

Appendix 1



South East Lincolnshire
Joint Strategic Planning Committee

South East Lincolnshire Local Plan Spatial Strategy Background Paper

1.0 Introduction

1.1 In May 2013, the South East Lincolnshire Joint Strategic Planning Committee (the Joint Committee) published its first consultation document relating to the contents of the emerging South East Lincolnshire Local Plan (the Local Plan). It was titled the 'Combined Preferred Options and Sustainability Appraisal Report' and was intended to be the first stage in the preparation of a 'Strategy and Policies Development Plan Document' (DPD), which along with the subsequent preparation of a Site Allocations DPD would comprise the Local Plan. The Combined Preferred Options and Sustainability Appraisal Report (the Preferred Options) set out an approach to housing delivery and distribution based on the previous regional policy framework (the 'East Midlands Regional Plan') and subsequent work undertaken on the Lincolnshire Coastal Study. The contents of this background paper seek to explain the process that has informed the emerging **revised** Local Plan proposals for the quantity and distribution of housing development across South East Lincolnshire.

1.2 Following the consultation on the Preferred Options in 2013, the Joint Committee has had the opportunity to consider the representations received alongside important changes to national planning policy and guidance. These considerations have mainly affected the Preferred Options approaches on meeting 'housing needs' and the distribution of housing to meet these needs in the settlements within the area covered by the Local Plan (the plan area). Key issues that have been taken into account include:

- the publication of the Government's 'Planning Practice Guidance' (PPG) for England;
- the decision of the Joint Committee that the Local Plan should change its scope to form a single document covering the overall strategy for the area; specific allocations for housing, employment and other land use matters; and necessary development management policies;
- further evidence on 'objectively assessed needs' for market and affordable housing set out in two strategic housing market assessments (SHMAs) that cover the housing markets within South East Lincolnshire; and
- consideration of local and wider economic evidence.

2.0 National Planning Policy and Guidance

2.1 The National Planning Policy Framework (NPPF) sets out the key principles for planning including the presumption in favour of sustainable development, most notably in paragraph 14 where it states:

'For plan-making this means that:

- local planning authorities should positively seek opportunities to meet the development needs of their area;
- Local Plans should meet objectively assessed needs, with sufficient flexibility to adapt to rapid change, unless:
 - any adverse impacts of doing so would significantly and demonstrably outweigh the benefits, when assessed against the policies in this Framework taken as a whole; or
 - specific policies in this Framework indicate development should be restricted.⁹

2.2 The NPPF goes on to state in paragraph 47:

‘To boost significantly the supply of housing, local planning authorities should:

- use their evidence base to ensure that their Local Plan meets the full, objectively assessed needs for market and affordable housing in the housing market area, as far as is consistent with the policies set out in this Framework, including identifying key sites which are critical to the delivery of the housing strategy over the plan period;
- identify and update annually a supply of specific deliverable¹¹ sites sufficient to provide five years worth of housing against their housing requirements with an additional buffer of 5% (moved forward from later in the plan period) to ensure choice and competition in the market for land. Where there has been a record of persistent under delivery of housing, local planning authorities should increase the buffer to 20% (moved forward from later in the plan period) to provide a realistic prospect of achieving the planned supply and to ensure choice and competition in the market for land;
- identify a supply of specific, developable¹² sites or broad locations for growth, for years 6-10 and, where possible, for years 11-15;
- for market and affordable housing, illustrate the expected rate of housing delivery through a housing trajectory for the plan period and set out a housing implementation strategy for the full range of housing describing how they will maintain delivery of a five-year supply of housing land to meet their housing target; and
- set out their own approach to housing density to reflect local circumstances.’

2.3 Further guidance is set out in the PPG within the section titled ‘Housing and economic development needs assessments’. The key aspects outlined in the guidance include:

- that the purpose is to derive an objective assessment of needs for housing and economic development;
- the parameters to consider in determining the housing market area for the plan area;
- the methodological approach to apply in assessing housing need and economic development needs; and
- the core outputs and monitoring framework that ideally should be applied.

2.4 It is important to note that the PPG states that:

‘Assessing development needs should be proportionate and does not require local councils to consider purely hypothetical future scenarios, only future scenarios that could be reasonably expected to occur.’

3.0 The Preferred Options (May 2013)

3.1 There were two main factors that determined the strategy for making provision for housing needs in the Preferred Options: one was to ‘limit’ the overall amount of housing to be provided according to rates of development that had taken place since 1976. The other was to place significant emphasis on managing the level of housing development in flood-hazard locations and give the whole matter of flood risk precedence above considerations such as the ‘sustainability’ of settlements. This approach also suggested that a ‘cap’ on development should be placed on those settlements where flood risk was worst.

3.2 Chapter 4 of the Preferred Options sets out the detail of how the emerging Local Plan intended to take forward the two factors noted above. The need to account for the flood risk was set out in Policy 5 of the now revoked East Midlands Regional Plan (the Regional Plan) which identified there was a need for a strategy to be prepared to provide a long-term strategic vision for the three Lincolnshire coastal districts (Boston Borough, East Lindsey District and South Holland District). The intention for the strategy was to:

- consider the flood risk issues facing the three districts;
- consider future regeneration and development needs; and
- determine how best to deliver a robust approach to flood management.

The Regional Plan further identified that housing development in the three coastal districts was to be limited to that set out in its Policy 13a until such time that a strategy was agreed to inform a future round of strategic planning (see Table 1 below).

Table 1 – Housing Provision derived from Policy 13a of the East Midlands Regional Plan

Local Planning Authority Area	Annual Housing Provision (2006 onwards)	Total Housing Provision (2006-2026)
Boston BC	270	2,700
South Holland DC	540	7,400
South East Lincolnshire	810	10,100

3.3 The Lincolnshire Coastal Study Steering Group was formed in 2008 to progress work on the proposed strategy. Consultants were commissioned to prepare a 'Lincolnshire Coastal Study' (the LCS) which was completed in March 2010. The LCS set out three guiding 'principles' to inform future work on the review of the Regional Plan in respect of the three Lincolnshire coastal districts¹. The first two principles set out the need to manage the level of development in areas identified as hazardous with respect to flooding; and the general approach to mitigation where it was necessary/feasible to do so. The third principle set out the aim to improve social, economic and environmental conditions in existing and new communities by:

- 'Minimising the loss of high quality agricultural land;
- Diversifying the tourism industry;
- Improving green infrastructure;
- Protecting and enhancing water infrastructure;
- Protecting natural, cultural and historic assets;
- Improving transport infrastructure and services;
- Improving the quality of existing housing stock and access to jobs, training and services for local people.'

It was identified that there would be a particular focus on more deprived areas.

3.4 The LCS identified a number of flood-hazard zones that were designated Red, Orange, Yellow, Green and White. The outcome of the work was to propose that:

¹ The LCS principles can be viewed at: <http://www.lincolnshire.gov.uk/residents/environment-and-planning/environment/lincolnshire-coastal-study/> (see Summary Report; pages 12-14)

- major housing development would be largely delivered outside the three most severe forecast flood-hazard zones (coloured red, orange and yellow – the ‘ROY’ zones)²;
- major housing development could be permitted in the low hazard zone (coloured green) subject to the mitigation of flood risk through flood- resilient design and emergency planning measures;
- other development, including housing to meet local housing needs, employment and business-related development, community infrastructure and buildings for use in emergencies could be permitted in the ROY zones subject to the mitigation of flood risk;
- the key to the delivery of buildings in the flood hazard zones was the implementation of flood-resilient design and emergency planning measures;
- measures to reduce risk to people in all flood hazard zones through emergency planning and flood resilience and to improve wider socio-economic conditions in the Coastal Study area could be delivered in a variety of ways and should involve national government and government agencies, regional organisations, local authorities and private sector businesses.

3.4 The proposals to revoke the Regional Plan in 2010 led to joint statement being issued by the four local authorities involved in the LCS plus the Environment Agency and Natural England. This confirmed the intention to utilise the LCS as part of the evidence base for the preparation of Local Plans³ across the three coastal districts. A further statement in 2011 reconfirmed this position.

3.5 One of the key outcomes from the publication of the LCS was further work on demographic projections for the three coastal districts. Consultants were engaged⁴ to produce population and household projections that considered the implications for development in the ROY zones and the rest of the districts’ areas. The work considered six growth scenarios:

- **Migration-led A:** 2010-base, using the latest mid-year estimate revisions;
- **Migration-led B:** 2010-base, constrained to latest ONS sub-national projections;
- **CR 10- Year:** Historical build rate scenario (based on recent housing completions over a ten-year period);
- **RSS:** RSS scenario (based on targets in the Regional Plan);
- **Zero dwelling:** Zero-dwelling growth scenario; and
- **Zero population:** Zero population growth scenario.

² The LCS flood-hazard zones can be viewed at:

<http://www.lincolnshire.gov.uk/residents/environment-and-planning/environment/lincolnshire-coastal-study/> (see Summary Report; pages 9-11)

³ The statements actually refer to the preparation of ‘LDFs’ which was the previous terminology for Local Plans.

⁴ Edge Analytics (2012); Demographic Projections for Coastal Districts in Lincolnshire

3.6 The population estimates indicated that in 2010, 85% of Boston Borough’s population and 19% of South Holland District’s population lived in the so-called ‘wet areas’ (the ROY zones). Overall, 47% of South East Lincolnshire’s population were resident in wet areas. Table 2 below sets out the expected annual housing requirement related to each scenario.

Table 2 – Annual Housing Requirement derived from Demographic Projections for Boston Borough and South Holland District

Scenario	Average number of dwellings per year (2011-2031)			
	Boston (Wet)	Boston (Dry)	South Holland (Wet)	South Holland (Dry)
Migration-led A	507	58	76	645
Migration-led B	477	53	66	596
CR 10-Year	262	50	66	424
RSS	231	39	106	434
Zero dwelling	0	0	0	0
Zero population	62	15	20	109

3.7 The Preferred Options concluded that the key issues to address in planning for housing growth and flood risk were:

- The need to provide a strategic response to the issue of flood risk that: ensures that new development has flood resistance and resilience measures appropriate to its proposed use, location and for the lifetime of the development; ensures that future development does not increase the probability and severity of flooding; and reduces the probability of flooding in South East Lincolnshire through the development of infrastructure and strategic approaches to land use;
- In the proposed absence of a regionally-imposed target, a need to identify a requirement for housing growth in South East Lincolnshire up to 2031. Given that Boston Borough and South Holland District Councils retain their separate roles as local planning authorities for development management purposes, this requirement needs to be based on separate specified targets for Boston Borough and South Holland District - in order to address the issues arising from the requirement in the NPPF that local planning authorities maintain a supply of deliverable sites sufficient to provide 5-years’ worth of housing against requirements with an additional buffer¹⁵ for flexibility; and

- In view of the distribution of flood hazard in South East Lincolnshire and national planning policy that indicates that additional housing may be necessary in flood risk areas to support sustainable development, there is a need to determine an approach to the provision of housing in those parts of South East Lincolnshire which are categorised as flood-hazard zone Red, Orange or Yellow (i.e. Danger for All, Danger for Most or Danger to Some), and together are described as the ‘ROY zones’.

3.8 The Preferred Options then went on to identify potential reasonable options to account for how the Local Plan would deal with flood risk, and in turn how this would influence the strategy for housing growth. It was concluded that a clear policy framework for the location and management of development with respect to flood risk was the **only reasonable approach** to be taken. In determining the housing growth strategy, **two reasonable options** were considered: one based in accordance with the NPPF and objectively assessed need, and one that continued the figures from the Regional Plan but extended them to 2031. The scenarios from the previous demographic projections were considered to be unreasonable either because the level of housing completions forecast (Migration-led A and B scenarios) were significantly higher than any previously achieved in the plan area or in the case of the zero-population approach, would not meet the objectively assessed need for the plan area.

4.0 Revised Approach to Housing

4.1 Following the consultation on the Preferred Options, it was increasingly apparent that the approach to housing provision set out in that consultation document would need to be adjusted. This was partly as a result of the consultation response⁵ which highlighted views on the quantum and location of development. It was apparent that there were challenges in applying a cap limiting housing development that was based solely upon flood risk. It raised questions as to how to meet housing needs when the cap was reached and how would the cap be monitored and enforced. It was also the case that the cap would have a particular impact on the Boston urban area, which had experienced significant population growth and was, therefore, likely to continue to be a focus for housing growth. An additional factor was that further evidence was emerging from Government guidance, principally through the publication of the PPG, that set out the expected approach to be undertaken in assessing objectively assessed needs for housing.

4.2 In reconsidering the approach on what emphasis to give to flood risk in deciding which settlements should have the most growth it should be emphasized that flood risk still remains a very high priority in planning

⁵ Will need to reference the Consultation Statement produced for the Local Plan

development needs. There are significant limitations within the plan area as regards sustainable locations where flood risk can be avoided, but in site selection and mitigation the policy approach will still be to minimise the worst consequences.

- 4.3 An additional factor to consider was the opportunity to move forward with a single DPD rather than the original intention to prepare two. The NPPF flagged the possibility that Local Plans could be based on a single document, signalling a move away from the previous Local Development Framework (LDF) approach. This was further amplified in the PPG (Paragraph: 012 Reference ID: 12-012-20140306).
- 4.4 In light of the suggested approach set out in the NPPF and PPG, further consideration was undertaken by the Joint Committee at its meeting held on 28 February 2014. An aspect of the need for further thought was the recognition that there was an increasing move towards single Local Plan documents by local authorities across the country. It was also recognised that the preparation of a single Local Plan document would take more time, and therefore working on a time period that extended to 2036 (as opposed to 2031 with the 'two DPD' approach) would be of more practical use. The Joint Committee resolved to proceed to a single Local Plan document.

5.0 Evidence on Objectively Assessed Needs for Housing

Housing

- 5.1 Significant changes to the evidence on population and housing needs have occurred since the Preferred Options went out to consultation. In particular, the Regional Plan has been formally revoked and the results of the 2011 Census have been released. Moreover, the latest household projections were published by the Government in February 2015 and the PPG specifically states that they should be the starting point for the objectively assessed need for housing.

Peterborough Sub-Regional Strategic Housing Market Assessment (2014)

- 5.2 The Peterborough Sub-Regional Strategic Housing Market Assessment (the Peterborough SHMA) was published in July 2014⁶. The Peterborough SHMA has followed the guidance set out in the PPG and has considered a range of

⁶ It covers the areas administered by Peterborough City, Rutland County, South Holland District and South Kesteven District Councils

scenarios utilising demographic and economic information to inform potential outcomes. The report has covered the issues of 'market signals' and affordable housing, and has also considered the needs of specific groups of people within the housing market area. The report includes a useful diagram (page 15) that illustrates the approach undertaken by the consultants. The Peterborough SHMA is currently being updated to consider the publication of the latest household projections in February 2015.

5.3 The Peterborough SHMA provides an analysis of market signals (Chapter 5) and concludes that, in common with the national situation, there is likely to have been a degree of suppressed household formation in the area. The Peterborough SHMA identifies that apart from Rutland County, the local evidence does not point to a particular need to boost housing supply to respond to market information. One issue identified is the increase in overcrowding in South Holland District (and Peterborough City) recorded between the 2001 and 2011 Censuses. This is attributed to the potential different household structures observed in in-migrant households over the decade.

5.4 The Peterborough SHMA sets out a number of demographic projections:

- PROJ 1 (2011-based ONS⁷ and CLG⁸ projections rolled-forward to 2036)
- PROJ 2 (2011-based ONS and CLG projections updated to take account of more recent data about population growth)
- PROJ 2A (Linked to PROJ 2 above with a reduced household formation constraint)
- PROJ 3 (Linked to employment growth shown in an Experian baseline economic forecast)
- PROJ 4 (Linked to employment growth shown in an Experian baseline economic forecast with a 20% uplift)

5.5 The consultants concluded that it was not appropriate to also utilise the 2008 household projections commenting as follows:

'...it is not considered that the 2008-based projections can any longer be considered as sufficiently up-to-date. Since the 2008-based projections were published there have been two further releases of population projections and one of household projections. Additionally, data from the 2011 Census has shown that pre-Census estimates of population and household change were significantly wrong (at a national level population growth had been underestimated with the opposite trend being seen for household growth).

⁷ The Office for National Statistics

⁸ The Department for Communities and Local Government

Therefore any projections published prior to the 2011 Census cannot readily be used in the assessment of overall housing needs. That said, component parts of the 2008-based projections (such as household representative rates) are useful as a comparator with the more recent 2011-based projections and this is commented on later in this document.'

- 5.6 The consultants recommend that PROJ 2A provides the most plausible scenario to consider in terms of deriving the demographic aspect of housing need for the HMA. The report states that the consultants:

'...have taken the pragmatic approach that future household formation will fall at the mid-point between figures in the 2011-based CLG projections (which appear to project forward a trend of constraint) and the data in the 2008-based figures (which are largely unconstrained).'

- 5.7 The Peterborough SHMA draws the various projections together for comparative purposes in Table 38, which is reproduced below as Table 3 for convenience.

Table 3: Summary of Demographic Projections

	CLG 2011 (PROJ1)	Updated 2011 (PROJ 2)	Remodelled Headship (PROJ 2A)	Economic Baseline (PROJ 3)	Economic Aspiration (PROJ 4)
Migration Assumptions	ONS 2010/11	Updated	Updated	Experian driven	Experian +20%
Headship Assumptions	CLG 2011	CLG 2011	Updated	Updated	Updated
Peterborough	881	1001	1107	739	844
Rutland	178	129	138	173	184
South Holland	551	515	558	347	387
South Kesteven	670	615	659	642	706
TOTAL	2282	2260	2462	1901	2121

- 5.8 The Peterborough SHMA considers the need for affordable housing across the range of tenures, and concludes there is '...a clear and significant need for new affordable housing in the HMA justifying policies for affordable housing in development plans.' Table 57 in the Peterborough SHMA suggests that about 54% of the annual housing need in South Holland District would be for affordable housing. The study identifies the role of the

private rented sector (PRS) in potentially meeting some affordable housing need and concludes:

‘...there is no strong evidence of a quantitative need to increase overall housing need above the levels identified by the baseline demographic projections in order to ensure delivery of sufficient affordable housing delivery over the plan period. Higher provision could however enable the councils to potentially reduce the role of the PRS moving forward and improve tenure imbalance.’

5.9 The key conclusions in the Peterborough SHMA are:

- The best fit of local authority boundaries for the HMA for the purposes of strategic planning includes Peterborough City, Rutland County, South Holland District and South Kesteven District Councils.
- The Peterborough SHMA in particular highlights links from South Holland to Boston Borough, from Peterborough to Yaxley in Huntingdonshire District and Whittlesey in Fenland District, and towards Wisbech in Fenland District. The balance between housing supply and demand in these areas will influence local market dynamics in parts of the HMA (and vice versa).
- Comparison of actual trends in household sizes observed in 2011 against the size which would have been expected had longer-term formation trends been maintained (shown by the 2008-based household projections) suggests a degree of suppression is likely to have occurred in the HMA over the past decade. As a result the consultants ran a projection that sat between the 2008 and 2011-based CLG household projections (PROJ 2A).

Peterborough Sub-Regional Strategic Housing Market Assessment Update (2015)

5.10 In light of the publication of new national household projections in February 2015, the partner local authorities decided to commission an update to the 2014 Peterborough SHMA. It is expected that the update will be completed by the end of July 2015. The key output from the update will be revised housing figures for each of the four local authorities. Currently, it is expected that the figure for South Holland District’s objectively assessed need for housing will be lower than the range set out in the 2014 Peterborough SHMA. The primary reason for this is that the new household projections have produced a significant fall in the estimate of households. In the case of South Holland District, the latest household projections suggest an annual average of about 400 households forming up to 2033 compared to the

interim household projections of about 570 households forming per year up to 2021.

Boston Borough Strategic Housing Market Assessment

- 5.11 An updated Strategic Housing Market Assessment for Boston Borough (the Boston SHMA) is currently being finalised⁹. The draft report provides the latest iteration with respect to the objectively assessed need within the Boston Borough part of the South East Lincolnshire plan area. Boston Borough was previously considered within a joint SHMA for the 'Coastal Lincolnshire' area which also included East Lindsey District. It was considered appropriate to undertake a separate update for Boston Borough as a result of changing dynamics in terms of population growth in comparison to neighbouring East Lindsey District. It is also worth noting that East Lindsey District Council has also undertaken a SHMA update covering its administrative area. The draft Boston SHMA considers the case for treating Boston Borough as a self-contained housing market area and, through analysis of 2011 Census data on migration and commuting patterns, concludes that '...Boston is a relatively self-contained housing market area.'
- 5.12 The Boston SHMA goes on to consider the demographic projections for the Borough. The starting point is the new national household projections published in February 2015. Two alternative scenarios are also included: one based on using projections that reflect the longer-term migration changes observed in the area (over a 12-year period); and one that makes an adjustment for the unattributable population change (UPC) that features in the 2011 Census. The outcome from these scenarios is shown in Table 4 below, illustrating that the two alternative scenarios bracket around the latest household projections scenario.

Table 4: Summary of Demographic Projections

	2012-based rates	12-year migration rate	UPC adjustment
Dwellings (per annum)	283	364	219

- 5.13 The Boston SHMA considers economic factors, drawing upon standard forecasts from Experian. The forecast from Experian suggests an increase of just over 3,000 jobs in the Borough between 2011 and 2031. Extrapolating the trend through to 2036 brings the job figure to around 3,800. The draft report notes that this level of expected jobs would imply a housing figure of about 185 dwellings per annum compared to the demographic projection of

⁹ JG Consulting (XX 2015); Strategic Housing Market Assessment

283 dwellings per annum. It is therefore concluded that there is no reason to increase the dwelling figure as a result of economic projections.

- 5.14 Affordable housing needs are then assessed in the Boston SHMA. Over the plan period the modelling indicates an average annual requirement of about 250 dwellings. The analysis goes on to conclude:

‘...the link between the affordable housing need and the overall need for housing (or the objectively assessed need) is complex. Once account is taken of the fact that many of the households in need are already living in accommodation (existing households) and the role played by the private rented sector, the analysis does not suggest that there is any strong evidence of a need to consider additional housing to help meet the need. However, some additional housing could potentially be considered as part of a market signals adjustment to help improve affordability for younger households. A modest uplift would not be expected to generate any significant population growth (over and above that shown by demographic projections) such that consideration of lower housing numbers in other areas would need to be agreed through duty to cooperate.’

- 5.15 Market signals are then covered in the draft report. It identifies that there has been ‘...some modest affordability pressures in the Borough, particularly because of the under-delivery of housing in recent years but also due to high private sector rents, levels of overcrowding and affordability (linked to affordable housing need). However, on balance it is considered that the scale of adjustment to housing supply over and above demographic-led projections should only be moderate.’ The draft report suggests that a particular issue has been household formation amongst the 25 to 34 year old age cohort (lower than expected headship rates are evident). The consultants have applied a return to the 2008-based household projections for the headship rates in this age group which equates to an uplift in the order of about seven per cent on the demographic projection. The assessed housing need would therefore increase.

Links to other Economic Projections/Strategies

- 5.16 It is necessary to consider the work undertaken in the SHMAs alongside relevant economic strategies. This enables comparisons to be made between the economic assumptions utilised in the SHMAs and those set out in economic strategies to ensure that there is a broad comparability between studies/strategies.
- 5.17 The key strategies and reports to consider are:

- the Greater Lincolnshire Local Economic Partnership (GLLEP) Strategic Economic Plan (2014); and
- the South East Lincolnshire Employment Premises & Land Review (2012).

5.18 The GLLEP Strategic Economic Plan was published in 2014. The plan sets out priorities for growth across the Greater Lincolnshire area with key projects identified for delivery in 2015/16 and 2016/17. The plan has long-term objectives of:

- increasing the value of the Greater Lincolnshire economy by £3.2 billion;
- assisting 22,000 businesses in terms of advice and funding; and
- creating 13,000 jobs by 2030.

5.19 It is important to note that the intention to create 13,000 jobs is for the whole of the Greater Lincolnshire area and that there is no disaggregation of the job figures into the local authority areas. The plan does, however, identify specific projects that fall within Boston Borough and South Holland District including proposals for the Spalding Rail-Freight Interchange, Spalding Western Relief Road, Boston Distributor Road and Boston Barrier.

5.20 The South East Lincolnshire Employment Premises and Land Review (the Review) was published in 2012 to inform the emerging Local Plan on various economic matters. It focussed on the traditional approach of assessing employment land trends and requirements within the 'B-class' land uses. The Review included a number of potential future economic scenarios to inform the estimates for employment land requirements including:

- Baseline Job Growth (forecast produced by Experian);
- Higher Job Growth (variation from Experian baseline with a 20% uplift in the growth of industrial jobs compared to the baseline forecast);
- Past Development Rates (based on completion rates/trends from 2004 to 2012);
- Lower Past Development Rates (completion rates over the same time period but 2007/08 removed as an anomalous year due to a high rate of completions); and
- Future Labour Supply (based on growth of 810 dwellings per annum for a plan period to 2026, adjusted to reflect the plan period to 2031).

5.21 The Review highlighted implied job levels that would be expected to be derived from the various scenarios (see Figure 5.3 in the report): job growth would vary between 76 jobs per annum to 412 jobs per annum. This compares with the job estimates in the SHMAs as follows:

- South Holland District – approx. 13,800 additional jobs by 2036 (552 jobs per annum)
- Boston Borough – approx. 3,800 additional jobs by 2036 (152 jobs per annum)

5.22 An important point to note in comparing job numbers is that the Review purely considers jobs within the B use classes whilst the Experian figures for the two SMHAs includes jobs in other sectors (e.g. education and retail). However, in broad terms, the job estimates contained in the Review are considered to be consistent with the forecasts for jobs within the SHMAs.

6.0 New methodology for assessing settlements and their role in meeting development needs

6.1 The comments made in section 4 regarding the need to revise the Local Plan's emerging approach to the scale and distribution of housing across South East Lincolnshire meant that a new methodology for determining the suitability of settlements for accommodating housing growth was required. The purpose of the new methodology would be to examine, in detail, if and how, the objectively assessed needs for housing in Boston Borough and South Holland District (explored in section 5 above) could be met in the respective parts of the plan area, because the Joint Committee had previously expressed the desire that the full housing needs should be met in this way, if possible. (If this aim could not be realised, alternative solutions would have to be considered through the 'Duty to Cooperate'.) In essence, there was a need to determine a new settlement hierarchy for South East Lincolnshire, mindful that it would be required not only for the purposes of guiding the scale and distribution of housing growth but also for informing the location of other types of development.

6.2 The first step in the process was to determine a broad hierarchy of settlements based upon extant local plans and the approach taken in the Preferred Options. However, the assessment process for determining the new settlement hierarchy was made more exhaustive than for the previous Preferred Options in that a significant number of additional smaller settlements (which to all intents and purposes had previously been treated as subject to 'Countryside' policies) were included for consideration. This was in response to comments made through public consultation, proposed development sites submitted through the 'Strategic Housing Land Availability Assessment' (SHLAA) process and the emphasis which the NPPF places on meeting development needs in a sustainable manner.

6.3 The next step was to slightly amend the broad categories for the new settlement hierarchy from those set out in the Preferred Options, in order to

provide a consistency in the terminology used and to take account of the inclusion of an additional number of smaller settlements (see para 6.2 above), hence:

- Sub-Regional Centres;
- Major Service Centres;
- Minor Service Centres (most of which were previously designated as Service Villages in the Preferred Options);
- Other Service Centres and Settlements; and
- The Countryside (which covers the remainder of the plan area).

6.4 As part of the detailed assessment of where settlements should be defined in the new hierarchy, the following evidence was considered (as detailed in the attached **Appendix A**):

- 'Sustainability of Settlement' score (based on the availability of services and facilities)
- Parish population in 2011
- Historic rates of housing completions, 1976 - 2011
- Percentage of parish house completions, 1976 - 2011
- An assessment of flood risk across 15 categories ranging from Flood Zone 1 (no hazard) to Flood Zone 3 (danger for all) in terms of what percentage of land lies in, and in close proximity of, each settlement for these 15 categories

6.5 Additional detailed evidence was considered with regard to potential site availability (SHLAA evidence) and also more subjective considerations such as the need for major strategic infrastructure (e.g. the Spalding Western Relief Road and the Boston Distributor Road). The importance of a settlement was also considered with regard to whether it might perform a broader sustainability role in supporting one or more nearby settlements (a 'cluster role').

6.6 The methodology that has been applied cannot be analysed from a forensic approach (e.g. 'x' sustainability score = 'y' type of service centre) as each settlement has its own distinctive geography, developed form, access to services, constraints (e.g. flood risk) and needs etc. It is also the case that a major part of the purpose of defining types of settlement is to help in the process of determining the distribution of future housing growth and, as both Boston Borough and South Holland District have separate, overall housing needs to be met, the categorisation of settlements can only be broadly comparable across the two areas.

- 6.7 The proposed new settlement hierarchy is set out in section 7 below (and also attached Appendix A). There are distinct differences in the roles of settlements throughout the plan area. Both Boston town and Spalding are assessed as performing quite different roles, and therefore meeting different development needs, from the rest of the settlements in the plan area. Holbeach is also of a different scale to most settlements. That being said, Holbeach is considered to perform a role comparable with those settlements in the Main Service Centre category. The Main Service Centres can be seen as a distinct, higher order, group of settlements from the Minor Service Centres.
- 6.8 For the purposes of meeting housing needs it is considered that only the three categories defined as Sub-Regional, Main Service and Minor Service Centres should be assessed for their capability of accommodating allocated housing sites (i.e. sites that could be developed for at least ten houses).
- 6.9 Below the top three tiers in the hierarchy, the Other Service Centres and Settlements should not be evaluated for the purpose of meeting objectively assessed needs for housing. Effectively, their contribution will be to assist in meeting housing needs specific to the settlement - where limited opportunities permit - and these will be assessed as windfalls.
- 6.10 As a result of applying the methodology explained above, the proposed main changes to the settlement hierarchy set out in the Preferred Options - aside from the inclusion of a number of smaller settlements - are:
- Pinchbeck is now defined as a Main Service Centre due to its close proximity to the urban area of Spalding and its relatively high sustainability score. Levels of housing development in the period 1976-2011 are also comparable.
 - Sutterton is now defined as a Main Service Centre due to its proximity as a 'cluster' settlement and this is reflected in its sustainability score. Sutterton also offers some opportunities for growth in areas with marginally better flood risk. In preparing a plan for South East Lincolnshire as a whole, the opportunity arose to examine the settlements between the proposed Sub-Regional Centres of Boston and Spalding from a different perspective. Sutterton is in this 'mid-way area'.
 - Swineshead is now defined as a Main Service Centre which reflects its sustainability score and availability of potential sites at low flood risk. It is also clear that the levels of development sustained in 1976-2011 are proportional to other settlements in the Main Service Centre group.

- Gosberton Clough/Risegate is now defined as a Minor Service Centre due to its proximity to Gosberton and generally better flood risk.
- Tydd Gote is now defined as a Minor Service Centre due to its proximity to Tydd St Mary and the level of services available.
- Gedney Church End is now defined as a Minor Service Centre due to its potential as a 'cluster' settlement.
- Algarkirk, Kirton End, Leake Commonside and Swineshead Bridge are defined as Other Service Centres and Settlements due to their relative low sustainability scores and development opportunities.

7.0 The proposed settlement hierarchy

7.1 The proposed settlement hierarchy for South East Lincolnshire is:

SUB-REGIONAL CENTRES

Boston (incl. parts of Fishtoft and Wyberton Parishes)
Spalding

MAIN SERVICE CENTRES

Crowland
Donington
Holbeach
Kirton (incl. parts of Frampton Parish)
Long Sutton
Pinchbeck
Sutterton
Sutton Bridge
Swineshead

MINOR SERVICE CENTRES

Bicker	Old Leake
Butterwick	Quadring
Cowbit	Surfleet
Deeping St Nicholas	Sutton St James
Fishtoft	Tydd Gote
Fleet Hargate	Tydd St Mary
Gedney Church End	Weston
Gedney Hill	Whaplode
Gosberton	Wigtoft
Gosberton Clough/Risegate	Wrangle
Moulton	
Moulton Chapel	

OTHER SERVICE CENTRES AND SETTLEMENTS

Algarkirk	Benington
Amber Hill	Fleet Church End

Fosdyke
Frampton Church End
Frampton West
Freiston
Gedney Black Lion End
Gedney Dawsmere
Gedney Drove End
Gedney Dyke
Haltoft End
Holbeach Drove
Holbeach Hurn
Holbeach St Johns
Holbeach St Marks
Holland Fen
Hubbert's Bridge
Kirton End
Kirton Holme
Langrick Bridge
Leake Commonside

Leverton
Little Sutton
Lutton & Lutton Gowts
Moulton Seas End
Nene Terrace
Northgate, West Pinchbeck
Saracens Head
Shepeau Stow
Surfleet Seas End
Sutton St Edmund
Swineshead Bridge
Throckenholt
Tongue End
Weston Hills Austendyke
Weston Hills St Johns
Whaplode Drove
Whaplode St Catherine
Wrangle Common
Wyberton Church End