

Minutes of a Meeting of the Planning Policy Committee held in the Hub, Mareham Road, Horncastle, Lincolnshire LN9 6PH on Thursday, 1st February, 2024 at 5.00 pm.

## PRESENT

Councillor Tom Ashton (Chairman)  
Councillor Terry Aldridge (Vice-Chairman)

Councillors Mark Dannatt, Roger Dawson, Alex Hall, Travis Hesketh and Daniel Simpson.

Councillor Terry Taylor attended the Meeting as a Substitute.

Councillor David Hall attended the Meeting as an Observer.

## OFFICERS IN ATTENDANCE:

Simon Milson	- Planning Policy and Research Service Manager
Kay Turton	- Senior Planning Officer
Andrew Sweeney	- Housing Development Manager
Elaine Speed	- Senior Democratic Services Officer and Civic Officer
Lynda Eastwood	- Democratic Services Officer

## **33. APOLOGIES FOR ABSENCE:**

Apologies were received from Councillors Sid Dennis, Daniel McNally and Paul Rickett.

It was noted that, in accordance with Regulation 13 of the Local Government (Committees and Political Groups) Regulations 1990, notice had been given that Councillor Terry Taylor had been appointed to the Committee in place of Councillor Sid Dennis for this Meeting only.

## **34. DISCLOSURE OF INTERESTS (IF ANY):**

At this point in the Meeting, Members were invited to declare any relevant interests. None were received.

## **35. MINUTES:**

The Minutes of the Meeting held on 14 December 2023 were agreed as a correct record.

## **36. ACTIONS:**

The actions were noted as complete or in hand.

### **37. UPDATE ON EAST LINDSEY DEVELOPMENT COMPANY:**

The Chairman welcomed Andrew Sweeney, Housing Development Manager who was in attendance to provide Members with an update on the Council's Development Company.

Members received a presentation 'Invest East Lindsey Limited – Housing Development Programme', a copy is attached at Appendix A to the Minutes.

The key areas were highlighted as follows:

- Key Housing Drivers
- Targeted Activities
- Council Assets and Constraints Identified
- Other land
- Current Development Activity, including sales, challenges along the way, successful outcomes and potential pipeline.

Members were invited to put their comments and questions forward.

- A Member commented that it was reassuring to see a 16% profit had been achieved during difficult times and the social benefit of bringing forward stalled sites was encouraging.
- A Member asked whether the calculation for 16% profit could be explained. The Housing Development Manager explained that the figure was based on capital outlay and the sales income generated that took into account land cost, fees, construction costs and any sundry costs in comparison with the sales income and this was a gross profit. The net profit would be approximately 13% to 14% if corporation tax had to be paid, however this would depend on the trading figures for the caravan activities that was part of the company. Currently there were no trading accounts within the company available at present. It was further highlighted that Invest East Lindsey (IEL) can make a much lower percentage in profit than a traditional developer due to the constraints that IEL worked within.
- A Member queried whether the development company insisted on solar panels being installed on new properties. The Housing Development Manager confirmed that on the current scheme it had not as it was the first project and he was conscious of the expenditure and the need to generate a profit, however for future schemes it was likely to be mandatory in terms of the renewables on properties.
- The Chairman stated that during a discussion, the subject of 'lifetime homes' which were pre-engineered to be easily adaptable had been highlighted and queried whether this type of build was being incorporated in future development. In response, the Housing Development Manager advised Members that these homes were

originally designed in the early 2000s or earlier, and a Section 73 application was submitted whereby some modifications were made within that to bring the properties up to a more contemporary design. It was highlighted that the space standards in those properties was quite generous, however nowadays the lifetime home standards were adopted as part of the building regulations so would have to comply with most of the requirements. It was highlighted that the properties were not for wheelchair standard design houses, but they would be lifetime homes.

- At the discretion of the Chairman, Councillor David Hall queried the biodiversity net gain on these sites, particularly in relation to the Council's commitment to zero carbon.

In response, the Housing Development Manager informed Members that because of the historic nature of the site, this had not been calculated for these properties, however it was likely something that would have to be done on future schemes, for example the Tetney site if that was developed by Invest East Lindsey.

The Planning Policy and Research Service Manager added that biodiversity net gain was a very new concept and was only becoming mandatory from 12 February 2024 on major developments and confirmed that the site referred being such a legacy permission it would not have been part of the original permission or a need for it. After April 2024 it would then be factored into minor developments as well.

Members were further advised that the Council was setting up land banks in conjunction with the Local Wildlife Trust which were specified projects that could be funded or be bought into to provide an element of biodiversity or net gain if this could not, as a starting point be achieved on the development site. Furthermore, the government had set up a mechanism whereby biodiversity and net gain credits could be bought, however on a sliding scale of costs the cheapest option would be to make the biodiversity net gain happen in the location where the site was with the most expensive option being the credits.

There were no further comments or questions received.

The Chairman thanked the Housing Development Manager for the informative update.

*N.B. Andrew Sweeney, Housing Development Manager left the Meeting at 5.26pm.*

### **38. LOCAL PLAN SETTLEMENT PATTERN:**

The Senior Policy Officer presented Members with a report on the Local Plan Settlement Pattern, pages 19 to 32 of the Agenda refer.

It was highlighted that a number of reports relating to the methodology behind establishment of the Local Plan settlement pattern had been presented at previous meetings of this Committee. This report brought together the previous decisions of the Committee and Appendix A set out the resulting Settlement Pattern, proposed for inclusion in the Local Plan review. This would be subject to consultation at a future date as part of consultation on the wider Local Plan review.

Members were referred to the background of the report detailed at Paragraph 1, pages 20 to 21 of the report refer.

The Planning Policy and Research Service Manager highlighted the table at Paragraph 2.6 of the report to Members that detailed the changes as a result of the updated scoring, showing a reduction in the large and medium villages and an increase in the number of small villages.

As a result of previous discussions and work undertaken, this had resulted in looking at allowing more developments in medium villages in terms of housing development, so a reduction in number would in effect make sure that the medium and large villages were the most sustainable. Those villages that did not have the services and facilities to support that additional development were now small villages and would be caught under the SP4 policy which was more restricted in terms of housing provision.

The Chairman asked for clarification on Policy SP4 in relation to small settlements and the current restriction for two units of infill. The Planning Policy and Research Service Manager responded that further to discussions with Members there was a desire to be slightly more flexible within the SP4 policy in small villages and over the years quite a number of the infill plots had been taken up where some of those had shown that there was a potential for more than two.

Members were invited to put their comments and questions forward.

- Further to the changes to the settlement pattern referred, a Member asked for clarification whether this would put an end to development in small villages.

In response, the Planning Policy and Research Service Manager explained that the Local Plan policies were a starting point when making decisions on planning applications and all material planning considerations had to be taken into account. Policy SP4 had been written so it allowed very small amounts of development in a small village with infill sites. It was a very restrictive level of growth and would be contained within the new SP4 going forward. So there was not an absolute 'no' in planning terms, and as a planning authority the Council was heading in the direction of trying to be more flexible than it had in the past.

- A Member highlighted that the findings from contacting parish councils to ascertain the accuracy of the services and facilities in each settlement seemed to reflect quite a significant loss of facilities and queried whether it was possible to chase up on the villages that had not responded to this.

The Planning Policy and Research Service Manager advised Members that there was a 36% return rate for parish councils and 37% for elected Members and that a significant period of time had been allowed for responses to be returned. Members were further informed that over the last few years there had been a decrease in the services and facilities within these settlements and although there was not much the Council could do as part of the local plan to bring those businesses back there was a methodology that set out how these were counted. However, it was a natural fact that those settlements were losing facilities because they were not used or supported within the village.

In response, the Member raised his concern in regards of village facilities, for example a village hall, and considered that something should be put in place to support community centres and other warm spaces. The Planning Policy and Research Service Manager stated that a lot of community halls remained in villages and were usually multi-functional and because of the loss of facilities, the halls had become the focal point within some of the villages. However, in terms of what the Local Plan could do, and alongside national policy it was always supportive of new businesses and local development. In terms of the query, it was what the Local Plan could do in terms of protection of these facilities, which was very little if it was demonstrated there was no need for them. Therefore, it would have to be a wider Council initiative in terms of supporting these community facilities.

The Chairman added that he understood that there were fairly robust policies under certain national policy that guarded against things like village halls being lost and turned into houses, for example and a threshold whereby it had to be demonstrated that the community use had become completely unviable and that no one would take them on for that use. The Planning Policy and Research Service Manager advised Members that communities could register facilities as community assets, and this was outside of the Planning system so provided a level of protection and this was administered by the Council.

- A Member queried whether the Council was at the stage with the emerging plan where the revised settlement scores would now be considered the updated appropriate categories for the villages and if this should now be applied to planning decisions.

In response, the Planning Policy and Research Service Manager advised that pending the recommendations contained within the report being approved by Committee, these scores would be used for the review of the Local Plan and the policies within this. However, for

current applications in terms of what planning officers and Planning Committee used for making decisions, the Local Plan and the policies in the plan were still the starting point as adopted and advised Members that there had been a very recent Inspector's decision which categorically confirmed that. The Member asked that he be sent a copy of the reference to this decision.

The Member responded that the Local Plan was more than five years old and outdated and highlighted that the data from the informal consultation with parish councils should be taken into account in planning decisions and as the emerging plan progressed with its review it was more reasonable for officers and the Planning Committee to take this updated information into account in their decisions.

The Planning Policy and Research Service Manager referred the Member to a legal opinion that he forwarded to him on the subject that related to that exact question which confirmed that was not the case and added that he was not in a position to comment what officers and Planning Committee took into account. If further clarification was required on how planning applications were signed off in relation to material planning considerations and weighting, the Member was advised to contact the Development Management Lead.

Following a discussion, it was acknowledged that the comments made were important and it was agreed that it would be helpful for the Planning Policy and Research Service Manager to get an updated legal opinion on where the Council stood in relation to the scoring and using the updated evidence correctly.

- A Member highlighted that establishing a settlement proposal was historically on the back of sustainability, however considered that the lack of facilities in some of the settlements was not an indication that they were unsustainable and sited cluster settlements as an example.

A further concern was raised that the number of medium sized villages had been significantly reduced and he was not convinced looking forward that this was futureproofing and considered the Council was backing itself into a corner. The Chairman assured Members that the Committee had exhausted all areas with this and went through the scoring system and where the threshold should be with a working group set up by the Committee 18 months ago.

It was further queried how a means could be found to quantify how facilities in one settlement supported residents in another. It was acknowledged how many facilities and services had been lost over the years, however it was considered that the Local Plan was being much more flexible in the remaining medium settlements and more flexible for the ones that had dropped down from medium to a small village. A query was further raised whether the top line hamlets were being scored correctly due to the facilities that they had, and in view of the

tweaks whether those that scored 11 would better reflect those slightly more sustaining facilities. The Member felt that there was sufficient services and facilities required to achieve a score of 11 to support a small amount of development as a small village.

In response, the Planning Policy and Research Manager stated that to some extent it was in the hands of Members as to what level of points they considered to demonstrate which settlements were sustainable for an increase in population. For example, whether having a public house, a community hall and a church and a cemetery made a sustainable location for a family to live in, looking at how much of their daily needs for survival they could get within that village and whether this was sufficient from a sustainability point of view to allow small amounts of growth under SP4 if it became a small village.

- A Member commented that it had just been demonstrated how an element of flexibility needed to be built in, but his concern was more around the movement from medium to small villages and considered that what happened was when information was presented at a Planning Committee or to officers, flexibility was being eliminated when considering borderline cases and stated that most people who lived in small villages used their cars for shopping in the towns and further afield. In terms of flexibility a Member suggested that over the next plan period an amount of 6 to 8 points either way be allowed. In response, a Member queried whether allowing an element of flexibility would complicate a planning decision.

The Planning Policy and Research Service Manager advised Members that the Local Plan needed to be clear to the reader and that they understood what kind of development was going to happen in what locations although understood that it could be construed as rigid. However, it was important that policies were manageable, useable and were understood to allow officers and Planning Committee to make decisions. It was also important during examination of the Plan, that the Inspector knew what development was going to happen where over the plan period and to be able to demonstrate that the policies clearly articulated that. Caution was raised in relation to potential repercussions of allowing flexibility around the edges of the categories where the thresholds are and what that could mean on the ground for those settlements as at the moment small villages had a good level of protection in terms of lots of expansion and trying to keep them as small villages based on the services and facilities. Going forwards into the Local Plan they would still have that protection but there would be a certain increase in flexibility as discussed. With regards to introducing an element of flexibility +/- points each year into a policy it would be impossible to write a policy to be robust and would be very complicated to interpret and apply.

- A Member stated that in his opinion the points system was irrelevant to the types of villages, citing his own village of Halton Hologate as an

example. Following a brief discussion, it was confirmed that this was correctly categorised as a small village.

- The Vice-Chairman highlighted that a number of villages had major problems with mains drainage. Anglian Water Authority stated that this was sustainable, however it was clear that this was not the case as a lot of drainage systems went back to Victorian times and after heavy rain drains lifted and sewage came out. It was proposed that if the settlement scores were accepted an addition be made that requested officers took note of this when looking at planning applications.

In response, the Planning Policy and Research Service Manager stated that it was not possible to instruct an officer or Planning Committee to take this into account as a material planning consideration. To find a way forward, this suggestion could be taken away to look at what the implications were in terms of the weight of evidence and write advisory notes to them, however he would strongly advise caution about making recommendations as to how planning officers and Planning Committee made determinations on planning applications as part of the Meeting.

The Planning Policy and Research Service Manager responded that a wider level of consultation and public involvement was important and was relevant in terms of the weight that could be attributed to any sort of emerging evidence.

- The Chairman proposed that the threshold on small villages to hamlets be decreased from 12 to 11 points. The Senior Policy Officer responded that if Members were happy with this there was no reason the threshold could not be lowered. The implications for those settlements would have to be considered, but if it was felt by Members that those settlements had the right amount of facilities, and whilst considering the physical size whether putting more development in there would be appropriate there was no reason the proposal could not be moved.

The Planning Policy and Research Service Manager clarified that he would seek legal advice again on the weight to be attributed to emerging evidence and in particular settlement patterns and would report back to Committee.

- A Member commented that he did not feel strongly with regards to the question of where the threshold should be, however considered that Committee was being arbitrary and queried whether there was a downside to this whereby a precedent was being created and Committee would be interminably debating whether any of the other thresholds should be moved.

In response, the Planning Policy and Research Service Manager stated that there had to be a paper trail showing how Committee had



arrived at its conclusions on moving from 12 to 11 and this would be presented as part of the evidence for the examination process of the plan. It was not considered moving the threshold from 12 to 11 was a significant change and from the discussion recorded by Committee there was sufficient evidence to present as there was no set methodology from government and each Council would have a different way of doing it.

Following which it was seconded that the proposal for the threshold on small villages to hamlets be decreased from 12 to 11 points.

Upon being put to the vote, the proposal was carried.

*N.B. Councillor Daniel Simpson voted against the proposal.*

*N.B. Councillor Roger Dawson abstained from the vote.*

No further comments or questions were received.

The Chairman thanked the Senior Policy Officer for her hard work on the report.

Following which, it was

RESOLVED

- That the spreadsheet, attached to this report as Appendix A as the Settlement Pattern for inclusion in the Local Plan review be agreed.
- That the threshold on small villages to hamlets be decreased from 12 to 11 points.

**39. DATE OF NEXT MEETING:**

The date of the next Meeting was confirmed as Thursday 14 March 2024 commencing at 6.00pm.

The meeting closed at 6.33 pm.

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# INVEST EAST LINDSEY LTD HOUSING DEVELOPMENT PROGRAMME



## Key Housing Drivers

- Undertake a mixed portfolio of development to address unmet housing need in the Council's administrative area.
  - To facilitate the re-use and disposal of the Council's surplus land.
  - To correct market failure in the delivery of housing and employment land.
  - Intervention on stalled sites, enabling works, etc.
  - To generate income for the Council by trading at a profit in land, buildings and services.

# INVEST EAST LINDSEY LTD HOUSING DEVELOPMENT PROGRAMME



## Targeted Activities

- **ELDC assets – Tetney, Spilsby, coastal sites** – a mix of allocated housing & potential surplus land. Good housing potential on some sites.
- **Stalled sites** – with extant planning consents – often low viability for regional private developers. IEL could develop if accepting of lower margins. Opportunities exist – lower margins open to the impacts of economic change. e.g. low affordability of mortgages, loan rates, etc.
- **Land Acquisitions** – development sites purchased solely by IEL or as part of larger developments - opportunities exist on smaller sites but IEL in competition with larger developer's bids and sales on larger sites.

# INVEST EAST LINDSEY LTD HOUSING DEVELOPMENT PROGRAMME



## Council Assets

- Evaluation of assets with housing potential.
  - Site capacities and financial viability
  - Initial planning consultation.
  - Strategic value (in the context of ELDC Asset Transformation programme)

## Constraints identified

- Flood risk
- Financial viability
- Low sustainability – location, access to services, transportation.
- Loss of facilities – parking, etc.

# INVEST EAST LINDSEY LTD HOUSING DEVELOPMENT PROGRAMME



## Other land:

- Opportunities explored on sites at Ingoldmells, Sutton on Sea and Chapel St Leonards.
- Chapel site evolved as more viable development and taken forward with Bowbridge

Start made on site during 2021.

- Other opportunities explored include Lindum Group on sites in Alford and Tattershall, sites in Horncastle and other locations. Land prices and building cost increases however has impacted on financial viability.

# INVEST EAST LINDSEY LTD HOUSING DEVELOPMENT PROGRAMME



## Current Development Activity

### Draycott Way – Chapel St Leonards

- Previously stalled site.
- Started by Hugh Bourne/Keir in mid 2000's.
- Existing planning approval activated with a start on site.



# INVEST EAST LINDSEY LTD HOUSING DEVELOPMENT PROGRAMME



## Current Development Activity

### Draycott Way – Chapel St Leonards

- 28-unit development Draycott way, Chapel St Leonards
- Final completion - January

### Sales

Status	Value
Sales completions (14)	£2.735m
Sales STC (10)	£1.742m
Unsold stock (4)	£0.735m
<b>Total Sales Value (forecast)</b>	<b>£5.212m</b>



# INVEST EAST LINDSEY LTD HOUSING DEVELOPMENT PROGRAMME



Completed Homes

# INVEST EAST LINDSEY LTD HOUSING DEVELOPMENT PROGRAMME



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Completed Homes

# INVEST EAST LINDSEY LTD HOUSING DEVELOPMENT PROGRAMME



# INVEST EAST LINDSEY LTD HOUSING DEVELOPMENT PROGRAMME



## Draycott Way – Chapel St Leonards

### Challenges:

- Impact of Covid, Brexit, Energy costs on resources – availability of trades, materials shortages, increased build costs and contractors cashflow.
- Economic change – mortgage availability, cost of living, impact on sales.
- Market competition – greater flexibility of larger volume housebuilders to incentivise sales.
- Aftercare service – resource demanding, IEL resource availability limited.

# INVEST EAST LINDSEY LTD HOUSING DEVELOPMENT PROGRAMME



## Draycott Way – Chapel St Leonards

Successful outcomes:

- Delivery of first ELDC built homes since before the transfer of the ELDC housing stock in 1999
- Delivery of a stalled development previously part developed by Kier.
- Sales of 24 of 28 new homes expected by the end of 2023/24 year end.
- Generation of an expected 16% profit despite price increases and delays.

# INVEST EAST LINDSEY LTD HOUSING DEVELOPMENT PROGRAMME

## Potential Pipeline:

### Humberstone Road, Tetney

- ELDC land with housing allocation in Local Plan - Potential for c35-40 homes (includes 10 affordable rent/SO)
- ELDC application for outline planning submitted – Sale to Invest East Lindsey to be considered.
- Options on delivery also to be considered given current housing market conditions.



# INVEST EAST LINDSEY LTD HOUSING DEVELOPMENT PROGRAMME



## Potential Pipeline:

Other work currently in progress

- Review and re-appraisal of previous work completed.
- Identification of surplus assets.
- Options on delivery:
  - Acquisition and development.
  - Acquisition partial development and plot sales.
  - Sale for full development by third parties.
  - Enabling of sites for sale for third party development.
- Working with consultants and contractors to assist in costs and designs for feasibility work.

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