relates to an adopted Local Plan. It is a revision of the May 2004 SPG on Affordable Housing, which came into effect before the new regulations on Supplementary Planning Documents (SPDs).

B7.8 The policies carry significant weight in the light of Circular 6/98 and PPG3, as demonstrated at the Wygate Park (Spalding) PLI (2003), where the inspector required the provision of affordable housing as required by the First Deposit Draft.

B7.9 Whilst the Council will aim to achieve the provision of affordable housing on suitable sites in accordance with the policy, this will be through a process of negotiation that will allow site specific circumstances to be taken into account.

B8 A RANGE OF AFFORDABLE HOUSING TENURES, AS EVIDENCED BY NEED

B8.1 Paragraph 4.47 of the RLP covers the tenure mix required to meet identified local need. This conforms to Circular 6/98's statement in paragraph 9(a): *"The policy should define what the authority regards as affordable, but this should include both low-cost market and subsidised housing, as both will have some role to play in providing for local needs."* Paragraph 9 of Circular 6/98 also refers to the need for housing to be affordable in relation to local incomes. There is detailed guidance in our SPG regarding different delivery models to achieve this and what the authority regards as affordable.

B8.2 Some developers have expressed the view that the RLP and SPG do not have sufficient regard to 'low cost market housing'. Paragraph 9.6.1 of the 2003 Housing Need Survey report states:

"Circular 6/98 lacks clarity particularly regarding low cost market housing. We do not accept that "low cost market housing", provided without subsidy, satisfies DTLR's own definition of affordable housing and have always questioned the lack of clarity in the Guidance definition, particularly in areas with high house prices relative to local income levels."

B8.3 Paragraph 4.47 of the RLP acknowledges that low cost market housing, *"unless in some way made available at a rent or price below the normal market level through the private or public sectors"* cannot contribute to meeting the need for affordable homes. Of course, it follows that if the necessary rent or price reductions are achieved, such housing can form part of the Council's drive to tackle the need for affordable accommodation. In addition, low cost market private rented housing is allowed under certain circumstances and, *"where the rental levels are at the very bottom of the market but are nevertheless set at*

affordable levels for people in local housing need...” (paragraph A.7.1 of the SPG). This does not remove the importance of a balance of provision addressing a range of incomes, in accordance with local need.

B9 NATIONAL PLANNING POLICIES

B9.1 PPG3 sets out the Government's policy on how the planning system can contribute to the supply of affordable housing. PPG3 sets out that everyone should have the opportunity of a decent home and goes on to state in paragraph 1 *“The housing needs of all in the community should be recognised, including those in need of affordable or special housing in both urban and rural areas”*. Paragraph 14 of PPG3 states:

“A community's need for a mix of housing types, including affordable housing, is a material planning consideration which should be taken into account in formulating development plan policies and in deciding planning applications involving housing. Where there is a demonstrable lack of affordable housing to meet local needs – assessed by up-to-date surveys and other information -local plans and UDPs should include a policy for seeking affordable housing in suitable housing development”.

B9.2 This guidance is supplemented by Circular 6/98 which provides a clearer framework for preparing plan policies. Circular 6/98 (para. 10) permits local authorities outside London to adopt a threshold of between 15 and 25 in exceptional local circumstances and to adopt lower thresholds for settlements with populations of 3000 or fewer in rural areas .

B9.3 The Government also consulted on a draft revision to PPG3 during 2003 ('Influencing the Size, Type and Affordability of Housing') (CD/SH/04), which it was proposed would replace Circular 6/98 and aims to secure more affordable housing, whilst ensuring that developments remain viable. It proposed a general reduction of thresholds to 15 dwellings or 0.5 hectares (down from 25 dwellings

or 1.0 hectare) with the potential to adopt lower thresholds to address the housing needs of communities.

B9.4 The consultation paper 'Planning for Mixed Communities' (CD/GO/35) is proposed to replace Circular 6/98 and paragraphs 9-17 of PPG3 and replaces the previous consultation in 2003. The paper states at paragraph 11 that:

“The minimum site-size threshold above which affordable housing is to be sought should not normally be above 15 dwellings or sites of more than 0.5 hectares. A local planning authority may adopt a different site-size threshold for the plan area or different thresholds.....A local planning authority may wish to set its minimum site-size threshold lower than 15 dwellings or 0.5 hectares where it has high levels of need which cannot be met on larger sites alone and / or where the majority of housing supply comes from smaller sites”.

B9.5 In South Holland's case, it is considered that thresholds at these lower limits, is appropriate because:

- the Housing Needs Survey Update (2004) identified a large amount of unmet need for affordable housing in the district as a whole (comprising backlog need and newly arising need) which amounts to 269 housing units each year for at least the next five years;
- there is a shortfall in affordable housing in each and every sub-area of the district as demonstrated by the Housing Needs Survey;
- the substantial increase in house prices in South Holland has not been matched by a similar increase in wage levels;
- there is a very large number of outstanding planning permissions, particularly in the rural areas, which limits the scope for making new residential allocations at this stage;

- it remains to be seen what proportion of the outstanding planning permissions will ultimately be developed, but very few of them relate to genuinely affordable housing within the meaning of the Council's SPG;
- Regional Planning Guidance for the East Midlands- RPG8 (2002) (CD/EM/01) and the first deposit draft Lincolnshire Structure Plan (2004) (CD/LC/06) have reduced the annual strategic housing requirement for South Holland from 470 dwellings per annum to just 380 dwellings per annum, for the period to 2021; the restraint on house-building is therefore set to continue, especially in rural areas but to some extent in all settlements due to the district's limited housing allocation; and
- major housing development will be focused more in the urban areas, as part of the over-arching spatial strategy for sustainable development.

B9.6 Policy HS8 sets a district wide target of one third affordable housing to be delivered on appropriate sites above the identified thresholds. The Council recognises that viability assessments by the developer would need to be carried out to help inform negotiations and take into account the individual circumstances of each proposal. The Council believes that this target has a realistic prospect of being achieved and would not prevent sites coming forward for development. A higher figure would have been unrealistic whereas a lower figure would have significantly compounded the affordable housing need situation, resulting in fewer of the necessary units being delivered. We believe this target is a suitable approach for the District.

B9.7 The need in South Holland is even more exceptional compared to the situation in 1998 when the Circular was written. The high priority given to southern Lincolnshire in the Regional Housing Strategy and the increases in homelessness and private sector rents in South Holland in recent years demonstrate this.

B9.8 The site size thresholds have been set at a level that will enable increased provision of affordable housing units in a variety of settlements as part of mixed

balanced developments. The Council believes that these thresholds are justified in light of the reduction of housing numbers set out in RSS8 and the resultant limited number of large housing allocations. Furthermore the revisions to PPG3 indicate that the Government intends to be more flexible with regard to lower thresholds where they can be justified.

B9.9 Therefore apart from the allocations in Spalding and Holbeach the majority of other housing development in the District will be on small sites. These sites would not normally be required to provide affordable housing under Circular 6/98. If the Council kept the thresholds as high as 15 dwellings or 0.5 hectares, before seeking to secure some provision, it would be difficult to achieve any meaningful amounts of affordable housing units apart from what is delivered on the allocated sites. In response to this situation lower thresholds are necessary and justified and comply with guidance in the Planning for Mixed Communities Consultation Paper..

B10 REGIONAL AND SUB-REGIONAL POLICIES AND MARKETS

B10.1 RSS8 (2005) (CD/EM/02) contains policies providing a context for the RLP's policies for affordable housing, to be justified through needs assessment. The emerging Structure Plan outlines additional policies to provide a full strategic policy coverage in this area. These policies complement the Council's affordable housing policies, including allowance for rural exception housing. The Peterborough Sub-Regional Study (2003) (CD/OP/05) notes that there are serious and worsening problems of affordability in the sub-region and that house prices in all districts have risen by more than the national rate. The report 'Identifying the Sub-Regional Housing Markets of the East Midlands' (DTZ Pineda 2004) (CD/OP/06) confirms that South Holland's housing market is inextricably linked to Peterborough and the surrounding area.

B10.2 The review of the East Midlands Plan to 2026 has just begun. The document 'Options for Change' (CD/EM/04) has been published which addresses housing provision for South Holland in the context of the Peterborough Housing Market Area. There are options which would allow a higher level of growth and these will

be addressed together with the implications for delivering affordable housing through the Council's LDF. Although our Local Plan covers the period up to 2021 it is likely that there will be changes which affect affordable housing as we move over to the LDF.

B11 CONCLUSION

B11.1 For the reasons given above, the Council believes that the affordable housing policies HS8 and HS9 in the RLP are appropriate and should be supported. It is considered that the thresholds and targets are realistic and will maximise provision without threatening the viability of sites or deterring the provision of affordable housing. The need in South Holland is so great and opportunities limited that the Council believes it is fully justified in requiring small sites to make a contribution. Any land that does not make a contribution would exacerbate the existing need/supply imbalance.