Housing Needs Assessment

Central Lincolnshire

April 2020

Turley

Contents

Executive Summary

1. Turley – in partnership with Edge Analytics – has been commissioned by the local authorities of Lincoln, North Kesteven and West Lindsey as well as Lincolnshire County Council to produce a new Housing Needs Assessment for Central Lincolnshire. This is intended to replace the Strategic Housing Market Assessment[1] (SHMA) similarly produced by Turley in 2015, and will form part of the evidence base for the emerging review of the joint Local Plan that is being undertaken in the context of revised national policy and guidance.

Recent trends in the housing market area

2. While the latest available evidence indicates that the Central Lincolnshire authorities continue to operate as a self-contained housing market area, reaffirming the conclusions of the SHMA in this regard, the profile of the market has naturally evolved in the intervening years.

3. New homes have been provided in the current plan period to date, including the largest annual number of homes in a decade last year (2018/19). Population growth has also been sustained, though did slow to its slowest rate for twenty years prior to this boosting of housing delivery – which is yet to be reflected in official population data – due principally to a changing balance between births and deaths. This natural change does, however, continue to be offset by net migration from elsewhere in the UK and abroad, thus growing the population.

4. Central Lincolnshire has also continued to create new jobs over the plan period to date, as documented in detail within the Economic Needs Assessment Update ('the ENA Update') produced alongside this study. Around 1,850 jobs have been created each year on average since 2012, utilising latent capacity in the labour force and reducing unemployment to a notably low level as of 2018 as well as acting as a likely driver for the net inflow of migrants.

5. Housing costs provide an indication of how the supply of housing has responded to these drivers of demand, and suggest a degree of imbalance. The average price paid for housing in Central Lincolnshire has risen by circa 22% over the past five years, since the SHMA was prepared, with the rate of growth being notably lower in West Lindsey (17%) but still surpassing the 14% growth seen nationally albeit from a notably lower base. Average rents at the lower end and middle of the private rental market have also risen.

Overall housing need

6. Recent revisions to the National Planning Policy Framework (NPPF) have introduced a new, standard method for determining '*the minimum number of homes needed*', and confirmed that '*strategic policies should be informed by a local housing need assessment*' conducted through this method[2]. Related Planning Practice Guidance

---

[1] Turley (2015) Central Lincolnshire Strategic Housing Market Assessment

[2] MHCLG (2019) National Planning Policy Framework, paragraph 60

(PPG) emphasises that the method provides only a '*minimum starting point in determining the number of homes needed in an area*', requiring plan-makers to assess the existence of circumstances that justify planning for a higher – or indeed, though only exceptionally, lower – level of housing need than the standard method suggests[3].

7. The standard method currently indicates that **a minimum of 1,086 dwellings per annum** are needed in Central Lincolnshire, when aggregating the outcomes for the individual authorities, albeit this number is susceptible to change having risen very slightly (+3dpa) during production of this report. There remains the prospect of a more significant and as-yet unforeseeable change once the method itself is reviewed by the Government this year.

8. Demographic modelling indicates that such a level of housing provision could accommodate around 35,400 additional residents over the emerging plan period to 2040. This would represent average growth of circa 0.5% per annum, which is below the recent and indeed longer-term average rate of population growth in Central Lincolnshire. The modelling suggests that population growth is unlikely to be uniform across all age groups, with the elderly population aged over 65 potentially increasing by some 45% while the working age population (16-64) grows by only 2%. Allowing for reasonable changes in the behaviour of the labour force over the plan period , such growth could conceivably support the creation of circa 14,890 new jobs in Central Lincolnshire, or 677 jobs per annum.

9. There is no compelling demographic or market evidence to suggest that substantially fewer homes than implied by the standard method are needed in Central Lincolnshire. In contrast, and in the context of the PPG – which firmly supports '*ambitious authorities who want to plan for growth*' beyond a '*minimum*'[4] – the analysis suggests that more than 1,086 dwellings per annum could actually be needed in Central Lincolnshire. This conclusion is based on a number of factors as follows:

   - The domestic migration assumptions made in the **demographic baseline** of the standard method, which influence its outcome, appear conservative in the context of Central Lincolnshire, meaning that the population is already larger and growing to a greater extent than is assumed in the generation of the minimum need;

   - **Housing delivery** has been significantly greater than the minimum figure generated through the method, both over the long-term – from 1996 to the start of the current plan period, in 2012 – and in the last year for which data is currently available (2018/19). This implies that there has been a higher sustained level of demand for new homes historically than the standard method outcome would suggest. Adopting the standard method would be more akin to the low rate of delivery achieved during the recession and subsequent downturn rather than returning to more proportionate rates envisaged through the adopted plan, which is not the intention of national policy;

---

[3] PPG Reference ID 2a-010-20190220

[4] *Ibid*

- There has been a **previous assessment** of a greater need for housing than implied by the standard method, within the 2015 SHMA, albeit this is increasingly dated and was naturally informed by evidence and guidance available at the time of its preparation. While justified at that point, it can be retrospectively seen to have made a relatively cautious estimate of the housing that could be needed to support job growth, meaning that care should be taken in drawing direct comparison with this assessment; and

- Bespoke modelling prepared by Edge Analytics strongly indicates that simply providing the homes envisaged by the standard method, while enabling some job growth, is unlikely to provide **the labour force needed to fully support anticipated levels of job growth.** Where an alignment is to be achieved between the forecast of job growth concluded in the ENA Update, approximately 1,323 dwellings per annum are indicated as being needed. This would allow for a comparatively modest increase in the population of Central Lincolnshire above that associated with providing for the minimum standard method figure through the greater – though not unprecedented – attraction and retention of people, through migration.

10. Recommending an alternative level of housing need to be planned for, beyond the minimum calculated under the standard method, inevitably requires a degree of judgement. Within this context, the jobs-led scenario appears to provide a particularly valuable reference point for the Councils, offering complete alignment with the recently updated economic evidence and allowing for a boost in the recent rate of housing delivery in line with the requirements of the NPPF. Accordingly, this report concludes that a rounded figure in the order of **1,325 dwellings per annum** is representative of the higher need for housing in Central Lincolnshire.

11. It is, however, important to acknowledge that **this report simply provides informing evidence**, with the level of growth to be pursued by the Local Plan ultimately a judgement to be made by the Councils.

Size and type of housing needed

12. Beyond the overall number of homes needed, the NPPF requires assessment of the size and type of housing needed in Central Lincolnshire.

13. The modelling introduced in this report allows this to be considered in a consistent manner, suggesting that the overall profile of growth – in terms of household type and the age of their representative, rather than the level of growth – will be similar regardless of whether housing provision aligns with the minimum need implied by the standard method or is higher to support future job growth. Households with dependent children are expected to see the strongest growth under either scenario, followed by single person households and couples without children. The number of families living with other adults, such as non-dependent children, is expected to remain broadly stable. A substantial number of the additional households projected are led by an individual aged over 65, albeit this is moderated under the jobs-led scenario where younger households led by those aged 25 to 44 account for a slightly larger share of growth.

14. Such different types of households naturally have differing requirements in terms of housing, with the 2011 Census robustly evidencing that single person households in Central Lincolnshire often – though do not exclusively – occupy smaller homes for example. Households with dependent children tend to occupy larger properties, and couples without children are similarly inclined towards larger housing in this area. This is a reflection of households' ability to exercise choice in the market, with wealth an important influence.

15. A continuation of these local trends could see 43% of the additional households forming under either of the modelling scenarios requiring three bedrooms. There is also implied to be a relatively sizeable need for two bedroom properties (28%) and homes with at least four bedrooms (22%). Substantially fewer households (7%) would be expected to need only one bedroom, albeit this is acknowledging to be influenced by the stock of housing that is currently available. It is estimated that meeting this need could require over two thirds (69%) of new homes to be houses, surpassing the more limited need for bungalows (20%) and flats (11%).

16. This does, however, provide only an illustrative interpretation of available evidence, which can be used by the Councils for guidance and monitoring purposes but should not be prescribed as an explicit requirement for individual sites given that they will need to respond to changing market demands and take account of viability considerations.

Need for affordable housing

17. This report has applied the well-established methodology, outlined in the PPG, through which affordable housing needs are separately calculated, before being considered in the context of their likely delivery as a proportion of market-led housing developments.

18. The first part of the calculation establishes the scale of the current backlog, revealing an imbalance between the 2,535 households currently registered in need and the 1,960 affordable homes expected to become available over the next five years. The latter is predominantly comprised of committed schemes, implicitly assuming that the Councils collectively increase their recent rate of affordable housing provision. Where this occurs, there is estimated to remain a shortfall of 575 affordable homes to meet current needs, mainly in Lincoln and West Lindsey and generally relating to one bedroom properties in particular.

19. The second part of the calculation estimates the net new need that may arise in the future, as new households form, existing households' circumstances change and properties continue to be let or made available. This implies that there will be a newly arising need for 565 affordable homes each year, distributed throughout each authority and predominantly relating to properties with two or three bedrooms. This profile is, however, influenced by the size of affordable housing currently available, with these assumptions requiring continuous testing in the context of housing registers that are orientated towards smaller properties.

20. When bringing together the two parts of the calculation, it is concluded that clearing the existing backlog while meeting newly arising need over the emerging plan period to

2040 will generate an overall need for **592 affordable homes each year**, across Central Lincolnshire. There is implied to be the greatest need for two bedroom properties, albeit the assumptions required in reaching this position should be regularly tested through monitoring.

21. This report has also considered the potential role of different affordable housing products, with affordable rent generally the only product to have been assessed that requires a substantially lower income than would be required to rent in the open market based on locally evidenced rental levels. Other products, such as shared ownership and discounted market sale, can nonetheless play a role particularly where households purchase a small share (25%) or receive a more significant discount of 50%, albeit it is understood that the latter is rarely delivered.

Specific needs of different groups

22. The NPPF requires the housing needs of different groups in the community to be assessed and reflected in planning policies. This report has therefore considered the specific needs of:

- **Older people**, with this cohort having recently grown in size such that circa 65,000 residents are now aged 65 and over. Edge Analytics' modelling indicates that this growth will continue over the emerging plan period, resulting in a projected need for circa 87-91 bedspaces in communal establishments each year. Where this results from growth in the population assumed not to live in individual dwellings, this is separate from and additional to the overall dwelling requirements specified earlier;

- **People with disabilities**[5], who account for circa one in five residents in this area and tend to live in private households rather than institutional accommodation. This emphasises the importance of suitably accessible housing, achieved both when new housing is delivered – by aligning with national standards, for example – and through the continued delivery of adaptations;

- **Students**, concluding that there is no evidenced need for further accommodation – beyond the current pipeline – to accommodate growth per se based on the universities' current plans. New provision could however still be justified where shown to offer choice and allow poorer quality stock to be vacated and/or returned for use by families;

- **Service families**, with housing on base understood to be capable of accommodating demand both currently and following planned investment. Some personnel do choose to rent or buy in the local area, but engagement suggests that this is unlikely to require a specific policy response;

- **Self-builders**, circa 136 of whom – primarily in Lincoln and North Kesteven – have registered their interest in mainly larger plots with the Councils. While

---

[5] This captures individuals reporting themselves to be limited to some extent in their daily activities

relatively small, the existence and profile of this need should be considered in providing for this type of housing;

- **Privately renting households**, which often contain individuals employed in roles that appear likely to become more prevalent in Central Lincolnshire based on the analysis in the ENA Update with an associated continued and growing need for this tenure of housing;

- **Households searching at different levels of the market**, who appear likely to target specific locations and product types. The Councils may wish to consider in this context how the planned distribution of new housing, and the types of products likely to come forward, could meet the full range of households' needs; and

- **Those occupying houseboats and caravans**, the former seeing relatively low uptake such that existing moorings offer flexibility to respond to any rise in demand. Around 1,300 static caravans and mobile units, or park homes, are located in Central Lincolnshire, and while they offer an affordable option for downsizing older people in particular, there are concerns around their contribution to housing supply and the prospect of sub-standard conditions.

1. Introduction

1.1 Turley – in partnership with Edge Analytics – has been commissioned by the local authorities of Lincoln, North Kesteven and West Lindsey as well as Lincolnshire County Council to produce a new Housing Needs Assessment (HNA) for Central Lincolnshire, which will form part of the evidence base for the emerging review of the joint Local Plan.

1.2 The current Local Plan[6] – adopted in April 2017, having similarly drawn upon a Strategic Housing Market Assessment (SHMA) produced in 2015 by Turley[7] – is being reviewed in the context of the revised National Planning Policy Framework[8] (NPPF) which was published in July 2018 and slightly updated in February 2019.

1.3 It notably introduced a new, standard method for determining '*the minimum number of homes needed*', and confirms that '*strategic policies should be informed by a local housing need assessment*' conducted through this method[9]. Planning Practice Guidance[10] (PPG) continues to provide further detail on the method, and clarity on the circumstances in which it may be appropriate to plan for a higher – or indeed, though only exceptionally, lower – level of housing need than the standard method suggests.

1.4 The NPPF further confirms that '*the size, type and tenure of housing needed for different groups in the community should be assessed and reflected in planning policies*'[11]. The PPG again provides advice on how the needs of such groups should be assessed, with this guidance recently updated and separated into standalone sections[12].

1.5 This report initially reaffirms the continued validity of the study area geography and summarises recent trends in the housing market, before adhering to the NPPF and PPG by applying the standard method and determining whether there is robust evidence of a higher or lower need than it implies for Central Lincolnshire. This takes into particular consideration the important relationship between housing and economic needs, drawing upon the updated Economic Needs Assessment ('the ENA Update') produced alongside this study, as well as other factors identified in the PPG. The overall need is then segmented to estimate the requirement for different tenures, sizes and types of housing, including affordable housing, before consideration is given to the specific needs of different groups in the community.

1.6 The report is structured as follows:

- **Section 2 – Verifying the Housing Market Area** – a high level review of the earlier conclusion, reached in the SHMA, that the Central Lincolnshire authorities

---

[6] Central Lincolnshire authorities (2017) Central Lincolnshire Local Plan
[7] Turley (2015) Central Lincolnshire Strategic Housing Market Assessment
[8] MHCLG (2019) National Planning Policy Framework
[9] *Ibid*, paragraph 60
[10] PPG section 2a – "Housing and economic needs assessment"
[11] MHCLG (2019) National Planning Policy Framework, paragraph 61
[12] PPG sections 63 ("Housing for older and disabled people") and 67 ("Housing needs of different groups")

collectively function as a single housing market area, to ensure that this remains justified by the latest available evidence;

- **Section 3 – Recent Trends in the Housing Market** – an overview of the current housing market in Central Lincolnshire, profiling current characteristics and recent trends that have emerged since the SHMA was produced;

- **Section 4 – Outcome of the Standard Method** – the standard method is followed to calculate the minimum annual need for housing in Central Lincolnshire. The inputs to the calculation are introduced, before modelling is presented to estimate the implications of such a level of housing provision for the local population and the economy;

- **Section 5 – Prospect of Higher Housing Need** – in accordance with the PPG, consideration is given to whether it may be appropriate to recognise and plan for a higher housing need figure than the standard method indicates for Central Lincolnshire. This takes account of economic growth, past housing delivery and previous assessments of need;

- **Section 6 – Size and Type of Housing Needed** – the overall housing need established in the preceding sections is segmented to estimate the size and type of housing needed by different groups, taking account of the age profile and household mix;

- **Section 7 – Affordable Housing Need** – the specific need for affordable housing is calculated, following the well-established stepped methodology that is retained in the PPG. Consideration is subsequently given to how this need could be met through different types of affordable housing products;

- **Section 8 – Housing for Older and Disabled People** – specific consideration of the housing needs of older and disabled people, groups covered by a newly standalone section of the PPG;

- **Section 9 – Specific Needs of Other Groups** – analysis of the housing needs of further distinct groups identified by the Councils, in the context of the NPPF; and

- **Section 10 – Conclusions** – a concise overview of the findings and implications of this report.

2. Verifying the Housing Market Area

2.1 The SHMA confirmed that the Central Lincolnshire authorities collectively function as a single housing market area (HMA) with a containment of moves, commonality in house prices and strong commuting relationships which particularly centre on Lincoln[13]. This was accepted as a '*pragmatic and sensible*' position by the Inspectors examining the joint Local Plan[14].

2.2 The Councils have sought to verify that this conclusion remains justified by the latest available evidence, and this is therefore explored within this section.

Policy framework and guidance

2.3 While the NPPF formerly required Local Plans to meet '*the full, objectively assessed needs for market and affordable housing in the housing market area*'[15], it is important to recognise that there is no such requirement – and indeed no reference to housing market areas – in the revised NPPF.

2.4 This appears to have been a deliberate change linked to the introduction of the standard method, which is applied consistently for individual authorities and '*shifts the focus away from housing market areas*'[16].

2.5 There nonetheless remains acknowledgement in the "plan-making" section of the PPG that housing market areas can provide an appropriate geographical basis for statements of common ground on strategic matters, albeit with a firm expectation that authorities are '*pragmatic in determining*' any such areas[17]. The PPG continues to provide guidance on how housing market areas can be defined, which is fundamentally unchanged from that which was in place when the SHMA was prepared. As such, there remains an emphasis on house prices, migration and contextual data, including travel to work areas[18].

Migration

2.6 Section 2 of the SHMA presented analysis on migration, drawing upon the 2011 Census and its recording of individuals' movements in the preceding year. The analysis focused both on the extent to which moves within Central Lincolnshire were self-contained, and the strength and direction of key migration flows to and from the area.

2.7 The Census remains the only official dataset which can be used to calculate the self-containment of moves, and this element of the analysis in the SHMA therefore remains pertinent for the purposes of understanding the movement of people. It confirmed that Central Lincolnshire retained 68% of existing residents moving in the year before

---

[13] Turley (2015) Central Lincolnshire Strategic Housing Market Assessment, paragraph 2.68

[14] Planning Inspectorate (2017) Report on the Examination of the Central Lincolnshire Local Plan, paragraph 30

[15] DCLG (2012) National Planning Policy Framework, paragraph 47

[16] DCLG (2017) Planning for the right homes in the right places: consultation proposals, paragraph 68

[17] PPG Reference ID 61-017-20190315

[18] PPG Reference ID 61-018-20190315

the Census (2010/11), while 65% of all moves *to* addresses in the area during the same period originated from Central Lincolnshire[19].

2.8 Whilst this analysis using Census migration flow data cannot be updated, the Office for National Statistics (ONS) does produce annual data on the movement of people between local authorities, based on its analysis of the NHS Patient Register, the NHS Central Register and data from the Higher Education Statistics Agency[20] (HESA).

2.9 Whilst this is acknowledged to be less comprehensive than the Census, this section uses this data to appraise how migration flows may have changed more recently, in order to understand whether relationships with surrounding areas have strengthened or weakened. It should again be noted that this cannot capture moves within an individual authority itself.

Moves from Central Lincolnshire

2.10 Table 2.1 identifies the ten authorities to have received the largest absolute number of individuals moving from each of the Central Lincolnshire authorities since 2011, based on the average annual flow.

Table 2.1: Main Destinations for Individuals Moving from Central Lincolnshire (annual average; 2011-18)

Moves from Lincoln		Moves from North Kesteven		Moves from West Lindsey	
North Kesteven	**1,785**	**Lincoln**	**1,299**	**Lincoln**	**825**
West Lindsey	**1,187**	**West Lindsey**	**465**	North Lincolnshire	475
East Lindsey	261	South Kesteven	405	**North Kesteven**	**416**
Newark & Sherwood	215	East Lindsey	324	East Lindsey	326
Nottingham	157	Newark & Sherwood	241	North East Lincs	303
Sheffield	152	Boston	117	Bassetlaw	197
North Lincolnshire	138	Sheffield	98	Sheffield	103
North East Lincs	134	Nottingham	95	Newark & Sherwood	91
South Kesteven	130	Leeds	78	Leeds	86
Leeds	120	South Holland	62	Doncaster	84

Source: ONS; Turley analysis

2.11 Individuals moving from both Lincoln and North Kesteven have evidently been more likely to remain in Central Lincolnshire than move elsewhere, particularly in Lincoln where the outflow to West Lindsey was over four times larger than the next largest recipient, namely East Lindsey.

2.12 Lincoln and North Kesteven also rank highly amongst the places where West Lindsey residents have tended to move, though are notably split by North Lincolnshire which

---

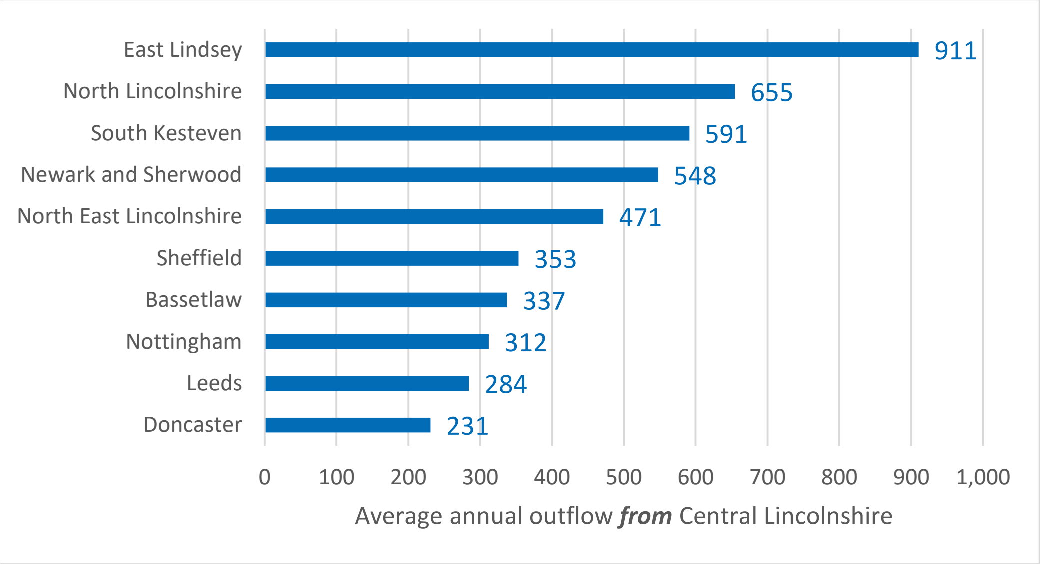
[19] Turley (2015) Central Lincolnshire Strategic Housing Market Assessment, Figures 2.1 and 2.2

[20] ONS (2019) Internal migration: matrices of moves by local authority and region (countries of the UK)

ranks second. This specific relationship was observed in the SHMA[21] . It is of note, however, that the scale of the flow between West Lindsey and Lincoln is by some way the most significant.

2.13 Figure 2.1 aggregates the individual authorities to provide a position for Central Lincolnshire as a whole, revealing that the largest outflow is to East Lindsey. Flows to other adjacent authorities are notably smaller with the other more significantly sized flows to larger economic centres in a wider hinterland. It should be noted that the Central Lincolnshire authorities themselves are excluded from this chart, as the analysis treats them as a single area and the presentation of moves between the component authorities would not be directly comparable. Where reference is made to the individual authority analysis in Table 2.1 above it is, however, pertinent to highlight that the individual flows between the three authorities are in most cases more significant even than the cumulative flows from Central Lincolnshire to other authorities shown below. .

Figure 2.1: Main Destinations for Individuals Moving from Central Lincolnshire (annual average; 2011-18)



Source: ONS; Turley analysis

Moves to Central Lincolnshire

2.14 Table 2.2 similarly identifies the largest inflows to each of the Central Lincolnshire authorities since 2011, on an average annual basis. Lincoln again attracts the largest number of moves from the other Central Lincolnshire authorities, and is also responsible for the largest inflow into both North Kesteven and West Lindsey. The latter two authorities do each then attract larger inflows from elsewhere than each other, suggesting notable relationships with South Kesteven and North Lincolnshire respectively.

---

[21] Turley (2015) Central Lincolnshire Strategic Housing Market Assessment, paragraph 2.12

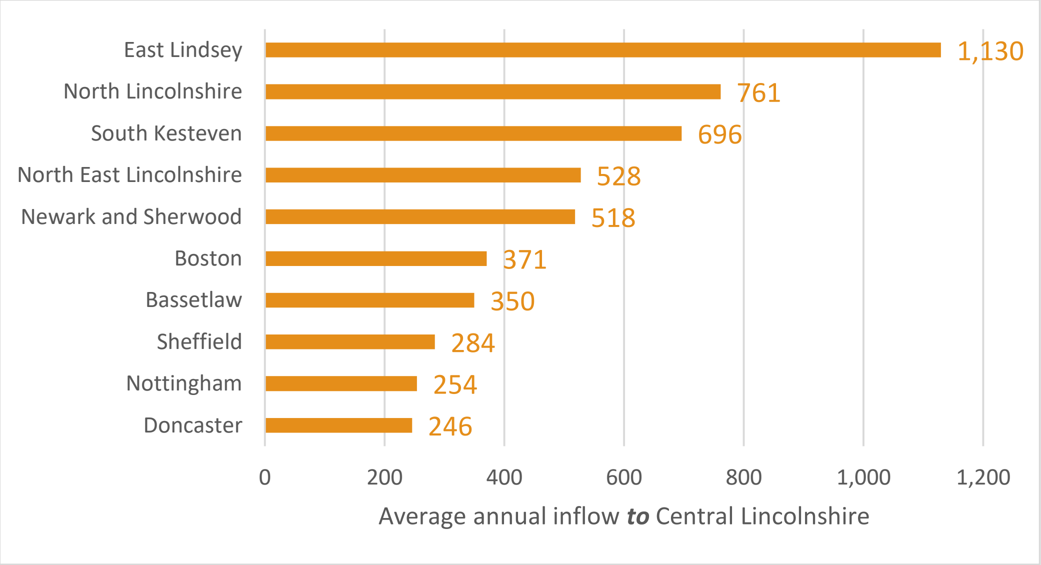
Table 2.2: Main Places of Origin for Individuals Moving to Central Lincolnshire (annual average; 2011-18)

Moves to Lincoln		Moves to North Kesteven		Moves to West Lindsey	
North Kesteven	**1,299**	**Lincoln**	**1,771**	**Lincoln**	**1,196**
West Lindsey	**825**	South Kesteven	468	North Lincolnshire	551
East Lindsey	393	**West Lindsey**	**416**	**North Kesteven**	**465**
North Lincolnshire	170	East Lindsey	358	East Lindsey	379
South Kesteven	168	Newark & Sherwood	245	North East Lincs	328
North East Lincolnshire	165	Boston	188	Bassetlaw	197
Newark & Sherwood	161	South Holland	99	Newark & Sherwood	113
Sheffield	140	Nottingham	72	Sheffield	75
Boston	139	Sheffield	69	Doncaster	73
Doncaster	139	Leeds	57	Leeds	66

Source: ONS; Turley analysis

2.15 Figure 2.2 provides an aggregated position for Central Lincolnshire, again excluding the authorities themselves for accuracy. As in Figure 2.1, this again reveals the strength of the relationship with East Lindsey in particular.

Figure 2.2: Main Places of Origin for Individuals Moving to Central Lincolnshire (annual average; 2011-18)



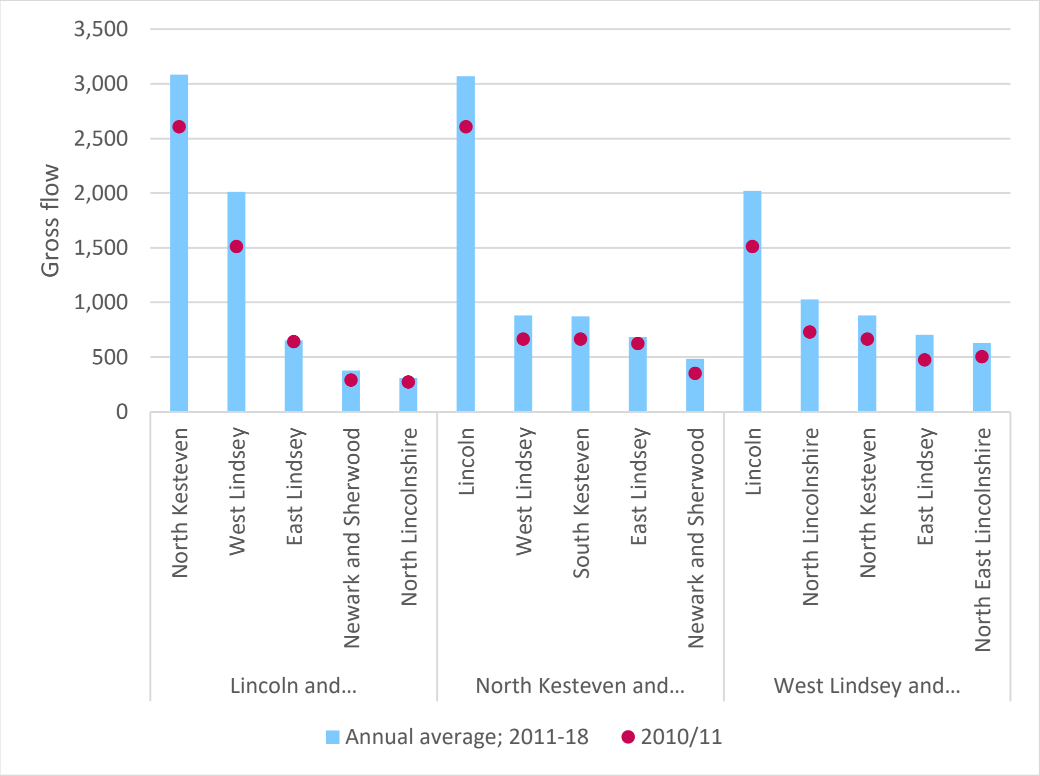
Source: ONS; Turley analysis

Gross migration flows

2.16 The SHMA sought to understand the strength of authorities' relationships with Central Lincolnshire through the calculation of a gross migration flow, which summed both in and outflows.

2.17 A comparable position has been established for each authority below, limited to the five largest gross flows for clarity. The gross flow recorded in the year before the 2011 Census – previously reported at Figure 2.3 of the SHMA – is overlaid for context.

Figure 2.3: Gross Migration to and from Central Lincolnshire Authorities (annual average; 2011-18)



Source: ONS; Turley analysis

2.18 Each authority appears to have strengthened its relationship with the other Central Lincolnshire authorities, when measured by the absolute number of moves in either direction and benchmarked against the Census data reported in the SHMA. This is not necessarily surprising given continued population growth, and could also be skewed to an extent in all cases by individuals' reluctance or inability to move during the recessionary period previously covered by the Census.

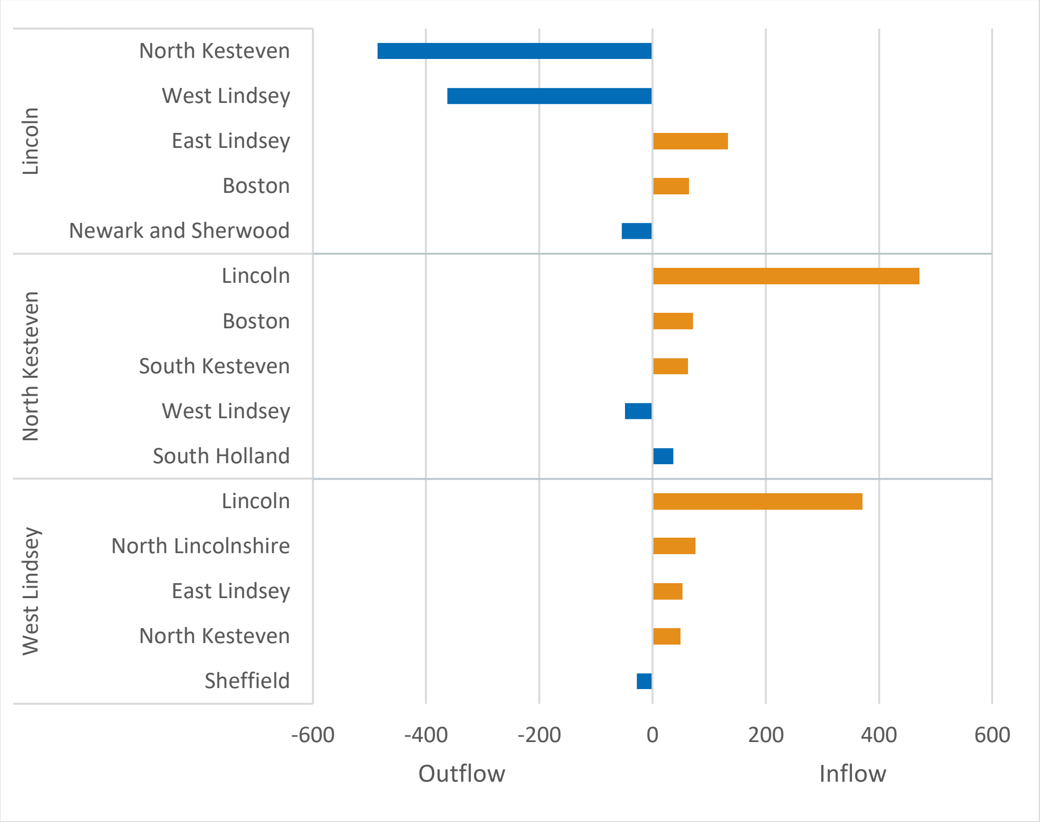
2.19 It remains clear that Lincoln shares comfortably its strongest relationships with North Kesteven and West Lindsey, with a growing number of moves recorded. East Lindsey continues to rank third for Lincoln, as in the SHMA, though there notably appears to have been minimal change in the strength of this relationship when measured as a gross migration flow.

2.20 Moves between North Kesteven and West Lindsey are implied to have become more frequent, such that the latter has edged marginally ahead of South Kesteven to rank as North Kesteven's second most important relationship in migration terms. This is not reciprocated by West Lindsey, however, owing to the continued strength of its relationship with North Lincolnshire as was similarly found to be the case in the SHMA.

Net migration flows

2.21 Net migration flows can be calculated – as at Figure 2.3 of the SHMA – to illustrate the extent to which flows are balanced, or weighted in one direction. Figure 2.4 presents the five largest net flows for each authority, in either direction, to identify those areas with which they have shared the least balanced migration relationships, on an average annual basis since 2011.

Figure 2.4: Largest Net Flows to or from Central Lincolnshire Authorities (annual average; 2011-18)

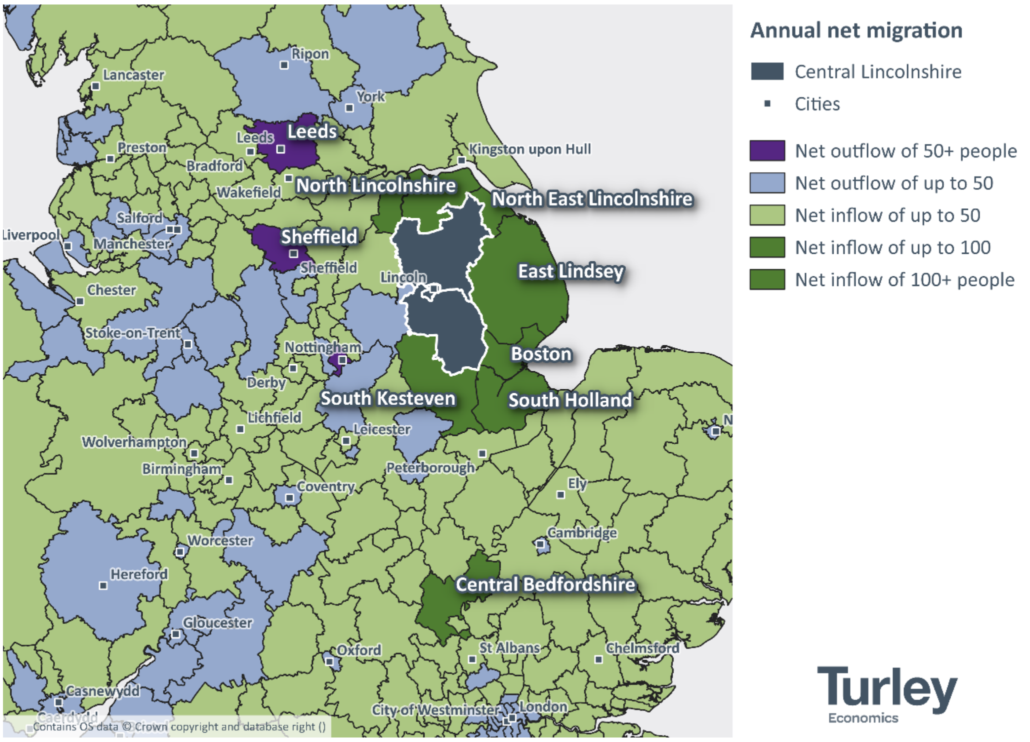


Source: ONS; Turley analysis

2.22 It is clear that considerably more people move from Lincoln to North Kesteven and West Lindsey than in the opposite direction, representing the largest net flows out from the city and by some distance the largest net flows into the districts. These net flows are larger in size than reported in the SHMA, based on the single year prior to the 2011 Census when West Lindsey actually saw a net *outflow* of people to Lincoln.

2.23 The individual authorities can also be aggregated to understand those areas from where Central Lincolnshire typically gains residents, and those to which large net outflows are recorded. This is illustrated spatially at Figure 2.5, revealing that Central Lincolnshire has recently received a net inflow from adjacent authorities to the immediate north, east and south. Its largest net outflows have generally been to the west, to the cities of Sheffield, Leeds and Nottingham. More broadly, it can be seen that those authorities to have received inflows from Central Lincolnshire are located to the west, while Central Lincolnshire itself has generally received a net inflow from the south.

Figure 2.5: Average Annual Net Migration to and from Central Lincolnshire (2011-18)



Source: ONS; Turley analysis

House prices

2.24 The PPG continues to view house prices and their rate of change as indicators of '*the relationship between housing demand and supply across different locations*', in turn allowing the identification of '*areas which have clearly different price levels compared to surrounding areas*'[22].

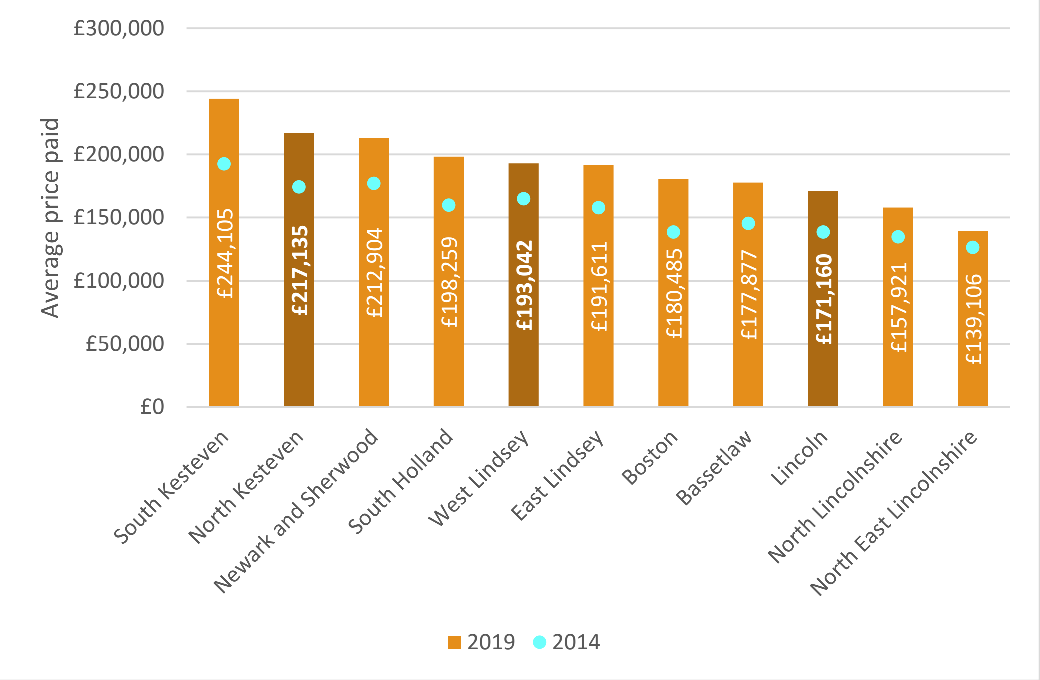
2.25 The SHMA found there to be broad consistency in terms of house prices within Central Lincolnshire, albeit with some rural areas characterised by higher values than recorded in the urban area of Lincoln. There were distinctions with the lower and higher values respectively recorded in North Lincolnshire and South Kesteven, but more limited difference from the values seen in East Lindsey.

---

[22] PPG Reference ID 61-018-20190315

2.26 This can be updated to reflect more recent sales, as recorded by Land Registry during the last full calendar year (2019). Figure 2.6 confirms the average price paid for housing last year in each of the Central Lincolnshire authorities and neighbouring areas, overlaying the average price paid in 2014 – as reported at Figure 5.3 of the SHMA – to provide an indication of change. This continues to reveal some variance in the price paid for housing in Lincoln, North Kesteven and West Lindsey, but also importantly suggests that there has been no fundamental change in this position since the SHMA was produced.

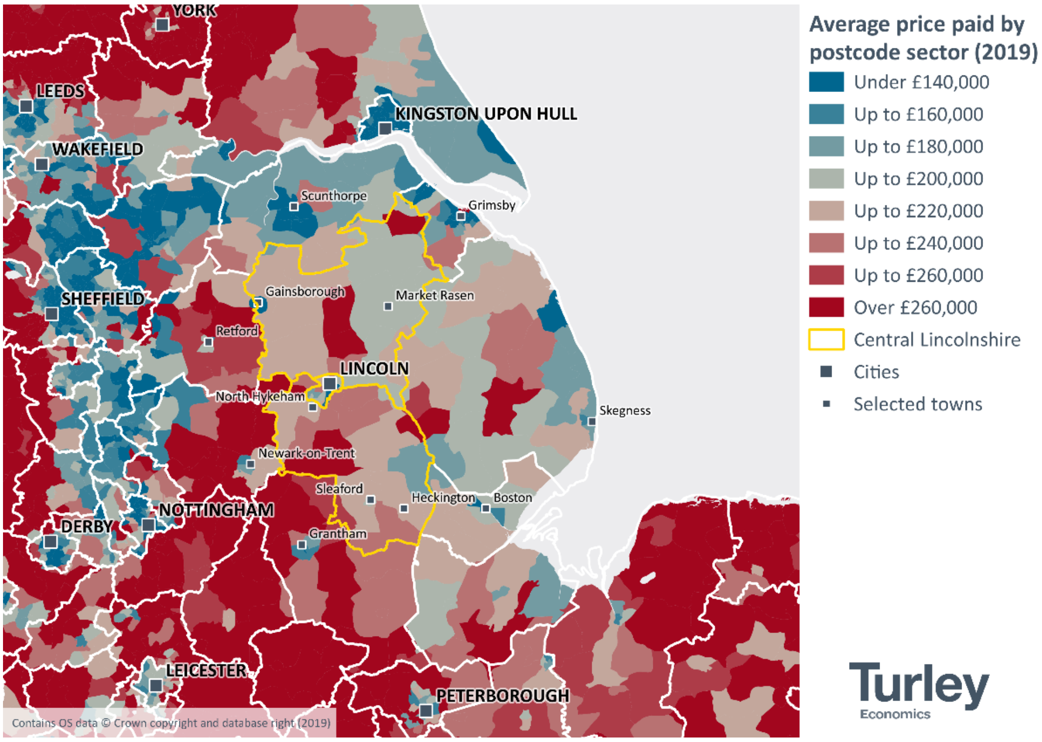
Figure 2.6: Average Price Paid in Central Lincolnshire and Neighbouring Authorities (2014-19)



Source: Land Registry; Turley analysis

2.27 The calculation of an average price paid in local authority areas does not fully capture the spatial pattern of house prices at a local level. Understanding variation in the average price paid within smaller geographic areas, such as postcode sectors, therefore provides further important context, and indeed was explored at Figure 2.5 of the SHMA. This has been updated below to reflect the latest year of sales and show variance from the average price paid throughout Central Lincolnshire (£196,016; rounded to £200,000).

Figure 2.7: Average Price Paid by Postcode Sector (2019)



Source: Land Registry; Turley analysis

2.28 There is evidently some variance in the average price paid within Central Lincolnshire, with generally lower values in Lincoln and Gainsborough and pockets of higher value housing in rural areas of North Kesteven and West Lindsey. The plan also reveals a continued distinction between the price paid for housing in Central Lincolnshire and the higher prices paid in South Kesteven, parts of Newark and Sherwood and Bassetlaw. House prices continue to be generally higher than recorded in North Lincolnshire and North East Lincolnshire. There remain similarities with the prices typically paid across much of East Lindsey, with the exception of its coastal areas. With these trends having been similarly identified in the SHMA[23], there is no suggestion of a fundamental change in the geography of the housing market based on the price paid for housing.

Travel to work areas

2.29 The SHMA presented analysis of commuting patterns, which the PPG continues to endorse in providing '*information about the areas within which people move without changing other aspects of their lives*'[24].

2.30 Data from the 2011 Census, analysed in the SHMA, remains the most comprehensive insight available into commuting patterns. The ONS has, however, since used this data to update its officially defined travel to work areas (TTWAs) in order to '*approximate labour market areas*' and '*reflect self-contained areas in which most people both live*

---

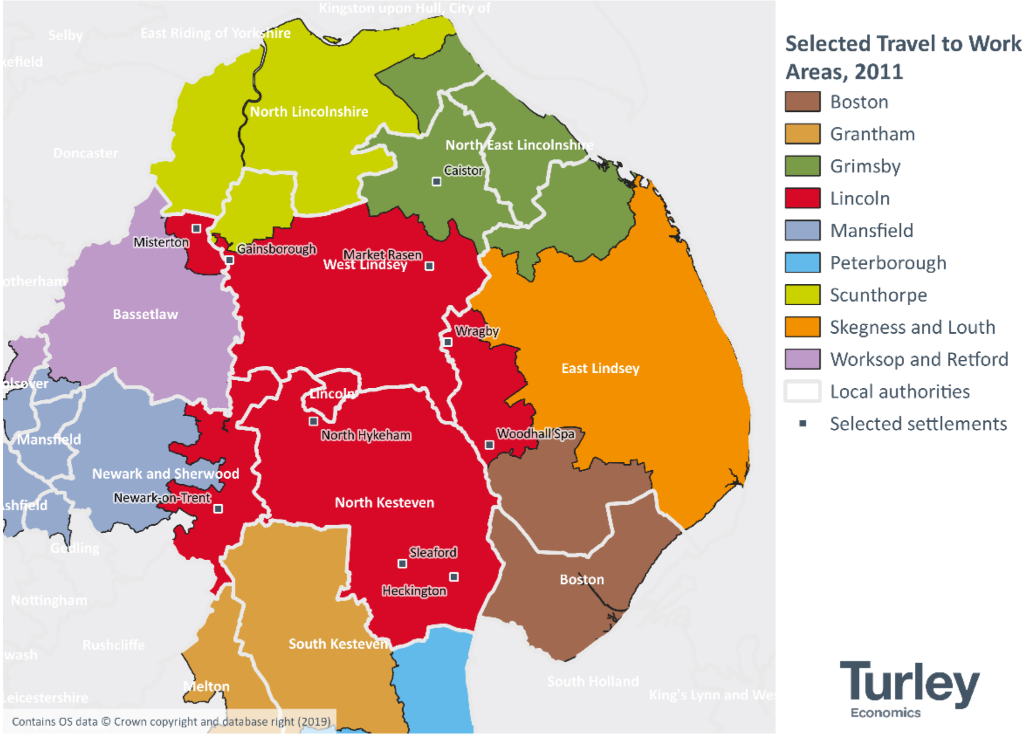
[23] Turley (2015) Central Lincolnshire Strategic Housing Market Assessment, paragraph 2.18

[24] PPG Reference ID 61-018-20190315

and work'. It aimed to define reasonably populated areas in which at least 75% of residents work and at least 75% of workers live, albeit areas with a working population in excess of 25,000 people are allowed to contain as little as two thirds of their residents and workforce as part of a trade-off between workforce size and the level of self-containment[25].

2.31 This process resulted in the continued identification of a Lincoln TTWA, which as shown at Figure 2.8 covers the entirety of Lincoln and North Kesteven with the latter distinct from the proximate labour markets of Boston, Grantham and Peterborough. The Lincoln TTWA incorporates most of West Lindsey, except the area north of Gainsborough – implied to share a stronger economic relationship with Scunthorpe – and the area within the vicinity of Caistor, which is economically oriented towards Grimsby. Although the Lincoln TTWA extends to include parts of the neighbouring authorities of East Lindsey, Newark and Sherwood and Bassetlaw, this continues to suggest – on the basis of this indicator – a reasonably contained economic area that aligns with the geography of Central Lincolnshire.

Figure 2.8: Travel to Work Areas 2011



Source: ONS

Understanding neighbouring authorities' positions

2.32 In reaffirming the legitimacy of the defined Central Lincolnshire housing market area, it is important to understand the positions of neighbouring authorities on their own

---

[25] ONS (2016) Travel to work area analysis in Great Britain

housing market area geographies. This process can either reveal broad agreement or identify overlaps and conflicting definitions, to be investigated further.

2.33 In summary, and taking each neighbouring authority in turn:

- The Local Housing Needs Assessment for **North Lincolnshire** published in September 2019 suggests that it functions as a single and self-contained housing market area, with a reasonably high containment of moves and the workforce and strong commuting relationships. This position is implied to have been agreed with all neighbouring authorities, despite acknowledgement of some links elsewhere[26];

- The **North East Lincolnshire** Local Plan has now been adopted, with the Inspector's report – published in February 2018 – confirming that the Council saw its housing market area to align with the administrative boundary. The Inspector acknowledged '*some overlap with parts of North Lincolnshire, West Lindsey and East Lindsey*', though cited these Councils' agreement that the administrative boundary provided a '*best fit*' given the nature of settlements affected. The Inspector described this approach as '*reasonable*' given that 80% of those working in North East Lincolnshire also live there[27];

- The **East Lindsey** Core Strategy has also been adopted, with its assessment of housing needs predicated upon the district being a single housing market area. The Inspectors' report – published in May 2018 – specifically acknowledged evidence of a joint market covering East Lindsey and Boston, but noted that '*defining HMA boundaries is not an exact science*' and highlighted a reasonable level of self-containment in relation to commuting patterns for example[28];

- The South East Lincolnshire Local Plan, covering both **Boston** and **South Holland**, was adopted in March 2019. The Inspectors' report, which was published in January 2019, acknowledged the existence of two housing market areas in the plan geography, respectively self-contained in the borough of Boston and oriented towards Peterborough with the latter incorporating South Kesteven, Rutland and South Holland. These were described by the Inspectors as '*appropriate*' housing market areas based on evidence of functional linkages and housing demand[29];

- The **South Kesteven** Local Plan has been recently found sound and adopted, with the Inspector – in his report dated January 2020 – continuing to endorse the conclusion of a 2014 SHMA which suggested that Peterborough, Rutland, South Holland and South Kesteven formed a best fit housing market area[30];

- The **Newark and Sherwood** Core Strategy was amended in March 2019, in an approach that was found sound by the Planning Inspectorate. Although the Inspector did not explicitly comment on housing market area geographies within

---

[26] North Lincolnshire Council (September 2019) Local Housing Needs Assessment, p23

[27] Planning Inspectorate (February 2018) Report on the Examination of the North East Lincolnshire Local Plan, paragraph 22

[28] Planning Inspectorate (May 2018) Report on the Examination of the East Lindsey Core Strategy and the East Lindsey Settlement Proposals Development Plan Document, paragraph 33

[29] Planning Inspectorate (January 2019) Report on the Examination of the South East Lincolnshire Local Plan, paragraph 28

[30] Planning Inspectorate (January 2020) Report on the Examination of the South Kesteven Local Plan 2011-2036, paragraph 25

his February 2019 report[31], the Council's evidence remains that which identified a "Nottingham Outer" housing market area incorporating Ashfield and Mansfield[32]. A draft of this report, produced for public consultation, was summarised in the previous Central Lincolnshire SHMA; and

- The draft **Bassetlaw** Local Plan was published for consultation in January 2020, and identifies '*a particularly strong relationship with Nottinghamshire, Sheffield City Region and Derbyshire*'. It is stated that the district falls within the North Derbyshire and Bassetlaw housing market area, which extends to also cover Bolsover, Chesterfield and North East Derbyshire[33].

2.34 The above review provides assurance, based on recent consideration in each authority, that there are no conflicting housing market area definitions in the area surrounding Central Lincolnshire. Neighbouring authorities' respective definitions have consistently excluded Lincoln, North Kesteven and West Lindsey, and such approaches have been consistently found sound at examination. Whilst it is recognised that these Local Plans were examined in the context of the 2012 NPPF, the method for identifying HMAs remains unchanged as outlined at the start of this section.

Summary and implications

2.35 The SHMA confirmed that the Central Lincolnshire authorities collectively function as a single housing market area with a containment of moves, commonality in house prices and strong commuting relationships which particularly centre on Lincoln. This was accepted as a pragmatic and sensible position by the Inspectors examining the joint Local Plan.

2.36 National policy has since moved the focus away from housing market areas, albeit with continued acknowledgement that they can provide an appropriate basis for statements of common ground where determined pragmatically. The method for identifying housing market areas remains fundamentally unchanged.

2.37 The Councils have therefore sought to verify that the conclusion of the SHMA remains justified by the latest available evidence, relating to:

- **Migration**, which can be only partially updated from the SHMA but analysis nonetheless reveals an apparent strengthening in the relationship between the Central Lincolnshire authorities when measured by the number of individuals moving between each area. Lincoln continues to share comfortably its strongest relationships with North Kesteven and West Lindsey, and moves between the latter two authorities have also become more frequent;

- **House prices**, which have risen both in Central Lincolnshire and surrounding areas but have not fundamentally changed in terms of geography. There remain distinctions with the higher value areas to the south and west, and the lower

---

[31] Planning Inspectorate (February 2019) Report on the Examination of the Newark and Sherwood Amended Core Strategy DPD
[32] GL Hearn (October 2015) Nottingham Outer Strategic Housing Market Assessment
[33] Bassetlaw District Council (2020) Draft Bassetlaw Local Plan, p11

value areas to the north, with similarities continuing to be limited to rural East Lindsey;

- **Travel to work areas**, which have been officially updated by the ONS based on Census data analysed in the SHMA. This has reaffirmed the continued existence of a Lincoln-centric labour market, which broadly aligns with the geography of Central Lincolnshire albeit with some influence in surrounding areas and a reduced influence in the northern parts of West Lindsey; and

- **Neighbouring authorities' positions on their housing market areas**, which reveals without exception that no conflicting definition of a housing market area including all or part of Central Lincolnshire has been used for the purpose of plan-making at the current point in time.

2.38 This section therefore indicates that the treatment of Central Lincolnshire as a self-contained housing market area – containing Lincoln, North Kesteven and West Lindsey – remains justified by the latest available evidence. This forms an important context for the Councils' engagement with neighbouring authorities through Duty to Co-operate discussions.

3. Recent Trends in the Housing Market

3.1 The SHMA profiled the Central Lincolnshire housing market in detail, exploring long-term trends relating to the housing stock, market activity, demographics and the local economy.

3.2 The dynamic nature of housing markets means that this profile will have inevitably changed to some extent in the intervening period. This section therefore draws upon the latest available data to examine recent trends in the local housing market, building upon and updating the analysis in the SHMA.

Growth in the housing stock

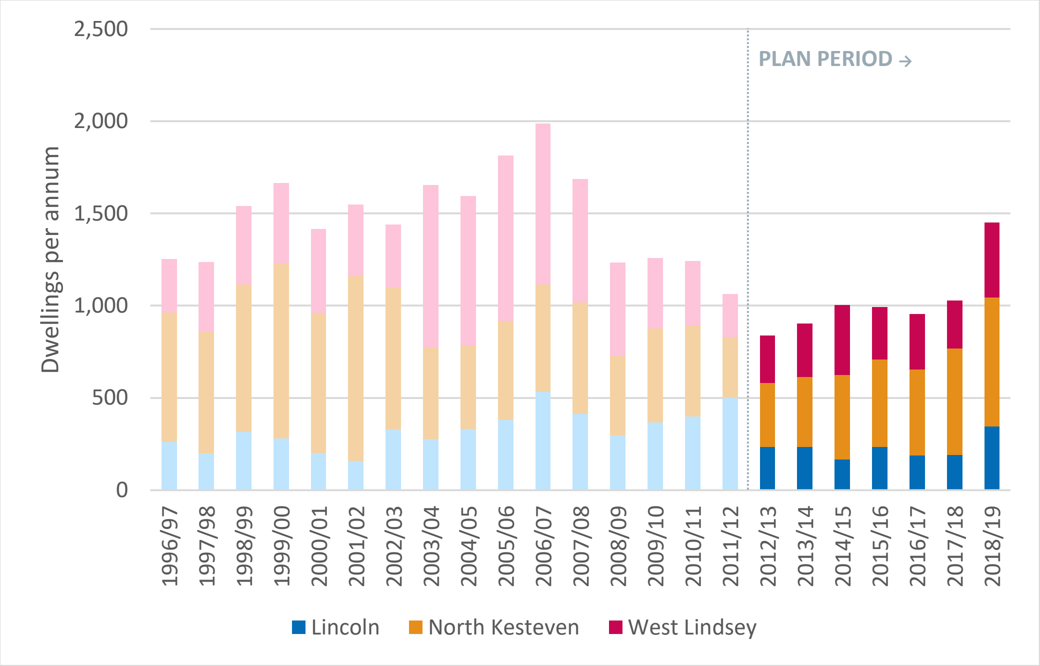
3.3 The Councils' monitoring indicates that circa 7,169 new homes have been completed throughout Central Lincolnshire over the initial seven years of the plan period, for which data is currently available[34] (2012-19). This figure was latterly boosted by the most recent year in which 1,451 homes were completed, representing the highest annual rate of provision in a decade – when compared with the longer-term analysis presented at Figure 5.10 of the SHMA – and a 52% increase from the annual average over the prior six years of the plan period (953dpa). Each individual area contributed towards this upturn, delivering in the latest year their highest annual rate of provision of the plan period to date. Whilst there are a number of factors which are likely to have enabled this recent peak in delivery, it is reasonable to assume that an increase in market certainty arising from the adoption of the Local Plan and site allocations has played a role. It is of note that the Councils' latest five year land supply report, published in October 2019, identifies that in addition to the completion levels set out in Figure 3.1 following an update to the way in which student accommodation and residential institutions are counted as part of the housing supply a further 354 dwellings are calculated as having been released into the market since 2015/16[35].

---

[34] Central Lincolnshire Five Year Land Supply Report, 1 April 2020 to 31 March 2025 (October 2019) Table 2

[35] *Ibid,* Table 4 and paragraph 3.10

Figure 3.1: Housing Completions in Central Lincolnshire (1996-2019)



Source: Councils' monitoring; Figure 5.10 of 2015 SHMA

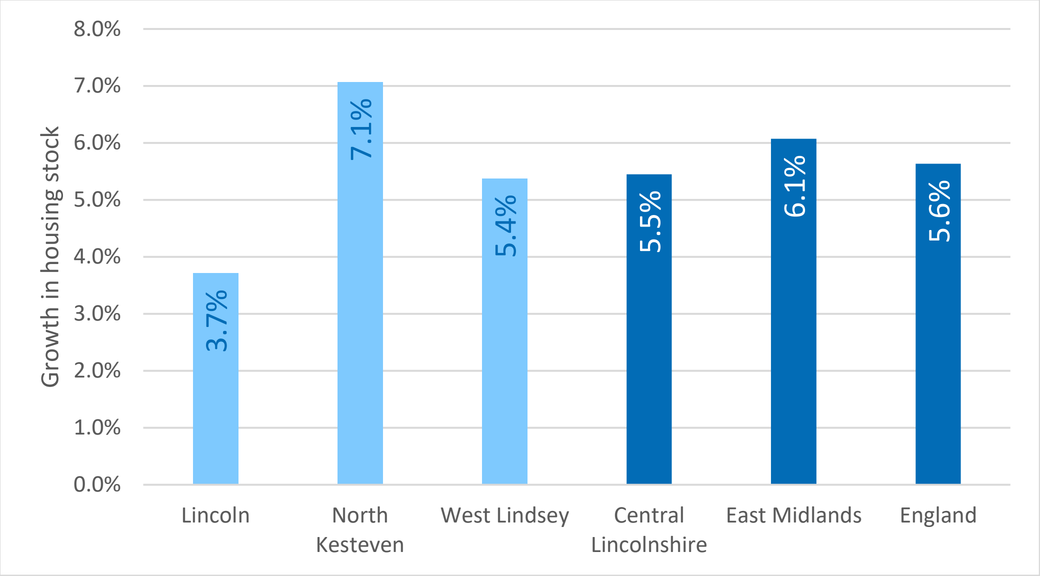
3.4 On a proportionate basis, the Central Lincolnshire authorities are collectively estimated to have grown their housing stock through the completions counted in Figure 3.1 by approximately 5.5% over the initial seven years of the plan period[36]. Figure 3.2 shows that this closely aligns with the average for England, though falls slightly behind the East Midlands[37]. It does, however, mask notable variation within Central Lincolnshire, where North Kesteven has grown its housing stock by some 7.1% since 2012; nearly double the rate of growth recorded in Lincoln (3.7%).

---

[36] MHCLG (2019) Table 125: Dwelling stock estimates by local authority district: 2001-2018. The Councils' estimates of housing completions have been benchmarked against the unrounded estimate for 2012.

[37] *Ibid*; MHCLG (2019) Table 118: Annual net additional dwellings and components, England and the regions, 200-01 to 2018-19

Figure 3.2: Proportionate Growth in Housing Stock (2012-19)



Source: MHCLG; Councils' monitoring

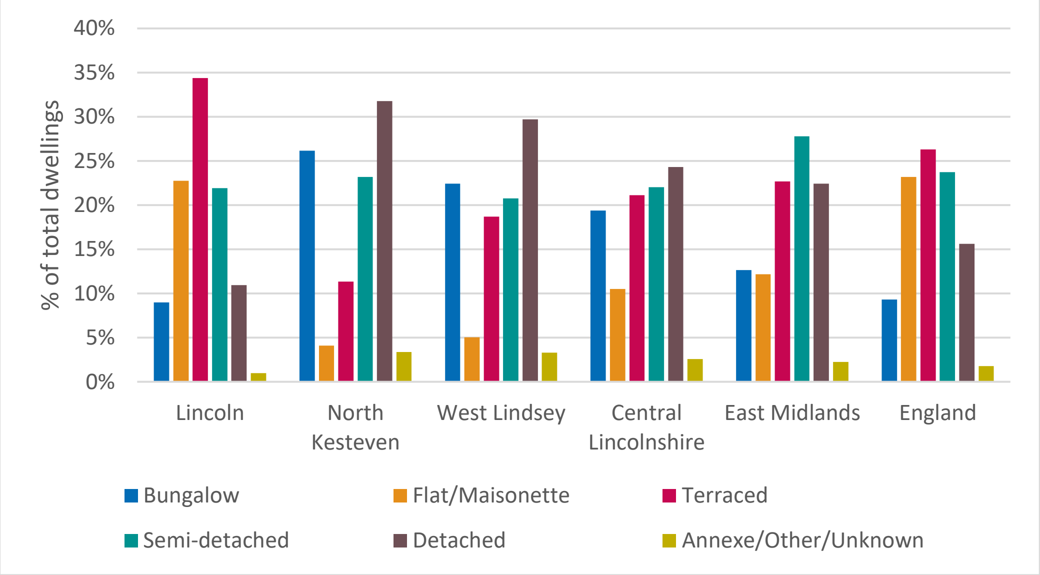
3.5 This recent development has only modestly altered the profile of the housing stock, in terms of its prevailing size and type, with Central Lincolnshire's housing stock in terms of dwelling type continuing to reflect the characteristics noted previously by the 2015 SHMA[38].

3.6 Data from the Valuation Office Agency (VOA) indicates that, as of 2019, detached houses are the most prevalent type of dwelling in Central Lincolnshire. Detached houses constitute a greater proportion of dwellings in Central Lincolnshire as a whole than is the case regionally or nationally, with detached homes being particularly prevalent in North Kesteven and West Lindsey, whilst being less so in Lincoln. A similar trend can be observed in terms of the contribution of bungalows to housing in Central Lincolnshire. Flats/maisonettes make up a smaller proportion of dwelling stock across Central Lincolnshire than in the East Midlands or England as a whole, albeit their proportionate contribution to Lincoln's housing stock is in line with the national rate, with the same being true for terraced housing. This is summarised at Figure 3.3.

---

[38] Figures in the 2015 SHMA were based on the 2011 Census, whilst this assessment presents 2019 data sourced from the VOA. As these datasets employ different collection methodologies, figures are not directly comparable.

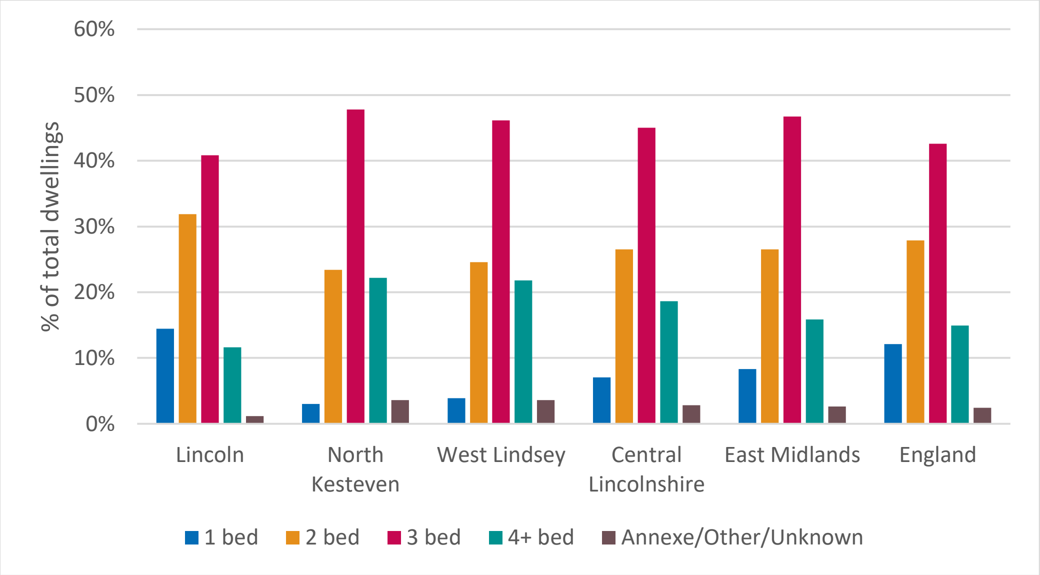
Figure 3.3: Housing Stock by Type in Central Lincolnshire and comparator geographies, 2019



Source: VOA

3.7 As outlined in the below chart, the latest VOA data indicates – in line with the evidence presented in the 2015 SHMA – that the majority of dwellings in Central Lincolnshire have 3 bedrooms or more. A greater proportion of Lincoln's dwellings have 2 bedrooms or fewer than in the other Central Lincolnshire authorities and, indeed, the wider region and England as a whole.

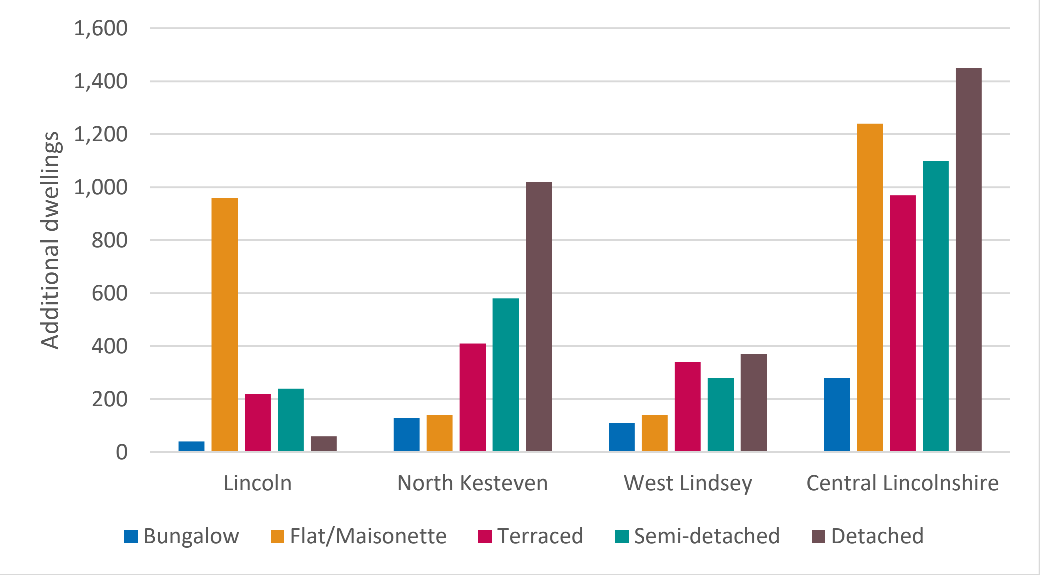
Figure 3.4: Housing Stock by Size in Central Lincolnshire and comparator geographies, 2019



Source: VOA

3.8 VOA data also provides an indication of the type and size of new homes being provided in Central Lincolnshire over recent years, albeit it should be noted that this covers only part of the plan period to date (VOA data being available from 2015, whilst the plan period began in 2012). Detached housing was the dwelling type that saw the greatest increase in stock between 2015 and 2019, with delivery particular significant in North Kesteven. Lincoln was the main contributor in terms of additional flats/maisonettes.

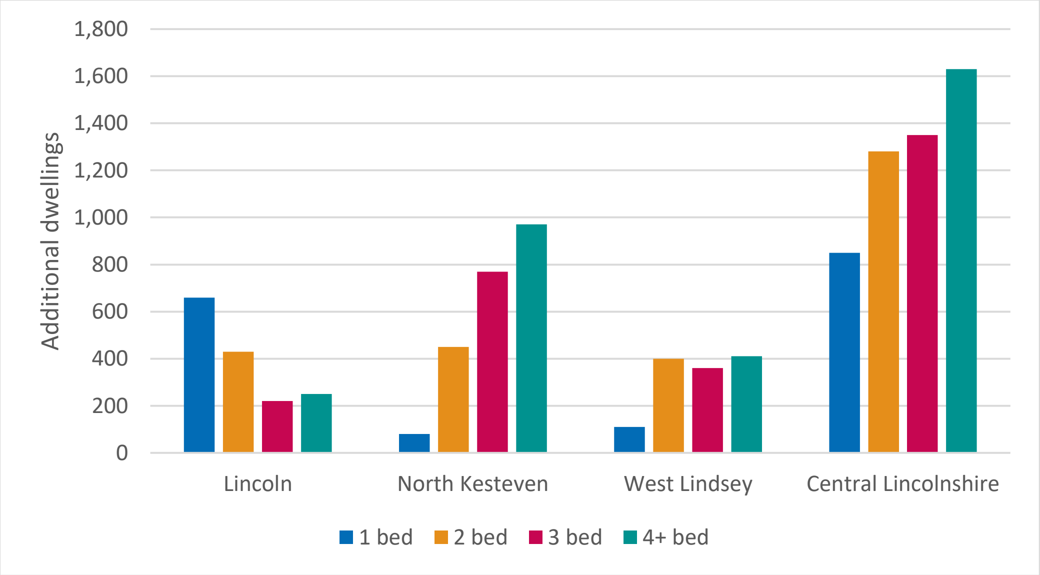
Figure 3.5: Additional Dwellings by Type in Central Lincolnshire, 2015-19



Source: VOA

3.9 Additional dwellings in Central Lincolnshire were generally larger in size over this period, with homes with at least 4 bedrooms implied to be the most significant contributor to housing growth across the area. There was again variation amongst the authorities, with larger houses constituting a significant proportion of new homes in North Kesteven, with smaller units being accommodated Lincoln.

Figure 3.6: Additional Dwellings by Size in Central Lincolnshire, 2015-19



Source: VOA

Population trends

3.10 The SHMA included an extensive analysis of the official population estimates produced by the ONS, which continue to be released annually to provide an indication of population change in Central Lincolnshire. Such estimates are currently available only to 2018, thus unavoidably omitting a year (2018/19) in which the housing stock saw relatively pronounced growth which should be acknowledged in interpreting the historical analysis below.

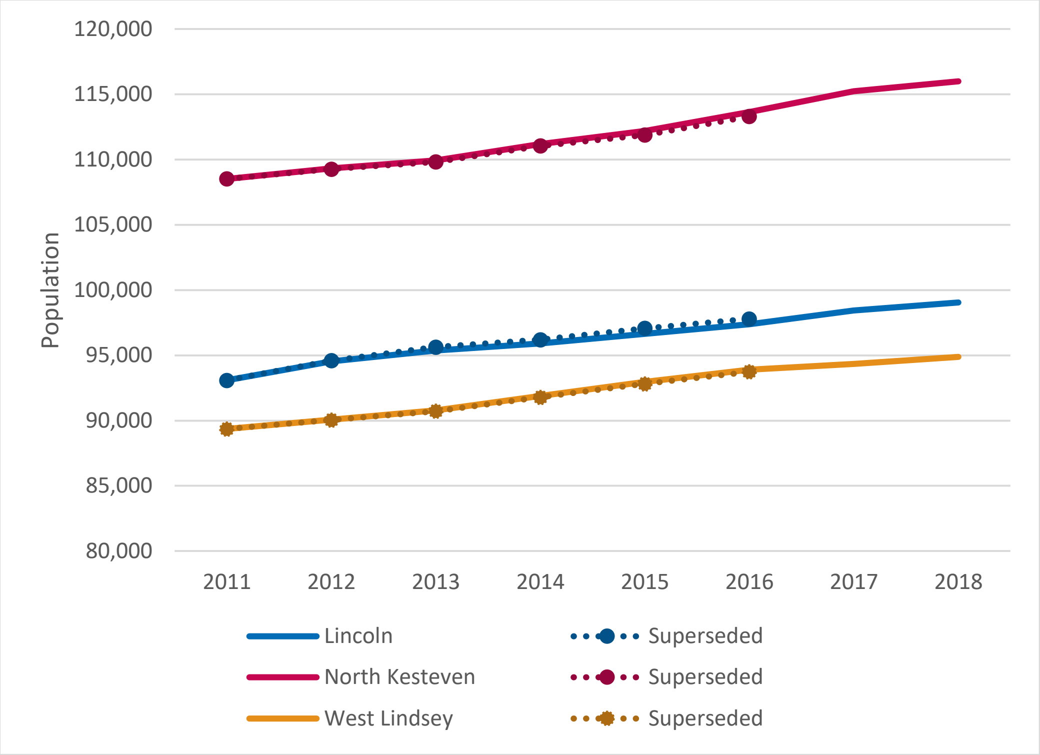
3.11 The intervening period has also seen the ONS revise its population estimates for the years since the last Census (2012-16) in order to capture the effects of methodological improvements and take full account of previously unavailable data[39]. This has had an extremely minor impact in Central Lincolnshire, retrospectively increasing the population estimated at the beginning of the plan period (2012) by only 22 people, or 0.007%. The population estimated in the last year prior to revision (2016) was increased by only 106 people through this process, equivalent to a change of circa 0.03%. This is not a significant change, though should nonetheless be noted when drawing comparisons with the analysis presented in the SHMA.

3.12 The following chart shows how the population of each authority has changed in recent years, and also includes the original – now superseded – estimates made until 2016 prior to their revision by the ONS. This reaffirms the relatively modest nature of the revisions, and confirms that each of the Central Lincolnshire authorities has seen a sustained growth in its population over recent years. A combined total for Central Lincolnshire is omitted from this chart for clarity, but is illustrated later at Figure 4.2.

---

[39] ONS (March 2018) Revised population estimates for England and Wales: mid-2012 to mid-2016

Figure 3.7: Recent Population Change in Central Lincolnshire (2011-18)



Source: ONS

3.13 Since the start of the current plan period, each district within Central Lincolnshire has seen a broadly comparable rate of growth, ranging between circa 5-6%. This is similar to the rate of growth experienced over the same period across the East Midlands, and – like the wider region – exceeds the population growth recorded in England.

Table 3.1: Recent Population Change in Central Lincolnshire (2012-18)

	2012	2018	Change	Average change per annum
Lincoln	94,535	99,039	4.8%	0.8%
North Kesteven	109,311	115,985	6.1%	1.0%
West Lindsey	90,074	94,869	5.3%	0.9%
Central Lincolnshire	**293,920**	**309,893**	**5.4%**	**0.9%**
East Midlands	4,567,798	4,804,149	5.2%	0.8%
England	53,493,729	55,977,178	4.6%	0.8%

Source: ONS

3.14 When reviewing related small area estimates produced by the ONS, it is evident that the ten largest built-up areas[40] of Central Lincolnshire, in terms of current population, have accommodated more than two thirds (69%) of the circa 15,970 additional residents recorded over the plan period to date. The following table shows that all but one of these areas have seen population growth in this time, Ruskington in North Kesteven being the exception. Gainsborough is implied to have seen the most significant population growth in proportionate terms, amongst these larger areas.

Table 3.2: Recent Population Change in Ten Largest Built-up Areas (2012-18)

Built-up area	2012	2018 ↓	Change	% change
Lincoln*	116,490	123,322	6,832	5.9%
Gainsborough	21,053	23,023	1,970	9.4%
Sleaford	17,594	18,331	737	4.2%
Washingborough	6,506	6,740	234	3.6%
Welton	6,372	6,487	115	1.8%
Bracebridge Heath	5,790	6,051	261	4.5%
Ruskington	5,626	5,608	-18	-0.3%
Market Rasen	4,914	5,272	358	7.3%
Cherry Willingham	4,032	4,308	276	6.8%
Saxilby	4,019	4,205	186	4.6%
Total	**192,396**	**203,347**	**10,951**	**5.7%**

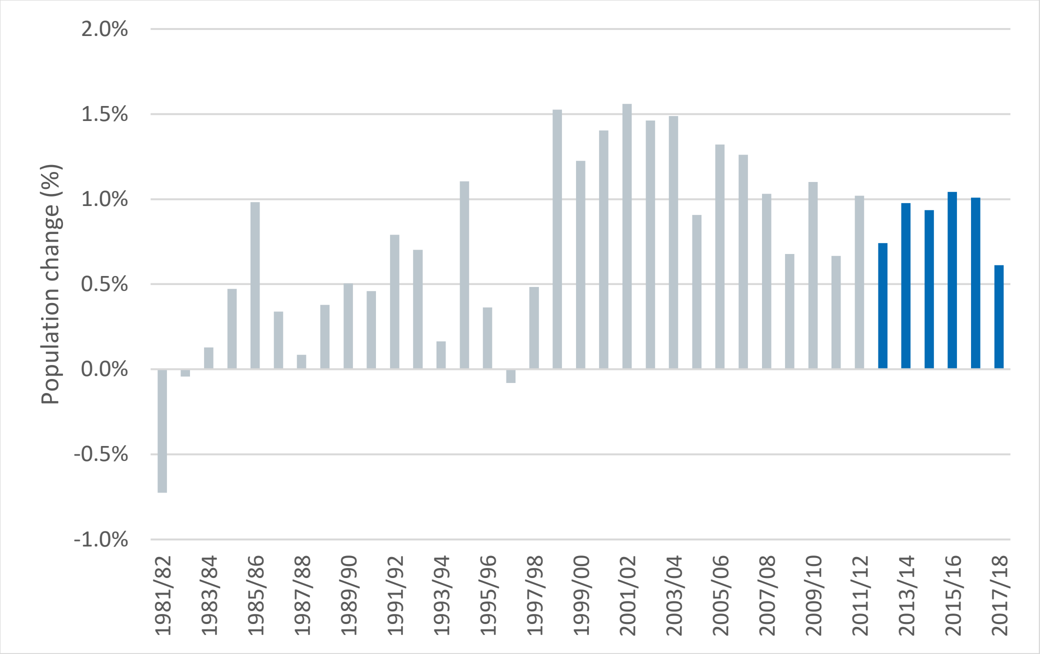
Source: ONS ** includes North Hykeham, Birchwood and Waddington*

3.15 When set in a longer-term context in the chart below, the population growth recorded throughout Central Lincolnshire during the plan period to date is evidently not dissimilar to the immediately preceding years, but does remain short of the stronger growth experienced for a number of years approximately 15-20 years ago, and above the period of lower growth prior to the turn of the century.

---

[40] Built-up areas (BUAs) are defined by the ONS as land which is '*irreversibly urban in character*', meaning that they are characteristic of a village, town or city. They include areas of built-up land with a minimum of 20 hectares (200,000sqm). Any areas with less than 200 metres between them are automatically linked to become a single built-up area

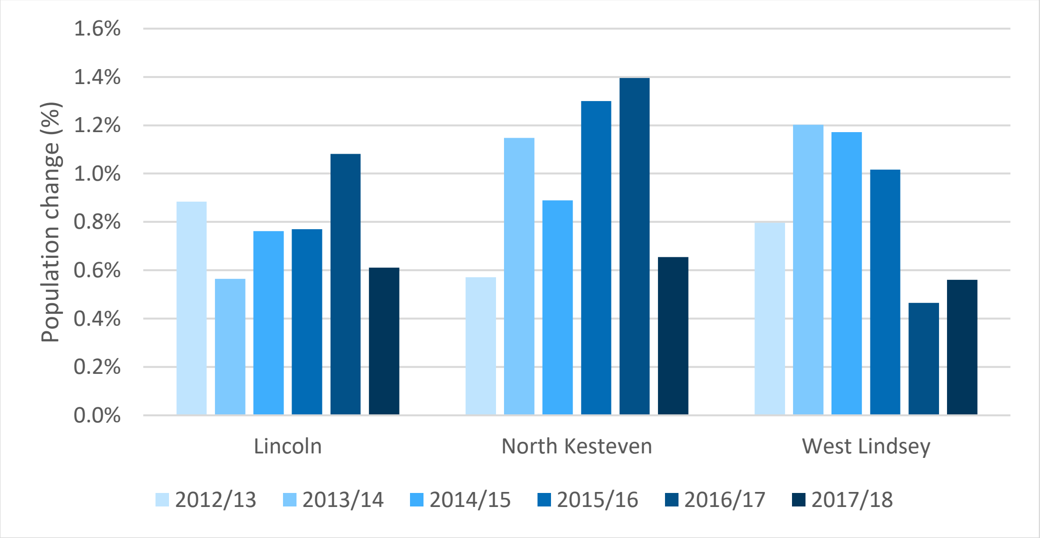
Figure 3.8: Benchmarking Annual Population Growth in Central Lincolnshire



Source: ONS

3.16 It is also of note from the above chart that the latest year (2017/18) was reported to have seen the lowest annual population increase, in proportionate terms, for two decades. The following chart shows that this was principally driven by a sharp fall in the rate of growth in both North Kesteven and Lincoln, relative to the previous year. West Lindsey saw a slight increase in the rate of growth over the previous year, albeit having already slowed considerably one year prior. It must, however, be acknowledged that this preceded a year in which housing delivery increased, for which population data is not yet available as noted earlier in this section.

Figure 3.9: Annual Population Change during the Current Plan Period (2012-18)

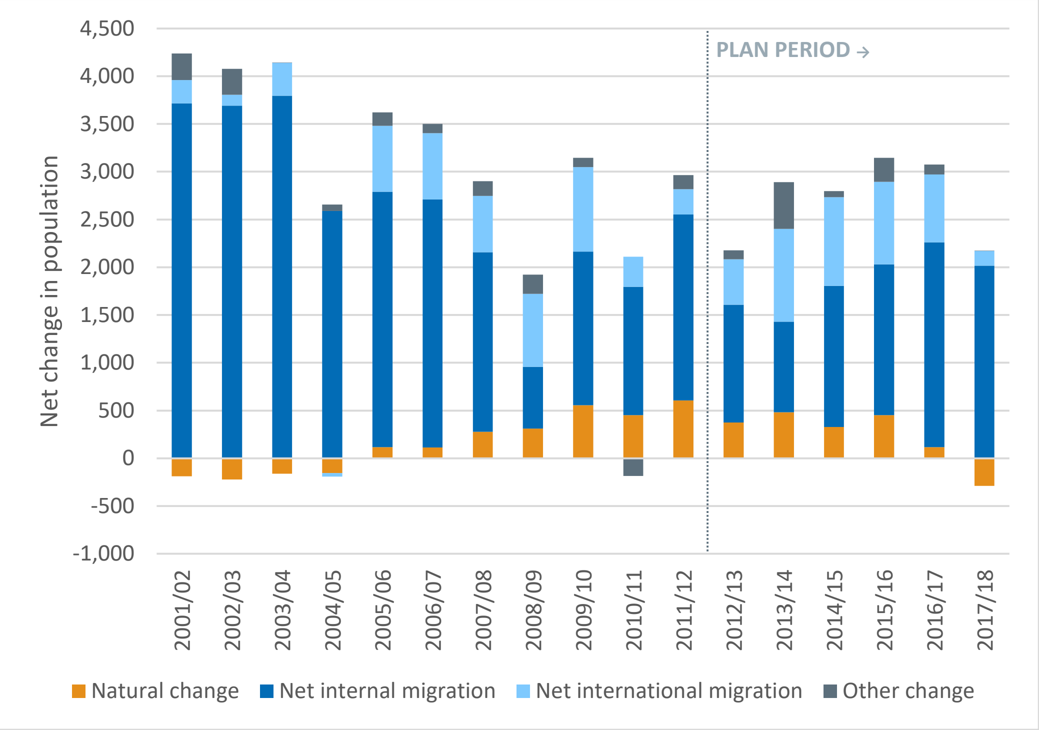


Source: ONS

Components of population change

3.17 Consideration of the components of population change, again drawing upon official ONS data, provides further insight into the recent trend. This isolates natural change – the surplus of births over deaths – from both international and internal migration, and other changes[41]. Figure 3.10 shows that the contribution that natural change has made to population growth has reduced in the last two years, with deaths outnumbering births last year for the first time in over a decade. The net inflow of international migrants has also recently fallen from the historic high recorded in 2013/14, to the extent that an inflow of only 154 international migrants was recorded in the last reported year, albeit looking back over the plan period and prior it has clearly represented a relatively consistent contributor to overall growth. The net inflow of migrants from elsewhere in the UK has, in contrast, generally grown and appears to remain the key driver of population growth in this area.

Figure 3.10: Components of Population Change in Central Lincolnshire (2001-18)



Source: ONS

3.18 The following chart breaks down the recent trend for the individual authorities, supplementing the longer-term analysis presented in the SHMA[42]. This reveals an emerging shift in the natural change dynamic in each area, and suggests that the falling net inflow of international migrants is largely attributable to Lincoln. It also implies that Lincoln has attracted a net inflow of domestic migrants from other parts of the UK in the last two years, reversing the outflow consistently recorded in the early years of the plan period. The SHMA identified similar fluctuations in the scale and direction of this flow, which appears to have continued, albeit recent changes in the method of

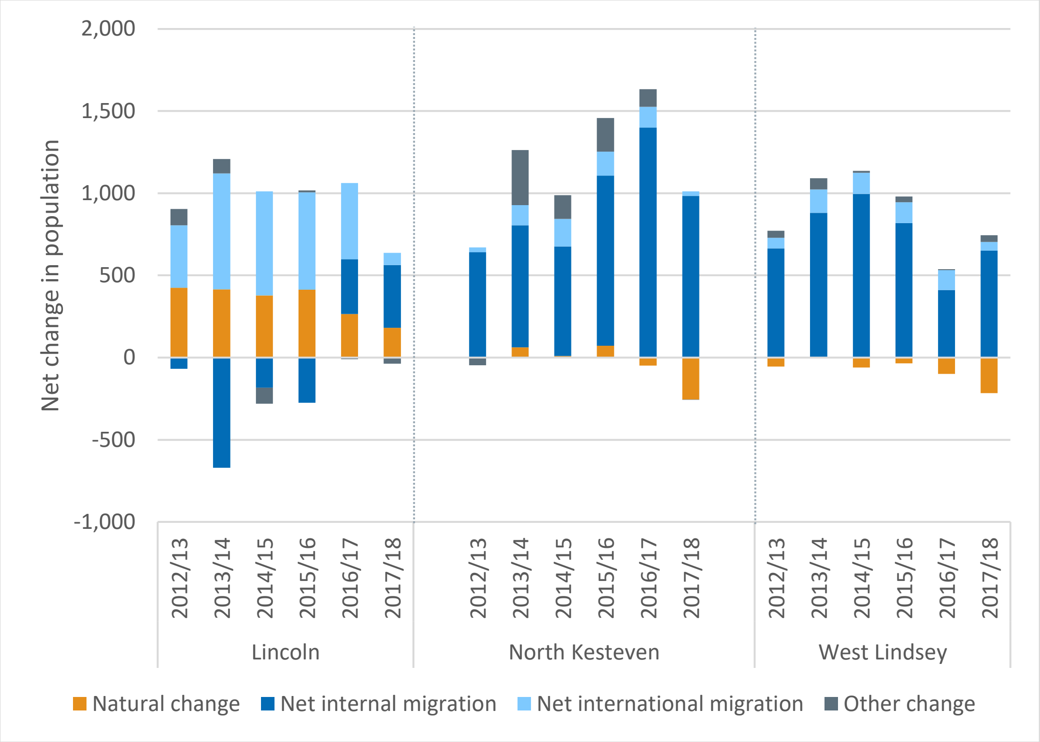
---

[41] Other changes include those related to the size of armed forces stationed in the UK and other specialist population adjustments

[42] Turley (2015) Central Lincolnshire Strategic Housing Market Assessment, Figures 4.5 to 4.7

estimating migration could also be having an effect which should be monitored through future releases of annual data[43]. Elsewhere, the previously observed declining trends in net internal migration to both North Kesteven and West Lindsey appear to have rebounded, albeit before falling again[44].

Figure 3.11: Cause of Recent Population Change by Individual Authority (2012-18)



Source: ONS

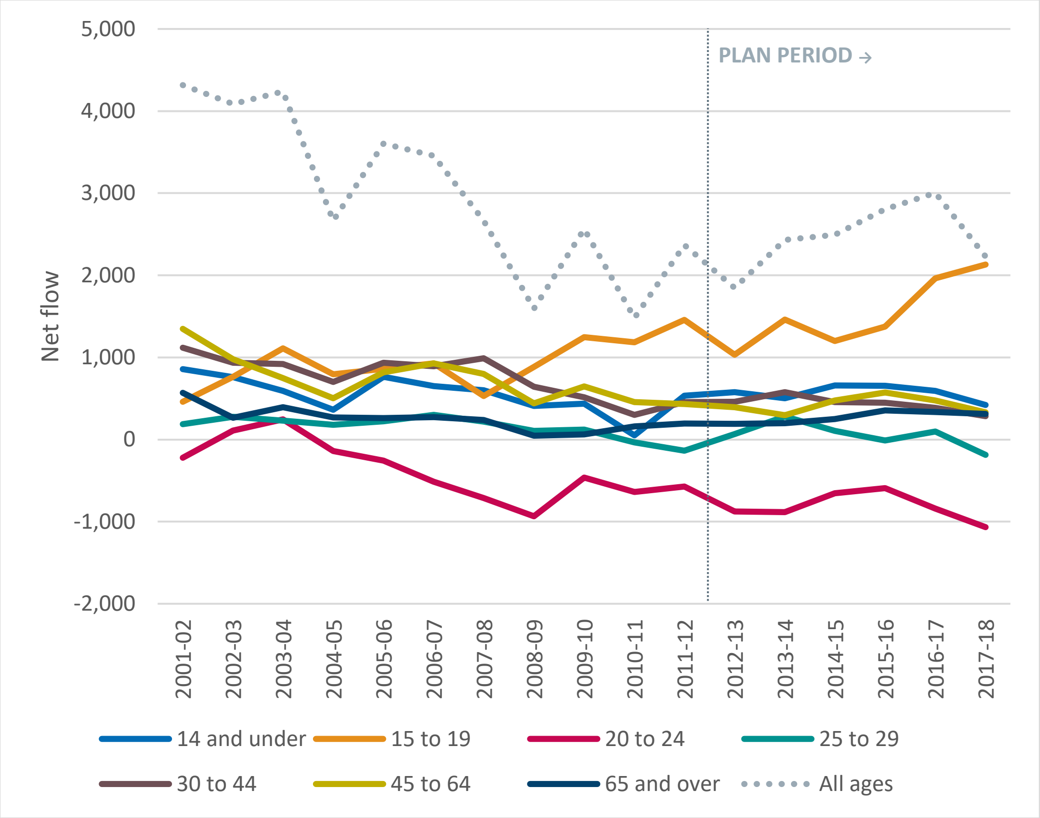
3.19 The SHMA identified an important dynamic regarding the age of migrants, which can similarly be revisited to take account of the latest available data. The following chart tracks the annual flow into Central Lincolnshire amongst different age cohorts, taking account of both internal and international migration in an individual year. It reveals a growing net inflow of those aged 15 to 19 years old, who are likely to be students, albeit with a sustained outflow in the subsequent cohort following graduation. There appears to be a greater balance in other age groups, with a generally sustained net inflow to Central Lincolnshire over the plan period to date with the sole exception of those aged 25 to 29.

---

[43] The ONS introduced new methods of estimating internal migration from mid-2017 onwards, to better distribute people leaving higher education across England and Wales. Improvements were also made to the method for estimating international emigration and the movements of foreign armed forces dependents

[44] Turley (2015) Central Lincolnshire Strategic Housing Market Assessment, paragraphs 4.15 and 4.16

Figure 3.12: Net Annual Flow of Migrants to Central Lincolnshire by Age (2001-18)

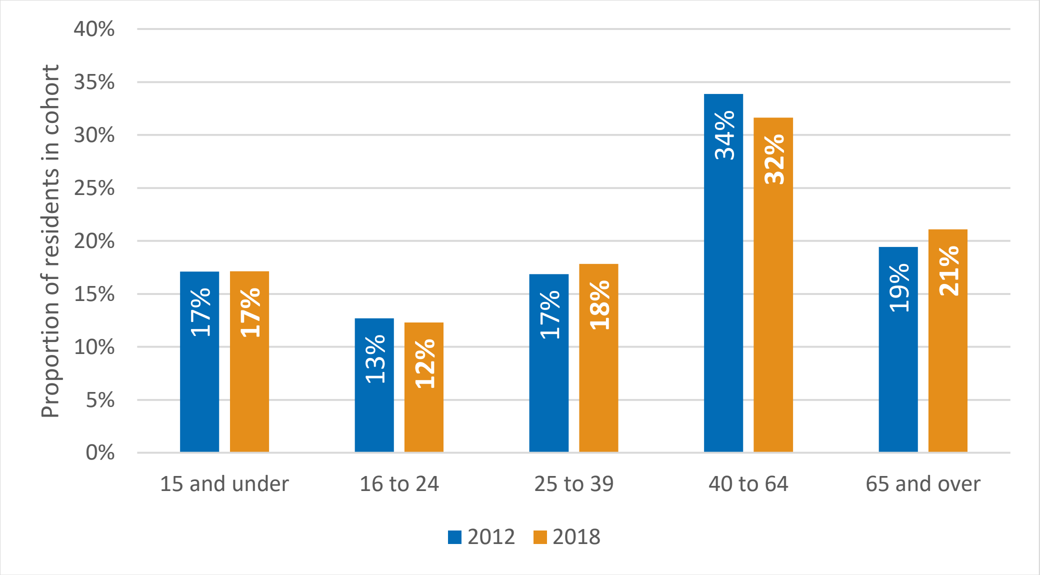


Source: Edge Analytics; ONS

Age profile

3.20 The above migration dynamics will naturally be reflected, alongside demographic changes to the existing population, in the age profile of Central Lincolnshire. However, Figure 3.13 shows that there has been only slight change in the proportion of residents in different age cohorts since the start of the plan period. The largest change has been amongst those aged 40 to 64, whose representation has fallen by two percentage points due to a reduction in the overall size of this cohort. The next oldest cohort, capturing those aged over 65, has seen the largest increase in proportionate and indeed absolute terms. This reflects a general trend of the ageing of the baby-boomers which is also reflected at a national level.

Figure 3.13: Change in the Age Profile of Central Lincolnshire Residents (2012-18)



Source: ONS

3.21 These trends have not been uniform throughout Central Lincolnshire, however. Table 3.3 compares the proportion of residents in each authority falling in the same cohorts in 2012 and 2018, highlighting increasing representation in orange, declining representation in blue and negligible change – when rounded – in grey. While this shows that all authorities have seen a fall in the proportion of residents aged 40 to 64, only North Kesteven and West Lindsey have seen a perceptible increase in the proportion aged over 65. The size of this cohort in Lincoln remains proportionately unchanged, when rounded, with the youngest age cohorts instead having grown their representation in the city.

Table 3.3: Change in the Age Profile of Individual Authorities (2012-18)

	Lincoln		North Kesteven		West Lindsey	
	2012	2018	2012	2018	2012	2018
15 and under	16%	17%	18%	17%	17%	17%
16 to 24	19%	20%	9%	9%	10%	9%
25 to 39	21%	21%	16%	17%	14%	15%
40 to 64	29%	27%	36%	33%	37%	35%
65 and over	15%	15%	22%	23%	22%	24%
Total	**100%**	**100%**	**100%**	**100%**	**100%**	**100%**

Source: ONS

Employment growth

3.22 Central Lincolnshire has seen continued employment growth over the current plan period to date, as documented in detail within the ENA Update produced alongside this study. Reference should be made to the detailed analysis presented therein, but the following key points are presented by way of summary:

- **Around 1,850 jobs per annum have been created** on average in Central Lincolnshire between 2012 and 2018, based on analysis of official data from the Business Register and Employment Survey (BRES). Whilst clearly significant, this rate of growth appears solid rather than exceptional in the context of positive regional and national trends in this time;

- **Certain sectors have performed considerably better than was previously forecast.** The business administration and support sector has seen substantial job growth beyond an ostensibly optimistic forecast, with accommodation and food services also seeing stronger job growth than was anticipated. Manufacturing has seen job growth to date rather than the envisaged decline. Some sectors, most notably retail and wholesale, have however experienced job losses to date rather than the growth that was forecast;

- **Growth has not been uniform below local authority level**, reflecting the varying performances of individual businesses;

- **There has been only a modest shift in the occupational structure of the workforce**, with no evidence of a significant move towards roles that typically attract higher or lower salaries. The average earnings of those working in Central Lincolnshire have nonetheless risen in recent years;

- **There has been an increasing supply of floorspace within commercial properties**, which has created additional capacity to support employment growth; and

- **Reduced unemployment amongst residents** is likely to have supported job growth to date. The latest available data for 2018 indicates that the rate of unemployment has fallen from the recessionary high recorded at the start of the plan period to a notably low level. The economically active population has also increased in size, but the *rate* of economic activity is largely unchanged due principally due to an ageing population and a general fall in the participation of students in the labour market. This suggests that Central Lincolnshire currently has a relatively tight labour market with limited latent capacity to service future demands generated by the growth of local businesses.

3.23 Further detail on the above is provided in section 4 of the ENA Update and is not reproduced here.

House prices and private rents

3.24 The SHMA adhered to guidance in place at the time of its preparation by considering a number of market signals in its section 5, principally to determine the degree of imbalance between housing supply and demand. While no longer an explicit requirement of the updated PPG, subsequent change in the price paid to purchase or privately rent housing in Central Lincolnshire provides valuable context. The affordability of house prices relative to earnings is considered separately in section 4, reflecting the incorporation of this indicator within the standard method of assessing housing needs.

3.25 Analysis of Land Registry data indicates that average price paid for housing across Central Lincolnshire in the calendar year 2019 was just over £196,000, this figure having increased by 22% since the 2014 average reported – based on comparable data – in the 2015 SHMA.

3.26 As in 2014, the latest year's data shows that North Kesteven remains the authority with the highest average house prices, and it can indeed be seen from Table 3.4 that average prices also increased in the district at a faster rate than in Lincoln and particularly West Lindsey over the period. Prices are implied to have risen at a faster rate than observed nationally, albeit from a considerably lower base.

Table 3.4: Change in Average Price Paid (2014-19)

	2014	2019	Change	% Change
Lincoln	£138,779	£171,160	£32,381	**23.3%**
North Kesteven	£174,484	£217,135	£42,651	**24.4%**
West Lindsey	£165,111	£193,042	£27,931	**16.9%**
Central Lincolnshire	**£160,223**	**£196,016**	**£35,793**	**22.3%**
England	£264,350	£301,219	£36,869	13.9%

Source: Land Registry; Turley analysis

3.27 In terms of the private rental market, data now published by the ONS provides evidence of monthly rents in Central Lincolnshire, the latest available data covering the period from October 2018 to September 2019. This updates comparable data, then published by the VOA, summarised at Figure 5.3 of the SHMA which covered the period from October 2013 to September 2014, and focused on the lower quartile and median rent associated with different sizes of property.

3.28 Table 3.5 summarises the latest available data, illustrating that amongst the three authorities, the highest rents for larger properties (i.e. 3 and 4-beds) are recorded in North Kesteven, whilst the highest rents for smaller properties (i.e. 1 and 2-beds) is recorded Lincoln. West Lindsey has the lowest rents for all sizes of property amongst the three authorities.

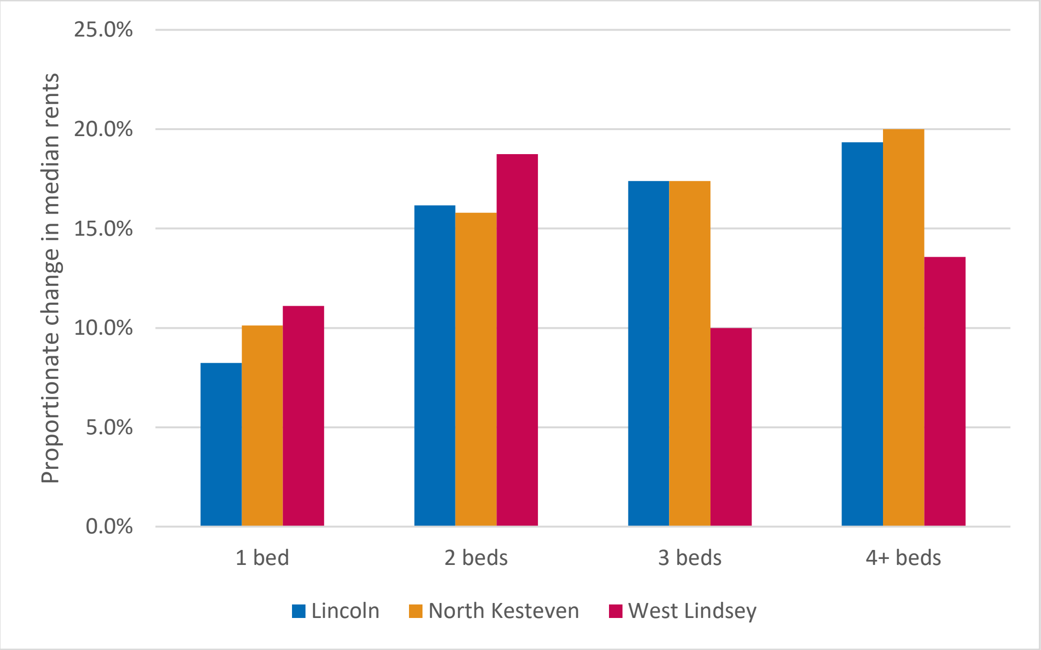
Table 3.5: Monthly Private Rents (October 2018 – September 2019)

	Lincoln		North Kesteven		West Lindsey	
	LQ	Median	LQ	Median	LQ	Median
1 bedroom	£435	£460	£395	£435	£330	£350
2 bedrooms	£525	£575	£495	£550	£410	£475
3 bedrooms	£595	£675	£625	£675	£465	£550
4+ bedrooms	£750	£895	£795	£900	£600	£795

Source: ONS

3.29 When considering change since the period covered in the SHMA, Figure 3.14 – shows that the greatest increases in both Lincoln and North Kesteven have been seen for larger properties, unlike West Lindsey where two bedroom properties have seen the greatest proportionate rise in median monthly rents.

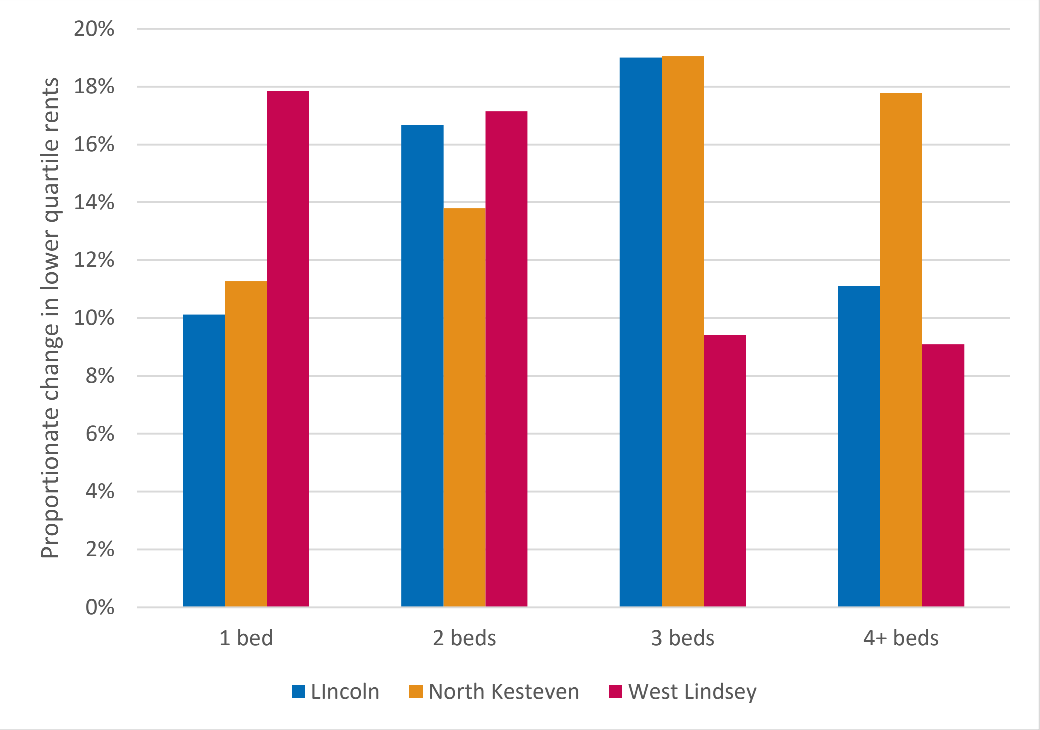
Figure 3.14: Recent Change in Monthly Median Rents (2013/14 – 2018/19)



Source: VOA; ONS

3.30 The above analysis has been replicated below at Figure 3.15, this time examining lower quartile rents. This again suggests that entry level rents for three bedroom properties in Lincoln and North Kesteven have seen the strongest growth, but West Lindsey in contrast has seen the most pronounced growth in smaller properties with one or two bedrooms.

Figure 3.15: Recent Change in Monthly Lower Quartile Rents (2013/14 – 2018/19)



Source: VOA; ONS

Summary

3.31 There has inevitably been an evolution in the profile of the Central Lincolnshire housing market since the SHMA was prepared, given its dynamic nature.

3.32 Around 7,200 new homes have been provided to date throughout Central Lincolnshire within the current plan period, aligning with the rate of growth seen nationally in this period having latterly been boosted in 2018/19 by the largest annual number of completions for a decade. Whilst a comparatively large number of new homes, this evidently represents only a small proportion of the existing stock and as a result has had a limited impact on the overall profile of the housing stock, in terms of its size and type. Detached houses and bungalows therefore continue to account for a proportionally greater share of dwellings in Central Lincolnshire as a whole than is the case regionally or nationally, with flats/maisonettes making up a smaller proportion of dwelling stock, albeit their proportionate contribution to Lincoln’s housing stock is in line with the national rate with the same being true for terraced housing. These distinctions are reflected in the prevailing size of dwellings, with the majority in Central Lincolnshire having three bedrooms or more. A greater proportion of Lincoln’s dwellings have two bedrooms or fewer than in the other Central Lincolnshire authorities and, indeed, the wider region and England as a whole.

3.33 Population growth has also been sustained over the plan period to 2018, the latest year for which official data is currently available thus omitting the full impact of the last year’s boosted level of housing delivery. The rate of population growth did notably reduce to its lowest for two decades in 2017/18, when deaths began to outnumber births for the first time in ten years and a particularly small inflow of international migrants was recorded. The scale of this flow has nonetheless also reached an historic high within the current plan period, and the defining net inflow of migrants from other parts of the UK has also continued. These dynamics have only slightly changed the age profile of Central Lincolnshire, with a shrinking proportion of residents aged 40 to 64 and a commensurate increase in those aged over 65. When considering the three authorities separately, it is of note that Lincoln has seen a different changing profile with the city seeing the most notable growth amongst the youngest age cohorts.

3.34 Central Lincolnshire has seen continued employment growth over the current plan period to date, as documented in detail within the ENA Update produced alongside this study. Around 1,850 jobs have been created each year on average, with certain sectors performing considerably better than was previously forecast. This has been aided by an increasing supply of floorspace within commercial properties and reduced unemployment amongst the resident labour force.

3.35 Changes to housing costs or '*price signals*' as referenced in the PPG[45] provide an indication of how the supply of housing has responded to these drivers of demand, where it is assumed that an increase suggests that supply is not keeping pace with demand and thereby contributing to issues relating to the affordability of homes. The average price paid for housing in Central Lincolnshire has risen by circa 22% over the past five years, since the SHMA was prepared, albeit with the rate of growth being notably lower in West Lindsey (17%). Average rents at the lower end and middle of the private rental market have also risen, most notably for smaller properties in West Lindsey and larger properties in both Lincoln and North Kesteven.

---

[45] PPG Reference ID: 2a-006-20190220

4. Outcome of the Standard Method

4.1 This section provides an overview of the standard method currently set out within the NPPF and PPG, which is applied to determine the minimum annual need for housing in Central Lincolnshire. It subsequently draws upon demographic modelling produced by Edge Analytics to consider how such a level of housing delivery may affect the size and profile of the local population, and support job creation in the local economy.

Background

4.2 A new standardised approach to assessing housing needs was one of the '*radical*' reforms proposed in February 2017 within the Government's Housing White Paper, in order to address the national housing crisis and '*get more homes built right now and for many years to come*'[46].

4.3 In September 2017, the Government published a proposed method as part of its consultation on '*planning for the right homes in the right places*'[47]. This drew upon the most recent official household projections as a baseline, with an adjustment formulaically applied to take account of the relationship between median house prices and earnings. The overall scale of adjustment was proposed to be capped at 40% above recently adopted housing requirements, or household projections if higher than requirements adopted more than five years ago.

4.4 The Government referred to the same formula in a subsequent consultation on draft revisions to the NPPF, which included proposed changes to the PPG[48].

4.5 The NPPF was formally revised in July 2018, and subject to further minor updates in February 2019. It confirms that:

> *"To determine the minimum number of homes needed, strategic policies should be informed by a local housing need assessment, conducted using the standard method in national planning guidance – unless exceptional circumstances justify an alternative approach which also reflects current and future demographic trends and market signals. In addition to the local housing need figure, any needs that cannot be met within neighbouring areas should also be taken into account in establishing the amount of housing to be planned for"*[49]

4.6 While the PPG was simultaneously updated in July 2018 to refer to the method originally proposed by the Government, it highlighted that its outputs were likely to '*significantly*' reduce following the imminent release and incorporation of new 2016-based household projections[50]. Such a reduction conflicted with the Government's objective of building more homes, leading to a further consultation which considered how planning policy could support '*a market that works for everyone*' by delivering

---

[46] DCLG (2017) Fixing our Broken Housing Market: housing white paper, p7

[47] DCLG (2017) Planning for the right homes in the right places: consultation proposals

[48] MHCLG (2018) National Planning Policy Framework: draft text for consultation; MHCLG (2018) Draft Planning Practice Guidance

[49] MHCLG (2019) National Planning Policy Framework, paragraph 60

[50] MHCLG (2018) Government response to the draft revised National Planning Policy Framework consultation: a summary of consultation responses and the Government's view on the way forward, p26-27

300,000 homes each year in a way that provides '*stability and certainty*' and responds to both '*movements in projected households*' and '*price signals*'[51].

4.7 The Government concluded that '*the best way of responding to the new ONS household projections*', while delivering on these principles, would be to retain the 2014-based household projections as the baseline for the standard method. It considered options which used the 2016-based projections, but concluded that all such options would lead to '*significant change*' at a local level and cause '*unacceptable*' delays in plan-making[52]. The Government therefore proposed to:

- Specify, for the short-term, that the official 2014-based projections provide the demographic baseline for the assessment of local housing need;
- Make clear in the PPG that lower numbers through the 2016-based projections do not qualify as an exceptional circumstance that justifies a departure from the standard method; and
- Review the formula over the longer term with a view to establishing a new method by the time the next projections are issued in 2020.

4.8 This scheduled point of review is rapidly approaching at the time of writing, with 2018-based household projections expected early this summer. The Government has recently reaffirmed its commitment to '*reviewing the formula for calculating local housing need*' and introducing '*a new approach which…makes sure the country is planning for the delivery of 300,000 new homes a year*'[53]. There remains no clarity of the eventual form of any revised method at the time that this report has been prepared, however.

4.9 In the interim, the PPG – as updated in February 2019 – clearly confirms that the 2014-based household projections should form the baseline for the standard method, in order to:

> *"…provide stability for planning authorities and communities, ensure that historic under-delivery and declining affordability are reflected, and to be consistent with the Government's objective of significantly boosting the supply of homes"*[54]

4.10 This baseline continues to be adjusted '*based on the affordability of the area*', inputting the most recent median workplace-based affordability ratios produced by the ONS into a defined formula[55]. This adjustment is seen to be necessary as '*household growth on its own is insufficient as an indicator of future housing need*', because:

- Household formation is constrained to the supply of available properties, such that new households cannot form if there is nowhere for them to live; and

---

[51] MHCLG (2018) Technical consultation on updates to national planning policy and guidance, paragraph 18

[52] *Ibid*, paragraph 26

[53] MHCLG (2020) Planning for the Future, paragraph 10 (3)

[54] PPG Reference ID 2a-005-20190220

[55] PPG Reference ID 2a-004-20190220

- People may want to live in an area in which they do not reside currently, for example to be near to work, but be unable to find appropriate accommodation that they can afford[56].

4.11 The cap above housing requirements adopted in the past five years, or earlier if higher than the household projections, is designed to ensure that the minimum figures generated through the standard method are '*as deliverable as possible*'. The PPG confirms that the cap reduces the numbers generated through the method but '*does not reduce housing need itself*', and an early review may therefore be required '*to ensure that any housing need above the capped level is planned for as soon as is reasonably possible*'[57].

Inputs

4.12 The standard method is based on three inputs, namely the 2014-based household projections, the latest published affordability ratios and the most recently adopted housing requirement. This data is available for individual authorities, rather than for Central Lincolnshire in its entirety, albeit the PPG is clear in such circumstances that:

> *"…the housing need for the defined area should be at least the sum of the local housing need for each local planning authority within the area"*[58]

4.13 The inputs for each authority are introduced below before the calculation is undertaken, and its outputs summed to Central Lincolnshire level.

2014-based household projections

4.14 The 2014-based household projections should be used to set the baseline for the standard method[59]. Average annual household growth should be calculated over ten years from the current year, leading to a change in the baseline during production of this report as 2020 began, albeit Table 3.1 confirms that the difference is extremely modest for each authority and for Central Lincolnshire as a whole.

Table 4.1: 2014-based Household Projections for Central Lincolnshire

	Average annual change **2019-29**	Average annual change **2020-30**
Lincoln	264	268
North Kesteven	382	372
West Lindsey	293	290
Central Lincolnshire	**938**	**929**

Source: MHCLG

---

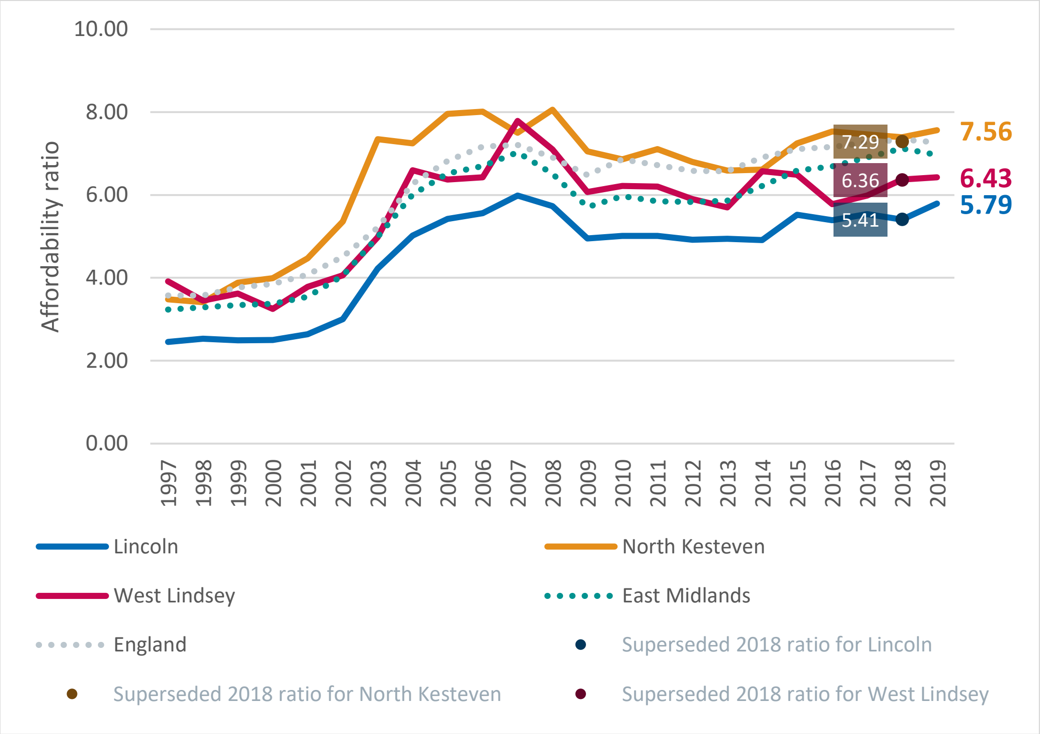
[56] PPG Reference ID 2a-006-20190220
[57] PPG Reference ID 2a-007-20190220
[58] PPG Reference ID 2a-013-20190220
[59] PPG Reference ID 2a-004-20190220

Affordability ratios

4.15 The ONS annually publishes ratios which measure the relationship between median house prices and median earnings for people working in local authority areas[60]. The PPG confirms that the latest such ratio should be used to formulate the affordability adjustment, at Step 2 of the calculation.

4.16 The latest ratios were published towards the latter stages of this study, in March 2020. As shown at Figure 4.1, they revealed a worsening of affordability in each authority relative to the earlier 2018 ratios, which have themselves been slightly modified in the latest release. Lincoln remains the most affordable of the three authorities, albeit with house prices having grown at a faster rate than earnings over the past five years in particular. West Lindsey has seen a degree of volatility, latterly receding from the East Midlands average that it had largely tracked until 2015. North Kesteven has the least affordable house prices relative to earnings, with recent years having generally seen a return to the pre-recession trend.

Figure 4.1: Median Affordability Ratio in Historic and Wider Context



Source: ONS

Existing housing requirement

4.17 An existing housing requirement adopted within the past five years, at the point of calculation, is used to limit the increase an individual authority can face when calculating its housing need using the standard method[61].

---

[60] ONS (2019) Housing affordability in England and Wales: house price to workplace-based earnings ratio

[61] PPG Reference ID 2a-004-20190220

4.18 The joint Local Plan was adopted within the past five years, in April 2017. It contained a requirement for 1,540 dwellings per annum, which applied to Central Lincolnshire in its entirety and was not broken down for the individual authorities.

4.19 The PPG does not prescribe an approach to the cap in such circumstances, but it is considered reasonable to assume that the outcome of the standard method for Central Lincolnshire, based on an aggregate of its constituent authorities, should be benchmarked against the joint housing requirement.

Outcome

4.20 The inputs introduced above have been drawn together to apply the standard method as follows:

- Projected annual household growth, totalling 929 households per annum across Central Lincolnshire, forms the respective baseline for the calculations, under Step 1;
- Upward adjustments of between 11% and 22% are required to be made at Step 2 to take account of the latest published affordability ratios, which show that house prices equate to between 5.79 and 7.56 years' earnings. This is based on the precise formula[62] presented in the PPG and elevates the baseline to collectively suggest that **a minimum of 1,086 dwellings per annum** are needed in Central Lincolnshire; and
- Housing need can be no more than 40% higher than the existing requirement for 1,540 dwellings per annum under Step 3[63]. However, this has **no effect** given that the earlier steps generate a figure which already falls below the existing requirement.

4.21 This calculation is summarised in the table overleaf, confirming that the standard method currently indicates that there is a minimum need for **1,086 dwellings per annum** across Central Lincolnshire. This is correct as of April 2020.

---

[62] Adjustment factor = ((ratio-4)/4)*0.25

[63] This cap means that the outcome of the method could not exceed 2,156 homes per annum

Table 4.2: Current Outcome of the Standard Method for Central Lincolnshire

		Lincoln	North Kesteven	West Lindsey	Central Lincolnshire
1	**Baseline: annual household growth,** 2020-30 (2014-based)	**268**	**372**	**290**	**929**
2	Median affordability ratio, 2019	5.79	7.56	6.43	–
	Adjustment factor (rounded, unrounded in calculation)	11%	22%	15%	–
	Baseline with affordability adjustment	**297**	**455**	**334**	**1,086**
3	Latest adopted housing requirement	–	–	–	1,540
	Cap, if applicable	–	–	–	**n/a**
	Minimum local housing need, per annum	**297**	**455**	**334**	**1,086**

Source: MHCLG; ONS; Turley analysis

4.22 The outcome of the standard method has been subject to change during production of this report, which commenced in October 2019. This principally relates to its moving demographic baseline, continuously calculated from the '*current year*' onwards, and the more recent release of new affordability ratios. The extent of this inevitable change has been extremely modest, however, increasing the outcome for Central Lincolnshire by only three dwellings per year since first calculated in late 2019 (1,083dpa). This original calculation, now superseded, is presented below for completeness.

Table 4.3: Recent Outcome of the Standard Method for Central Lincolnshire (late 2019)

		Lincoln	North Kesteven	West Lindsey	Central Lincolnshire
1	**Baseline: annual household growth,** 2019-29 (2014-based)	**264**	**382**	**293**	**938**
2	Median affordability ratio, 2018	5.41	7.29	6.36	–
	Adjustment factor (rounded, unrounded in calculation)	9%	21%	15%	–
	Baseline with affordability adjustment	**287**	**460**	**336**	**1,083**
3	Latest adopted housing requirement	–	–	–	1,540
	Cap, if applicable	–	–	–	**n/a**
	Minimum local housing need, per annum	**287**	**460**	**336**	**1,083**

Source: MHCLG; ONS; Turley analysis

Potential implications of the standard method

4.23 With the standard method intended to provide only a starting point for understanding local housing need, it is important to consider the potential wider impact of such a level of housing provision for the population and economy of Central Lincolnshire. This is considered below before proceeding to evaluate, in section 5, the extent to which it provides an appropriate manifestation of the full need for housing in this area, in accordance with the PPG.

4.24 While the PPG is prescriptive on the method itself, it does not specify how plan-makers should translate any calculated need into population growth where evidently the impact of its affordability adjustment moves the figure beyond being directly related to the input population and household projections. It is therefore necessary to bridge this difference in understanding how households and as a result population could occupy stock which is increased in line with the calculated housing need figure. In undertaking this exercise, the PPG does refer to the demographic impact of its affordability adjustment where it states in justifying the need for houses to be provided above that based on the official demographic projections alone that this is because *'household formation is constrained to the supply of available properties – new households cannot form if there is nowhere for them to live; and people may want to live in an area in which they do not reside currently, for example to be near to work, but be unable to find appropriate accommodation they can afford'*[64].

4.25 It proceeds to state in the same paragraph that *'the specific adjustment in this guidance is set at a level to ensure that minimum annual housing need starts to address the affordability of homes'*[65]. This infers that the adjustment will allow for a combination of reasonable improvements to household formation – particularly amongst those who have been constrained from doing so as a result of affordability issues – and increases in migration, where the provision of new homes enables this to occur.

4.26 It is acknowledged that the standard method itself makes implicit assumptions on how the population will change during the period over which its baseline is calculated. The 2014-based projections show the household growth that would be expected in Central Lincolnshire where the population increased by around 17,500 people over the next decade, based on a series of demographic assumptions. This cannot, however, be simply reconciled with the Councils' selection of a plan period which runs to 2040, nor take account of population change that has occurred since the 2014 base of the projections (as further considered in section 5 of this report).

4.27 Reflecting these limitations, this study draws upon demographic modelling produced by Edge Analytics to estimate, reflecting the principles indicated within the PPG, how the population of Central Lincolnshire would change if housing provision simply aligned with the outcome of the standard method. This modelling was produced in late 2019 and is therefore based on the minimum need calculated through the method at that time (1,083dpa). The slight deviation from the current outcome is not considered a

---

[64] PPG Reference ID 2a-006-20190220

[65] *Ibid*

significant issue given the negligible change that has subsequently and inevitably occurred.

4.28 The modelling covers the chosen plan period (2018-40) and necessarily assumes that each of the Central Lincolnshire authorities meets its own calculated need in full, and does not explicitly allow for the prospect of redistribution. This is unavoidable due to the use of demographic assumptions produced only for local authorities, rather than joint plan areas, but is not considered to severely undermine the value of such an exercise for illustrative purposes.

4.29 The methodology is detailed at **Appendix 1**. In summary, however, the modelling uses official demographic datasets to first account for the gradual ageing of the existing population, which can itself absorb the supposedly additional capacity brought by new homes because older households tend to contain fewer people on average[66]. This means for example that growth in the elderly population will reduce the size of the average household, with the result that more homes are needed simply to accommodate an *ageing* population irrespective of whether there is growth in the *overall* population.

4.30 The modelling also applies assumptions on the changing rate at which different age groups are projected to form households. These assumptions are derived from the official 2014-based household projections rather than the admittedly more recent 2016-based projections that were dismissed as unreliable for the purposes of assessing housing need by the Government. Some of the rates implied by the 2014-based household projections have, however, been positively adjusted to allow for a recovery in younger household formation, in order to offset an implicit and increasingly negative assumption about younger residents' ability to form households[67]. This is considered to be justified given continued recognition of the consequences of worsening affordability and the Government's general desire to assist younger people in accessing the housing market.

4.31 The modelling makes allowance for international migration, drawing assumptions from the latest available (2016-based) official projections, before deriving its own assumptions on domestic migration based on remaining availability in the dwelling stock once other demographic factors have been taken into account. Put simply, this recognises that an individual would be unlikely to move to or remain in Central Lincolnshire if local demographics meant that a home was not available, and such individuals would instead be assumed to move elsewhere in the UK.

4.32 The modelling separately applies reasonable assumptions on labour force behaviour, introduced later in this section, to estimate the resultant capacity of the population to support job growth based on its demographic structure.

4.33 Edge Analytics' modelling suggests that the provision of 1,083 dwellings per annum in Central Lincolnshire, from 2018 onwards, could grow the total population by around

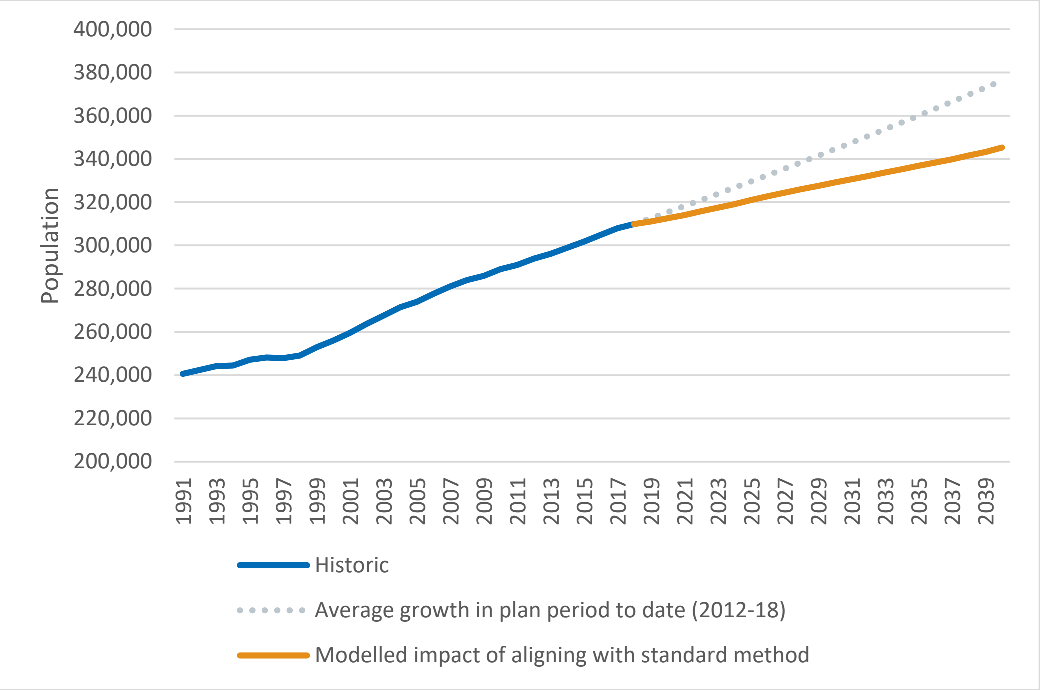
---

[66] The 2011 Census found that older households in Central Lincolnshire (all aged 65+) contained an average of 1.45 residents, while the average across all households was 2.27 people

[67] As outlined at Appendix 1, the headship rates for those aged 25 to 34 have been adjusted to allow for a recovery to the position recorded in 2001

35,400 persons by the end of the plan period[68] (2040). This represents population growth of approximately 11% or circa 0.5% per annum, slowing the rate of growth recorded in the initial years of the plan period as presented earlier at Table 3.1 and illustrated below. It is also of note that this recent rate of growth aligns closely with that recorded over the long-term period shown below, since 1991.

Figure 4.2: Population Impact of Aligning with Standard Method in Central Lincolnshire



Source: Edge Analytics, 2019

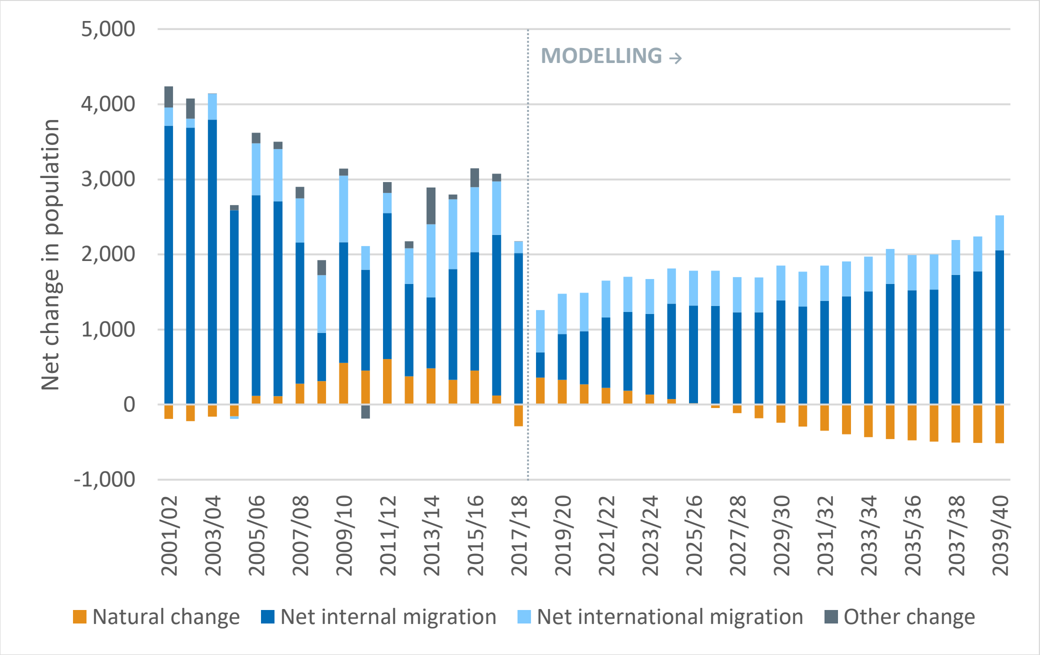
4.34 Such an outcome has been estimated through allowance for natural change in the population and as explained above a flexing of migration, as illustrated at Figure 4.3 below. It is assumed, through the application of 2016-based fertility and mortality rates, that deaths will begin to outnumber births in Central Lincolnshire, consistent with – though now slightly behind – the trend locally recorded since the base date of the latest available projections. The estimated inflow of international migrants has been similarly drawn from these 2016-based projections, allowing for a net inflow of circa 477 such migrants each year; around 10% below the long-term trend since 2001. The modelling assumes that internal migration fills any dwelling capacity that remains after allowing for these factors, reflecting the likelihood that individuals would either be attracted or retained where housing was available or – in contrast – left with no choice but to move elsewhere in the UK if not. This approach suggests that there will be relatively limited capacity to accommodate internal migrants in the early years of the new plan period, where housing provision is limited to the minimum need implied

---

[68] The 2014-based SNPP, as used in step 1 of the standard method, projects population growth to 2039 only. However, for the period 2018 – 2039 (less one year of the plan period) the projection suggests the population of Central Lincolnshire will grow by 31,733 or 1,511 people each year on average. The modelling therefore suggests that in providing for the number of homes calculated under the standard method annually, whilst a modest growth in population as a result of migration would occur, the majority of the impact is realised through an enabling of more positive rates of household formation

by the standard method, although this is allowed to increase over time as a result of more negative natural change.

Figure 4.3: Components of Modelled Population Change under Standard Method



Source: Edge Analytics, 2019

4.35 While the overall population of Central Lincolnshire would be expected to grow where housing provision aligned with the minimum need implied by the standard method, the modelling suggests that this growth is unlikely to be uniform across all age groups. Table 4.4 overleaf shows that the elderly population aged over 65 would be expected to see the most substantial growth in such a scenario, its size increasing by some 45% largely as a result of the gradual ageing of existing residents – particularly those in the relatively large 40 to 64 bracket shown below – over the period to 2040. This contrasts with the more modest 2% growth envisaged for the working age population aged 16 to 64, which is itself oriented towards younger people aged 39 and under.

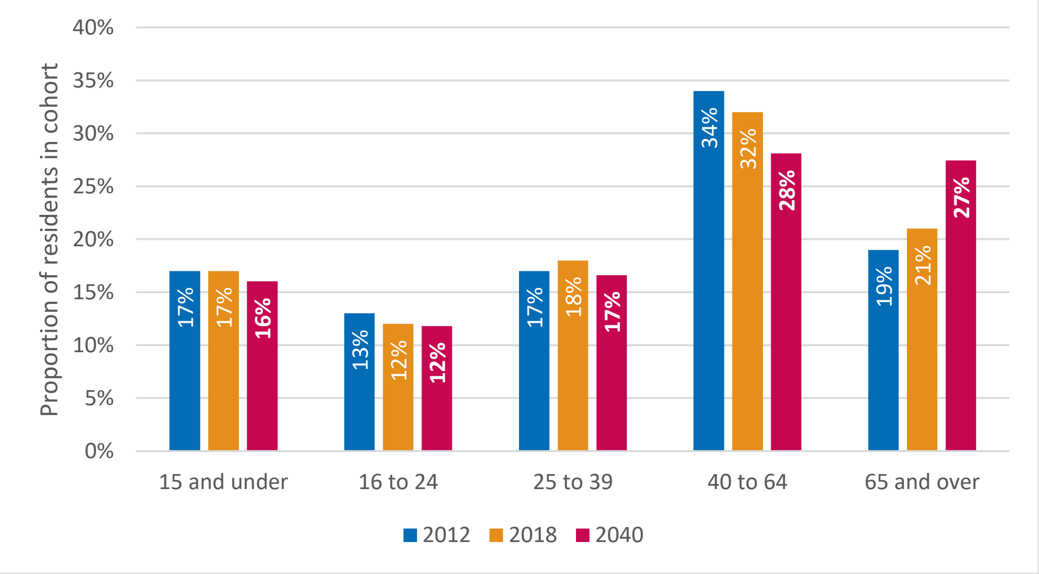
Table 4.4: Modelled Impact of the Standard Method on Age Profile (2018-40)

	2018	2040	Change	% change
15 and under	53,097	55,303	2,206	4%
16 to 24	38,138	40,774	2,636	7%
25 to 39	55,295	57,367	2,072	4%
40 to 64	97,996	97,071	-925	-1%
65 and over	65,367	94,747	29,380	45%
Total	**309,893**	**345,262**	**35,369**	**11%**
16 to 64	191,429	195,213	3,784	2%

Source: Edge Analytics, 2019

4.36 This changing age profile can also be considered in the context of the earlier Figure 3.9, which illustrated the change that has already occurred over the current plan period to date (2012-18). When the projection for 2040 is added, under the assumption that future housing provision will be limited to the minimum need currently implied by the standard method, a pronounced further increase in the representation of those aged over 65 is suggested, with a continued and substantial fall in the proportion of residents aged 40 to 64. The proportion of residents in traditionally defined working age groups (16-64) would fall further under such a scenario, from 64% in 2012 to 62% in 2018 and 57% in 2040.

Figure 4.4: Modelled Impact of the Standard Method on Age Profile



Source: Edge Analytics, 2019

4.37 This changing age profile has implications for the labour force and its ability to support job growth, when reasonable assumptions on their behaviour – detailed in **Appendix 1** – are applied. In summary:

- **Unemployment** in each authority is assumed to remain fixed at the rate recorded in the latest full calendar year for which official local data is currently available[69] (2018). These rates align relatively closely with the recent and pre-recession averages in each authority, having in each case recovered from the recessionary highs faster than was assumed in the SHMA[70]. It should be noted that this modelling assumption was made prior to the outbreak of coronavirus, which has already increased unemployment claims at a national level, albeit the longevity and permanence of its economic impact remains extremely uncertain at the current point in time[71];

- **Economic activity rates** amongst residents aged 16 to 89 are initially derived for each authority from the 2011 Census, and are thereafter assumed to change in line with recent national forecasts produced by the Office for Budget Responsibility[72] (OBR). These forecasts are relied upon by the Government to inform long-term budgetary planning, and are widely used to provide a robust and consistent basis for understanding long-term changes in labour force behaviour at the local level. The SHMA was produced before such consistent best practice emerged, and allowed only for increased participation amongst certain older age groups to reflect changes to the state pension age;

- The proportion of residents holding more than one job ("**double jobbing**") is assumed to align with the long-term averages recorded in each authority over the past ten years by the Annual Population Survey (APS). While no such allowance was made in the SHMA, this has since become standard practice in similar studies; and

- **Commuting** has again – as in the SHMA – been held fixed at the rates recorded by the 2011 Census, reflecting the balance between the number of workers living in each authority and the number of jobs available therein. While acknowledged to be increasingly dated, there remains a lack of robust or similarly comprehensive data from which to formulate a more up-to-date position.

4.38 When applying these assumptions, the modelling suggests that housing provision in line with the standard method (1,083dpa) could support the creation of circa 14,890 new jobs across Central Lincolnshire over the new plan period (2018-40). This is equivalent to circa 677 jobs per annum. The relationship between jobs and homes, noting the latter is smaller than the former, reflects the changing age profile of the projected population, and specifically the projected limited growth in the working age population, as shown at Table 4.4. The inference is that whilst more homes are provided, a proportion of these are required to accommodate existing and newly forming households which do not contain economically active people and therefore are

---

[69] ONS (2019) Model-based estimates of unemployment

[70] Turley (2020) Central Lincolnshire Economic Needs Assessment Update, Figure 4.9

[71] In April 2020 the OBR published a 'coronavirus reference scenario', albeit emphasising this did not represent a forecast per se. The OBR stressed that this scenario only represented an initial assessment and was based on the illustrative assumption that people's movements (and thus economic activity) would be heavily restricted for three months and would get back to normal over the subsequent three months. In considering the impact on labour-force changes the scenario suggested a steep rise in the unemployment rate to 10% in the second quarter but with a gradual recovery where unemployment was assumed to come close to recovering to pre-virus levels by the final quarter of 2021.

[72] OBR (2018) Fiscal Sustainability Report

unable to support employment growth where the above labour force behaviours are assumed.

4.39 The extent to which this implied labour force capacity would meet the economic needs of Central Lincolnshire in full is considered further in section 5 of this report.

Table 4.5: Estimated Employment Growth Supported by Standard Method

	Total change (2018-40)	Average per annum
Absolute change in employment	14,889	677
Proportionate change in employment	10%	0.4%

Source: Edge Analytics; Turley analysis

Summary

4.40 The NPPF states that the standard method should be used to determine the minimum need for housing, drawing upon the 2014-based household projections which are adjusted to reflect the relationship between house prices and earnings. The method currently indicates that **a minimum of 1,086 dwellings per annum** are needed in Central Lincolnshire, albeit this number is susceptible to change having risen very slightly (+3dpa) during production of this report. There remains the prospect of a more significant and as-yet unforeseeable change once the method is reviewed by the Government this year.

4.41 Modelling presented in this section suggests that such a level of housing provision could slow the recent and indeed longer-term rate of population growth in Central Lincolnshire, accommodating around 35,400 additional people over the emerging plan period (2018-40). This is implied to be driven by a combination of migration and a growing surplus of deaths over births. Population growth is unlikely to be uniform across all age groups, with the modelling suggesting that the elderly population aged over 65 could increase by some 45% – to account for over a quarter of the population by 2040 – while the working age population (16-64) grows by only 2%.

4.42 This changing age profile has implications for the labour force and its ability to support job growth, when applying reasonable and evidence-based assumptions on economic participation and behaviour. The modelling suggests that housing provision in line with the standard method, alongside other changes in labour force behaviour, could support the creation of circa 14,890 new jobs throughout Central Lincolnshire over the plan period, equivalent to circa 677 jobs per annum. The extent to which this would meet the economic needs of Central Lincolnshire in full is considered further in the following section of this report.

5. Prospect of Higher Housing Need

5.1 The PPG strongly discourages alternative approaches resulting in a housing need figure which falls below the minimum generated through the standard method, in all but exceptional circumstances that it confirms will be closely examined[73].

5.2 In contrast, however, the PPG is clear in highlighting the importance of assessing whether it may be appropriate to plan for a higher housing need figure, stating in this context that:

> *"The government is committed to ensuring that more homes are built and supports ambitious authorities who want to plan for growth. The standard method for assessing local housing need provides **a minimum starting point** in determining the number of homes needed in an area. It does not attempt to predict the impact that future government policies, changing economic circumstances or other factors might have on demographic behaviour. Therefore, **there will be circumstances where it is appropriate to consider whether actual housing need is higher than the standard method indicates.** This will need to be assessed prior to, and separate from, considering how much of the overall need can be accommodated…"*[74] *(emphases added)*

5.3 The PPG identifies some of the circumstances that could lead to increased housing need, beyond the past trends that are embedded in the standard method[75]. This is not intended to be exhaustive or interpreted as a closed list, but includes situations where:

- Deliverable growth strategies are in place;
- Strategic infrastructure improvements are likely to drive an increase in local housing need; or
- An authority has agreed to take on unmet need from a neighbour, as set out in a statement of common ground.

5.4 The PPG further recognises that:

> *"There may, occasionally, be situations where previous levels of housing delivery in an area, or previous assessments of need (such as a recently-produced Strategic Housing Market Assessment) are significantly greater than the outcome from the standard method. Authorities will need to take this into account when considering whether it is appropriate to plan for a higher level of need than the standard model suggests"*[76]

5.5 This section responds to this guidance by considering whether there is evidence to suggest that housing need in Central Lincolnshire is actually likely to be higher than the standard method indicates. This initially interrogates the baseline for the calculation, before taking account of past delivery and reviewing previous assessments of housing need. The extent to which the standard method could support potential employment

---

[73] PPG Reference ID 2a-015-20190220
[74] PPG Reference ID 2a-010-20190220
[75] *Ibid*
[76] *Ibid*

growth is then considered in drawing together the evidence, to determine whether local circumstances suggest that the full need for housing is higher than the standard method indicates, in accordance with the PPG.

5.6 For the avoidance of doubt, this study has also been alert to the prospect of a lower need for housing than implied for Central Lincolnshire by the standard method, though for reasons outlined in this section does not consider that sufficiently exceptional local circumstances exist to justify such an approach.

Testing the demographic baseline

5.7 The precise outcome of the standard method is highly sensitive to its input baseline, drawn from the 2014-based household projections. These projections show '*the number of households there would be in England if a set of assumptions based on previous demographic trends in population – births, deaths and migration – and household formation were to be realised in practice*'[77].

5.8 As such, the precise figure generated through the method is intrinsically linked to the 2014-based sub-national population projections (SNPP) which estimate how births deaths and migration might affect the population of local authorities, such as those in Central Lincolnshire. They take account of official population estimates up to and including 2014 – since modestly revised by the ONS, as introduced in section 3 – and make assumptions on future changes based on trends recorded in the preceding five year period[78] (2009-14).

5.9 The ONS continues to estimate the population of every local authority each year, with the latest such estimates – introduced in section 3 – relating to mid-2018. This allows comparison with the population growth suggested in the initial four years of the 2014-based SNPP, to test the reliability and suitability of their assumptions at a high level.

5.10 The 2014-based SNPP anticipated that the population of Central Lincolnshire would grow by around 7,700 people between 2014 and 2018. Subsequently released ONS population estimates instead show that the population has actually grown by approximately 10,900 persons, exceeding the projections by some 42% as shown at Table 5.1 overleaf. This divergence was particularly acute in Lincoln and North Kesteven.

---

[77] ONS (October 2018) What our household projections really show

[78] ONS (May 2016) Methodology used to produce the 2014-based subnational population projections for England

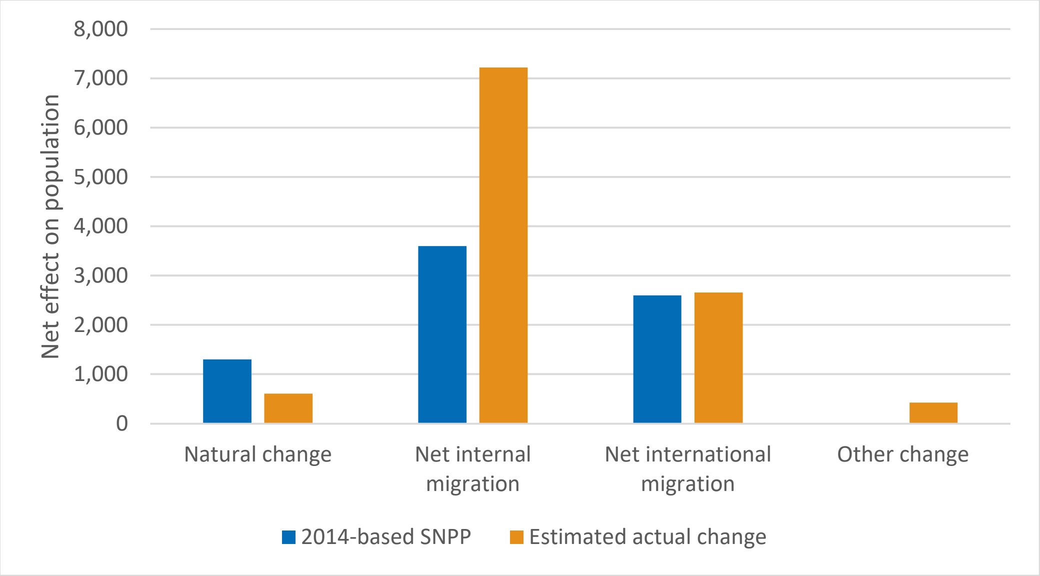
Table 5.1: Comparing Projected and Actual Population Growth (2014-18)

	2014-based SNPP	Estimated actual change	Variance from projection	Percentage variance
Lincoln	2,085	3,129	+1,044	+50%
North Kesteven	3,305	4,788	+1,483	+45%
West Lindsey	2,307	2,987	+680	+29%
Central Lincolnshire	**7,697**	**10,904**	**+3,207**	**+42%**

Source: ONS

5.11 Further interrogation – summarised at Figure 5.1 – reveals that this discrepancy has been primarily caused by a higher than anticipated net inflow of migrants to Central Lincolnshire from other parts of the UK, such that the actual net inflow over this four year period was around double that projected. There is much closer alignment for international migration, while the 2014-based SNPP appears in contrast to have actually *overstated* the population growth that would result from natural change in the population due to there being slightly fewer births and more deaths than it anticipated. The projections make no assumptions on “other change”, as introduced earlier in section 3, which has had a small positive impact on the population of Central Lincolnshire.

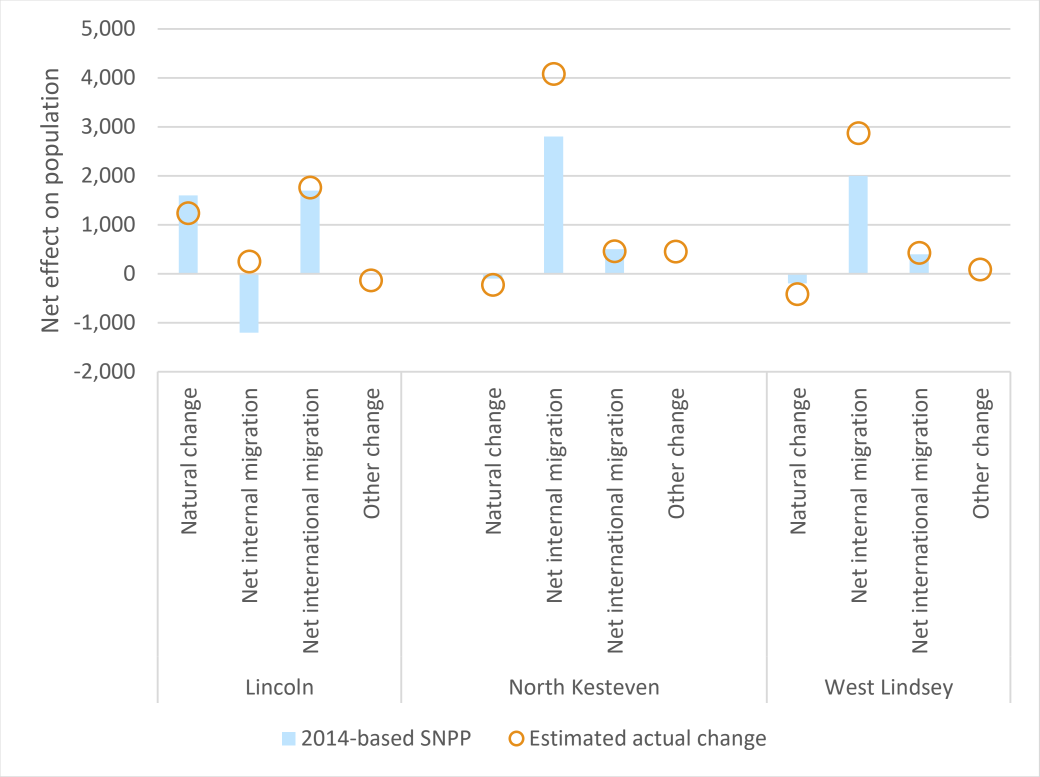
Figure 5.1: Components of Projected and Estimated Population Change in Central Lincolnshire (2014-18)



Source: ONS

5.12 A similar breakdown for the individual authorities is presented at Figure 5.2. This confirms that each area of Central Lincolnshire has seen a larger net inflow of internal migrants than was anticipated by the 2014-based SNPP, to the extent that Lincoln for example received a small net inflow rather than the outflow that was projected. The city has in contrast not seen such positive natural change as was anticipated, with this dynamic between births and deaths also more markedly reducing the population of North Kesteven and particularly West Lindsey. Net international migration in each case has almost precisely aligned with the projection to date.

Figure 5.2: Components of Projected and Estimated Population Change (2014-18)



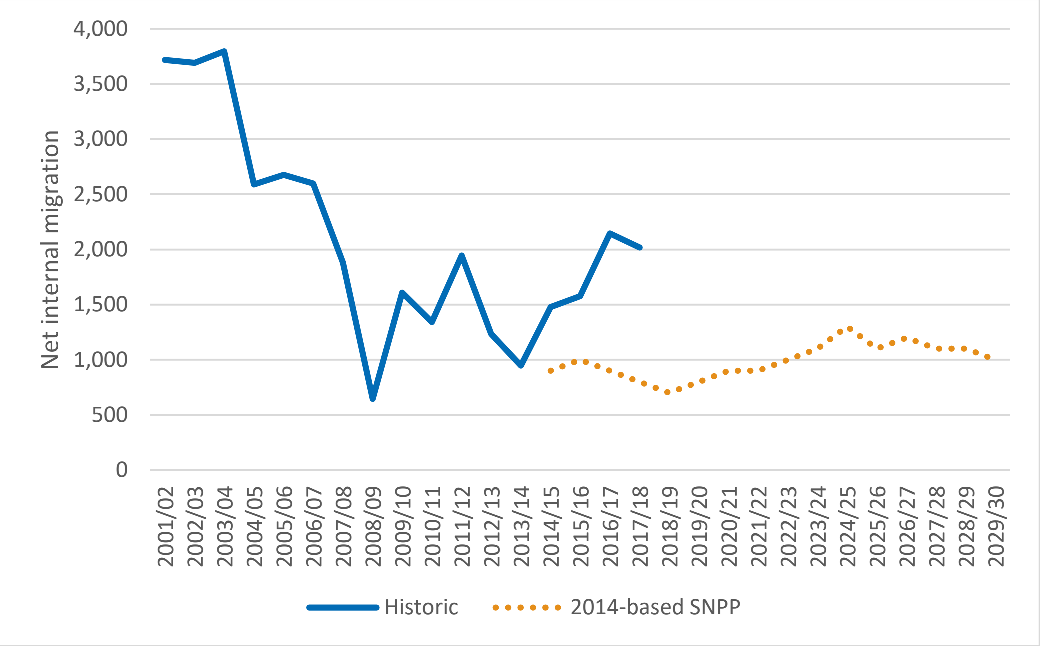
Source: ONS

5.13 This more pronounced net inflow of people from other parts of the UK is not without precedent in Central Lincolnshire, and indeed appears more aligned with the long-term trend as shown at Figure 5.3. The 2014-based SNPP generally assumed that a near-historic low would continue, which has not proven to be the case over the initial years of the projection. This is a common issue with demographic projections that draw upon trends recorded during the last economic downturn and its aftermath, with the impact of the recession on net migration to Central Lincolnshire having previously been highlighted in the SHMA[79].

---

[79] Turley (2015) Central Lincolnshire Strategic Housing Market Assessment, p41

Figure 5.3: Projected and Estimated Net Internal Migration into Central Lincolnshire



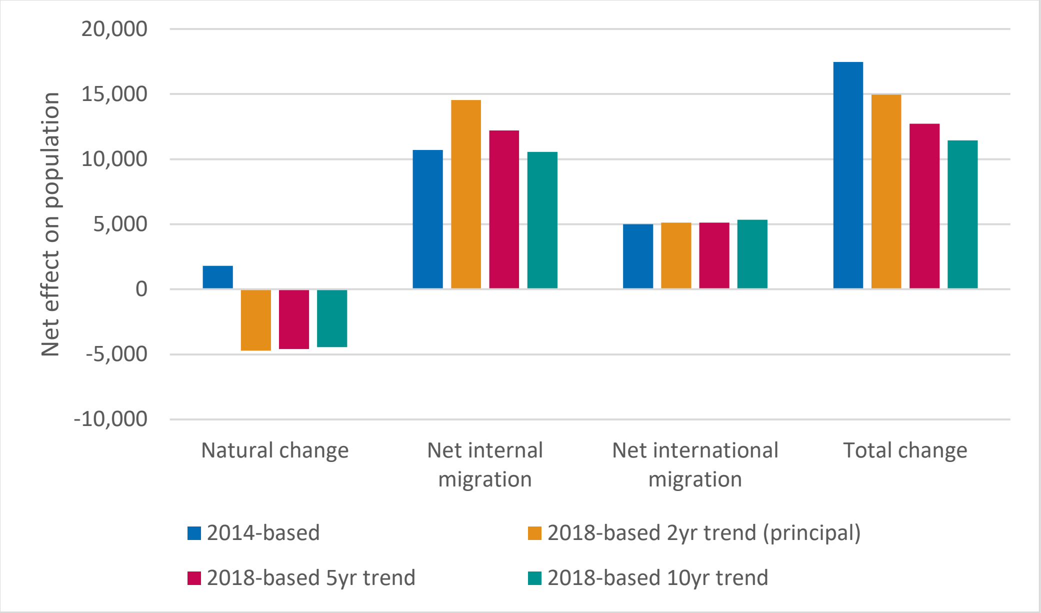
Source: ONS

5.14 In overall population terms, it is acknowledged that an inflow of migrants which is larger than projected could be offset by more modest natural change in the population, as Figure 5.1 shows to have been the case in Central Lincolnshire. Indeed, the earlier Figure 3.10 suggests that natural change is having a diminishing effect on population growth, with recently released 2018-based population projections – now providing variants based on migration trends over two, five and ten years, the former being the main or principal projection[80] – suggesting that natural change is now more likely to *reduce* than grow the population of Central Lincolnshire over the period covered by the demographic baseline of the standard method (2020-30). This offsets the allowance for a more pronounced net inflow of internal migrants to actually reduce projected population growth over the decade relative to the 2014-based SNPP, albeit the principal projection in particular is only modestly lower.

---

[80] ONS (24 March 2020) Subnational population projections for England: 2018-based. These projections were released after the production of demographic modelling introduced in this and the preceding section, which therefore applies demographic assumptions from the preceding 2016-based projections

Figure 5.4: Projected Components of Population Change (2020-30)



Source: ONS; Turley analysis

5.15 This will not necessarily have the same effect on the household projections that actually form the baseline for the method, with the age structure also influencing the number of households formed by the population. The related 2018-based household projections are yet to be published at the time of writing, but are not guaranteed to provide an appropriate basis for assessing housing needs given the Government's dismissal of the preceding 2016-based household projections which themselves made more up-to-date assumptions on fertility and life expectancy. The still more up-to-date assumptions that have and will be applied in the 2018-based projections thus may not provide adequate justification for using an alternative baseline for the standard method, given the Government's interpretation of the 2016-based dataset as well as the comparatively modest difference between the main projections. The implication of higher migration, offsetting to a degree the shift in natural change, is clearly an important factor and a relevant consideration in evaluating the standard method figure.

5.16 In summary, the demographic baseline of the standard method for Central Lincolnshire, and by inference its outcome, appears to make relatively conservative assumptions about a key factor that could change the population, namely migration from other parts of the UK. Recent estimates suggest that these assumptions are potentially unreliable, with the population growing to a much greater extent than assumed under the baseline official projection.

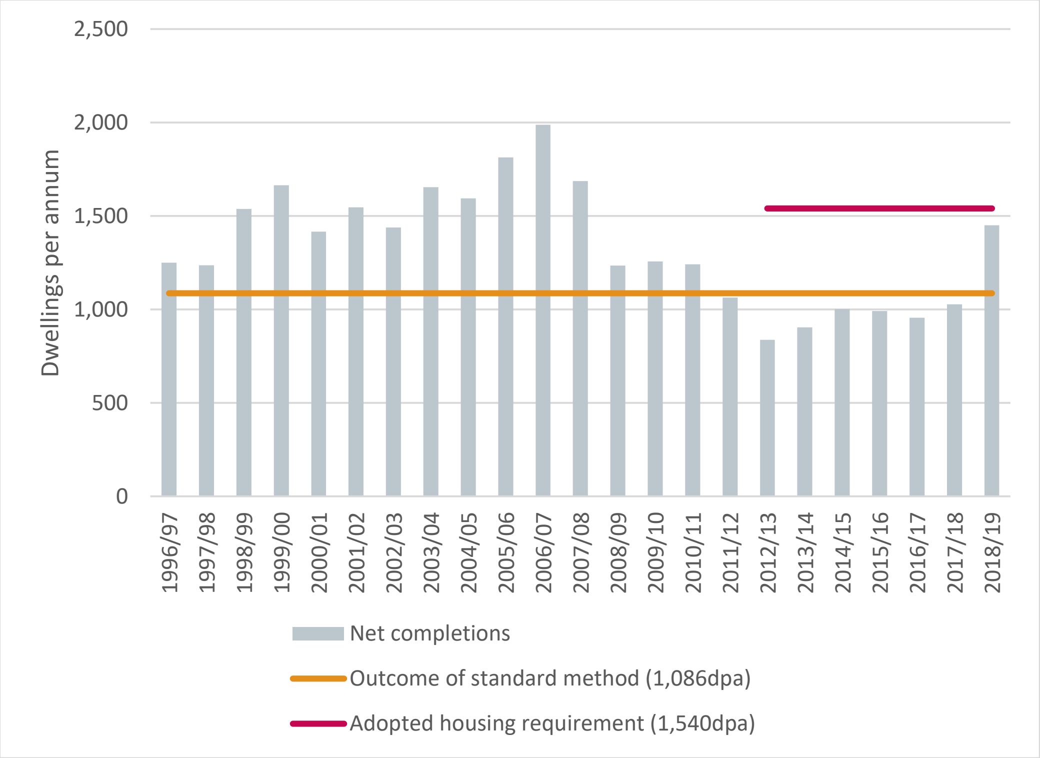
5.17 This suggests that there is no demographic basis for reducing the housing need implied for Central Lincolnshire by the standard method, but it is instead a relevant consideration in exploring the merits of a figure higher than what is only a '*minimum*'. Any upward movement justified by the remaining sections of this analysis would appear more aligned with recent historic demographic evidence of stronger than projected growth in Central Lincolnshire.

Previous levels of housing delivery

5.18 Where previous levels of housing delivery are significantly higher than the outcome of the standard method, the PPG confirms that this should be taken into account in considering whether it is appropriate to plan for a higher level of need[81].

5.19 The following chart compares the outcome of the standard method with historic completions, as presented earlier at Figure 3.1. The adopted housing requirement during the current plan period from 2012 onwards is also shown for context.

Figure 5.5: Net Housing Completions Relative to Standard Method and Existing Requirement



Source: Councils' monitoring; 2015 SHMA; Turley analysis

5.20 The outcome of the standard method for Central Lincolnshire aligns relatively closely with, and indeed slightly exceeds, the average rate of annual housing delivery since the start of the current plan period (1,024dpa; 2012-19). Delivery in much of this period does, however, appear particularly low in the long-term context, and also fell around one third short of the level planned, with the first six years of the plan period each seeing fewer homes delivered than in any of the preceding sixteen years. Of the years shown above, it is only in this period when housing delivery in Central Lincolnshire has fallen below the minimum need now implied on an annual basis by the standard method.

5.21 The rate of delivery has latterly improved, as noted in section 3, with circa 1,451 homes completed in the last monitoring year (2018/19). This is comparable to the long-term

---

[81] PPG Reference ID 2a-010-20190220

average recorded prior to the current plan period (1,477dpa; 1996-2012) and exceeds the current outcome of the standard method by circa 34%.

5.22 Across this entire period since 1996, an average of 1,339 dwellings per annum have been completed in Central Lincolnshire. This is around 23% higher than the current outcome of the standard method.

5.23 Within the context of the PPG, it is reasonable to conclude that, whilst in six of the past seven years housing delivery has fallen short of the outcome of the standard method, over the long-term housing delivery in Central Lincolnshire has been greater than the outcome of the standard method. The review of the pipeline of planning permissions for 2019/20 included within the Councils' five year land supply report suggests that the market has continued to respond positively to the additional certainty created by the adoption of the Local Plan and the site allocations with an estimate that 1,884 dwellings will be delivered in the current year (2019/20), with a further contribution of in the order of 401 homes released into the market as a result of the provision of student bedspaces and residential institutions. By way of contrast, the standard method would imply a level of housing provision more akin to that seen prior to the adoption of the Local Plan during a market downturn. This again forms an important factor in considering the extent to which a higher level of housing need is justified beyond the minimum based on the range of evidence available.

Previous assessments of need

5.24 The PPG recognises that there may be situations where previous assessments, in a '*recently-produced Strategic Housing Market Assessment*' or similar, identified a '*significantly greater*' need than implied by the standard method. It confirms that this will need to be taken into account '*when considering whether it is appropriate to plan for a higher level of need than the standard model suggests*'[82].

5.25 The 2015 SHMA represents the latest such assessment of housing need commissioned for Central Lincolnshire by the Councils. While the extent to which it can be considered to have been '*recently-produced*' is admittedly debateable, it nonetheless provides helpful context in interpreting the outcome of the standard method, alongside the analysis presented elsewhere in this section.

5.26 The SHMA concluded that **between 1,432 and 1,780 dwellings per annum** could be needed in Central Lincolnshire between 2012 and 2036[83]. This is as much as 64% higher than the minimum need for 1,086 dwellings per annum currently implied by the standard method.

5.27 It must, however, be recognised that this conclusion of the SHMA reflected the guidance in place and evidence available at the time of its preparation.

5.28 The lower end of the range, for example, was derived from a starting point of the then-latest available 2012-based household projections, which was positively adjusted to reflect longer-term migration trends recorded over ten years back from 2012. This

---

[82] PPG Reference ID 2a-010-20190220

[83] Turley (2015) Central Lincolnshire Strategic Housing Market Assessment, paragraph 9.48

followed the identification of concerns around the misrepresentative influence of the recession in the five year trend period of these official projections (2007-12). The PPG no longer explicitly requires or encourages such interrogation of official projections for the purposes of calculating what is only a minimum need for housing through the standard method. Higher level analysis of demographic evidence and particularly more recent estimates nonetheless remains of value when testing the reliability of its demographic baseline, as explored earlier in this section. As already explained, where longer-term trends are considered as well as more recent evidence of higher rates of population growth this would continue to support the conclusions with regards a positive adjustment being applied to projections derived from a period of arguably constrained growth in the area.

5.29 The upper end of the range sought to capture the housing that could be needed to grow the labour force and support the future job growth considered likely at that time, through the 2015 Economic Needs Assessment (ENA). The standard method of calculating the minimum need for housing does not contain such a stage at which the relationship between employment growth and housing need is considered, albeit the latest guidance openly accepts that the method '*does not attempt to predict the impact that…changing economic circumstances…might have on demographic behaviour*' and confirms that it is '*appropriate to consider whether actual housing need is higher*' in such a scenario[84]. There remains an expectation that this is considered when preparing planning policies, as explored later in this section.

5.30 The SHMA estimated that circa 1,540 dwellings per annum could be needed to support a "Baseline" employment growth scenario, in which a total of 628 new jobs would be created throughout Central Lincolnshire each year[85]. This rose to 1,780 dwellings per annum to support the "Higher Growth" scenario developed in the ENA, which envisaged the creation of 936 jobs in total each year.

5.31 These estimates resulted from a series of modelling assumptions that were based on evidence available at that time, much of which has been superseded. The ONS has since revised its predictions on fertility and mortality, for example, reflecting national evidence of a lower birth rate and a slowing increase in life expectancy[86]. Unemployment has to date also fallen more rapidly than was assumed in the SHMA, as highlighted in section 4, with the subsequent emergence of best practice also revealing its limited adjustments to economic activity rates to be particularly cautious in the context of official OBR forecasts.

5.32 The SHMA could therefore be retrospectively claimed to have made a relatively cautious estimate of the housing that could be needed to support future job creation, with its conservative assumptions meaning that a lower level of provision – alongside more pronounced changes in labour force behaviour – could actually support such growth. This appears to have been the case during the current plan period to date, with an evident shortfall against the adopted housing requirement – which sought to grow the labour force and support baseline employment growth – not preventing the

---

[84] PPG Reference ID 2a-010-20190220

[85] This is based on all jobs, rather than the full time equivalents (FTE) necessarily reported elsewhere in the ENA. The equivalent FTE figure is 496 jobs per annum

[86] ONS (2017) National population projections: 2016-based statistical bulletin; ONS (2019) National population projections: 2018-based

creation of some 1,850 jobs each year to 2018[87]. This is nearly three times the job growth annually envisaged over the admittedly long-term horizon of the baseline scenario, suggesting that unforeseen capacity in the labour force has emerged to alleviate the economic impact of apparent undersupply.

5.33 While this cannot necessarily be relied upon to make an enduring contribution towards supporting further job growth, it must be taken into consideration – alongside the other points raised above – when drawing comparison with this previous assessment of housing need. This alongside a wider updating of the relationship between demographic change and the local economy are considered further in the final sub-section below.

Relationship with the economy

5.34 Although consideration of the relationship between housing and the economy is openly omitted from the standard method for determining minimum housing need, the PPG does express firm support for '*ambitious authorities who want to plan for growth*'[88]. The NPPF further emphasises the need to ensure that planning policies '*create the conditions in which businesses can invest, expand and adapt*' by addressing '*potential barriers to investment, such as…housing*'[89]. There is an expectation that strategic policies on housing and employment provision are sufficiently aligned to ensure that the former does not constrain the latter.

5.35 In the case of Central Lincolnshire, the modelling presented in section 4 – and specifically summarised at Table 4.5 – indicates that housing delivery in line with the outcome of the standard method would likely be able to support a level of job growth over the emerging plan period. This could equate to circa 677 additional jobs per annum, or 14,889 jobs in total.

5.36 This level of job growth requires consideration in the context of the ENA Update, commissioned and produced separately by Turley to evaluate the recent economic performance of Central Lincolnshire and reassess the potential scale and profile of future job growth over the new plan period.

5.37 The ENA Update introduces forecasts sourced from two of the three leading providers in Experian and Oxford Economics. Experian is the more optimistic of the two forecasts, envisaging the creation of circa 714 jobs per year compared to around 420 jobs per annum under the Oxford Economics forecast. A basic comparison with the modelling presented in this report suggests that the higher job growth forecast by Experian is unlikely to be supported in full where housing provision in Central Lincolnshire aligns with the minimum need generated by the standard method. The lower forecast would be comfortably exceeded, by some 61%.

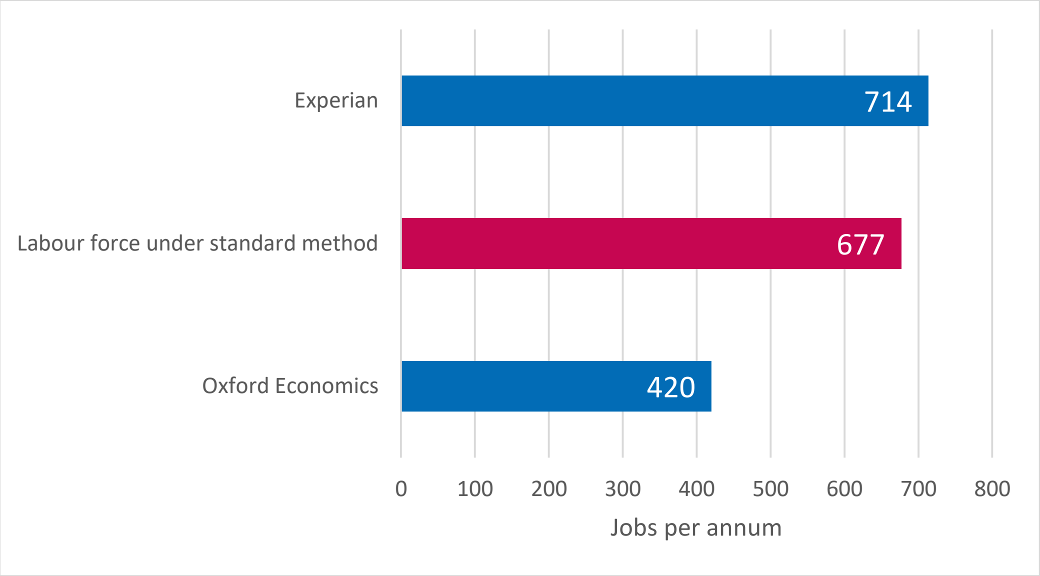
---

[87] Turley (2020) Central Lincolnshire Economic Needs Assessment Update, Table 4.1

[88] PPG Reference ID 2a-010-20190220

[89] MHCLG (2019) National Planning Policy Framework, paragraphs 80-81

Figure 5.6: Job Growth Supported under Standard Method Relative to Baseline Forecasts for Central Lincolnshire (2018-40)



Source: Oxford Economics; Experian; Edge Analytics; Turley analysis

5.38 The ENA Update does, however, highlight that any such baseline forecasts have inherent limitations arising particularly from their "top-down" methodologies, which can often result in a failure to fully account for defining features of local economies, or the opportunities for growth that exist therein. In sense checking the forecasts within this context, the ENA Update found that:

- Each of the forecasts appears strongly influenced by an overriding national and regional view on the growth of individual sectors;
- Each forecast, while long-term, would lead to a significant departure from recent rates of job creation in Central Lincolnshire;
- Such a significant forecast slowdown does not align with views of key stakeholders for the long-term prospects of the local economy, or the aspirations and investment plans documented in economic strategies; and
- The implicit departure from past trends embedded within the local forecasts is particularly though often illogically pronounced in certain sectors.

5.39 The above were considered to provide sufficient justification for adjusting the forecasts, as in the original ENA, to offer a more locally representative outlook for Central Lincolnshire. The adjustments principally aimed to soften the "top-down" factors influencing the forecasts, and reduce the occasionally extreme departures from locally evidenced trends which conflict with strategic economic plans. This was achieved by blending the job growth forecast in each sector by both Oxford Economics and Experian with the recent local trend in that sector, with subsequent consideration given to the alignment with local economic strategy and investment plans.

5.40 Such adjustments elevate the baseline forecasts to suggest that circa 992 jobs will be created annually throughout Central Lincolnshire. This means that simply aligning housing provision with the standard method could provide the labour force to support little more than two thirds (68%) of the jobs that could conceivably be created in this area over the new plan period. This would imply that housing could act as a constraint to economic growth where provision is only made for the standard method, in conflict with the NPPF.

5.41 Further modelling has been produced by Edge Analytics to estimate the housing provision that could actually be needed in Central Lincolnshire to adequately grow the labour force and support such a level of job growth in full. This remains based on the assumptions introduced in section 4, which are further detailed in **Appendix 1**.

5.42 This modelling suggests that **approximately 1,323 dwellings per annum** could be needed in this scenario, which is around 240 homes (22%) more than the minimum need currently implied by the standard method. Meeting this higher need, in the context of the analysis earlier in this section, would boost the rate of housing delivery achieved in the current plan period (1,024dpa; 2012-19) towards that recorded on average over the longer-term, incorporating historic peaks (1,339dpa; 1996-2019).

5.43 As shown at Table 5.2, this higher level of provision would ultimately allow for a more pronounced growth in the population, supported by the greater attraction and retention of people – particularly those of working age – within the growing economy of Central Lincolnshire. This therefore has a direct relationship with the additional jobs that could be supported, which more closely aligns with the uplift in homes provided each year. It is of note that under this scenario, as with the standard method, some of the new homes are required to accommodate the ongoing ageing of the population and changing household formation rates. This means, under both scenarios, that it is not a one-to-one relationship between new homes and new jobs.

Table 5.2: Housing Needed in Central Lincolnshire to Support Adjusted Employment Forecast (2018-40)

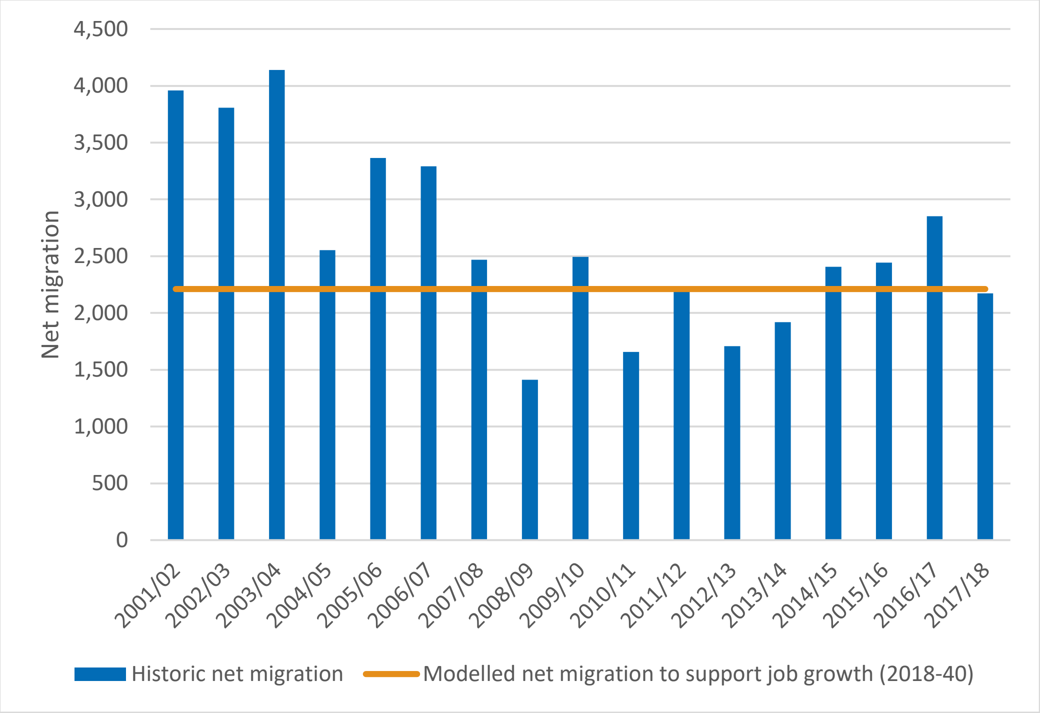
	Dwellings per annum	Population growth	Net migration per annum	Jobs per annum
Standard method*	1,083	35,369	1,764	677
Jobs-led	**1,323**	**46,871**	**2,211**	**992**

Source: Edge Analytics; Turley analysis

** calculated and modelled as of November 2019, with subsequent change negligible*

5.44 The implicit net inflow of around 2,210 people each year, relating both to domestic and international migrants, would not represent a substantial departure from the recent trend. Indeed, Figure 5.7 below suggests that it would broadly sustain the net inflow recorded in the latest year for which data is currently available, and only slightly exceed the annual average over the past decade (2,128pa; 2008-18).

Figure 5.7: Estimating Net In-Migration Needed to Support Future Job Growth



Source: Edge Analytics; ONS; Turley analysis

5.45 Such a level of housing provision would enable a more pronounced growth in the working age population of Central Lincolnshire, trebling the growth in this cohort that would be estimated to result from simply aligning with the minimum need implied by the standard method as shown at Table 5.3 overleaf. As explained earlier, this reflects the likelihood that the higher number of homes provided under the jobs-led scenario enables a higher level of in-migration, in particular of those of working age, relative to the standard method scenario where there is less capacity to accommodate such inflows due to local demographic factors. Indeed, the analysis in Table 5.3 confirms that higher housing provision under the jobs-led scenario means that all age cohorts would be expected to grow to a greater extent, including older people given that even additional residents attracted to Central Lincolnshire would still be expected to age. Where this demographic profile would evidently serve to support potential job growth it is noted it would also provide a more balanced profile with implications for other planning considerations relating to social infrastructure and the sustainability of settlements throughout Central Lincolnshire.

Table 5.3: Comparing Population Growth by Age (2018-40)

	Outcome of standard method		Jobs-led scenario	
	Total change	% change	Total change	% change
15 and under	2,206	4%	4,281	8%
16 to 24	2,636	7%	4,392	12%
25 to 39	2,072	4%	4,455	8%
40 to 64	-925	-1%	2,378	2%
65 and over	29,380	45%	31,365	48%
Total	**35,369**	**11%**	**46,871**	**15%**
16 to 64	3,784	2%	11,225	6%

Source: Edge Analytics; Turley analysis

Drawing the evidence together

5.46 Providing the homes expected as a minimum by the standard method appears unlikely to support the job growth that can be reasonably expected in Central Lincolnshire, based on the conclusions of the ENA Update. It would not correct a demographic baseline that appears to be underestimating the role of migration in growing the local population in recent years, and it would broadly sustain a recent rate of housing provision that falls below the long-term average.

5.47 Establishing an alternative level of housing need, beyond a standard method that does not appear fully representative for Central Lincolnshire, inevitably requires a degree of judgement. Within this context, the jobs-led scenario appears to provide a particularly valuable reference point for the Councils, offering complete alignment with the recently updated economic evidence and allowing for a boost in the recent rate of housing delivery in line with the objectives of the NPPF. Checks against the other factors considered confirm that the implied level of need remains proportionate to historic evidence of migration, past rates of delivery and builds on the evidence of housing need used to inform currently adopted policy.

5.48 Accordingly, it is concluded that **around 1,325 dwellings per annum could actually be needed in Central Lincolnshire**, albeit in the knowledge that this report simply provides informing evidence with the level of growth to be pursued through the Local Plan ultimately a judgement to be made by the Councils.

5.49 In this context, it is noted that the Councils referenced an indicative requirement for 1,300 dwellings per annum within the Issues and Options consultation in 2019. While this report is entirely independent of any work previously completed by the Councils in arriving at such a figure, close alignment with the jobs-led scenario can clearly be observed. It is thus reasonable to infer that provision of this scale would support a comparable, if slightly lower, level of job growth to that considered likely in the ENA.

Summary

5.50 This section has identified no compelling evidence to suggest that there will be a need for substantially *fewer* homes than implied for Central Lincolnshire by the standard method. This recognises both the latest demographic evidence and the market analysis in the previous sections of this report, which do not suggest that the need and demand for housing is abating.

5.51 In contrast, and in the context of the PPG, the analysis suggests that housing need could actually be higher than the '*minimum*' need for 1,086 dwellings per annum that it currently implies, because:

- The domestic migration assumptions made in the **demographic baseline** of the standard method, which influence its outcome, appear unreliable in the context of Central Lincolnshire, meaning that the population is already larger and growing to a greater extent than it assumes;

- **Housing delivery** has been significantly greater than the minimum figure generated through the method, both over the long-term – from 1996 to the start of the current plan period, in 2012 – and in the last year for which data is currently available (2018/19). The standard method would sustain the historically low rate of delivery recorded during the recession and subsequent downturn rather than return to more proportionate rates envisaged through the adopted plan, which is not the intention of national policy;

- There has been a **previous assessment** of a greater need for housing than implied by the standard method, within the 2015 SHMA, albeit this is increasingly dated and was naturally informed by evidence and guidance available at the time of its preparation. While justified at that point, it can be retrospectively seen to have made a relatively cautious estimate of the housing that could be needed to support job growth, meaning that care should be taken in drawing direct comparison with this assessment; and

- Bespoke modelling prepared by Edge Analytics strongly indicates that simply providing the homes envisaged by the standard method, while enabling some job growth, is unlikely to provide **the labour force needed to fully support anticipated levels of job growth.** Where an alignment is to be achieved between the reasonable forecast of job growth concluded in the ENA Update, approximately 1,323 dwellings per annum are indicated as being needed. This would allow for a comparatively modest increase in the population of Central Lincolnshire through the greater – though not unprecedented – attraction and retention of people (migration).

5.52 Establishing an alternative level of housing need beyond the minimum calculated under the standard method inevitably requires a degree of judgement. Within this context, the jobs-led scenario appears to provide a particularly valuable reference point for the Councils, offering complete alignment with the recently updated economic evidence and allowing for a boost in the recent rate of housing delivery in line with the objectives of the NPPF.

5.53 Accordingly, it is concluded that **around 1,325 dwellings per annum** could actually be needed in Central Lincolnshire, albeit in the knowledge that this report simply provides informing evidence with the level of growth to be pursued through the Local Plan ultimately a judgement to be made by the Councils.

6. Size and Type of Housing Needed

6.1 The NPPF states that the planning system should:

> *"…support strong, vibrant and healthy communities, by ensuring that a sufficient number* ***and range*** *of homes can be provided to meet the needs of present and future generations"*[90]

6.2 It further confirms that:

> *"The size, type and tenure of housing needed for different groups in the community should be assessed and reflected in planning policies"*[91]

6.3 The PPG provides guidance on approaches that can be taken when identifying the need for different types of housing, and acknowledges that the standard method does not itself break down the minimum annual housing need figure into individual groups[92]. It does not, however, prescribe a single approach that must be taken to assess the mix of housing needed.

6.4 While increasingly dated, the 2011 Census provides an incomparably comprehensive and local insight into the housing choices of different types of households in Central Lincolnshire, which is initially introduced in this section[93].

6.5 Edge Analytics' modelling – introduced in sections 4 and 5 of this report – then provides a breakdown of projected future change by age and household type over the plan period, which is used in this and the subsequent sections to segment needs in accordance with the PPG. This is presented both for the minimum need implied by the standard method and the potentially higher actual need evidenced in the previous section.

6.6 Having established that the tendency to occupy different sizes and types of housing in Central Lincolnshire varies by household type, the section proceeds to estimate how such projected change in the demographic profile will influence the size and type of housing needed in this area, when assuming that these evidenced local tendencies are maintained throughout the period to 2040. This does not seek to estimate how market factors – such as changes to house prices, incomes and household preferences – will impact upon households' propensity to occupy different types of housing. Recognising market volatility over the longer term, this approach is considered reasonable as it ensures that the analysis is grounded in a robust evidence-based position of household choices. It is, however, recognised that these choices will be reflective of the profile of stock currently available.

---

[90] MHCLG (2019) National Planning Policy Framework, paragraph 8(b)

[91] *Ibid*, paragraph 61

[92] PPG Reference ID 67-001-20190722

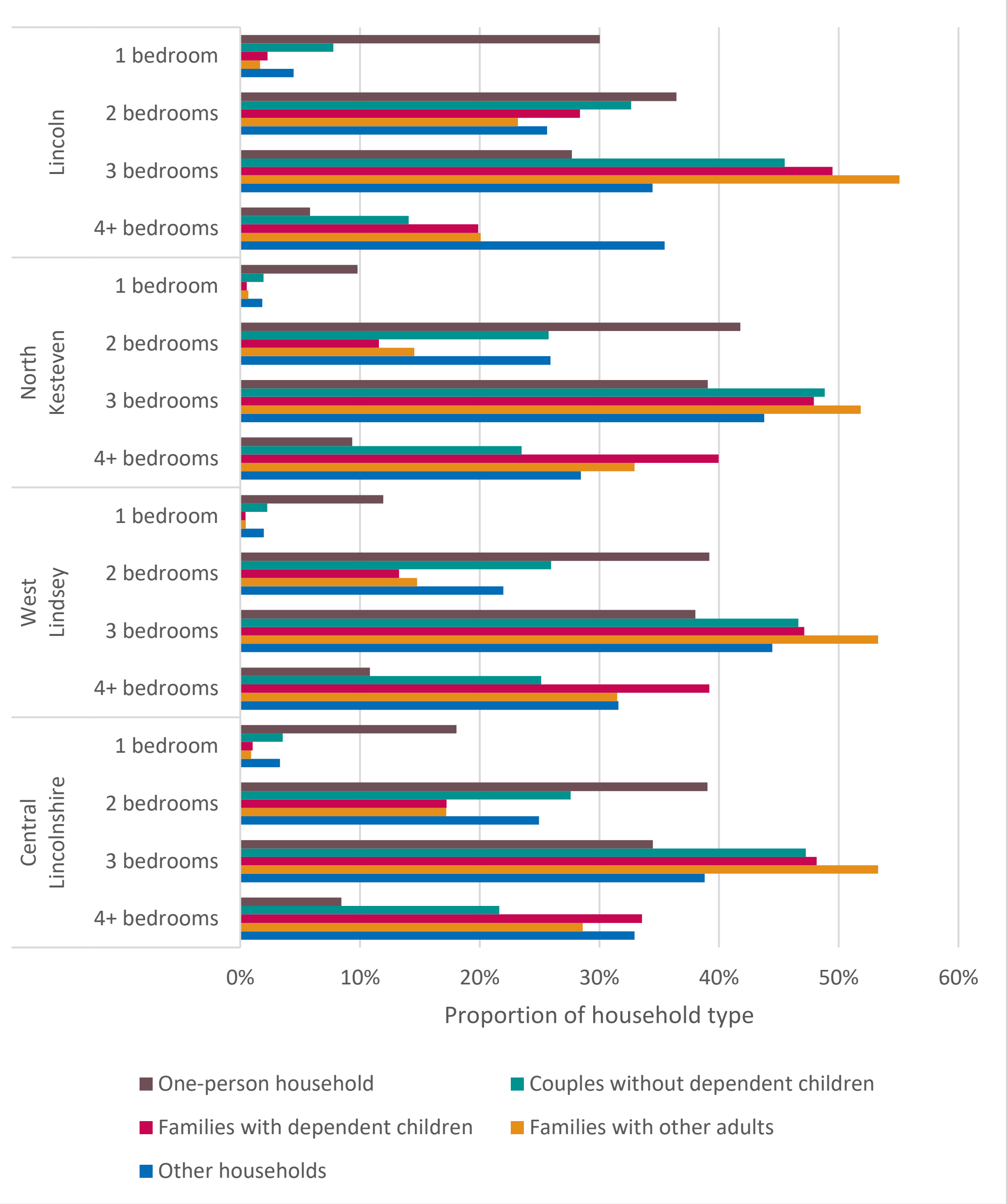
[93] The household types reported by the Census are aggregated in this section to align with those available from Edge Analytics' modelling, linked to 2014-based household projections

Existing occupancy trends

6.7 Different types of households, containing individuals living alone or families with children for example, naturally have differing requirements in terms of housing, and therefore occupy the housing stock in different ways.

6.8 Drawing on Census data, for the reasons introduced above, the below chart outlines the propensity of different household types in Central Lincolnshire to occupy different sizes of property. This captures all households irrespective of tenure.

Figure 6.1: Property Size by Household Type (2011)



Source: Census 2011

6.9 It can be seen that the group most likely to occupy smaller dwellings in each authority and throughout Central Lincolnshire are unsurprisingly one person households, with

18% of these households occupying one bedroom homes and 39% occupying two bedroom homes. A notable 43% of these households across Central Lincolnshire do however occupy homes with at least three bedrooms, rising to 48-49% in North Kesteven and West Lindsey, which cautions against a direct link between smaller households and smaller property based on existing trends. This is nonetheless explored further in the specific context of older households in section 8.

6.10 Just over a third (34%) of households with dependent children occupy properties with four or more bedrooms. 'Other' household types[94] also tend to occupy larger dwellings; this is particularly the case in Lincoln, due to the inclusion within this category of a large number of households whose members are all full-time students. The households most likely to occupy three bedroom homes in Central Lincolnshire are families with other adults (in the majority of cases likely to be children no longer classified as dependent) with over 50% of such households living in properties of this size in each of the three authorities.

6.11 It is also noted that 47% of couples without children in Central Lincolnshire occupy dwellings with three bedrooms, with a further 22% living in homes with 4 or more bedrooms. This again highlights that the size of stock is not directly related to the size of household, recognising that in market housing the size of home a family occupies is affected not only by the number of people in the household but also factors relating to wealth which influence choice in the market.

6.12 Indeed, it is common for households in Central Lincolnshire to be living in homes with more bedrooms than they could be notionally seen to require. This is shown by the occupancy rating recorded by the 2011 Census, which applies a "bedroom standard"[95] that estimates the number of bedrooms required by each household based on its size and the age, sex, marital status and relationships of its members. The occupancy rating indicates whether a household is technically overcrowded or under-occupied; for example, an occupancy rating of +2 indicates that the household has two or more bedrooms than potentially required, whilst a rating of -1 or less implies that the household has one or more fewer bedrooms than required, based on the bedroom standard.

6.13 As outlined in Table 6.1, 43% of all households in Central Lincolnshire have two or more bedrooms than technically required to meet the bedroom standard, with a further 37% having one more bedroom than required. Circa 19% of households have a number of bedrooms in line with the bedroom standard, whilst 2% of households are implied to be overcrowded. This was previously reported at Figure 5.15 of the SHMA.

6.14 When further broken down by household type, the vast majority (96%) of couples without dependent children have at least one more bedroom than required. Under-occupancy is also fairly prevalent amongst one person households, but less common amongst families with dependent children, families with other adults and 'other' household types. In contrast, there is a degree of overcrowding amongst such

---

[94] By definition excluding households containing one person or one family

[95] The 2011 Census drew its bedroom standard from the definition provided through the Housing (Overcrowding) Bill of 2003. It should be noted that this may differ from other standards used by the Councils for the purposes of applying the spare room subsidy, commonly known as the "bedroom tax"

households, with 5% of families with dependent children occupying homes with at least one fewer bedrooms than required.

Table 6.1: Overcrowding and Under-occupancy by Household Type in Central Lincolnshire (2011)

	Occupancy Rating			
	+2 or more	+1	0	-1 or less
All households	**43%**	**37%**	**19%**	**2%**
One-person household	43%	39%	18%	0%
Couples without dependent children	69%	28%	4%	0%
Families with dependent children	21%	41%	33%	5%
Families with other adults	23%	48%	26%	3%
Other households	18%	37%	37%	8%

Source: Census 2011

6.15 While this profile can be expected to fluctuate to an extent over time, the tendency to occupy larger homes than technically required is arguably embedded with fundamental change unlikely. A survey conducted in August 2019 by the City of Lincoln Council[96], for example, found that over three quarters of responding households – admittedly only in the city – had no intention to move from their existing home. Those wanting to move were more than twice as likely to need a larger home (24%) than a smaller property (11%), suggesting that only a limited number of households wish to downsize. This does not necessarily provide an accurate reflection of the entirety of Central Lincolnshire, however.

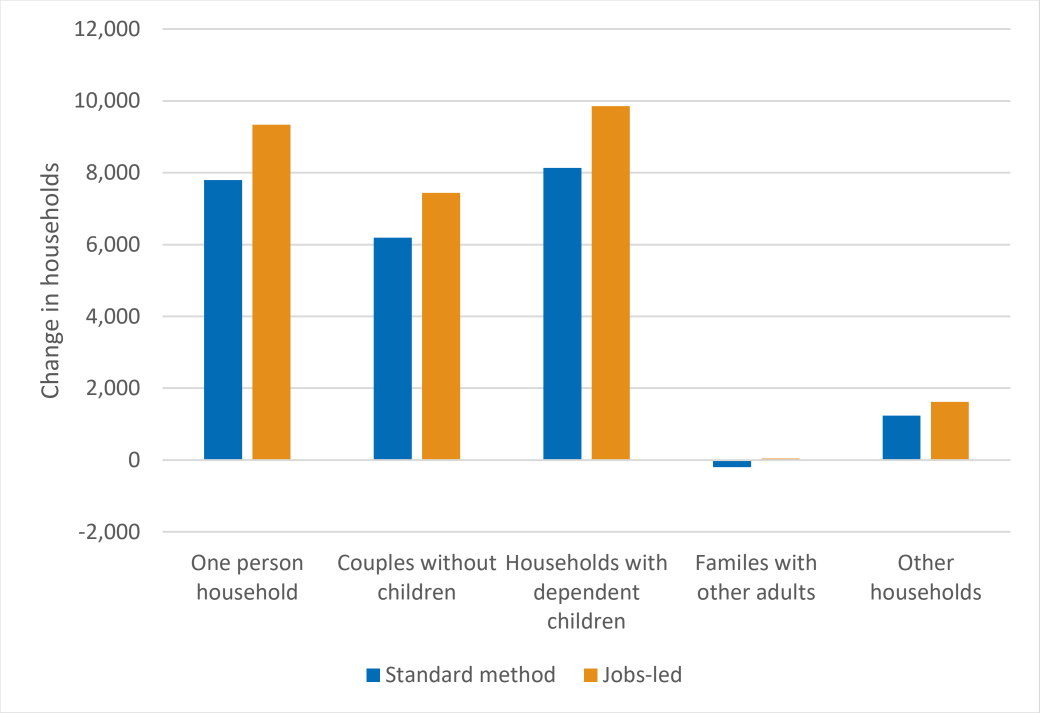
Projected change by age and household type

6.16 Figure 6.2 draws upon Edge Analytics' modelling to illustrate the scale of growth projected amongst different household types over the plan period, where housing provision in Central Lincolnshire is limited either to the minimum need implied by the standard method or the higher jobs-led scenario introduced in section 5.

---

[96] The Council drew a random sample of 7,500 households, stratified by electoral ward, and issued questionnaires designed to ascertain current and future housing needs. The Council received 1,124 completed questionnaires and provided a summary of findings to Turley to inform this report

Figure 6.2: Projected Change by Household Type (2018-40)

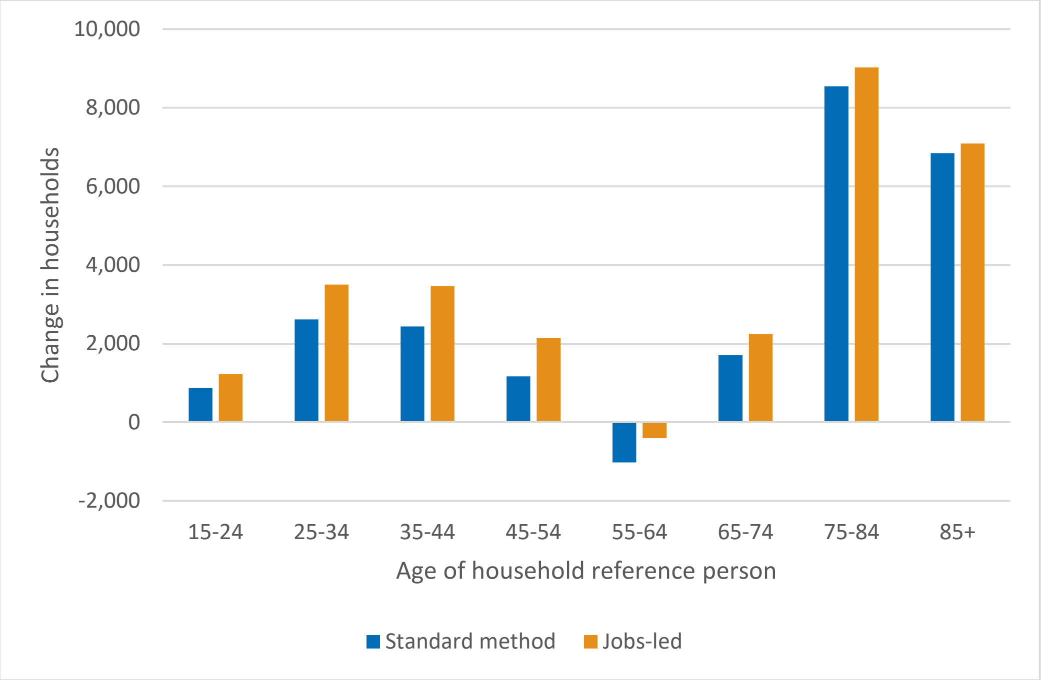


Source: Edge Analytics; Turley analysis

6.17 The profile of growth is evidently implied to be similar under each scenario, albeit with higher housing provision under the jobs-led scenario naturally enabling a more pronounced growth in all household types. The modelling suggests, under each scenario, that households with dependent children will see the strongest growth in absolute terms, closely followed by households containing only one person. There are also expected to be a growing number of couples without children over the plan period, under either scenario. Growth in the number of “other households” is assumed to be considerably more modest, while the number of families living with other adults – such as non-dependent children – is implied to remain broadly stable, albeit recognising that whilst this is the case the absolute number of such households remains an important part of the area’s household profile.

6.18 This profile of growth reflects projected changes in the age structure of Central Lincolnshire, which can be further understood by establishing the age of those representing additional households (also known as the household reference person). Figure 6.3 shows that the overall profile is again similar under both scenarios, with the higher level of housing provision under the jobs-led scenario allowing for more pronounced growth in each cohort particularly those aged 25 to 54. Reflecting the consequences of a general ageing of the population referenced in section 4, it does, however, suggest that a substantial number of additional households will be led by an individual aged over 65, approaching three quarters (74%) where provision aligns with the standard method but reducing slightly to 65% under the jobs-led scenario. While each scenario would grow the number of younger households aged 25 to 44, they account for a slightly larger share of growth under the jobs-led scenario (25/22%). The number of households led by an individual aged 55 to 64 is notably expected to fall under either scenario.

Figure 6.3: Projected Change by Age of Household Reference Person (2018-40)



Source: Edge Analytics; Turley analysis

Implications for the size of housing needed

6.19 The anticipated profile of household growth illustrated above can be expected to drive demand for different sizes of housing over the plan period, based on the varying tendencies shown earlier at Figure 6.1. By proportionately reflecting the existing tendencies of different household types, an illustrative profile of the size of housing that could be required by those additional households forming in Central Lincolnshire under either scenario can be established as summarised at Table 6.2 overleaf[97]. This relates to all additional households projected to form and is not broken down by tenure, with separate analysis of the need for different sizes of affordable housing presented in section 7 where it is recognised that this has a more direct relationship with households' needs as opposed to preferences.

---

[97] The modelling applies the propensity rates recorded at the aggregate Central Lincolnshire level, on the basis that the distribution of housing between the authority areas to meet an evidenced overall need is a matter for the Councils to consider through the plan-making process

Table 6.2: Implied Size of Housing Required in Central Lincolnshire (2018-40)

	1 bed	2 beds	3 beds	4+ beds
Standard method	7%	28%	43%	22%
Jobs-led	7%	28%	43%	22%

Source: Turley; Edge Analytics; Census 2011

6.20 While a greater number of homes would be provided under the jobs-led scenario than when aligning with the standard method, consistency in the likely household profile means that the *proportion* of households requiring different sizes of property is identical when rounded to the nearest whole number.

6.21 The analysis suggests that additional households under either scenario would most likely require three bedrooms, such that there is an implied need for 43% of homes to be of this size. This is followed by two bedroom properties (28%) and larger properties with at least four bedrooms (22%). Substantially fewer households (7%) would be expected to require only one bedroom, based on current local trends that are admittedly influenced by the stock of housing currently available.

6.22 This implied profile of need is broadly reinforced by the household survey recently conducted by the City of Lincoln Council. This suggested that circa 73% of 267 households intending to move required two or three bedrooms as a minimum, which closely aligns the calculation presented above when these unit sizes are combined (71%). The survey does, however, suggest a greater orientation towards two bedroom properties (40%) albeit only as a minimum, and based on responding Lincoln residents rather than Central Lincolnshire as a whole. These points of distinction are also of note when recognising its slightly greater implied need for one bedroom properties and lower need for larger homes, which are more prevalent outside of the city as shown earlier at Figure 3.4.

Table 6.3: Minimum Number of Bedrooms Required by Lincoln Households Intending to Move

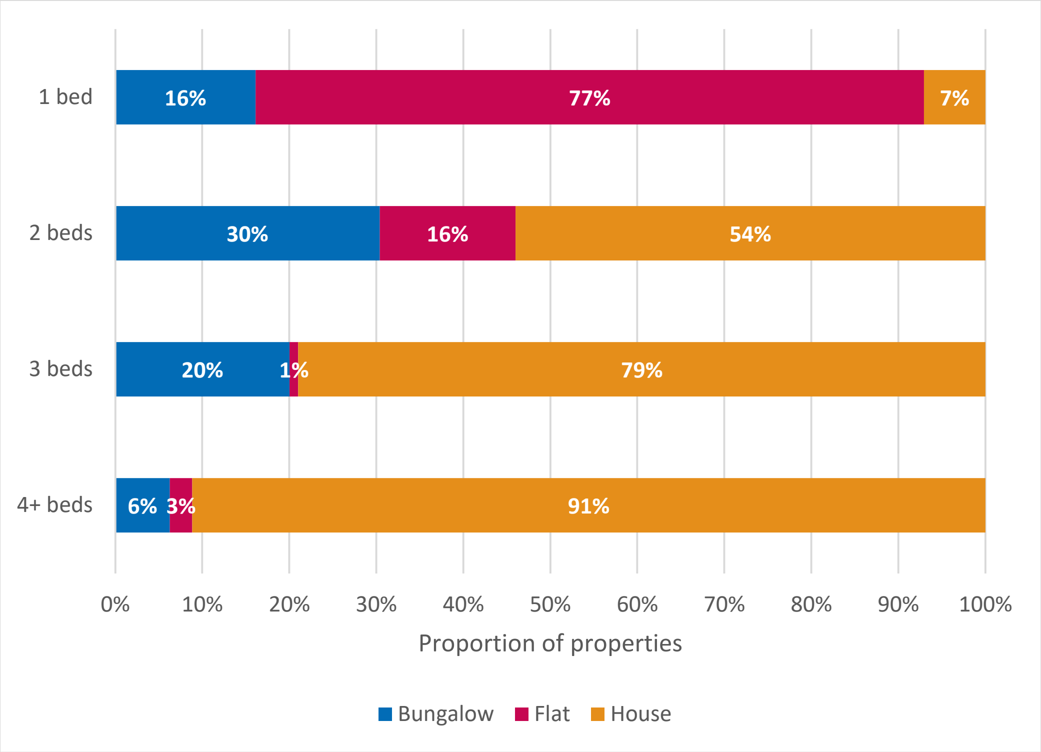
Minimum of	1 bed	2 beds	3 beds	4 beds	5 beds	6 beds	Total
Responses	46	106	87	25	2	1	267
%	17%	40%	33%	9%	1%	0%	100%

Source: City of Lincoln Council, 2019

Implications for the type of housing needed

6.23 The type of property that may be required to provide homes of the size likely to be required across Central Lincolnshire can also be estimated, drawing upon the VOA data introduced in section 3 of this report. This confirms, as of 2019, the proportion of dwellings of each size that are flats, bungalows and houses, which is illustrated at Figure 6.4. It confirms that the vast majority of one bedroom properties (77%) are flats, with houses then accounting for the majority of other property sizes. Nearly one third of two bedroom properties are bungalows.

Figure 6.4: Type of Housing by Number of Bedrooms (2019)



Source: VOA

6.24 This profile has direct implications for the type of homes that could be required to deliver the mix of property sizes implied to be needed at Table 6.2, based on projected growth in different household types and their existing tendency to occupy homes of different sizes. It can be reasonably if illustratively assumed, for example, that houses will meet 79% of the quantified need for three bedroom properties over the plan period, with the remainder largely met by bungalows.

6.25 By applying such an approach, the modelling suggests that around 69% of additional homes in Central Lincolnshire could need to be houses. A further 20% of homes could need to be bungalows, with flats making a more limited contribution (11%).

Table 6.4: Implied Type of Housing Required in Central Lincolnshire (2018-40)

	Houses	Bungalows	Flats
Standard method	69%	20%	11%
Jobs-led	69%	20%	11%

Source: Turley; Edge Analytics; VOA; Census 2011

6.26 This again displays broad alignment with the household survey conducted by the City of Lincoln Council, which suggested that 61% of households intending to move were likely to move into a house. Circa 27% expected to move to a bungalow, slightly exceeding the estimate above, while a relatively low 9% were likely to move into a flat or maisonette. It must again be recognised however that this is based only on a small sample of households, that all reside in the city.

Interpreting the evidence

6.27 In interpreting the estimates made in this section, they must be acknowledged to provide only an illustrative modelling of available evidence, which can be used as a guide to be reflected in policy and for the strategic monitoring of future development.

6.28 The evidence is intended to provide a valuable overall indication of the broad mix of housing which may be required in Central Lincolnshire over the full plan period against which progress can be monitored, recognising that the market demand for different sizes and types of homes will fluctuate over this longer-term period to reflect changing market conditions in particular. In this context, it is recommended that policies are not overly prescriptive in expecting individual sites to precisely align with the illustrative mix presented above, but that reference is made to the implications of their contribution to the overall profile of need. This recognises that the individual mix of housing provided on a site-by-site basis will need to respond to the changing demands and needs of the market at the point in the cycle in which it is proposed and importantly take account of local market evidence and viability considerations, which will have an important influence on the appropriate mix on a given site. This recognises, for example, that it is reasonable to expect greater densities in more urban centres, manifesting in greater proportions of flats, than would be expected on a site in a more rural market context which is required to demonstrate consideration of the existing local housing context.

Summary

6.29 The NPPF confirms that the size and type of housing needed by different groups in the community should be assessed and reflected in planning policies. The modelling presented in this report allows overall housing need to be segmented in this way.

6.30 It suggests that the overall profile of growth – in terms of household type and the age of their representative – will be similar regardless of whether housing provision aligns with the minimum need implied by the standard method or is higher to support future job growth, albeit the *number* of additional households is naturally higher under the latter scenario. Households with dependent children are expected to see the strongest growth under either scenario, followed by single person households and couples without children. The number of families living with other adults, such as non-dependent children, is expected to remain broadly stable. A substantial number of the additional households projected are led by an individual aged over 65, albeit this is moderated under the jobs-led scenario where younger households led by those aged 25 to 44 account for a slightly larger share of growth.

6.31 Such different types of households naturally have differing requirements in terms of housing, single person households in Central Lincolnshire often – though not exclusively – occupying smaller homes for example. Households with dependent children tend to occupy larger properties, and couples without children are similarly inclined towards larger housing in this area. This is a reflection of households’ ability to exercise choice in the market, with wealth an important influence.

6.32 A continuation of these local trends, robustly evidenced by the 2011 Census with no attempt made to predict future changes, could see 43% of the additional households forming under either of the modelling scenarios requiring three bedrooms. There is also implied to be a relatively sizeable need for two bedroom properties (28%) and homes with at least four bedrooms (22%). Substantially fewer households (7%) would be expected to need only one bedroom, albeit acknowledging that this is influenced by the stock of housing that is currently available.

6.33 It is estimated that meeting this need could require over two thirds (69%) of new homes to be houses, surpassing the more limited contribution of bungalows (20%) and flats (11%).

6.34 This does, however, provide only an illustrative interpretation of available evidence, which should be used for guidance and monitoring purposes but should not be prescribed as an explicit requirement for individual sites given that they will need to respond to changing market demands and take account of viability considerations.

7. Affordable Housing Need

7.1 In guiding the overall approach to assessing housing needs, the PPG retains the well-established methodology, followed in section 7 of the SHMA, through which affordable housing needs are calculated[98]. A change in the official definition of affordable housing since the SHMA was prepared, through the revised NPPF, has not led to any alteration of this approach.

7.2 The methodology requires the calculation of '*the total net need (subtract total available stock from total gross need)*' and a conversion into '*an annual flow based on the plan period*'. The outcome, which is presented as an annual need for affordable housing, should then be:

> *"…considered in the context of its likely delivery as a proportion of mixed market and affordable housing developments, taking into account the probable percentage of affordable housing to be delivered by eligible market housing led developments. An increase in the total housing requirement included in the plan may need to be considered where it could help deliver the required number of affordable homes"*[99]

7.3 This section applies the PPG methodology and clearly presents a stepped calculation of affordable housing need in each of the Central Lincolnshire authorities, and across the entire area, with a further breakdown by the number of bedrooms required. This calculation uses information held and collated by the Councils, which is introduced throughout and supplemented as necessary with secondary data. It should be noted throughout that certain figures may not appear to sum due to rounding.

7.4 In accordance with the PPG, the calculated need for affordable housing is then considered in the context of anticipated delivery.

Current unmet gross need

7.5 This part of the calculation identifies the existing backlog of households in need of affordable housing, taking account of supply that is anticipated in the short-term. This provides a short-term position on the potential shortfall in affordable housing delivery.

Stage 1 – Current Housing Need (Gross Backlog)

7.6 The Councils' housing registers identify existing households classified as being in the greatest need of affordable housing, and are explicitly recognised as providing '*relevant information*' for the purposes of this assessment within the PPG[100]. While other data sources are also suggested, the PPG warns of the risk of double-counting, and emphasises that care should be taken to include '*only those households who cannot afford to access suitable housing in the market*'[101]. Given that households' eligibility is assessed when joining the housing register, it is considered the most suitable and

---

[98] PPG section 67 – "Housing needs of different groups "; last revised 22 July 2019. At the time of writing, section 2a ("Housing and economic needs assessment") retains almost identical guidance on assessing affordable housing needs, which was last revised on 20 February 2019

[99] PPG Reference ID 67-008-20190722

[100] PPG Reference ID 67-006-20190722

[101] *Ibid*

reliable source of information for the purposes of this assessment. The same approach was taken in the SHMA, with its retention also providing for continuity between the two assessments.

7.7 The Councils each shared a snapshot of their respective housing registers in October 2019 to inform this calculation. A filtering exercise has subsequently sought to isolate those households in the greatest need, removing those assigned to the lowest priority bands (4/5) who are generally either adequately housed, deliberately in their current situation or financially able to resolve their housing needs[102]. This group were similarly discounted in the previous SHMA.

7.8 As summarised at Table 7.1, the housing registers suggest that 2,535 households throughout Central Lincolnshire are currently classified as being in reasonable need of affordable housing, based on allocation policies and excluding those considered to have little or no need. These households are relatively evenly distributed throughout the three authority areas, albeit with the largest number residing in Lincoln. It is notable that nearly one in four of the households currently in need of an affordable home already occupy such housing, albeit with the suggestion that their property does not adequately meet their needs. This accounts for a larger share of the current need in Lincoln when compared to North Kesteven and West Lindsey[103].

Table 7.1: Stage 1 – Current Housing Need

Step	Source	Lincoln	North Kesteven	West Lindsey	**Central Lincolnshire**
1.1 Existing affordable housing tenants in need	Applications to transfer on housing registers	328	149	105	**582**
1.2 Other groups on housing register	Housing registers, excluding those identified above	594	619	740	**1,953**
1.3 Total current housing need (gross)	**1.1+1.2**	**922**	**768**	**845**	**2,535**

7.9 The above can be compared to Figure 7.3 of the SHMA, albeit this was able to isolate homeless households within the overall total and deducted transfer tenants at this rather than a subsequent stage. When consistently including transfer tenants – which are now discounted at a later stage – the SHMA identified 3,162 households in need on

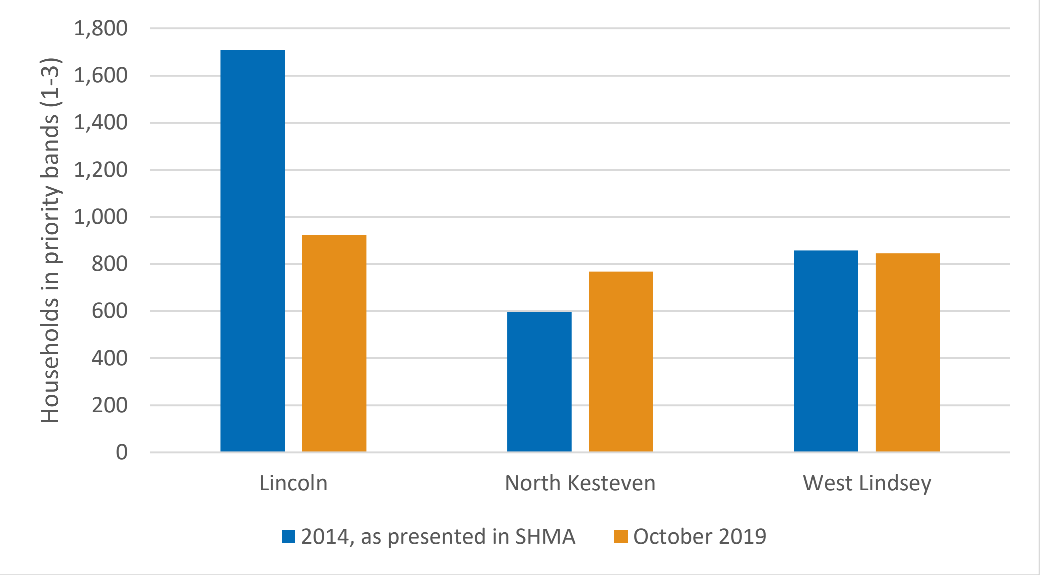
---

[102] Lincs Homefinder (2018) Lettings Policy; West Lindsey (2017) Lettings Policy. Note that only West Lindsey has a Band 5, containing applicants with no local connection to the district. The criteria for Band 4 are comparable across all three authorities

[103] The data supplied for West Lindsey, unlike that provided by the other authorities, does not provide an indication of households' current tenure. Figure 7.3 of the SHMA suggested that 12% of those West Lindsey households on the housing register in 2014 were transfer tenants, and this proportion has therefore been applied to an up-to-date count of the number of households on the register

the housing register as of 2014, suggesting that the number of such households has fallen by around 20% over the past five years. This is, however, almost entirely driven by Lincoln, where the backlog is implied to have nearly halved, as there has been very limited change in West Lindsey and a relatively sizeable *increase* in North Kesteven. This is shown at Figure 7.1.

Figure 7.1: Comparing Households in Priority Need on Housing Registers (2014-19)



Source: Councils' housing registers

Stage 2 – Affordable Housing Supply

7.10 The PPG recognises that *'there will be a current supply of housing stock that can be used to accommodate households in affordable housing need. As well as future supply'*[104]. It therefore requires the identification of affordable homes that will be vacated by current occupiers, suitable surplus stock and the committed supply of new affordable homes at the point of the assessment.

7.11 The Councils have not advised of any long-term vacant surplus stock that will become available to meet needs over the short-term, and it is equally understood that no existing units are planned to be taken out of management. There are, however, affordable homes currently occupied by households in need – identified at Step 1.1, in the earlier Table 7.1 – which will be vacated when these households' needs are met, thereby allowing other households in need to potentially occupy habitable units.

7.12 In accordance with the PPG, the calculation also takes account of the affordable homes that the Councils expect to be delivered over the next five years. This is understood to only include sites which are currently under construction and further sites with planning permission.

7.13 Collectively, this indicates that some 1,960 affordable homes could become available over the next five years, making a short-term contribution towards meeting existing

---

[104] PPG Reference ID 67-007-20190722

needs. As shown in the table below, this is largely comprised of the pipeline of 1,378 affordable homes, of which around 44% are to be located in North Kesteven.

Table 7.2: Stage 2 – Affordable Housing Supply

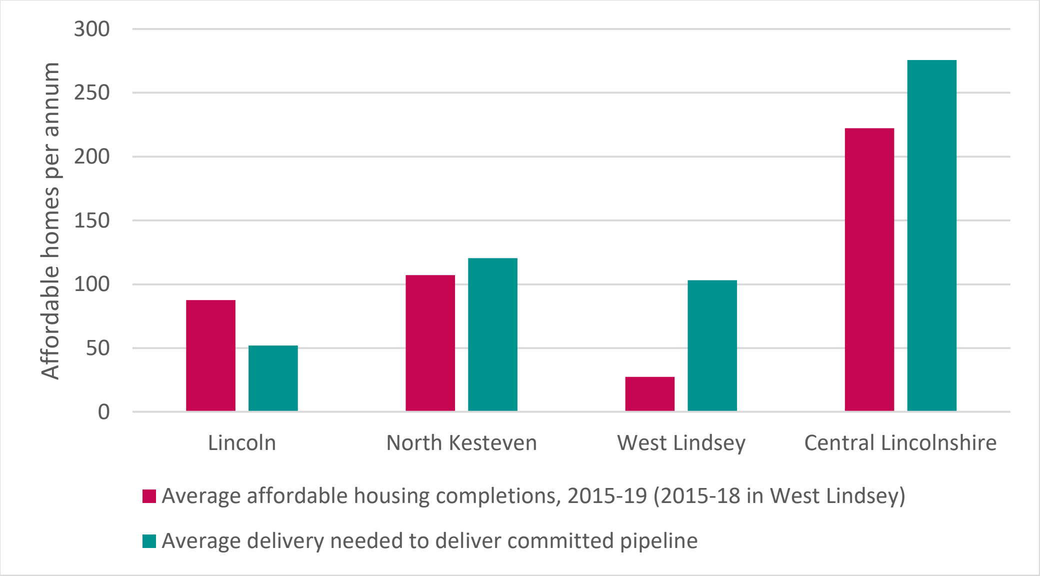
Step	Source	Lincoln	North Kesteven	West Lindsey	**Central Lincolnshire**
2.1 Affordable dwellings occupied by households in need	Transfer tenants identified at Step 1.1	328	149	105	**582**
2.2 Vacant stock returned to use	Long-term vacant stock identified by the Councils	0	0	0	**0**
2.3 Committed supply of new affordable housing	Pipeline identified by the Councils	260	602	516	**1,378**
2.4 Units to be taken out of management	Planned stock removal identified by the Councils	0	0	0	**0**
2.5 Total affordable housing stock available over the next five years	**2.1 + 2.2 + 2.3 + 2.4**	**588**	**751**	**621**	**1,960**

7.14 The Councils' monitoring suggests that around 889 affordable homes have been completed between 2015 and 2019[105] (albeit this does represent a minimum, due to the exclusion of 2018/19 data for West Lindsey only). With this equating to circa 222 affordable homes per annum, it suggests that the Councils will need to increase the collective recent rate of affordable housing delivery by around 24% over the short-term to deliver the pipeline assumed above within a five year period, with a particular need for increased delivery in West Lindsey as shown at Figure 7.2. The calculation implicitly assumes that the Councils are successful in increasing delivery. Should this not be achieved the net calculated need would naturally increase.

---

[105] West Lindsey District Council (2019) West Lindsey District Authority Monitoring Report, Table 8; North Kesteven District Council (2020) Authority Monitoring Report: 1st April 2018 to 31st March 2019, Table 8; information for Lincoln supplied by the Council via email

Figure 7.2: Change from Recent Provision Required to Deliver Pipeline



Source: Councils' monitoring; Turley analysis

Stage 3 – Shortfall in Affordable Housing to Meet Current Backlog

7.15 The output from Stage 2 is subtracted from Stage 1 to provide an estimate of the total shortfall in affordable housing supply, in the context of the current backlog of housing need.

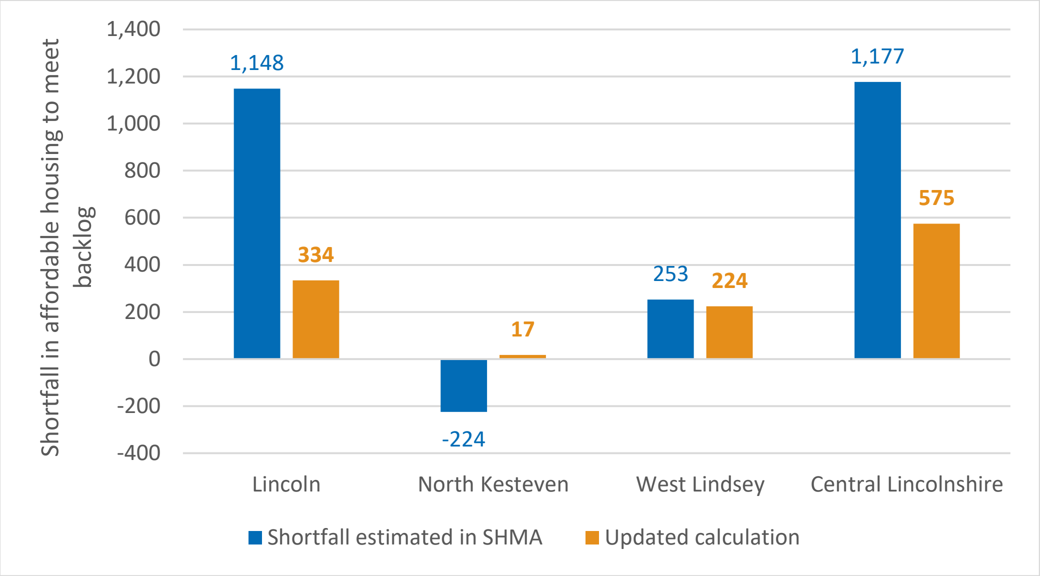
7.16 As shown at Table 7.3 overleaf, this suggests an imbalance between the 2,535 households currently in need on housing registers and the 1,960 affordable homes expected to become available over the next five years. This implies that there is a current shortfall of 575 affordable homes across Central Lincolnshire, albeit this does not affect each authority equally. The affordable housing stock expected to become available in North Kesteven aligns relatively closely with the number of households residing in the district that are in need of affordable housing, suggesting – in overall terms – a relatively small shortfall of 17 affordable homes where these homes are delivered. This is substantially smaller than the shortfalls suggested for Lincoln and West Lindsey.

Table 7.3: Stage 3 – Shortfall in Affordable Housing to Meet Current Backlog

Step	Source	Lincoln	North Kesteven	West Lindsey	**Central Lincolnshire**
3.1 Total current housing need (gross)	1.3	922	768	845	**2,535**
3.2 Total affordable housing stock available over the next five years	2.5	588	751	621	**1,960**
3.3 Total shortfall in affordable housing to meet current backlog	**3.1 – 3.2**	**334**	**17**	**224**	**575**

7.17 Figure 7.6 of the SHMA, while annualised over five years to reflect guidance in place at that time, identified a total shortfall of circa 1,177 affordable homes throughout Central Lincolnshire relative to the need that existed at that point. This is implied to have halved in the intervening years, due principally to the lower number of households currently registered as being in need in Lincoln, with this potentially influenced by needs being met through new stock (as shown in Figure 7.2) but also the wider consequences of household circumstances changing in the positive economic context over this period as noted in section 3. It is not possible to disaggregate these influencing factors further using the data available but it is noted that – in contrast to Lincoln – the increased number of households registered as being in need in North Kesteven has eliminated the small surplus identified for the district in the SHMA, despite the district seeing the highest levels of new provision over the period analysed thereby highlighting the role of wider factors contributing to the balance of need and supply. This is further reinforced in West Lindsey where it is noted that despite delivering the lowest levels of new affordable homes the number of households registered as being in priority need has remained broadly constant (see Figure 7.1).

Figure 7.3: Comparing the Estimated Shortfall of Affordable Housing to Clear the Backlog



Source: Turley analysis, 2015 and 2020

7.18 A breakdown by the size of home required is also of value, and can be provided based on the information shared by the Councils. This is summarised initially for Central Lincolnshire at Table 7.4 overleaf – omitting steps recorded as zero (2.2/2.4) for clarity – with comparable tables for the individual authorities presented at **Appendix 2**. It should be noted that negative values imply, based on analysis of the data, a potential surplus of a particular size of affordable home at this point in time.

Table 7.4: Current Shortfall of Affordable Housing by Number of Bedrooms Required

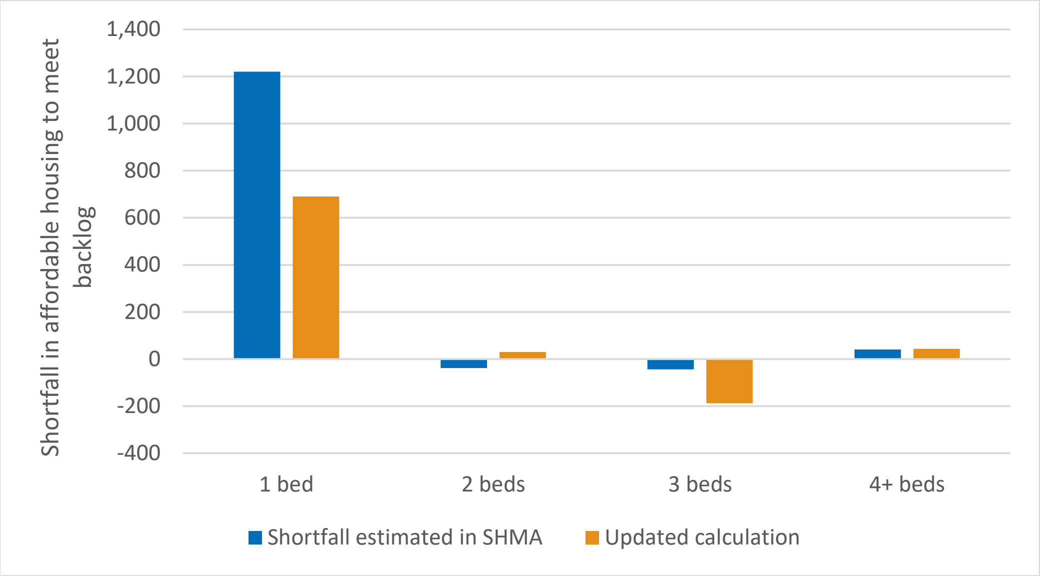
	1 bed	2 beds	3 beds	4+ beds	Total
1.1 Existing affordable housing tenants in need	246	198	113	25	**582**
1.2 Other groups on housing register	896	773	235	49	**1,953**
1.3 Total current housing need (gross)	1,142 45%	971 38%	348 14%	74 3%	**2,535**
2.1 Affordable dwellings occupied by households in need	246	198	113	25	**582**
2.3 Committed supply of affordable housing	205	744	423	6	**1,378**
2.5 Total affordable housing stock available	451 23%	942 48%	536 27%	31 2%	**1,960**
3.3 Total shortfall in affordable housing to meet current backlog	**691** 120%	**29** 5%	**-188** -33%	**43** 7%	**575**

7.19 The above suggests that there is a particular shortfall of affordable homes with one bedroom, which 45% of households on the housing register are considered to require following assessment by the Councils. Less than a quarter of the stock expected to become available is of this size, resulting in an implied deficit that is much larger than identified for properties with two bedrooms or those with over four bedrooms.

7.20 In contrast, the anticipated supply of circa 536 affordable homes with three bedrooms exceeds the 348 households registered as being in need of units of this size. It is, however, important to note that any such “overprovision” suggested by the data will nonetheless contribute towards meeting future needs that arise every year, as explored in the next stage of the calculation.

7.21 The SHMA similarly identified a significant shortfall of affordable housing with one bedroom, at its Figure 7.14, which remains substantial but has reduced in line with earlier observations. The slight surplus of two bedroom stock over current need is no longer evident, while the excess of three bedroom properties relative to current need is now more pronounced than previously estimated.

Figure 7.4: Comparing the Estimated Shortfall of Affordable Housing to Clear the Backlog



Source: Turley analysis, 2015 and 2020

7.22 This analysis suggests that the Councils should specifically consider how the apparent backlog of need for one bedroom properties can be met through new or existing supply, or through other measures that can be taken to address these needs. This will require careful monitoring of both the housing register and the profile of supply, and could benefit from further research to establish the extent to which larger properties actually contribute towards meeting – either directly or indirectly, by freeing up overcrowded smaller homes – the needs of those assessed as requiring only one bedroom. Broader factors that have led to a pipeline orientated away from one bedroom properties, despite this appearing the most needed, could also be explored in further detail by the Councils.

Calculating annual net new need

7.23 An additional demand for housing is continuously generated as new households form, with a resultant need for affordable housing when households are unable to access the home they need on the open market. Existing households can also fall into need as their circumstances change, although again both factors can be balanced against supply.

7.24 It is inherently more challenging to predict the scale of future need, compared to the need outlined above which exists and can be quantified at the current point in time. At the time of writing, the newly restructured PPG provides more limited guidance on how authorities should estimate the '*projected number of households who lack their own housing or who cannot afford to meet their housing needs in the market*'[106]. Previous guidance on how '*the number of newly arising households likely to be in affordable housing need*' can be calculated has not been copied across to the new

---

[106] PPG Reference ID 67-006-20190722

section of the PPG, but at the time of writing remains in its former location[107]. This section therefore continues to adhere to this guidance by estimating both the number of newly forming households unable to buy or rent in the local market, and the number of existing households falling into need from other tenures. It then deducts anticipated annual supply to estimate the scale of net new need for affordable housing, each year.

Stage 4 – Future Housing Need

7.25 The PPG states that this stage of the calculation should '*reflect new household formation*', though does not provide specific guidance on how newly forming households should be calculated[108]. This has, however, featured in guidance historically issued by the Department for Communities and Local Government, which set a detailed framework for the long-established methodology that continues to be broadly reflected in the PPG[109]. It is important to note that this uses a *gross* annual household formation rate, rather than the *net* figures typically reported, to specifically measure '*the number of households at the end of the year which did not exist as separate households at the beginning*'[110]. This is achieved by comparing the number of households in specific five year age bands to the numbers in the age band five years previously. In order to provide a more representative assessment of newly forming households, these estimates are limited to households led by somebody aged 44 years or younger as recommended in the original guidance. This input has been calculated by Edge Analytics based on the jobs-led scenario introduced in the previous section, to provide consistency between the respective calculations[111], but the gross measure used below cannot be directly compared with the net additional need for dwellings.

7.26 It is likely that a proportion of newly forming households will be unable to afford the cost of market housing, as acknowledged in the PPG. This can be estimated through an affordability benchmarking exercise, which takes account of the cost of purchasing or renting at the entry level of the open market – traditionally represented by the lower quartile – relative to the income profile of households in Central Lincolnshire. As in the SHMA, the calculation is applied for each authority independently before aggregation to Central Lincolnshire level, rather than accounting for the possibility that a newly forming household in one authority could relocate to a more affordable area of Central Lincolnshire.

7.27 Table 7.5 below summarises the lower quartile price paid to purchase housing in each of the Central Lincolnshire authorities over the year to December 2019, based on Land Registry data introduced in section 3 of this report. It also estimates the cost of purchasing such housing with a mortgage, excluding the cost of saving for a deposit[112]. This is benchmarked against the lower quartile monthly cost of privately renting a two bedroom property, updating the consistent metric used in the SHMA based on more recent ONS data that was again introduced in section 3[113].

---

[107] PPG Reference ID 2a-021-20190220

[108] *Ibid*

[109] DCLG (2007) Strategic housing market assessments: practice guidance, Annex B

[110] *Ibid*, p45

[111] Alignment with the standard method would lower this rate by circa 8% based on Edge Analytics' modelling

[112] A 5% deposit is assumed, with repayment over a 25 year period at a fixed interest rate of 3%.

[113] ONS (2019) Private rental market summary statistics in England: October 2018 to September 2019

7.28 The income required to purchase or rent entry level market housing in each authority is then estimated based on these benchmarks. This is based on the assumption that no more than one third of income is spent on housing costs, aligning with a benchmark used by the Resolution Foundation which is regularly cited by both Shelter and the Joseph Rowntree Foundation. This reflected evidence that '*households spending at or above this threshold are far more likely to struggle to actually make housing payments…and are also more likely to experience material hardship*'[114]. This refines the assumptions made in the SHMA, which were based on increasingly dated best practice at that time and assumed that a slightly smaller proportion of income could be spent on housing costs.

7.29 As shown at Table 7.5, applying the latest assumption to the estimated annual housing costs in Central Lincolnshire suggests that an annual income of at least £15,000 could be required to rent at the entry level, rising to circa £19,000 in Lincoln. It is implied that an entry level home could be purchased in the city with only a marginally higher income, of around £19,500 per annum, with those earning slightly more (£19,900) equally suggested as being able to purchase in West Lindsey. A higher income of circa £26,000 per annum would be needed to purchase in North Kesteven, however.

Table 7.5: Income Required to Access Market Housing in Central Lincolnshire

	Lincoln		North Kesteven		West Lindsey	
	Market purchase	Private rent	Market purchase	Private rent	Market purchase	Private rent
Price of purchase	£120,000	–	£159,438	–	£122,500	–
Annual cost	£6,487	£6,300	£8,619	£5,940	£6,622	£4,920
Income required	**£19,462**	**£18,900**	**£25,858**	**£17,820**	**£19,867**	**£14,760**

Source: Turley; ONS; Land Registry

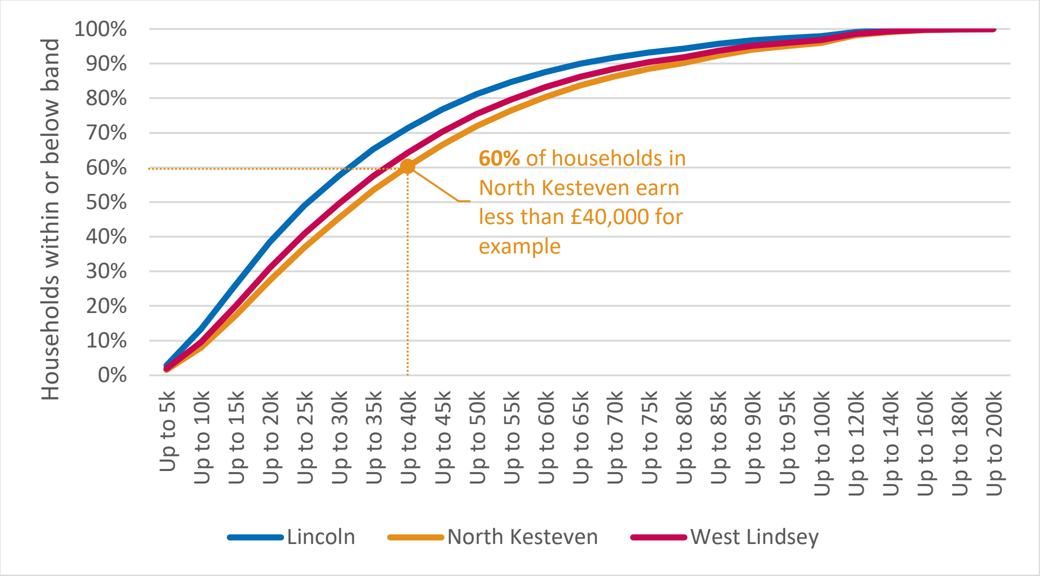
7.30 This can be considered in the context of the income of households in each authority, drawing upon Paycheck data purchased from CACI in December 2019. This assigns households to rounded annual income bands and is regularly used for the purpose of assessing the affordability of housing through similar calculations. Indeed, the same data source was used in the SHMA.

7.31 The following chart illustrates the proportion of households in each authority with annual earnings that fall within or below each band. This allows identification of the proportion of all households earning *up to* a specified amount, and reveals that households in Lincoln are generally more likely to have a lower income than in North Kesteven or particularly West Lindsey.

---

[114] Resolution Foundation (2014) Housing pinched: understanding which households spend the most on housing costs

Figure 7.5: Distribution of Household Income in Central Lincolnshire



Source: CACI, 2019

7.32 Table 7.5 suggested that an annual income of at least £19,500, or more in certain authorities, would be required to purchase entry level housing in Central Lincolnshire. When rounded (to the nearest £5,000) out of necessity and considered in the context of the income profile illustrated above, the following table suggests that at least 31% of households in each area would be unable to afford the cost of purchasing housing in that area based on their earnings[115]. Fewer households would be unable to afford the lower cost of private rent in North Kesteven or West Lindsey, but not in Lincoln where it is implied that 39% of households cannot afford either private rent or purchase.

Table 7.6: Estimating the Households Unable to Afford Market Housing

	Lincoln		North Kesteven		West Lindsey	
	Market purchase	Private rent	Market purchase	Private rent	Market purchase	Private rent
Income required	**£19,462**	**£18,900**	**£25,858**	**£17,820**	**£19,867**	**£14,760**
Rounded	£20,000	£20,000	£25,000	£20,000	£20,000	£15,000
Unable to afford	39%	39%	37%	27%	31%	20%

Source: Land Registry; ONS; CACI; Turley analysis

7.33 This exercise is ultimately intended to estimate the proportion of newly forming households that could be unable to access open market housing. While the income profile introduced above is based on all types of households – including recently formed households, working households and older households with pensions – there is no local evidence on the varying incomes of each household type throughout Central

---

[115] This takes no account of households' savings or capital from the sale of a property vacated by the household, albeit the latter would not affect households looking to enter the market for the first time.

Lincolnshire. A household survey recently conducted for Lincoln by the Council did though suggest, based on 53 responses, that half of the concealed households planning to remain in the city had no savings and some 72% earned less than £20,000 per annum. This considerably exceeds the 39% implied by CACI to suggest that a larger proportion of households could possibly be unable to afford the cost of market housing. This could, however, be skewed by the relatively small sample size and evidently cannot be seen to necessarily reflect trends in the other authorities.

7.34 In this absence of more comprehensive data that covers the entirety of Central Lincolnshire, it is necessary to assume, for the purposes of this calculation, that the income of newly forming households reflects the profile of existing households introduced above. It is assumed on this basis that those households unable to access private rent – as the most affordable option in each authority, albeit comparing to the cost of purchase in Lincoln only – will require affordable housing.

7.35 In addition to newly forming households, a number of existing households can also be expected to fall into need from other tenures where their financial or family circumstances change for example. In order to estimate the annual number of such households, the calculation incorporates where available the average number of lettings to households from other tenures and the number of households who remain on housing registers having joined from other tenures during the same period[116]. While this can be derived from data supplied for both Lincoln and North Kesteven, there is a lack of detail on households' tenure in West Lindsey which necessitates use of lettings data supplied by the Council as a proxy. This is recognised to have limitations, in that it includes lettings to newly forming households and excludes those whose needs have not been met, but by *including* lettings to newly forming households and *excluding* those remaining on the waiting list, it is reasonable to believe that there is a degree of counterbalancing, reducing the impact of this limitation in the data accessible to the Council. It is therefore considered to provide a reasonable, if illustrative, estimate of the number of existing households that may fall into need from other tenures, for the purposes of this assessment. The outcome implies that around 1 in every 400 Central Lincolnshire households falls into need each year, which represents a relatively small number.

7.36 When drawing together both newly forming households and existing households falling into need, Table 7.7 overleaf shows that a new gross need for 1,513 affordable homes could arise across Central Lincolnshire each year.

---

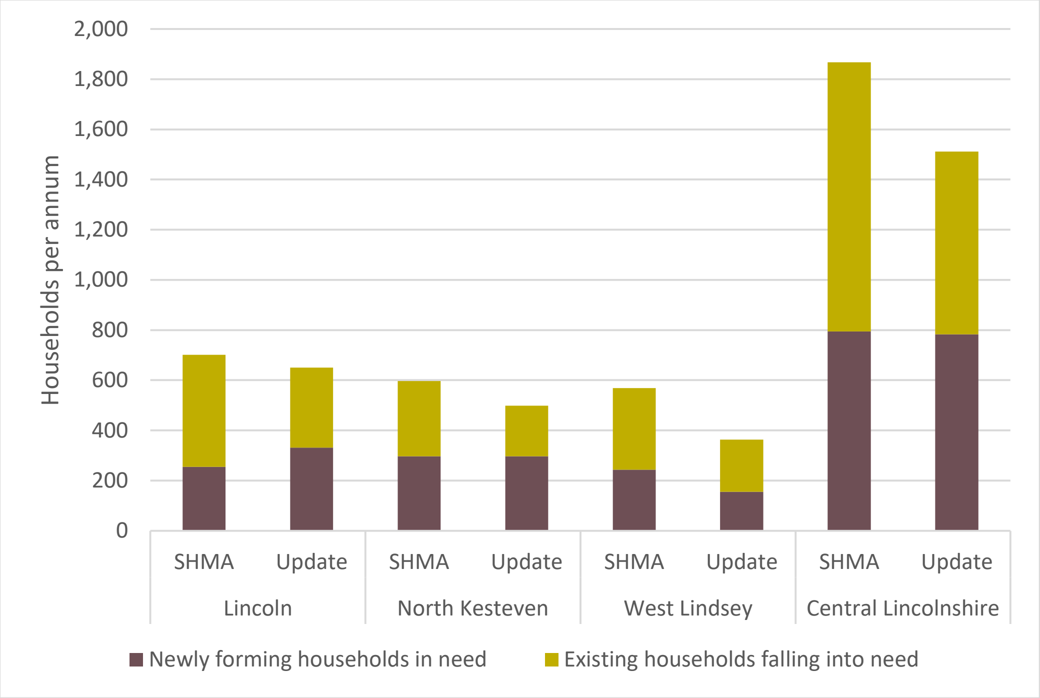
[116] Reflecting the data available, this is based on a single year in Lincoln (2018/19) and a three year average in North Kesteven (2016/17-2018/19).

Table 7.7: Stage 4 – Future Housing Need (Gross Annual)

Step	Source	Lincoln	North Kesteven	West Lindsey	**Central Lincolnshire**
4.1 New household formation, gross	Projected younger household formation, Edge Analytics	860	1,082	776	**2,718**
4.2 Newly forming households unable to privately rent in the open market	Proportion derived from ONS and CACI data	39%	27%	20%	–
	Applied to new household formation (4.1)	331	297	155	**783**
4.3 Existing households falling into need	Households from other tenures annually receiving lettings or joining the housing register	319	202	208	**729**
4.4 Total newly arising need (gross annual)	**(4.1 x 4.2) + 4.3**	**650**	**499**	**363**	**1,513**

7.37 The above can be compared to Figure 7.10 of the SHMA, which estimated that there would be a newly arising need for 1,868 affordable homes per annum. Figure 7.6 presents this comparison looking at the contribution newly forming households and existing households make to each authority's figure, compared to the previous SHMA calculation. This shows that across all of the authorities the reduction is largely attributable to the reduced number of existing households falling into need from other tenures, which the latest data suggests has fallen by 29% and 33% in Lincoln and North Kesteven respectively (and by a similar 36% in West Lindsey, where the use of proxy data has been necessary). Figure 7.6 also shows that in contrast the number of newly forming households unable to rent continues to align almost precisely at the Central Lincolnshire level with this stage of the analysis in the previous SHMA, and indeed exactly for North Kesteven. It is noted that whilst there is a strong alignment the outcome is the result of a refined estimate on the earnings spent on housing costs which counteracts the larger estimate of new household formation associated with the input demographic projection.

Figure 7.6: Comparing Estimates of Future Housing Need (Gross)



Source: Turley analysis, 2015 and 2020

Stage 5 – Affordable Housing Supply

7.38 Lettings data supplied by the Councils has been used to estimate the number of affordable homes that have annually become available to non-transfer tenants on an annual basis[117]. The lack of detail on the previous tenure of those receiving lettings in West Lindsey has again required use of an assumption derived from evidence provided to inform the SHMA[118]. It is acknowledged that this flow of supply could be susceptible to change, when accounting for losses through Right to Buy and the degree of replacement, and this should therefore be closely and regularly monitored by the Councils.

7.39 The Councils have also supplied data obtained from three housing associations on shared ownership sales recorded in recent years, allowing calculation of an annual average. This is a further input to the calculation, as in the SHMA, to allow for comparable products becoming available in future.

7.40 As summarised below, this indicates that an average of 948 affordable homes become available annually across Central Lincolnshire, with the largest number coming forward in Lincoln. While predominantly involving lettings, a considerable amount of intermediate housing has also been delivered in recent years which is assumed to continuously contribute towards meeting needs.

---

[117] This relates to a single year (2018/19) in both Lincoln and West Lindsey, and a three year average in North Kesteven (2016/17 – 2018/19) based on the data provided

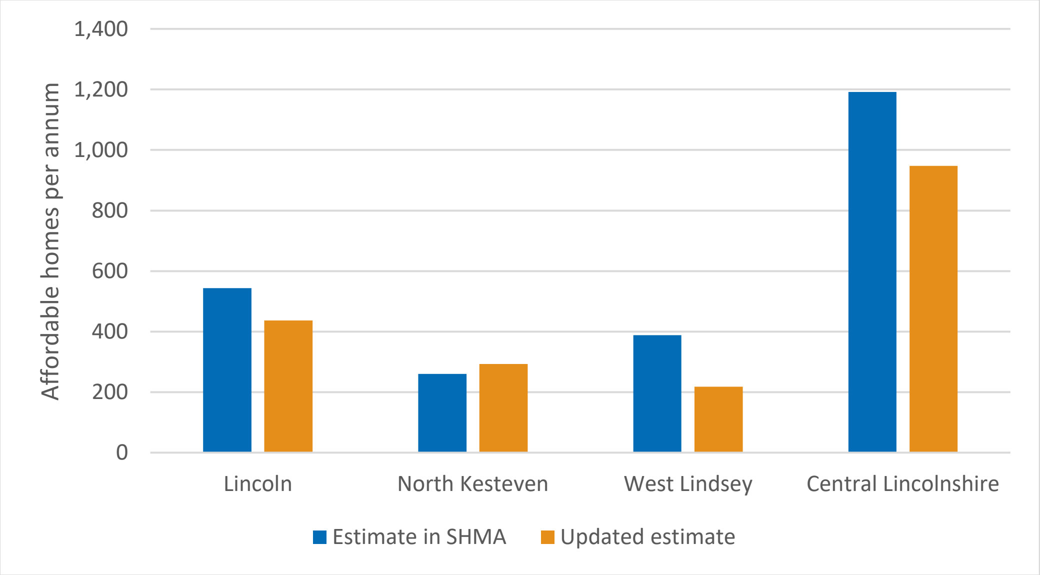
[118] Lettings data for 2013/14 supplied to inform the SHMA suggested that transfers accounted for 12% of all lettings

Table 7.8: Stage 5 – Affordable Housing Supply

Step	Source	Lincoln	North Kesteven	West Lindsey	**Central Lincolnshire**
5.1 Annual supply of social re-lets	Lettings data supplied by Councils, excluding transfers	401	245	201	**847**
5.2 Annual supply of intermediate housing available at sub-market levels	Average shared ownership sales recorded annually by Longhurst, Waterloo and Acis	36	49	17	**101**
5.3 Annual supply of affordable housing	**5.1 + 5.2**	**437**	**293**	**218**	**948**

7.41 When compared once again to the comparable estimate made in the SHMA, at its Figure 7.11, the overall annual supply of affordable housing is implied to have fallen in recent years, most notably in West Lindsey. North Kesteven is an exception, having appeared to sustain its volume of lettings and delivered a larger number of intermediate homes than necessarily estimated – in the absence of comprehensive data – in the SHMA.

Figure 7.7: Comparing Estimates of Affordable Housing Supply



Source: Turley analysis, 2015 and 2020

Stage 6 – Annual Net New Need

7.42 The output from Stage 5 can be subtracted from Stage 4 to provide an estimate of the number of households likely to have an unmet need for affordable housing. Unless sufficient new stock is available to meet annual new need in full, this will add to the backlog position each year.

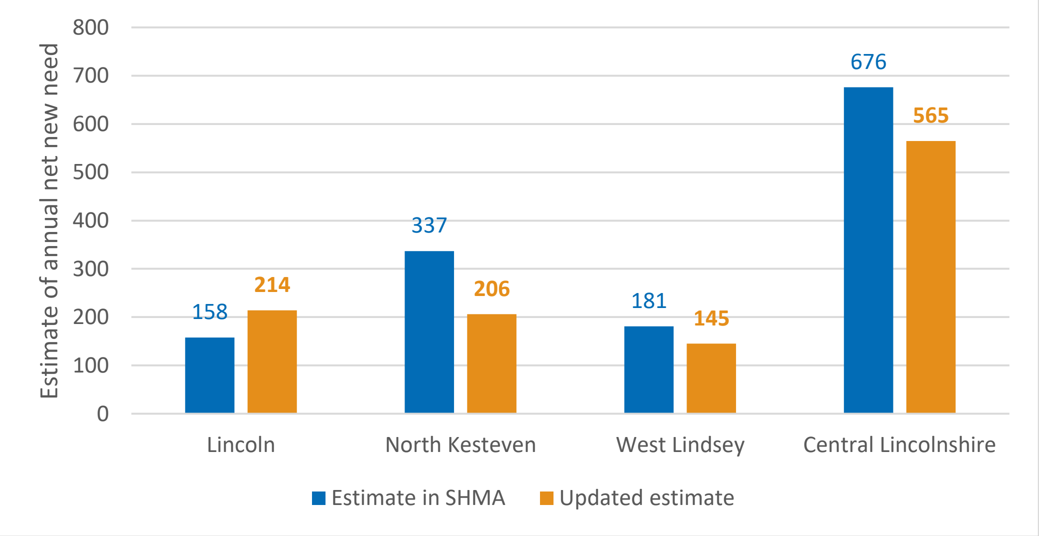
7.43 The calculation indicates that the future supply of affordable housing in each part of Central Lincolnshire is unlikely to be sufficient, in overall terms, to fully meet newly arising need generated by new households and existing households falling into need from other tenures. This implies a net annual need for 565 affordable homes throughout Central Lincolnshire.

Table 7.9: Stage 6 – Annual Net New Need

Step	Source	Lincoln	North Kesteven	West Lindsey	**Central Lincolnshire**
6.1 Total newly arising need	4.4	650	499	363	**1,513**
6.2 Annual supply of affordable housing	5.3	437	293	218	**948**
6.3 Annual net new need	**6.1 – 6.2**	**214**	**206**	**145**	**565**

7.44 In the context of the SHMA, and specifically its Figure 7.12, this more up-to-date calculation evidently falls below its estimate of a net new need for 676 affordable homes each year. This is driven by reduced estimates in West Lindsey and particularly North Kesteven, which collectively offset the increase implied for Lincoln.

Figure 7.8: Comparing Estimates of Annual Net New Need



Source: Turley analysis, 2015 and 2020

7.45 As with the first half of the calculation, a breakdown by the size of affordable housing required can also be provided, albeit – beyond certain data supplied by the Councils, which can be simply broken down – this is considerably less certain than for existing households in need. New household formation is a key driver of future need, for example, but the method of calculation does not enable the identification of household size and available data is not sufficiently granular to allow the calculation of affordability benchmarks for different sizes of property at the local level. On this basis, once assumed that a proportion of newly forming households are unable to afford the cost of renting, the number of bedrooms required by these households has been subsequently estimated based on the size of property occupied by social rented households in each authority as of the 2011 Census. This is considered to provide a robust if illustrative basis for estimating needs in the absence of sufficiently comprehensive data.

7.46 A breakdown of the second half of the calculation by size is presented below, again for Central Lincolnshire with **Appendix 2** providing breakdowns for the individual authorities.

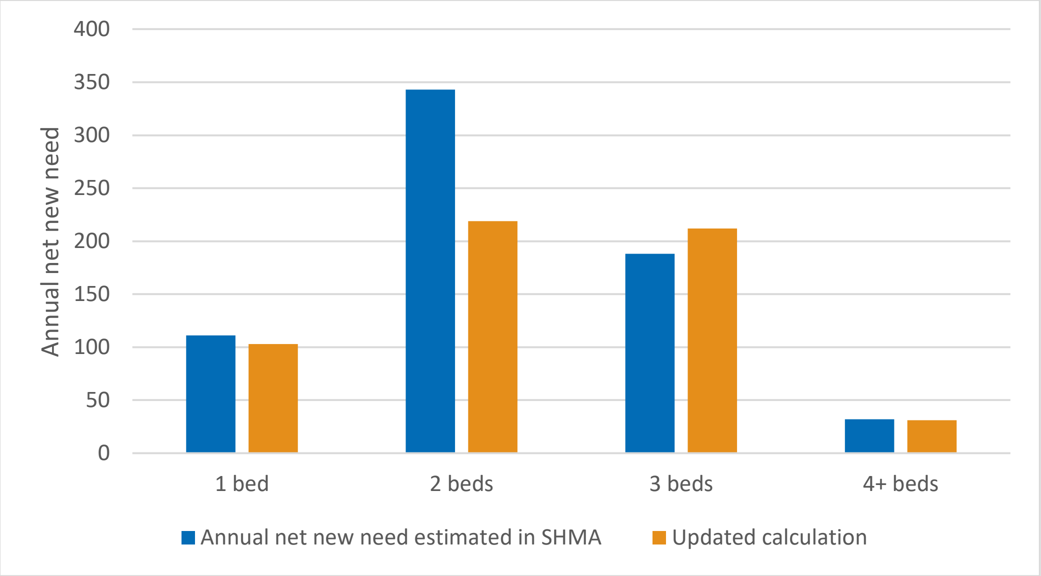
Table 7.10: Annual Net New Need by Number of Bedrooms Required

	1 bed	2 beds	3 beds	4+ beds	**Total**
4.2 Newly forming households unable to rent	199	332	228	24	**783**
4.3 Existing households falling into need	250	293	167	19	**729**
4.4 Total newly arising need (gross annual)	448 30%	625 41%	396 26%	44 3%	**1,513**
5.1 Annual supply of social re-lets	344	350	141	12	**847**
5.2 Annual supply of intermediate housing	1	56	43	1	**101**
5.3 Total affordable housing stock available	345 36%	406 43%	184 19%	13 1%	**948**
6.3 Annual net new need	**103** 18%	**219** 39%	**212** 37%	**31** 5%	**575**

7.47 The calculation suggests that most of the net new need for affordable housing involves properties with two or three bedrooms. This exceeds a still notable shortfall of smaller properties with only one bedroom, which appears to contrast with the profile of existing need established earlier in this section at Table 7.4. This will, however, be influenced to an extent by the Census-based proxy applied to estimate the number of bedrooms required by newly forming households in need of affordable housing, which will itself be influenced by the existing housing stock in each authority and is evidently skewed towards two and three bedroom properties, as shown at Step 4.2 above. Rather than being prescriptively applied, the ongoing validity of this assumption should be continuously tested in the context of the housing register, and through discussions with those involved in providing affordable housing.

7.48 This can again be compared to the estimates previously made at Figure 7.14 of the SHMA, as illustrated below. This notably suggests that there will be a considerably smaller net new need for affordable housing with two bedrooms, with the need for other unit sizes seeing much more limited change. This change can be attributed to the more up-to-date data supplied by the Councils to inform this calculation, recognising that the proxy measure described above was consistently applied in the SHMA.

Figure 7.9: Annual Net New Need for Affordable Housing by Size



Source: Turley analysis, 2015 and 2020

Total affordable housing need

7.49 The final stage of the calculation identifies the total affordable housing need on a net annual basis, drawing upon the steps outlined above. It requires the backlog identified at Step 3 to be converted into an annual flow, and while this has traditionally been divided by five to address any backlog early in the plan period – as in the SHMA – the PPG now more clearly expects any such annual flow to be '*based on the plan period*'[119]. It is therefore assumed that any backlog – or in the case of three bedroom properties, surplus of emerging supply relative to current need – is accounted for over the 21 years remaining from 2019 to the end of the proposed plan period in 2040. The net additional need arising on an annual basis over the same period is also taken into account.

7.50 The calculation indicates that an average of 592 affordable homes are needed annually over the remainder of the chosen plan period, with this level of provision assumed to clear the backlog – in overall terms – while meeting new need as it arises. There is an

---

[119] PPG Reference ID 67-008-20190722

implied need for affordable housing in each authority, with the largest absolute need in Lincoln.

Table 7.11: Stage 7 – Total Affordable Housing Need (Net)

Step	Source	Lincoln	North Kesteven	West Lindsey	**Central Lincolnshire**
7.1 Shortfall in affordable housing to meet current backlog over remainder of plan period	3.3	334	17	224	**575**
7.2 Newly arising future need (annual and total over remainder of plan period)	6.3	214	206	145	**565**
	6.3 x 21 years	4,489	4,326	3,050	**11,864**
7.3 Net affordable housing need over plan period	**3.3 + (6.3 x 21)**	**4,823**	**4,343**	**3,274**	**12,439**
7.4 Net annual affordable housing need	**7.3 / 21**	**230**	**207**	**156**	**592**

7.51 The SHMA reported a net annual need for 911 affordable homes at this stage of its calculation, albeit this sought to clear the backlog within a shorter period of five years and is not directly comparable. The smaller shortfall and lower estimate of net new need, however – shown earlier at Figures 7.4 and 7.8 – does nonetheless indicate that the calculated need for affordable housing has fallen in Central Lincolnshire since the SHMA was prepared, albeit while continuing to require an increase from the recent rate of delivery referenced earlier in this section. Indeed, it relies upon the Councils being successful in doing so over the next five years, as the shortfall would otherwise be larger with an increased net annual need as a result.

7.52 When broken down by the size of affordable housing required, at Table 7.12 below, there is implied to be the greatest need for two bedroom properties. This is, however, naturally weighted towards the less certain estimates on the profile of newly arising need, which – as noted earlier – partially relies on proxy data influenced by existing stock that may not meet the needs of occupying households. In responding to this calculation, the Councils are advised to actively monitor the extent to which the supply of different sizes of affordable housing is actually meeting households’ needs, taking account of trends in both delivery and the housing registers while capturing the qualitative views of those involved in letting and assessing eligibility.

Table 7.12: Total Affordable Housing Need by Number of Bedrooms Required

	1 bed	2 beds	3 beds	4+ beds	**Total**
7.1 Shortfall in affordable housing to meet current backlog over remainder of plan period	691 120%	29 5%	-188 -33%	43 7%	**575** 100%
7.2 Newly arising future need (annual and total over remaining 21 years of plan period)	103	219	212	31	**565**
	2,167 18%	4,602 39%	4,443 37%	652 5%	**11,864** 100%
7.3 Net affordable housing need over plan period	2,858	4,631	4,256	695	**12,439**
7.4 Net annual affordable housing need	**136** 23%	**221** 37%	**203** 34%	**33** 6%	**592** 100%

Considering likely delivery

7.53 The calculation introduced above provides a total affordable housing need which, as per the PPG, must be '*considered in the context of its likely delivery as a proportion of mixed market and affordable housing developments, taking into account the probable percentage of affordable housing to be delivered by eligible market housing led developments*'[120]. The PPG invites authorities to consider '*an increase in the total housing requirement included in the plan…where it could help deliver the required number of affordable homes*'[121].

7.54 Policy LP11 of the adopted Local Plan aims to secure 15-25% of homes on qualifying sites as affordable housing. On a purely numerical basis, and assuming for illustrative purposes that all sites make a contribution, meeting an annual need for 592 affordable homes in full could conceivably require provision for as many as 3,950 dwellings per annum, or at least 2,368 homes each year.

7.55 There is, however, widely accepted to be a complex relationship between affordable housing provision and market housing. Existing households and those projected to form in future represent a component of the affordable housing need calculation, for example, and would therefore not add to the overall need for Central Lincolnshire when based on projections of household growth. Indeed, existing households will actually vacate a property once their affordable housing need is met.

7.56 While in the context of the original rather than revised NPPF, the relative consistency in its approach to affordable housing need means that it remains relevant to acknowledge confirmation in the High Court that:

"…neither the Framework nor the PPG suggest that [affordable housing needs] have to be met in full when determining the [full objectively assessed need]. This is no doubt

---

[120] *Ibid*
[121] *Ibid*

> *because in practice very often the calculation of unmet affordable housing need will produce a figure which the planning authority has little or no prospect of delivering in practice. This is because the vast majority of delivery will occur as a proportion of open-market schemes and is therefore dependent for its delivery upon market housing being developed"*[122]

7.57 This judgment has since been upheld by the Court of Appeal, which acknowledged – again in the context of the original NPPF – that the need for affordable housing was a product of '*separate and different calculations*' with some overlap inevitable[123]. It confirmed that:

> *"Planning judgment [is] required in gauging a suitable uplift to take account of the need for affordable housing, without either understating or overstating that need"*[124]

7.58 The arithmetic and '*notional*' calculation of the total number of homes required to meet affordable housing need in full – such as the illustrative exercise presented above – was noted. However, the '*risk of overexaggerating the "full, objectively assessed needs" by making a calculation of this kind*' was highlighted, with the Inspector's conclusion that such an exercise was '*purely theoretical*' supported on this basis.

7.59 This continues to provide important context in considering the relationship between overall housing need and affordable housing need. In line with the PPG, it is for the Councils to consider whether an increased housing requirement could help to increase the delivery of affordable housing that is evidently needed in Central Lincolnshire. Such a judgement will need to take into consideration the extent to which future losses in stock, through the Right to Buy for example, could increase need beyond that calculated in this section.

Considering the role of different affordable housing products

7.60 The revised NPPF was published after a prolonged period – following publication of the last SHMA – in which the Government had acknowledged increased '*innovation by housing providers in meeting the needs of a wide range of households who are unable to access market housing*'[125]. It expressed support for such innovation, and proposed a revised definition for affordable housing to ensure that innovation is not '*unnecessarily constrained by the parameters of products that have been used in the past*'.

7.61 The updated definition presented within the revised NPPF therefore made clear that affordable housing should be:

> *"Housing for sale or rent, for those whose needs are not met by the market (including housing that provides a subsidised route to home ownership and/or is essential for local workers)"*[126]

---

[122] Borough Council of Kings Lynn and West Norfolk v Secretary of State for Communities and Local Government, ELM Park Holdings Ltd [2015] EWHC 2464 (Admin)

[123] Jelson Ltd v Secretary of State for Communities and Local Government and Hinckley and Bosworth Borough Council [2018] EWCA Civ 24

[124] *Ibid*, paragraph 36

[125] DCLG (2015) Consultation on proposed changes to national planning policy, paragraph 7-9

[126] MHCLG (2019) National Planning Policy Framework, Annex 2

7.62 It proceeds to distinguish between:

- **Affordable housing for rent**, which incorporates both nationally derived social rent and affordable rent set relative to the local market. While the definition builds upon that established in the previous iteration of the NPPF, it is less explicit in distinguishing between social rented housing and affordable rent; and
- **Starter Homes, discounted market sales housing, and other affordable routes to home ownership.** Although each are defined separately, they have evidently been designed with a shared goal of providing low-cost housing for sale for those whose needs are not met by the market.

7.63 The potential role of these products in meeting an evidenced need for affordable housing in Central Lincolnshire is considered below.

Affordable housing for rent

7.64 The likely cost of affordable rents relative to the open market can be estimated through reference to the lower quartile rent introduced earlier in this section, which was based on ONS data and for indicative purposes relates to a typical two bedroom property. The table overleaf estimates the annual cost of renting at 60% and 80% of this market level, the latter aligning with the threshold set in the NPPF ('*at least 20% below local market rents*') and the former indicatively testing a larger discount that is permissible through this policy[127]. This reduces the cost of renting, as would be anticipated. As in the preceding analysis, the implied thresholds can then be considered in the context of household income, where assumed that no more than one third of earnings are spent on housing costs. This shows, for example – based on income alone – that circa 87-92% of households could access 60% market rent in each authority. It should be noted in interpreting the table below that the income required to access each option is necessarily rounded to the nearest £5,000, to align with the income data obtained from CACI. This means, for example, that there is no difference between the proportion of households able or unable to afford 60% or 80% market rent in West Lindsey, because the income required rounds to the same value (£10,000).

---

[127] *Ibid*, Annex 2

Table 7.13: Estimated Annual Cost of Affordable Rent and Income Required

	Annual rent	Income required	Households ***able*** to afford	Households ***unable*** to afford	Deviation from market rent
Lincoln					
Market rent	**£6,300**	**£18,900**	**61%**	**39%**	**–**
80% market rent	£5,040	£15,120	74%	26%	12%
60% market rent	£3,780	£11,340	87%	13%	25%
North Kesteven					
Market rent	**£5,940**	**£17,820**	**73%**	**27%**	**–**
80% market rent	£4,752	£14,256	83%	17%	10%
60% market rent	£3,564	£10,692	92%	8%	19%
West Lindsey					
Market rent	**£4,920**	**£14,760**	**80%**	**20%**	**–**
80% market rent	£3,936	£11,808	90%	10%	10%
60% market rent	£2,952	£8,856	90%	10%	10%

Source: ONS; CACI; Turley analysis

7.65 The calculation presented earlier in this section assumes that households with an income that is insufficient to access the private rental market will generate a need for affordable housing. Delivery of this product naturally lowers the entry threshold, potentially benefiting up to 25% of households in Lincoln that are unable to afford market rent but *could* afford a rental product priced at 60% of market levels for example. Circa 19% of all households in North Kesteven are similarly unable to afford market rent but could conceivably afford 60% of the market cost, with comparatively few households (8%) remaining unable to afford rent even at this discounted level. This effect is naturally more moderate where the smallest permissible discount of 20% is applied.

Starter Homes and discounted market sale

7.66 Discounted market sale (DMS) is the sale of new build properties at a discount from their market value, typically of at least 20% and as much as 50%. Restrictions are placed on the property's Land Registry Title to ensure that the property remains at that discounted rate in perpetuity for future purchasers, and the NPPF requires such provisions to be in place to qualify as DMS. The NPPF equally makes clear that '*eligibility is determined with regard to local incomes and local house prices*'[128].

7.67 In terms of an entry threshold, there are various similarities with Starter Homes; announced by the Coalition Government in 2014 and retained in the revised NPPF, but yet to be delivered at the scale envisaged. The Housing and Planning Act 2016 provides

---

[128] *Ibid*, Annex 2

the statutory framework through which such homes can be delivered, and defines Starter Homes as new homes costing up to £250,000 outside London that are discounted by a minimum of 20% from market value and made available to eligible first-time buyers aged between 23 and 40 years. As with DMS, therefore, there is a similar intention to reduce the cost of new-build properties relative to their market value, with the primary difference relating to the later sale of the purchased home. Although DMS remains at a discounted cost in perpetuity, the Government envisages a "tapered" approach for Starter Homes, which allows them to be sold at an increasing proportion of market value over a period of 15 years[129]. This distinction evidently would not affect the initial affordability of Starter Homes when first delivered and occupied, and it is therefore appropriate to consider the contribution of such products in the context of DMS.

7.68 There are likewise also similarities with First Homes, recently announced by the Government in February 2020 – thus omitted from the current NPPF – and subject to consultation until May. These homes are proposed to be sold with a slightly larger minimum discount of at least 30% and would be prioritised for first-time buyers, members and veterans of the Armed Forces and key workers. It has been proposed that any discount will be passed on to future buyers when First Homes are resold[130].

7.69 The relative affordability of these products can be estimated through the calculation of a likely annual cost of purchase with a mortgage, retaining the same assumptions applied in the main calculation earlier in this section. It should be noted that the discount is applied to the lower quartile price paid for *new build* properties, rather than the price paid for all properties. This reveals a price premium which alone increases the entry threshold beyond that shown at Table 7.5; a newly built property in Lincoln would need to be sold at 66% of its market value even to align with the entry level of the market as a whole, for example, rising to 84% and 86% in West Lindsey and North Kesteven respectively[131].

7.70 The role of DMS, Starter Homes and First Homes in lowering the cost of purchasing, and the income threshold relative to the most affordable market product – namely open market rent – can nonetheless be considered. Table 7.14 overleaf summarises and ranks the income likely to be required to purchase products discounted to varying extents, and shows how this differs from both purchasing any type of entry level housing (new build and resale) and privately renting. It should again be noted that the income required must be rounded to calculate the proportion of households able or unable to afford each option, which can imply alignment between products that actually require varying incomes.

---

[129] DCLG (2017) Government response to the technical consultation on starter homes regulations

[130] MHCLG (2020) Consultation on the design and delivery of First Homes

[131] Land Registry (2019) Price paid data; Turley analysis

Table 7.14: Benchmarking Cost of Discounted Housing for Sale

	Price of purchase	Annual cost	Income required	Hholds ***able*** to afford	Hholds ***unable*** to afford	Deviation from market rent
Lincoln						
Purchase (new)	£183,125	£9,900	£29,699	42%	58%	-19%
80% market value	£146,500	£7,920	£23,759	51%	49%	-10%
70% market value	£128,188	£6,930	£20,789	61%	39%	0%
Purchase (any)	£120,000	£6,487	£19,462	61%	39%	0%
Market rent	**–**	**£6,300**	**£18,900**	**61%**	**39%**	**–**
50% market value	£91,563	£4,950	£14,850	74%	26%	13%
North Kesteven						
Purchase (new)	£185,000	£10,001	£30,003	55%	45%	-18%
Purchase (any)	£159,438	£8,619	£25,858	63%	37%	-10%
80% market value	£148,000	£8,001	£24,003	63%	37%	-10%
70% market value	£129,500	£7,001	£21,002	73%	27%	0%
Market rent	**–**	**£5,940**	**£17,820**	**73%**	**27%**	**–**
50% market value	£92,500	£5,001	£15,002	83%	17%	10%
West Lindsey						
Purchase (new)	£145,995	£7,893	£23,678	59%	41%	-21%
Purchase (any)	£122,500	£6,622	£19,867	69%	31%	-11%
80% market value	£116,796	£6,314	£18,942	69%	31%	-11%
70% market value	£102,197	£5,525	£16,574	80%	20%	0%
Market rent	**–**	**£4,920**	**£14,760**	**80%**	**20%**	**–**
50% market value	£72,998	£3,946	£11,839	90%	10%	10%

Source: Land Registry; ONS; CACI; Turley analysis

7.71 In general terms, the above suggests that only a discount of 50% – which is not common – would lower the entry threshold implied for market rent, below which households are assumed in this report to generate a need for affordable housing. It is estimated that 10% of households in West Lindsey, for example, cannot afford to rent but could afford – based on their income alone – to purchase with a 50% discount.

7.72 A smaller discount, to 80% of the market value of a new build home, would arguably only be affordable to those already able to purchase *any* home at the entry level. Indeed, in Lincoln, it is suggested that *fewer* households could actually afford such discounted housing than general market purchase, due to the price premium associated with the new build properties that are subjected to any reduction when compared to prices of existing stock. This particular market feature reflects the greater number of smaller homes including terraces and flats in the city (see Figures 3.3 and 3.4).

7.73 While such products could therefore play a role in the wider market, enabling movement and in turn potentially freeing up more affordable homes, they would not be expected to make a significant contribution towards meeting the affordable housing need that has been quantified in this section unless they can be made available at half the market value.

Shared ownership

7.74 The NPPF states that shared ownership represents a further affordable route to home ownership, and it is evident from Step 5.2 of the calculation in this section that such products have been delivered throughout Central Lincolnshire in recent years.

7.75 The survey undertaken by the City of Lincoln Council, while limited to those residing in the city and based on a limited sample, notably suggests that few moving households (1%) actually intend to pursue shared ownership. This could, however, be caused by a simple lack of awareness or an overriding preference for other tenures, which may not actually be attainable.

7.76 Shared ownership enables households to buy a share of a new home (between 25% and 75% of its value) and pay rent on the remaining share to supplement the mortgage on the purchased share. Bigger shares can be purchased when the household can afford to, but this would not affect the initial cost of entry.

7.77 It is again possible to estimate the likely annual cost of purchasing equity in a shared ownership product in Central Lincolnshire, which is benchmarked against open market purchase and rent at Table 7.15 overleaf. As with DMS, shared ownership is only available for new build properties, with the cost of purchasing a 25% or 50% share with a mortgage estimated below on a consistent basis. It has been additionally assumed that households annually pay a rent equivalent to 2.75% of the unsold equity[132].

---

[132] Homes England (2019) Capital Funding Guide, paragraph 4.1.4

Table 7.15: Estimated Income Required to Access Shared Ownership

	Annual cost of mortgage	Annual rent	Total annual cost	Income required	Hholds ***unable*** to afford	Deviation from market rent
Lincoln						
Purchase (new)	£9,900	–	£9,900	£29,699	58%	-19%
50% share	£4,689	£2,518	£7,207	£21,622	39%	0%
Purchase (any)	£6,487	–	£6,487	£19,462	39%	0%
Market rent	**–**	**£6,300**	**£6,300**	**£18,900**	**39%**	**–**
25% share	£2,084	£3,777	£5,861	£17,583	39%	0%
North Kesteven						
Purchase (new)	£10,001	–	£10,001	£30,003	45%	-18%
Purchase (any)	£8,619	–	£8,619	£25,858	37%	-10%
50% share	£4,737	£2,544	£7,281	£21,843	27%	0%
Market rent	**–**	**£5,940**	**£5,940**	**£17,820**	**27%**	**–**
25% share	£2,105	£3,816	£5,921	£17,763	27%	0%
West Lindsey						
Purchase (new)	£7,893	–	£7,893	£23,678	41%	-21%
Purchase (any)	£6,622	–	£6,622	£19,867	31%	-11%
50% share	£3,739	£2,007	£5,746	£17,238	20%	0%
Market rent	**–**	**£4,920**	**£4,920**	**£14,760**	**20%**	**–**
25% share	£1,662	£3,011	£4,673	£14,018	20%	0%

Source: Land Registry; ONS; CACI; Turley analysis

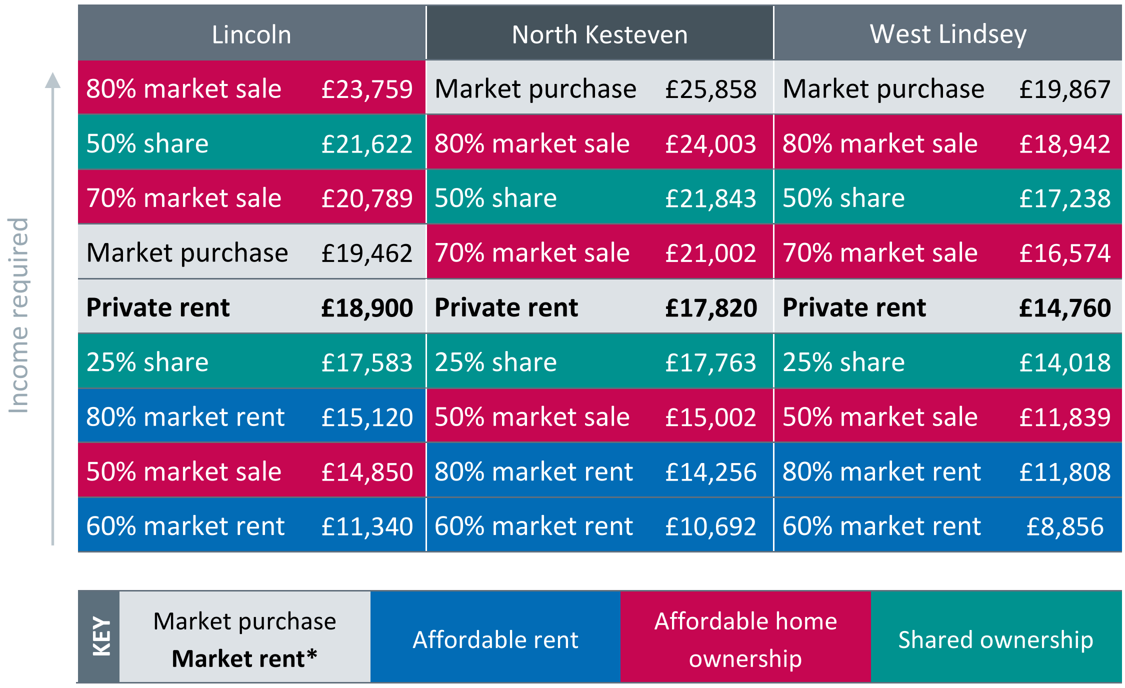
7.78 The above indicates that shared ownership can reduce the income required to purchase entry level property across much of Central Lincolnshire, particularly where a smaller share is purchased. Purchasing a 50% share of the higher-cost new build housing in Lincoln appears an exception, potentially requiring an income that is not dissimilar to that needed to purchase any property in the open market.

7.79 The necessary income in each case remains broadly aligned with that which would be required to privately rent. This minimises the direct contribution of shared ownership products towards addressing the need that has been quantified in this section, albeit this would clearly widen the housing choice for those earning at this level.

Summary

7.80 Table 7.16 draws together the analysis above by comparing and ranking the income required to access each product in each authority, relative to that required to rent or purchase at the entry level of the market. This shows that affordable rent is the only product to have been assessed in this report that consistently requires a substantially lower income than required to rent in the open market, as would be expected. It is implied that purchasing a 25% share of a new home, through shared ownership, would require a comparable income to that needed to privately rent, thereby offering such households a route to ownership. A lower income could be sufficient to outright purchase a home discounted to 50% of its market value, albeit such pronounced discounts are not common.

Table 7.16: Comparing Income Required to Access Products



Lincoln		North Kesteven		West Lindsey	
80% market sale	£23,759	Market purchase	£25,858	Market purchase	£19,867
50% share	£21,622	80% market sale	£24,003	80% market sale	£18,942
70% market sale	£20,789	50% share	£21,843	50% share	£17,238
Market purchase	£19,462	70% market sale	£21,002	70% market sale	£16,574
Private rent	**£18,900**	**Private rent**	**£17,820**	**Private rent**	**£14,760**
25% share	£17,583	25% share	£17,763	25% share	£14,018
80% market rent	£15,120	50% market sale	£15,002	50% market sale	£11,839
50% market sale	£14,850	80% market rent	£14,256	80% market rent	£11,808
60% market rent	£11,340	60% market rent	£10,692	60% market rent	£8,856

KEY	Market purchase **Market rent***	Affordable rent	Affordable home ownership	Shared ownership

Source: Turley analysis ** threshold in affordable housing calculation*

Summary

7.81 This section has applied the well-established methodology, outlined in the PPG, through which affordable housing needs are separately calculated, before being considered in the context of their likely delivery as a proportion of market-led housing developments.

7.82 The first part of the calculation establishes the scale of the current backlog, revealing an imbalance between the 2,535 households currently registered in need and the 1,960 affordable homes expected to become available over the next five years. The latter is predominantly comprised of committed schemes, implicitly assuming that the Councils collectively increase their recent rate of affordable housing provision. Where this occurs, there is estimated to remain a shortfall of 575 affordable homes, mainly in Lincoln and West Lindsey and generally relating to one bedroom properties in particular.

7.83 The second part of the calculation estimates the net new need that may arise in the future, as new households form, existing households' circumstances change and properties continue to be let or made available. This implies that there will be a newly arising need for 565 affordable homes each year, distributed throughout each authority and predominantly relating to properties with two or three bedrooms. This profile is, however, influenced by the size of affordable housing currently available, with these assumptions requiring continuous testing in the context of housing registers that are orientated towards smaller properties.

7.84 When bringing together the two parts of the calculation, it is concluded that clearing the existing backlog while meeting newly arising need over the emerging plan period to 2040 will generate an overall need for **592 affordable homes each year**, distributed between the three authorities. There is implied to be the greatest need for two bedroom properties, albeit the assumptions required in reaching this position should be regularly tested and the existing shortfall of one bedroom properties in particular must also be acknowledged.

7.85 Meeting this annual need for affordable housing could conceivably require provision for as many as 3,950 dwellings per annum, based on the policies of the adopted Local Plan. Such a notional calculation does however belie the widely recognised complexities between affordable housing provision and market housing, and the occasionally misleading overlap between separate calculations. It is for the Councils to consider whether an increased housing requirement could help to increase the delivery of affordable housing that is evidently needed in Central Lincolnshire. This judgement should also take into account any specific objectives set by the Councils through their housing strategies to play a more proactive role in directly enabling the provision of social housing as part of fully affordable housing schemes. Evidently this will need to also take into account the extent to which such objectives are reliant upon funding being available to deliver these homes.

7.86 This section has also considered the potential role of different affordable housing products, with the analysis indicating in general terms that affordable rent is the only product to have been assessed that requires a substantially lower income than would be required to rent in the open market. Other products, such as shared ownership and discounted market sale, can however play a role, particularly where households purchase a small share (25%) or receive an admittedly rare discount of 50%.

8. Housing for Older and Disabled People

8.1 The NPPF requires the housing needs of '*different groups in the community*' to be '*assessed and reflected in planning policies*', as noted in earlier sections of this report[133].

8.2 The PPG provides some guidance on how such needs should be assessed, with an entire section focusing on housing for older and disabled people[134]. It emphasises that:

> *"Plan-making authorities should set clear policies to address the housing needs of groups with particular needs such as older and disabled people. These policies can set out how the plan-making authority will consider proposals for the different types of housing that these groups are likely to require. They could also provide indicative figures or a range for the number of units of specialist housing for older people needed across the plan area throughout the plan period"*[135]

8.3 This section therefore specifically considers the different types of housing that could be required by older and disabled people in Central Lincolnshire, drawing upon available evidence. Section 9 then considers the housing needs of other groups with particular needs.

Older people

8.4 The SHMA included analysis of the housing needs of older people living in Central Lincolnshire, drawing upon the findings of the 2011 Census which remains a recommended data source within the PPG, despite its increasing datedness[136].

8.5 The SHMA confirmed at Figure 8.2, for example, that as of 2011 the vast majority (96%) of Central Lincolnshire residents aged 65 and over lived in private households rather than communal establishments such as care homes.

8.6 Additional Census data omitted from the SHMA further confirms that 80% of these older residents living in private households were owner occupiers, with relatively few living in the social or private rented sector (13/7% respectively). Figure 8.1 shows that this was relatively consistent across each of the authorities in Central Lincolnshire, albeit with some variation. For example, a lower proportion (74%) in Lincoln were owner occupiers than in North Kesteven (83%) and West Lindsey (81%), meaning that a higher proportion rented their home in the city. A notably higher proportion of older people in Lincoln lived in the social rented sector (20%) than in North Kesteven (11%) and West Lindsey (11%).

---

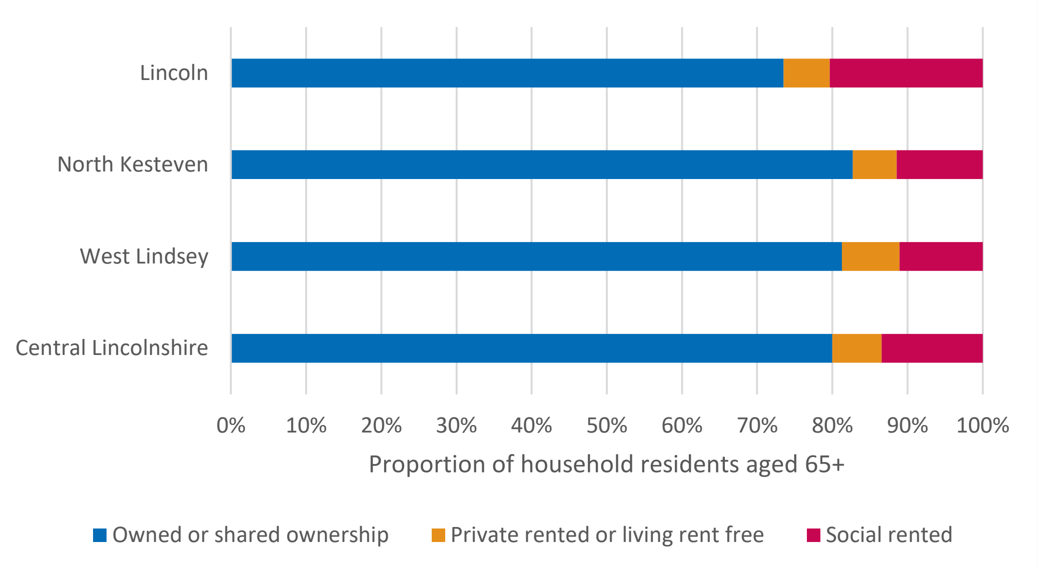
[133] MHCLG (2019) National Planning Policy Framework, paragraph 61

[134] PPG sections 63 ("Housing for older and disabled people")

[135] PPG Reference ID 63-006-20190626

[136] PPG Reference ID 63-004-20190626

Figure 8.1: Housing Tenure of Household Residents Aged 65+, 2011



Source: Census 2011

8.7 The Census also provides an indication of the size of housing occupied exclusively by older households, albeit this data is not available for one person households where the sole resident is 65 and over. As shown at Figure 8.2, around half (49%) of these older households occupied homes with three bedrooms, with just under a third (30%) having two bedrooms in their home. A notably small proportion (3%) occupied one bedroom homes, although this housing size was slightly more prevalent in Lincoln (6%) than in the other authorities.

Figure 8.2: Dwelling Size in Households with All in Family Aged 65+, 2011

Source: Census 2011

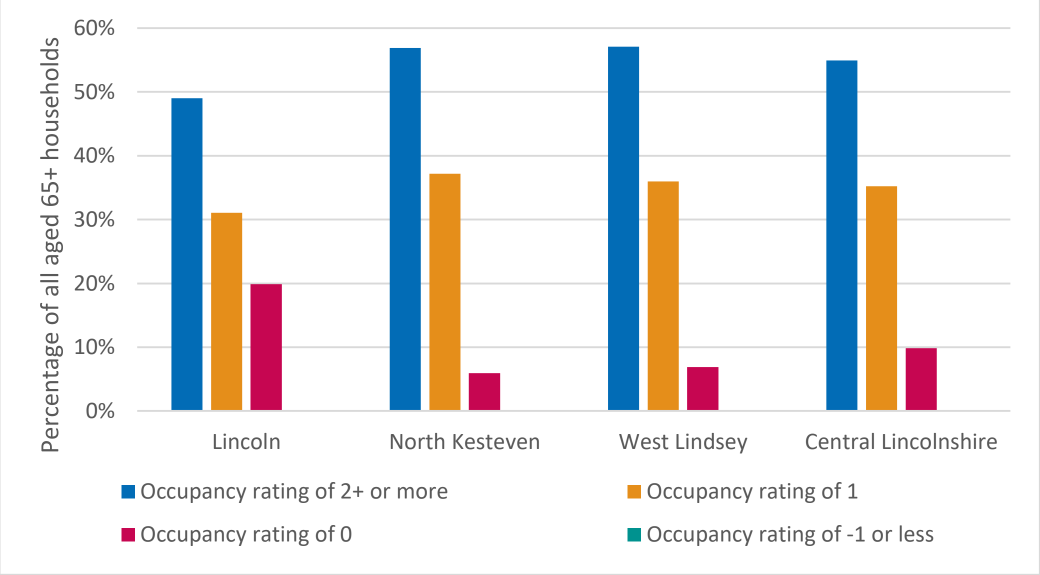
** Note: Figures do not include one-person households where the sole resident is aged 65+*

8.8 It is also notable from the above that a reasonably high proportion (17%) of these older households living in Central Lincolnshire were recorded as living in homes with four or more bedrooms (a trend that is slightly more pronounced in West Lindsey but less so in Lincoln).

8.9 This notional under-occupancy of housing is also reflected through occupancy ratings reported by the Census, which – as introduced in section 6 – calculates the number of bedrooms required for a household based on an assumed 'bedroom standard'. Indeed, the chart below shows that over half (55%) of all older households in Central Lincolnshire – including older individuals living alone – had at least two more bedrooms than technically required. A further 35% had one more bedroom than required.

8.10 While this pattern was broadly reflected across all authorities, it is notably less prevalent in Lincoln, with around a fifth (20%) of older households occupying homes with a number of rooms in line with what is required of the household in terms of the bedroom standard, this being significantly higher than the rates in North Kesteven (6%) and West Lindsey (7%) where under-occupancy is consequently more prevalent.

Figure 8.3: Occupancy Ratings (Bedrooms) in Households With All Residents Aged 65+, 2011



Source: Census 2011

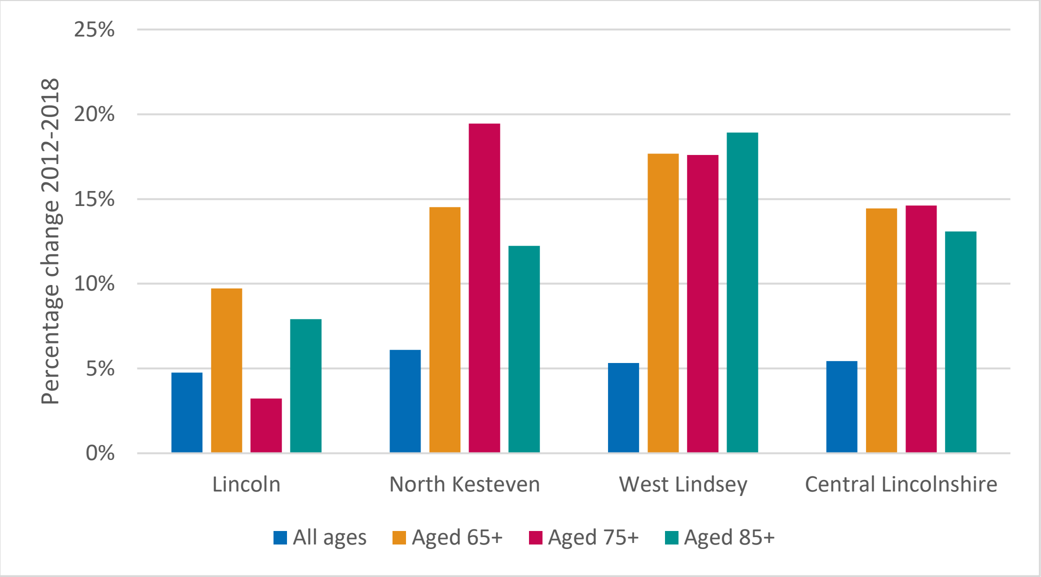
Recent change in the older population

8.11 The above analysis reflects the older population of Central Lincolnshire as of 2011 and does not therefore reflect the changes to the population that have occurred prior to and during the current plan period, which began in 2012.

8.12 The earlier Figure 3.13 confirmed – based on official population estimates released by the ONS – that those aged 65 and over now account for a growing proportion of the local population. This follows a relatively pronounced 14% growth in the number of residents within this cohort since 2012, more than doubling the 5% growth recorded across the total population. Similar growth rates were recorded across Central Lincolnshire amongst those aged 75+ and 85+ (15% and 13% respectively).

8.13 The rate of growth in the older population varied across individual authorities, as shown at Figure 8.4. Whilst in West Lindsey the proportion of the population aged 65 and over increased by 18%, the growth rate in Lincoln was a more modest 10%. This trend was still further pronounced in terms of residents aged 75 and over; whilst this age-group grew by just 3% in Lincoln (a rate lower than the change in total population), the rate across North Kesteven and West Lindsey was 19% and 18% respectively.

Figure 8.4: Change in Older Population, 2012 - 2018



Source: ONS

8.14 Following this period of growth, there are an estimated 65,400 people aged 65 and over residing in Central Lincolnshire as of 2018. This equates to slightly over one in five residents, with circa one in every ten being 75 and older.

8.15 As shown at Table 8.1, a smaller proportion of Lincoln’s population (15%) is 65 and over than recorded in North Kesteven (23%) and West Lindsey (24%). In terms of absolute numbers, North Kesteven (with 27,146 older residents) accommodates almost double the number of people of this age-group than Lincoln (15,049). This trend is also reflected in the number of people aged 75 and older, albeit the proportion aged 85 and older is similar in all authorities.

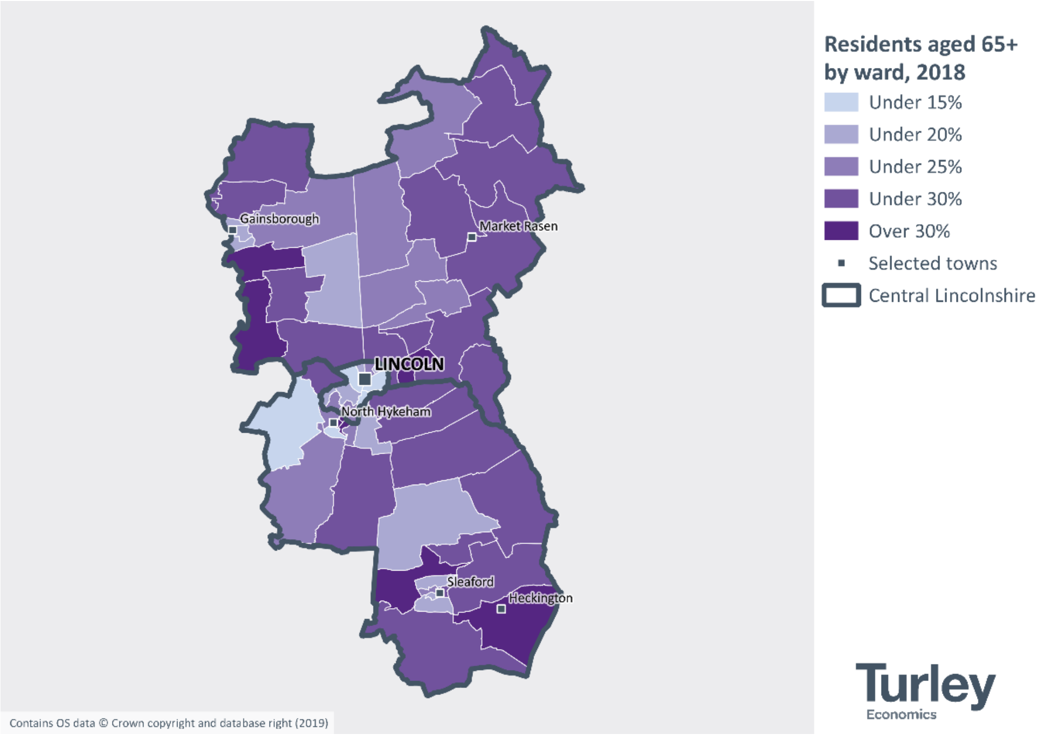
Table 8.1: Older Population, 2018

	Lincoln	North Kesteven	West Lindsey	**Central Lincolnshire**
All ages	99,039	115,985	94,869	**309,893**
Aged 65+	15,049	27,146	23,172	**65,367**
Percentage of total	*15.2%*	*23.4%*	*24.4%*	***21.1%***
Aged 75+	6,820	12,380	9,935	**29,135**
Percentage of total	*6.9%*	*10.7%*	*10.5%*	***9.4%***
Aged 85+	2,195	3,209	2,628	**8,032**
Percentage of total	*2.2%*	*2.8%*	*2.8%*	***2.6%***

Source: ONS

8.16 There is further variation below authority level, as shown at Figure 8.5 which uses official population estimates for small areas to show the proportion of residents in each ward aged 65 and over as of 2018. This suggests that proportionately fewer residents in central Lincoln and some of its surrounding areas are within this cohort. This contrasts particularly with areas to the south of Gainsborough, to the west of Sleaford, to the east of Lincoln and in the vicinity of Heckington, where a larger share of residents are 65 and over.

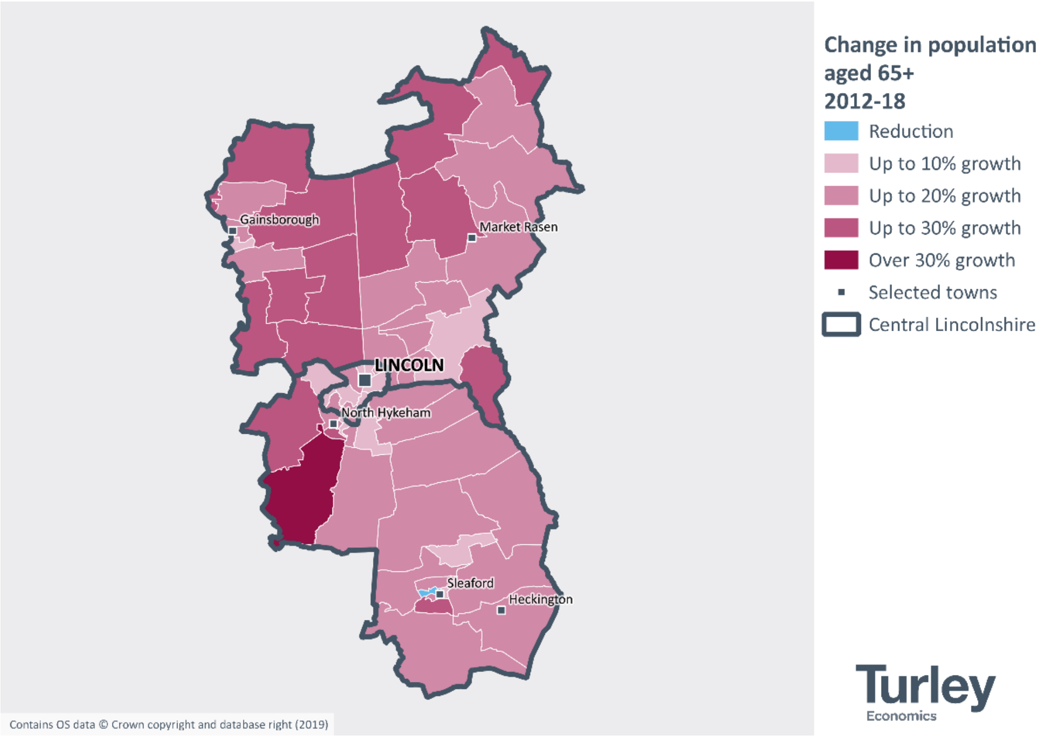
Figure 8.5: Proportion of Residents Aged 65+ by Ward, 2018



Source: ONS

8.17 The rate of growth in the current plan period has also varied below authority level. Figure 8.6 compares the size of wards' populations aged 65 and over in 2018 to those recorded in 2012. This confirms that nearly all wards have seen growth in their elderly population, with the exception of Sleaford Westholme which experienced a fractional decline (0.2%). The most pronounced growth, of around one third (33%), was seen in the ward of Bassingham and Brant Broughton to the west of North Kesteven.

Figure 8.6: Change in Number of Residents Aged 65+ by Ward, 2012-18



Source: ONS

Estimated future change

8.18 Modelling by Edge Analytics indicates that recent growth in the older population of Central Lincolnshire is unlikely to slow over the emerging plan period, regardless of whether housing provision aligns with the minimum need implied by the standard method or the higher need associated with future job growth as presented in earlier sections of this report. The number of residents aged 65 and over would be expected to increase by as much as 48% by 2040, while the number aged 85 and over would likely more than double. This growth is slightly more pronounced under the jobs-led scenario, which allows for higher levels of net in-migration including additional working residents who naturally age and are assumed to often remain in Central Lincolnshire.

Table 8.2: Estimated Future Change in the Older Population, 2018-40

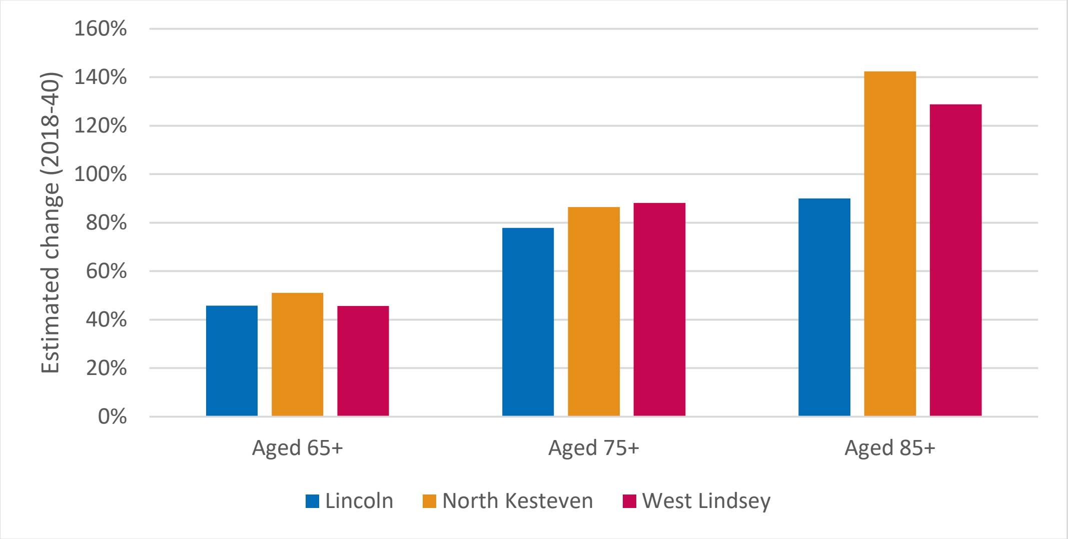
		Standard method			Jobs-led scenario		
	2018	2040	Change	% change	2040	Change	% change
Aged 65+	65,367	94,747	29,380	45%	96,732	31,365	48%

Aged 75+	29,135	52,850	23,715	81%	53,909	24,774	85%
Aged 85+	8,032	17,618	9,586	119%	17,964	9,932	124%

Source: Edge Analytics

8.19 The modelling necessarily applies assumptions about the authority area in which new houses or jobs are provided, which may not align with the spatial strategy to be ultimately implemented by the Councils. This breakdown is nonetheless of some value in illustrating how the existing population of each area can be expected to age at different rates. Figure 8.7 compares the estimated rate of future growth in each cohort for each authority, implying that growth amongst those aged 65 and over will be similar in proportionate terms but notably suggesting that Lincoln will see less pronounced growth in the eldest cohorts over this time period.

Figure 8.7: Estimated Future Change in the Older Population, 2018-40



Source: Edge Analytics

Implications for housing provision

8.20 The PPG confirms that such '*projections of population and households by age group can…be used*' to identify the housing needs of older people[137].

8.21 It is acknowledged that the Councils have previously commissioned a review of the housing and accommodation needs of older people, produced by the Housing Learning and Improvement Network[138] ('Housing LIN') in October 2018. While this report is not intended to replace or necessarily update that study, it is understood to have incorporated the 2014-based SNPP, which differ from the projections developed by Edge Analytics to inform this study. As introduced in earlier sections, Edge Analytics' projections incorporate actual population change until 2018, and thereafter apply

---

[137] PPG Reference ID 63-004-20190626

[138] Housing LIN (October 2018) Review of housing and accommodation need for older people across Greater Lincolnshire to inform future housing and accommodation options

assumptions derived from the more recently published 2016-based SNPP on migration, fertility and mortality rates.

8.22 In drawing any comparison to the Housing LIN report, and specifically its estimates of the housing need generated by a growing population aged 75 and over, it is therefore important to recognise that there has already been a slight deviation from the growth that it anticipated, based on official population estimates for 2018. Updated modelling also suggests that this population could be moderately smaller in 2035 – the end of its horizon – than envisaged by Housing LIN, based on earlier projections. This is shown at Table 8.3.

Table 8.3: Comparing Earlier Population Projections to Latest Modelling (75+)

	2018	2020	2025	2030	2035
Housing LIN (2014-based SNPP)	29,492	31,903	39,072	43,566	48,108
Standard method	29,135	31,472	38,329	42,279	46,530
	-357	-431	-743	-1,287	-1,578
Jobs-led scenario	29,135	31,720	38,823	43,022	47,501
	-357	-183	-248	-544	-607

Source: Edge Analytics; ONS; Housing LIN

8.23 It follows that the estimates of future need for specialist housing and accommodation made in the Housing LIN report – when aggregated to Central Lincolnshire level – could now be viewed as slight overestimates, where the updated projections presented in this report are used. This does appear to represent only a modest change, however, with the projected need in 2035 for example reduced by circa 3% under the standard method and only 1% under the jobs-led scenario. Such a reduction would likely be more than offset by the extension of its assessment to 2040, to align with the emerging plan period.

8.24 For reference, the previous estimates – which have not been comprehensively updated given this modest change – are aggregated in the format presented by Housing LIN below. These are understood to represent gross estimates of total, rather than additional, need. A comparison is made with current supply in the Housing LIN report but this is not replicated here.

Table 8.4: Estimates of Projected Future Need by Housing LIN (units/beds)

	2018	2020	2025	2030	2035
Housing for older people	4,449	4,849	6,001	6,714	7,416
Housing with care	440	515	747	962	1,201
Residential care	1,319	1,393	1,599	1,654	1,681
Nursing care	1,319	1,423	1,727	1,900	2,064

Source: Housing LIN report (Tables 4.16, 4.21 and 4.36)

8.25 While the Housing LIN report estimates the future need for different forms of provision, it is important to recognise that Edge Analytics' modelling itself makes assumptions about the number of people living in residential institutions such as care homes rather than private households, as previously highlighted in the SHMA[139]. This is based on a different methodology to that applied by Housing LIN and therefore naturally varies from its comparable estimates of the need for residential and nursing care accommodation. The outputs of Edge Analytics' modelling would, however, be arguably more consistent with the Councils' overall approach to housing provision where this ultimately aligns with the recommendations made in this report.

8.26 Edge Analytics' methodology remains consistent with that applied in the SHMA and in the development of official household projections, specifically:

- For all ages up to 74, the *number* of people in each age group that are not in households is based on the 2011 Census value; and
- For ages 75 and over, the *proportion* of the population that are not in households is recorded as a percentage. The population that are not in households in these age groups therefore varies across the forecast period, depending on the size of this population.

8.27 Consequently, modelled growth in the number of people living in communal establishments is entirely attributable to an increased population of older people aged 75 and over.

8.28 Under the scenarios developed in this report, the communal population of Central Lincolnshire is projected to grow by circa 87-91 persons per annum over the emerging plan period, as summarised at Table 8.5. These additional older people are not assumed to live in dwellings, and are therefore **excluded from and additional to** the overall dwelling requirements specified in the earlier sections of this report. They are implicitly assumed to require bedspaces in institutional accommodation, such as care homes, arguably superseding the specific estimates of need for residential and nursing care provision in the Housing LIN report where the Councils plan to deliver housing in line with the standard method or jobs-led scenario. It can be reasonably considered that there is no such overlap with its estimates of the need for housing for older people and housing with care, however, the delivery of which can be assumed to contribute towards meeting the need for dwellings evidenced in this report[140].

Table 8.5: Projected Change in Communal Population of Central Lincolnshire, 2018-40

	Total change in communal population	Average change per annum
Standard method	1,912	87
Jobs-led	1,996	91

---

[139] Turley (2015) Central Lincolnshire Strategic Housing Market Assessment, p152

[140] This is considered reasonable as all but the communal population, identified separately, are assumed to live in private dwellings in Edge Analytics' modelling. The needs of such households are therefore **included**, unlike the needs of those living in communal establishments

Source: Edge Analytics

8.29 In considering how this separate need for specialist accommodation can be met, it is important to recognise that uncertainties exist around residents' requirements or indeed preferences for residential institutions (Use Class C2) or extra care housing (C3). The type of accommodation delivered may slightly vary over time, in response to supply and demand within the market and the complexities of funding.

8.30 The modelling presented above makes no attempt to consider the potential for C3 housing to accommodate those assumed to be in need of C2 accommodation, which could result from the implementation of housing strategies or the provision of appropriate housing of this nature. Where it is evidenced that an element of this separate need for C2 housing is actually being met through C3 accommodation, this would directly elevate the overall level of housing need to include those households that are currently excluded from its underlying projection.

People with disabilities

8.31 The PPG states that:

> *"The provision of appropriate housing for people with disabilities, including specialist and supported housing, is crucial in helping them to live safe and independent lives. Unsuitable or unadapted housing can have a negative impact on disabled people and their carers. It can lead to mobility problems inside and outside the home, poorer mental health and a lack of employment opportunities. Providing suitable housing can enable disabled people to live more independently and safely, with greater choice and control over their lives. Without accessible and adaptable housing, disabled people risk facing discrimination and disadvantage in housing. An ageing population will see the numbers of disabled people continuing to increase and it is important we plan early to meet their needs throughout their lifetime"*[141]

8.32 The PPG confirms that '*multiple sources of information may need to be considered in relation to disabled people who require adaptations in the home, either now or in the future*'[142]. It describes the Census as one such source of information, given that this records the extent to which the population considered their day-to-day activities to be limited by long-term health problems or disability[143].

8.33 It can be seen from the Census that just under 20% of all people living Central Lincolnshire were limited to some extent by long-term illness and/or disability, as of 2011, with around 9% of the population stating that their activities are 'limited a lot'. The prevalence of activities being limited to some extent by long-term illness and/or disability is broadly similar across the three authorities.

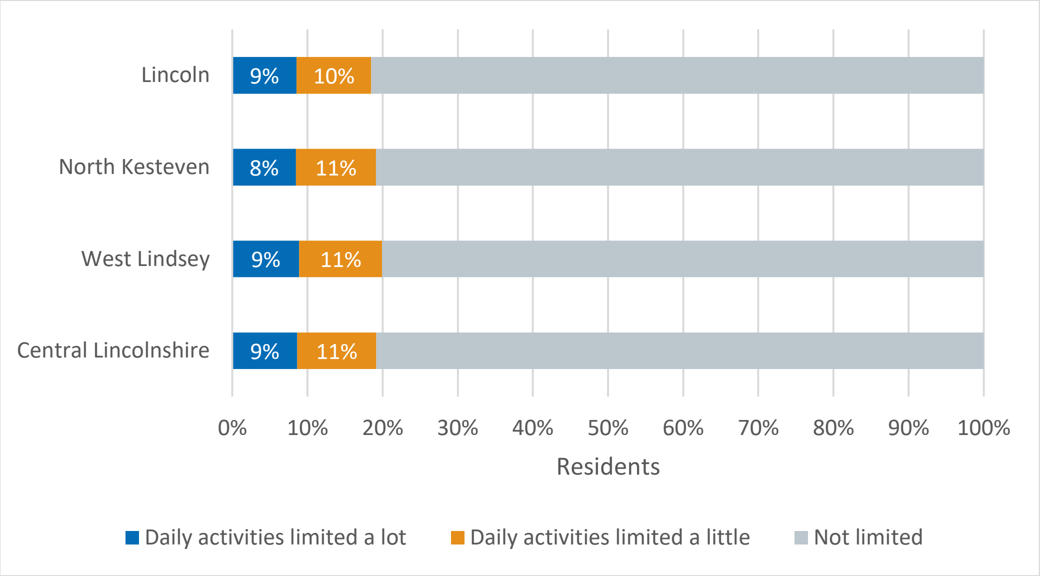
---

[141] PPG Reference ID 63-002-20190626

[142] PPG Reference ID 63-005-20190626

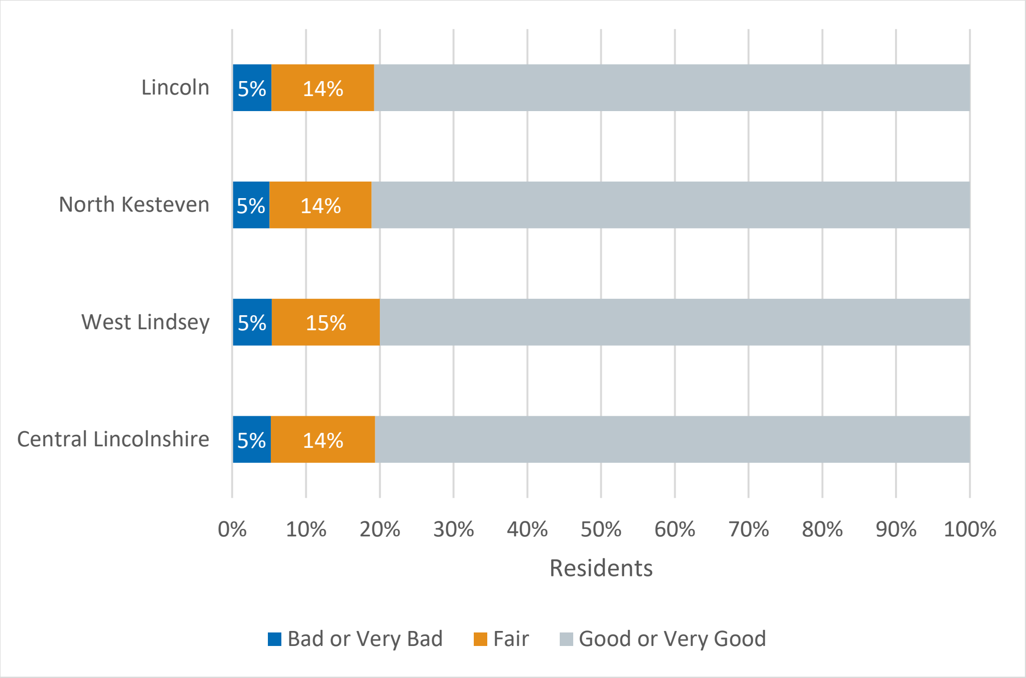
[143] A long-term health problem or disability that limits a person's day-to-day activities, and has lasted, or is expected to last, at least 12 months. This includes problems that are related to old age. People were asked to assess whether their daily activities were limited a lot or a little by such a health problem, or whether their daily activities were not limited at all.

Figure 8.8: Extent to which day-to-day activities are limited by long-term health problem and/or disability, 2011



8.34 Respondents to the 2011 Census also self-reported their general health, with broadly similar outcomes, as outlined in the chart below.

Figure 8.9: Self-reported general health, 2011

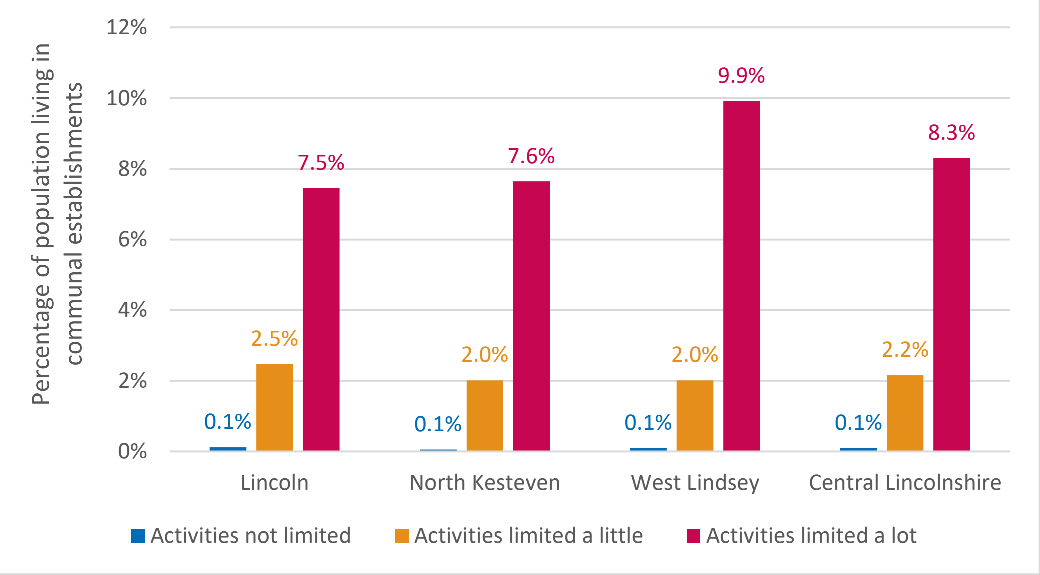


Source: 2011 Census

8.35 The Census also recorded the living arrangements of those whose daily activities were limited to some extent, or not at all. This reveals the role of specialist communal establishments such as care homes in meeting the needs of such individuals.

8.36 It can be seen from Figure 8.10 that circa 8% of those Central Lincolnshire residents whose daily activities are limited a lot and 2% of those whose daily activities are limited a little were accommodated in communal medical and care establishments, as of 2011. Whilst this means that some of the residents with a disability or long-term health problem live in communal establishments, it also indicates that the vast majority do not and are therefore likely to require housing that is accessible and can accommodate their needs. It is noted that the authority that has the highest proportion of residents with significant mobility issues or health problems living in communal establishments in West Lindsey.

Figure 8.10: Proportion of population that live in communal establishments by extent to which day-to-day activities are limited by long-term health problem and/or disability, 2011



Source: 2011 Census

8.37 Lincolnshire County Council has recently published its Joint Strategic Needs Assessment (JSNA), which includes analysis of the needs of those among the population experiencing physical disabilities and sensory impairment[144]. The JSNA outlines that people with physical impairments may often have unique and multi-dimensional requirements and therefore require tailored services to address them all in a person-centred holistic fashion. Whilst sensory impairments may, like physical impairments, be congenital or acquired at any age, many sensory impairments (for example sight and hearing impairments) develop gradually and can be secondary to other disabilities. It is stated that people with physical or sensory impairments are more likely to live in poverty and experience problems with housing, as well as a lack of support to access opportunities to improve the quality of their life.

8.38 The JSNA highlights Lincolnshire County Council's 'Adult Frailty and Long Term Conditions Commissioning Strategy'[145], which demonstrates Lincolnshire County

---

[144] Lincolnshire County Council (2019) Joint Strategic Needs Assessment 2019 - JSNA Topic: Physical Disabilities & Sensory Impairment

[145] Lincolnshire County Council (2016) Adult Frailty and Long Term Conditions: Commissioning Strategy 2016-2019

Council's approach to commissioning social care and support for people with a physical disability or with a sensory impairment. The key commissioning intentions focus on supporting people to live in their own homes for as long as they wish by developing high quality, personalised services that are flexible, responsive and give people choice and control over how their care and support is provided.

8.39 It is further stated by the JSNA that the County Council aims to continue to grow its capacity to deliver personalised care for people with a physical disability or sensory impairment, and that the key commissioning objectives over the period to 2021 include:

- Working with providers to offer flexible support services for people with complex physical disabilities both at home and in residential settings, focusing on individualised and creative approaches. This could include increasing the uptake of Direct Payments, which is a system whereby the County Council provides a prepaid card account enabling users or their representatives more flexibility over how their care is managed;

- Offering opportunities for organisations who would like to provide community supported living for people with learning disabilities and physical disabilities

- Working in partnership with district councils and independent providers to support the development of extra care housing across the county to meet demand over the next 20 years that will not only support older people, but also ensuring these schemes are multi-generational, enabling them to support working age adults with care and support needs.

8.40 Whilst it is clear that people of any age can experience disability, the JSNA also acknowledges that the chances of living with physical and sensory disabilities increases with age. Central Lincolnshire's ageing population over the coming years therefore suggests that those not accommodated in communal establishments will increase demand for assistance with day to day activities in order to remain in their own homes.

8.41 Dementia and falls are key issues for this older demographic. In the case of the former this is considered one of the most pressing challenges for health and social care services both nationally and locally. The issue of falls for this cohort is also recognised as having the potential to significantly impact upon health and quality of life. Indeed the JSNA identifies that given the ageing population of Lincolnshire '*there is a risk, that without action, avoidable hospital admissions [due to fall-related injuries] would continue to increase, adding further pressures on health and care services*'[146].

8.42 Looking first at issues associated with a rising prevalence of dementia, the JSNA cites evidence from the Social Care Institute for Excellence, which states that, whilst sheltered housing and extra care housing are two options that might be considered if a person with dementia (and their carer) is finding it difficult to stay in their own home, '*aids, adaptations and assistive technology can help people with dementia to live better*

---

[146] Lincolnshire County Council (2019) Joint Strategic Needs Assessment 2019 - JSNA Topic: Falls

in all forms of housing and should be considered before making a decision to move home'[147].

8.43 The JSNA subsequently outlines that Neighbourhood Working – this involving local authority, health, social care, voluntary organisations and charities working together to find solutions to health and wellbeing challenges for local populations – will be necessary to support people with dementia to remain safe in their own homes for as long as possible by ensuring all these relevant organisations work in partnership[148].

8.44 In terms of falls, it is highlighted that within the home and in residential care facilities are common places for their occurrence. Whilst poor quality or inappropriate housing is highlighted by the JSNA as a potential contributor to increased prevalence of falls amongst older people in Lincolnshire, it is outlined that the risk of falls can be mitigated by a number of interventions, including home hazard assessments; physiotherapy and occupational therapy that takes place in people's home environments and provision of specialist equipment. In this regard it is highlighted that effective falls prevention and management requires co-ordination and collaboration across the health and social care sectors, as well as housing providers and the third and independent sectors. Beyond the above issues, the JSNA also states that demand for long term residential care from adults with learning disabilities is anticipated to rise over the coming years, again largely due to increasing numbers of older people with learning disabilities[149].

8.45 Recent data from health bodies such as Public Health England and the NHS regarding the number of adults with learning disabilities is available at the county level, rather than for local authorities. Trends in wider Lincolnshire can nonetheless be instructive in considering evolving needs in Central Lincolnshire.

8.46 The below table presents NHS data regarding the number of adults (aged 18 and over) with learning disabilities getting long term support from local authorities over the past 5 years[150]. It can be seen that this has increased at a faster rate in Lincolnshire than in the wider East Midlands or England as a whole over this period, and that prevalence in the county is now proportionally in line with regional and national rates.

---

[147] Social Care Institute for Excellence (2019) Dementia and housing

[148] Lincolnshire County Council (2019) Joint Strategic Needs Assessment 2019 - JSNA Topic: Dementia

[149] Lincolnshire County Council (2019) Joint Strategic Needs Assessment 2019 - JSNA Topic: Learning Disabilities

[150] NHS Digital via Public Health England (2019) Adult Social Care Activity and Finance Report, Short and Long- Term Care Statistics

Table 8.6: Adults with learning disability getting long term support from Local Authorities, 2014/15 - 2018/19

	Lincolnshire		East Midlands	England
	Number	Per 1,000 population	Per 1,000 population	Per 1,000 population
2014/15	1,720	2.9	3.2	3.3
2015/16	1,780	3.0	3.3	3.3
2016/17	1,900	3.2	3.4	3.3
2017/18	2,025	3.3	3.4	3.4
2018/19	2,075	3.4	3.4	3.4

Source: NHS Digital via Public Health England, 2019

8.47 The JSNA also, however, states that the current trend is for more people with a learning disability to be supported to live as independently as possible in their own home, through assistive technology and adaptive equipment for example. Local council housing authorities and registered social housing landlords are playing a significant role (which is anticipated to further increase over coming years) to help people with learning difficulties access independent housing. Indeed, the JSNA estimated that the number of individuals with a learning disability requiring community supported living services would rise by 31% (from 650 to 850) between 2015/16 and 2020 with this having implications for the provision of suitable housing as well as supported service provision.

Adaptations

8.48 The PPG recognises that '*accessible and adaptable housing enables people to live more independently, while also saving on health and social costs in the future*'[151]. It further suggests that:

> *"It is better to build accessible housing from the outset rather than have to make adaptations at a later stage – both in terms of cost and with regard to people being able to remain safe and independent in their homes"*[152]

8.49 This forms an important context for the Councils to develop appropriate policy to ensure that new housing accords with building standards and the evidence of increasing needs set out above, potentially through implementing recommendations made by the sector where viable for example[153]. The provision of new homes will only ever represent a small proportion of the overall stock and carrying out adaptations to existing homes is also important in addressing the specific needs of those with disabilities, in order to modify the home environment and enable or restore independent living, dignity, confidence or privacy for individuals and their families.

---

[151] PPG Reference ID 63-008-20190626

[152] *Ibid*

[153] "Housing and Disabled People: Britain's Hidden Crisis", for example, was published by the Equality and Human Rights Commission and recommended that to build more accessible and sustainable homes, a minimum of 10% of new-build houses across all tenure types should be built to higher wheelchair-accessible standards (M4(3) design standard)

8.50 Home Adaptations for Disabled People[154], published by the Home Adaptations Consortium in 2013, provides a useful starting point in considering adaptations, and suggests that demand has accelerated with social policy changes and medical advances, allowing people with disabilities and complex needs to lead more independent lives.

8.51 As shown earlier at Figure 8.10, the majority (approximately 92%) of Central Lincolnshire residents whose daily activities are limited a lot by their long-term health or disability do not live in communal establishments, suggesting that many live at home or with relatives, friends or carers. This suggests an ongoing need to ensure that there is a sufficient supply of adapted homes. Councils offer means tested grants – including Disabled Facilities Grants (DFGs), which is part of the Councils' overarching housing policy – to help people adapt their homes.

8.52 DFGs enable councils to provide funding that assists vulnerable homeowners or private sector tenants to repair, improve, maintain or adapt their home. Homeowners may need assistance because they are older, disabled or on low income and adaptions can include stair lifts, level access showers and extensions. The objective is to ensure people remain independent in their own homes and avoid a costly admission to hospital and residential care.

8.53 As an indication of need for home adaptions, circa 6% of respondents to the household survey recently conducted by the City of Lincoln Council felt that managing stairs in their home was a problem, with a further 1% stating that this was a 'serious' problem. Indeed, of those 275 households who expressed an intention to move house within the next 5 years, 28 (equating to 10% of respondents) gave their reason as needing housing suitable for an older or disabled person. It is also, however, noted that just 7 respondents wished to move to supported or specialist housing, suggesting a parallel need for general housing that is accessible to older and disabled people in the area.

8.54 As in the SHMA, the Central Lincolnshire authorities have confirmed the number and type of DFGs completed, which are summarised at Table 8.7. It can be seen that the overall number of DFGs over the past three years has remained fairly steady in Central Lincolnshire, albeit falling slightly year on year. There has been some local variation; for example, whilst Lincoln delivered significantly fewer DFGs in 2018/19 (39) in comparison with 2016/17 (70), the number in North Kesteven grew year on year. North Kesteven was also the authority that delivered the highest number of DFGs overall during this period.

8.55 Lincoln delivered an average of 51 DFGs per annum over the period 2016/17 – 2018/19, this being slightly lower than the annual average of 59 over the five years 2009/10 – 2013/14 as reported in the 2015 SHMA. North Kesteven in contrast slightly increased the number of such grants, averaging 82 DFGs per annum over the three years to 2018/19 relative to the annual average of 78 recorded over the period 2011/12 – 2013/14. A very slight decrease in the annual average delivery of 77 DFGs

---

[154] Home Adaptations Consortium (2013) Home Adaptations for Disabled People – a detailed guide to related legislation, guidance and good practice

recorded in West Lindsey between 2012/13 and 2014/15 was recorded over the three years to 2018/19, during which time an annual average of 76 were delivered.

8.56 The most prevalent type of facility receiving a grant in Central Lincolnshire (and indeed all local authorities) was level access showers. Stairlifts and ramps were also among the facilities receiving the most grants. Conversions/extensions and other types of facilities were less prevalent.

Table 8.7: Disabled Facilities Grants in Central Lincolnshire, 2016/17 - 2018/19

Type of Facility	2016/17	2017/18	2018/19	**Total**	**Percentage of Total**
Lincoln					
Level access shower	28	19	14	**61**	**40%**
Stairlift	21	11	8	**40**	**26%**
Ramp	9	7	6	**22**	**14%**
Conversion/extension	9	4	8	**21**	**14%**
Other	3	4	3	**10**	**6%**
Total	**70**	**45**	**39**	**154**	**100%**
North Kesteven					
Level access shower	40	38	43	**121**	**49%**
Stairlift	11	19	9	**39**	**16%**
Ramp	14	10	14	**38**	**15%**
Conversion/extension	2	6	9	**17**	**7%**
Other	6	8	17	**31**	**13%**
Total	**73**	**81**	**92**	**246**	**100%**
West Lindsey					
Level access shower	45	54	36	**135**	**59%**
Stairlift	13	20	15	**48**	**21%**
Ramp	16	13	13	**42**	**18%**
Conversion/extension	2	2	0	**4**	**2%**
Other	0	0	0	**0**	**0%**
Total	**76**	**89**	**64**	**229**	**100%**
Central Lincolnshire					
Level access shower	113	111	93	**317**	**50%**
Stairlift	45	50	32	**127**	**20%**
Ramp	39	30	33	**102**	**16%**
Conversion/extension	13	12	17	**42**	**7%**
Other	9	12	20	**41**	**7%**
Total	**219**	**215**	**195**	**629**	**100%**

Source: City of Lincoln Council; North Kesteven District Council; West Lindsey District Council

8.57 Detailed DFG project data provided by the authorities enables additional analysis to be conducted into the average cost of DFGs by type in Central Lincolnshire, which is outlined in the below table. It should also be noted that all alterations costing less than £1,000 are provided by Lincolnshire County Council as opposed to DFGs, and so therefore are not included within these totals.

Table 8.8: Average Value of DFGs by Type of Facility in Lincoln, 2016/17 - 2018/19

Facility Type	Average DFG Value in Central Lincolnshire
Conversion/extension	£16,571
Other	£6,759
Average of All Types	***£5,559***
Level Access Shower	£4,654
Ramp	£,3,700
Stairlift	£3,153

Source: City of Lincoln Council; North Kesteven District Council; West Lindsey District Council

Summary

8.58 The NPPF requires the housing needs of different groups in the community to be assessed and reflected in planning policies, and the PPG provides guidance on how such needs should be assessed. An entire section of the PPG focuses specifically on housing for older and disabled people, who are therefore covered in this section of the report prior to consideration of other groups in section 9.

8.59 The SHMA included analysis of the housing needs of older people living in Central Lincolnshire, drawing upon Census data that continues to be cited in the PPG. It suggests as of 2011 that the vast majority of older residents aged over 65 live in private households, generally as owner occupiers and most often having three bedrooms despite in most cases notionally requiring fewer.

8.60 The elderly population of Central Lincolnshire has since grown by some 14% in the current plan period (2012-18) albeit with some variation between the individual authorities and indeed at ward level. There are now an estimated 65,400 people aged over 65 residing in Central Lincolnshire, as of 2018, equating to slightly more than one in every five residents. Modelling by Edge Analytics indicates that this growth is unlikely to slow over the emerging plan period, regardless of whether housing provision aligns with the minimum need implied by the standard method or the higher need associated with future job growth. The number of residents aged over 65 could reach circa 96,700 by 2040 under the latter scenario, a growth of nearly half (48%) over the plan period with still more pronounced growth in proportionate terms amongst the eldest cohorts.

8.61 The PPG confirms that such projections can be used to identify the housing needs of older people, albeit the Councils have previously commissioned evidence on this matter that is not intended to be superseded by this report. It is, however, noted that the demographic projections developed by Edge Analytics to inform this study – which appear to draw upon more up-to-date evidence on life expectancy, for example – suggest that the elderly population could grow to a slightly lesser extent than envisaged in the previous evidence over its horizon to 2035. Its assessed future need for specialist housing and accommodation could therefore now be viewed as a slight overestimate, albeit only by a very modest amount (c.1-3%).

8.62 It is also important to recognise that Edge Analytics' modelling itself makes assumptions about the number of older people living in residential institutions such as care homes, which would arguably provide a greater degree of consistency with the Councils' emerging approach to housing provision where this aligns with the scenarios presented in this report. This population is projected to grow by circa 87-91 persons per annum under the scenarios developed in this report, with their related need for bedspaces excluded from and additional to the overall dwelling requirements specified earlier.

8.63 The ageing population is also expected, alongside other factors, to increase the prevalence of disability in Central Lincolnshire and therefore associated housing needs. Where it is recognised that circa 20% of all Central Lincolnshire residents were limited to some extent in their daily activities at the 2011 Census it is reasonable to expect an increase over the plan period. Importantly the analysis identifies that only 8% of those household members who identified themselves as being limited a lot in their daily activities were living in institutional accommodation, falling to only 2% amongst those whose activities were limited a little, confirming an outstanding and increasing need for suitably accessible private housing. Providing for this need should be considered by the Councils in their establishment of appropriate policies to inform the provision of new housing. However, it is important to acknowledge that the scale of new provision compared to the existing stock means that much of this need will result in growing numbers of Disabled Facilities Grants being required, where it is recognised that the Councils currently issue over 200 such grants each year to assist in this regard.

9. Specific Needs of Other Groups

9.1 In responding to the requirement to assess the needs of different groups, section 6 of this report illustrated the likely cumulative impact of households' individual preferences on the size and type of housing needed overall. Section 7 provided a standalone assessment of affordable housing need, which was followed by an assessment of the housing needs of older and disabled people in section 8.

9.2 This section provides analysis of the current and future housing needs of further distinct groups identified by the Councils, namely students, service families, self-builders, privately renting households, those searching at different levels of the market and those in need of houseboats and caravans. For a number of these groups, this analysis provides an update to that presented in the SHMA drawing on the latest data available and engagement with those active in providing for the needs of individual groups.

Students

9.3 The SHMA profiled and considered the specific housing needs of students in Central Lincolnshire, specifically in Lincoln.

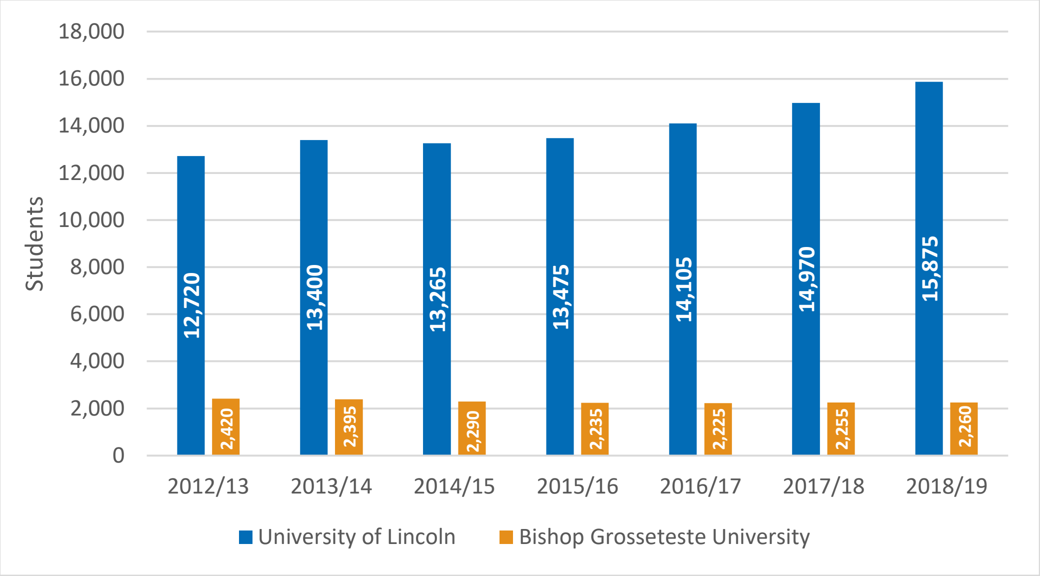
9.4 It is evident that the total number of students at the two universities located in the area (University of Lincoln and Bishop Grosseteste University) has since increased, when drawing upon comparable data from the Higher Education Statistics Agency (HESA) that was presented up to the 2012/13 academic year at Figure 8.8 of the SHMA[155].

9.5 Figure 9.1 shows that this growth has been entirely attributable to the University of Lincoln, where student numbers have grown by 3,155 (circa 25%) to approach 16,000 students. This notably compares to the circa 16-18,000 students consistently recorded at this university between 2001/02 and 2007/08, as shown previously at Figure 8.8 of the SHMA. Numbers have in contrast fallen slightly (by 160, circa 7%) at Bishop Grosseteste University. Overall, this indicates an increase of just under 3,000 higher education students in Lincoln, growth of circa 20% since 2012.

---

[155] Note that colleges such as Lincoln College and Bishop Burton College (Riseholme) have not been included in analysis of student numbers, given that annual figures for these institutions are not published by HESA. The original SHMA reported that Lincoln College state that there is sufficient provision in the Lincoln area to accommodate demand for housing from its students. Consultation with Lincoln College conducted for this HNA highlighted that very few of its students currently live in private accommodation in the area, the vast majority living with family, and that there has been a significant decrease in the number of adult students enrolled in its courses over recent years, meaning that the impact on the housing market is likely to currently be lower still than at the time of the SHMA. Similarly, although offering some specialist undergraduate and postgraduate courses in agriculture-related subjects, Riseholme College was not included within the SHMA's analysis, and given that the institution currently accommodates a relatively small number of (around 750) students, a proportion of whom will be enrolled on further education courses as opposed to higher education and are less likely to require accommodation, its overall impact on the local housing market is likely to be relatively limited. It is also noted that a new 39-bedroom student accommodation block has been developed at Riseholme College, indicating that the institution is proactively responding to its accommodation needs where they exist.

Figure 9.1: Student Numbers, 2012/13 - 2018/19



Source: HESA

9.6 For the purpose of understanding associated future housing needs it is important to understand whether this trend of growth, albeit returning to a previous scale, is likely to continue. Engagement with contacts at the universities has provided an indication of their growth strategies over the coming years. The representative from the University of Lincoln stated that, whilst work is ongoing to establish the institution's long-term growth ambitions, the first half of the next decade is likely to see a period of stabilisation of student numbers, rather than growth. Whilst some small percentage increases in student numbers may be recorded over the coming years, it was stated that the university is aiming to focus its efforts on increasing its research output rather than directly growing its student roll. This aligns with the university's current Strategic Plan[156], covering the period 2016-2021, which outlines that the institution's priorities going forward would be enhancing teaching and student experience; maximising graduate employability; conducting world-leading research; and fostering partnerships and engaging with employers and other organisations.

9.7 Bishop Grosseteste University has recently re-evaluated its targets for growth in student numbers, their representative acknowledging that the targets published in the 2013 Five Year Strategy[157] – this being to grow their student body from circa 2,300 students to 4,500 students between 2014 and 2019 – was overly ambitious (HESA figures in fact indicating a slight reduction in student numbers took place over this period). The institution's latest Strategy[158], covering the period 2019-2025, does not outline specific ambitions to grow student numbers, instead as with the University of Lincoln focusing on enhancing student experiences; increasing research output; upgrading and delivering infrastructure; and securing partnerships. During consultation, the university's representative did, however, indicate that they saw

---

[156] University of Lincoln (2016) Thinking Ahead: 2016-2021 - University of Lincoln Strategic Plan

[157] Bishop Grosseteste University (2014) Bishop Grosseteste University: Five Year Strategy 2014 to 2019

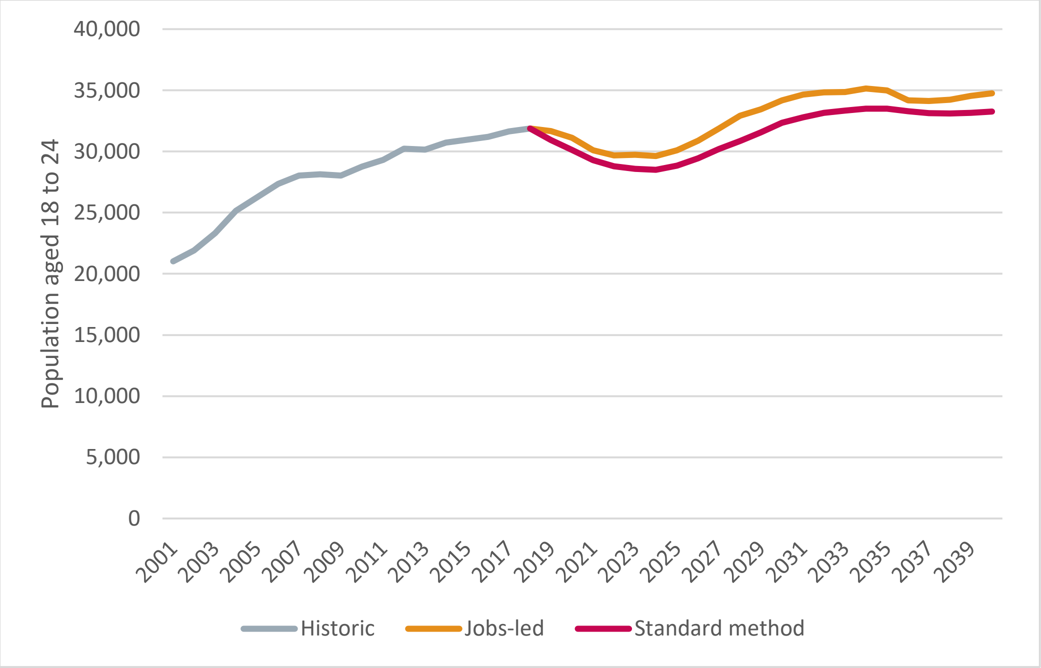
[158] Bishop Grosseteste University (2019) Bishop Grosseteste University, Lincoln: Strategy 2019-2025

possibility for some increase in student numbers, potentially up to circa 3,000 which if realised would suggest a change in its recent trend but compared with an assumed stabilising of the student population at the University of Lincoln a more modest overall growth across the two.

9.8 The projections introduced in this report are based on population estimates that can be disaggregated only by age and gender, meaning that individuals studying at universities as "students" cannot be explicitly isolated. The cohort aged 18 to 24 can however act as a reasonable proxy on the level of growth that is implicit in the projections, based on the principle that any substantial growth in the student population – reflecting recent trends, for example, rather than an explicit assumption – would likely be reflected in the size of this cohort. This group does, however, also importantly include younger people who are not students, as well as graduates.

9.9 As shown at Figure 9.2, neither scenario assumes that recent growth in this cohort across Central Lincolnshire is sustained, with a slight decline actually implied over the short-term horizons generally covered by universities' strategic planning. Growth is then implied to resume in the latter half of the decade, not due to any assumption on the student population but instead likely as a result of the general ageing of existing children. This is not considered to conflict with the current strategies of local universities nor represent a disproportionate level of growth that could skew the assessment of housing needs in this area. As a result the projections are considered a reasonable proxy for understanding changing needs arising from this cohort.

Figure 9.2: Historic and Projected Younger Population (18-24)



Source: ONS; Edge Analytics

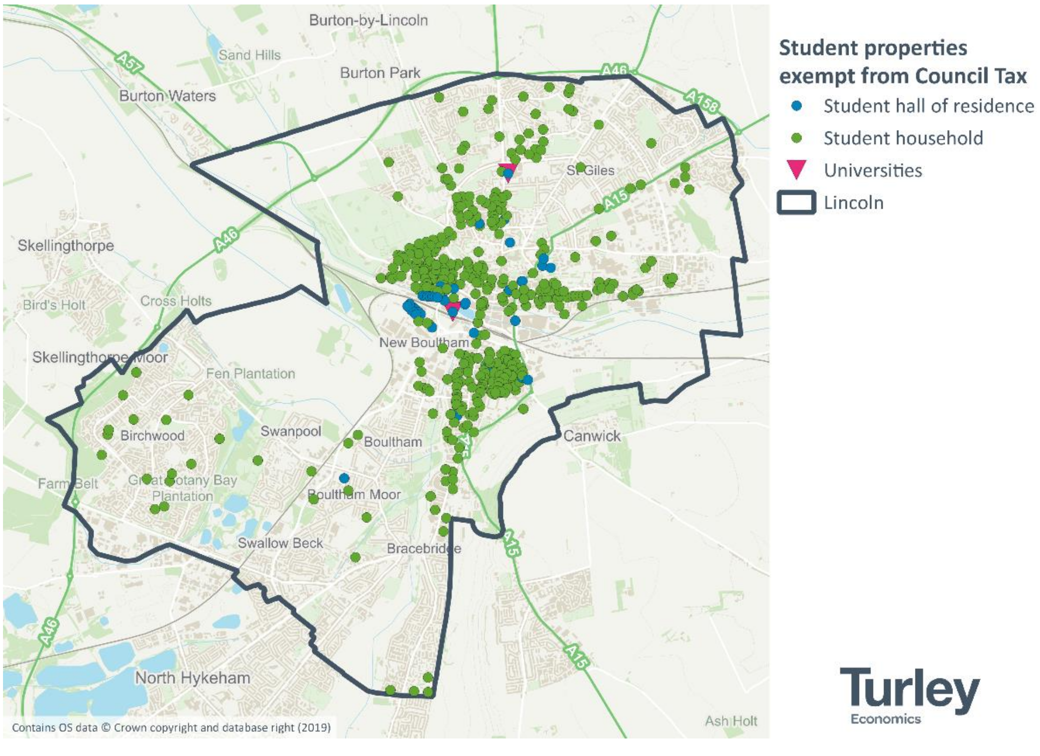
Accommodating students

9.10 The SHMA was produced at a time when the City of Lincoln Council was preparing to introduce an Article 4 direction to manage the number of houses in multiple occupation (HMO). This has since been implemented with the Council now maintaining a comprehensive database of such properties, collating various datasets including Council Tax exemptions.

9.11 Data on such exemptions has been supplied by the Council to inform this report, indicating that there are 2,849 exempt properties in Lincoln as of September 2019[159]. These are relatively evenly split between student halls of residence (51%) and other student households (49%). This is considerably lower than was reported in the SHMA (6,546) albeit with this difference potentially attributable to new monitoring methods, linked to the introduction of the Article 4 direction for example.

9.12 Figure 9.3 shows that these properties are generally clustered, as would be expected, in the vicinity of the two universities and close to the city centre. Outside of these clear clusters where there are student properties elsewhere in the city they are considerably more dispersed.

Figure 9.3: Student Properties Exempt from Council Tax, September 2019



Source: City of Lincoln Council

9.13 Beyond HMOs, the SHMA recognised that a number of students also reside in purpose built student accommodation (PBSA). The Councils' monitoring[160] confirms that a total of 667 units of PBSA have come forward since 2015, of which over three quarters (519, or 78%) were delivered in 2015/16. In subsequent years the lower levels of units delivered implies that they have constituted much smaller schemes. As is to be expected given the location of the universities, Lincoln is the only authority where new

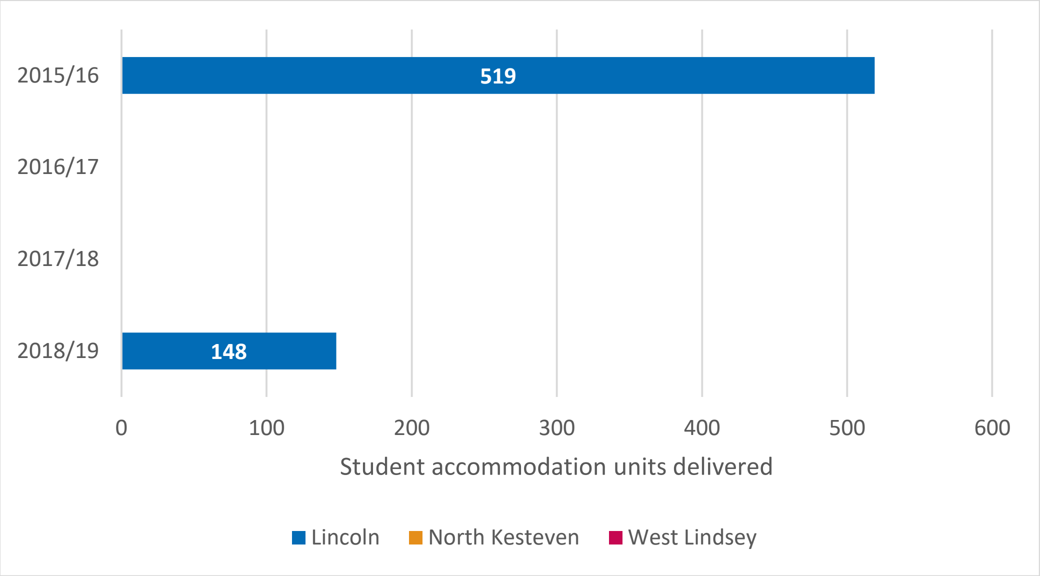
---

[159] Comparable data has not been supplied for North Kesteven and West Lindsey, as the SHMA identified that some 98% of student HMOs in Central Lincolnshire were in Lincoln

[160] Central Lincolnshire Joint Planning Unit (2019) Central Lincolnshire Five Year Land Supply Report 1 April 2020 to 31 March 2025

accommodation has been delivered. The below chart outlines delivery of new student accommodation over this period.

Figure 9.4: Number of student accommodation units delivered, 2015-19



Source: Central Lincolnshire Five Year Land Supply Report 1 April 2020 to 31 March 2025

9.14 Going forwards, it is understood from conversations held to inform this report that neither university expects its activities to generate an additional demand for housing in Lincoln over that which currently exists. Principally this recognises the fact that both universities have a pipeline of student accommodation coming forward, which it was stated is anticipated to have capacity to accommodate forecast growth in student numbers over coming years.

9.15 Bishop Grosseteste University, for example, is currently in the process of delivering circa 300 additional student accommodation bedspaces at their campus, doubling current provision, on currently unused land next to the Yarborough Leisure Centre car park. At the University of Lincoln, Phase 1 of St Marks Student Village will provide circa 400 new university-managed bedspaces from September 2020, with a further 1,000 bedspaces coming forward over subsequent phases, with completion being targeted in September 2022.

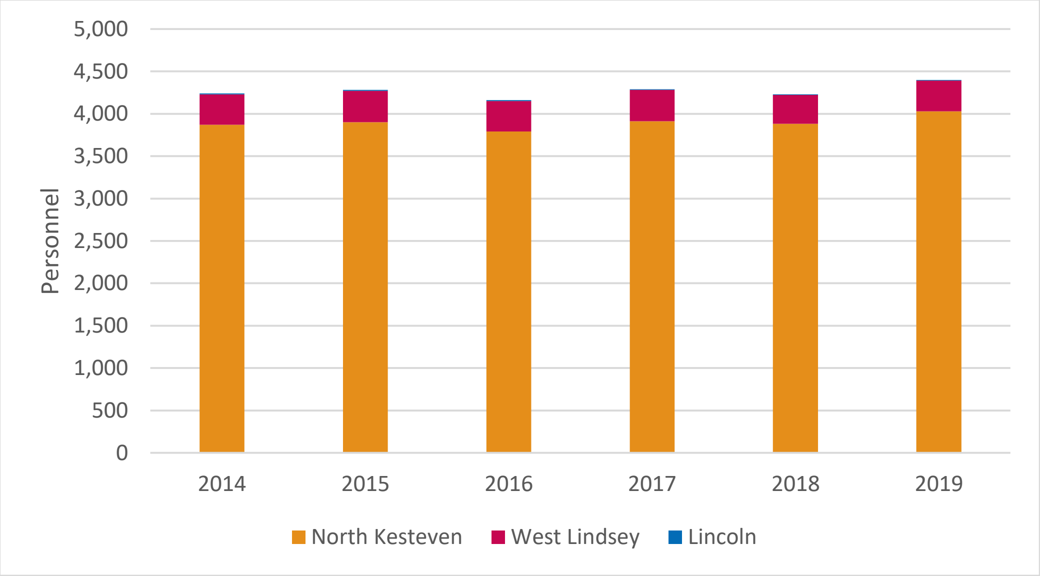
9.16 On this basis, there appears no prevailing need for further accommodation specifically to accommodate growth in the student population, beyond that which is already in the pipeline. There could nonetheless continue to be a role for any such accommodation in this area, where it is recognised that some of the existing provision could be sub-standard and/or that the expectations and needs of students continue to change. Equally the provision of new purpose built accommodation could have positive implications where the Councils pursue an objective of minimising the number of student HMOs or reducing pressure on the private housing market for example.

Service families

9.17 Lincolnshire has a longstanding association with the military, with the Royal Air Force (RAF) in particular having a strong presence in the county as acknowledged in the SHMA. There are several bases within Central Lincolnshire specifically, including RAF Waddington which is one of the largest bases in the country with around 3,700 personnel. RAF Cranwell in North Kesteven houses the Royal Air Force College and acts as headquarters for several parts of the Ministry of Defence (MoD), and contains around 2,500 people, including 1,300 military staff. There is also a significant base in Scampton in West Lindsey, while RAF Digby and the Air Cadets training facilities in North Hykeham are also located in North Kesteven.

9.18 Data is available to show how the number of stationed personnel has changed in Central Lincolnshire over recent years, updating the comparable analysis presented at Figure 8.17 of the SHMA. This is sourced from the Lincolnshire Research Observatory, and shows that there were 4,400 stationed personnel based in Central Lincolnshire as of April 2019[161]. The majority – 4,030 – were based in North Kesteven, with 360 based in West Lindsey and only 10 based in Lincoln. As shown at Figure 9.4, the level of personnel has remained comparatively stable, albeit the latest year's data records stationed personnel reaching its highest level in recent years.

Figure 9.5: Armed Forces Stationed Personnel, April 2014 - April 2019



Source: Ministry of Defence via Lincoln Research Observatory

9.19 In undertaking this study, discussions have been held with a representative from RAF Waddington to gain further understanding as to the changing numbers of people on site and the associated accommodation requirements of the personnel. This also provided insight into capital projects set to come forward at RAF Waddington, which

---

[161] This figure (and those in the chart) includes personnel from all three military services (army, RAF and navy). Although data is not available at the local authority level for the individual services, the fact that 6,370 out of 6,650 (96%) total military service personnel stationed in Lincolnshire are in the RAF, means it can be assumed that the vast majority in Central Lincolnshire are also in the RAF.

could impact on the numbers of people working and being accommodated at the base and within the local area in future.

9.20 The number of personnel on the base as recorded above was broadly validated based on current head counts with it noted that the number of service personnel stationed at Waddington remained in the order of circa 3,600 with this fluctuating to a degree and increasing by circa 200 more recently. It was outlined that the RAF's single accommodation at Waddington and family accommodation at Waddington, North Hykeham, central Lincoln and various other RAF locations is currently of a scale that broadly meets demand from those seeking homes provided by the RAF. As highlighted in the 2015 SHMA, many personnel are not accommodated on bases, and choose to live in the local community, where there are often clusters of military personnel in local villages often living within private rented accommodation. Changing number of personnel can as a result have an impact on local housing markets within Central Lincolnshire, particularly in the rental market in areas which are in close proximity of the RAF bases. It was noted that the majority of service people live within circa 10 miles of the base at which they are stationed.

9.21 It was outlined during consultation with the RAF representative that, of the 3,600 personnel currently stationed at Waddington, circa 750 are accommodated in single accommodation on site, circa 650 live locally in RAF/military-owned housing and the remainder (circa 2,200 persons) live in private housing of their choosing, either rented or owned.

9.22 Where this is the case it was also highlighted, however, that depending on their roles and positions, service people are employed at bases for a period of between 2 and 3 years (although sometimes as long as 5 years) before being stationed elsewhere, but that a number of service people and families seek to move to other RAF bases in Lincolnshire so as to remain in the area due to the good quality of life offered. This aligns with consultation previously conducted as part of the 2015 SHMA with representatives from RAF Cranwell, which highlighted that Lincolnshire's longstanding association with the RAF means that a higher proportion of personnel live in local communities compared to the standard national benchmark, which has historically been around 20%, and that, in Lincolnshire, higher proportions choose to purchase houses, particularly as the housing is seen as good value. The impact of this trend in the wider housing market is likely to be comparatively modest albeit remaining an important localised driver of demand.

9.23 The significant investment being made by the RAF at its core sites has been highlighted as a driver of economic growth in this area[162]. It was highlighted that the development of two new aircraft platforms at RAF Waddington will mean that the number of people working at the base is set to increase by between 300 and 600 once operational, meaning that the number of RAF personnel working at the base will rise to between 3,900 and 4,200 and that the total number living in Central Lincolnshire could therefore potentially rise to between 5,000 and 5,300.

9.24 It was confirmed that the military consider that it has holds adequate capacity in the housing it administers in the local area to effectively manage the proposed uplift in

---

[162] Greater Lincolnshire LEP (2019) Draft Local Industrial Strategy

personnel and, consequently, will not be developing or purchasing additional housing in the area for servicepeople. RAF Waddington stated that the implied growth in personnel could in theory therefore be accommodated within the RAF's current housing stock in Lincolnshire, albeit limited supply in close proximity to Waddington could mean that servicepeople will be accommodated slightly further afield than is currently customary. Notwithstanding this, it was also advised that some additional demand for private housing could potentially be generated in the area, given that, as highlighted above, higher proportions of servicepeople in Lincolnshire choose to purchase homes than is generally the case elsewhere, due to the attractive housing values and living costs in the area.

9.25 The RAF representative did, however, also state that the uplift in the number of servicepeople stationed at Waddington is likely to comprise a mix of both those who are new to the area and those who will be moving from other nearby RAF sites (and therefore already living locally in Central Lincolnshire). Given that it is not possible to confirm the extent to which each of these groups will contribute to the additional personnel stationed at Waddington as a result of its expansion plans, the precise net additional impact on the local resident population is not known at this stage of the process.

9.26 Overall, it is considered that whilst the number of personnel is anticipated to increase and a proportion of the uplift in servicepeople will seek private housing, the impact on the local housing market is likely to be relatively minor in relation to the current demand generated by service families, and will not significantly change as a current driver of local demand.

Self-builders

9.27 The NPPF expects local authorities to have a clear understanding of the number of residents wishing to build their own home, and the PPG provides further guidance on how the need for '*self-build and custom housebuilding*' can be assessed[163]. The Government's Self-build and Custom Housebuilding Act 2015 (as amended by the Housing and Planning Act 2016) provides a legal definition of self-build and custom housebuilding. In general terms, however, self-build covers instances where a person directly organises the design and construction of their own home, while custom build is where a person works with a specialist developer to deliver their own home[164]. In both cases there is a clear distinction from a large part of the housing market in which housebuilders of different scales deliver housing for general purchase.

9.28 A House of Commons Library research service briefing paper published in March 2017 outlined that the UK has a much lower rate of self-building than other European countries[165]. For example, the sector was found to account for between 7-10% of completions in the UK whilst in Austria it accounts for around 80%. However, it also highlights that survey commissioned by the Building Societies Association (BSA),

---

[163] PPG Reference ID 67-003-20190722

[164] The Self Build Portal – http://www.selfbuildportal.org.uk

[165] The House of Commons Library (2017) Self-build and custom build housing (England)

published in October 2011, which suggested that 53% of people in the UK would consider building their own home given the opportunity.

9.29 The Government's 2017 Housing White Paper – Fixing our Broken Housing Market – stated that '*alongside smaller firms, the Government wants to support the growth of custom built homes*'[166], highlighting that custom built homes are generally built more quickly and to a higher quality than other homes, and tend to use more productive, modern methods of construction, and also present a less risky business model for builders, as the house has been effectively sold before it has been built. Whilst the White Paper acknowledges that fewer homes are custom built in England than many other countries, it also affirms that there is evidence of increasing demand, including from older people. The White Paper states a number of initiatives to grow the rates of self and custom build, including:

- Promoting the National Custom and Self Build Association's portal for Right to Build, so that people seeking to build their own home can easily access the local authority register in their area;
- Ensuring the exemption from the Community Infrastructure Levy for self-build remains in place while longer term reforms to the system of developer contributions are being explored;
- Supporting custom build through the Government's Accelerated Construction programme.

9.30 In the 2017 Budget, the Chancellor set out a plan to increase funding available through the Home Building Fund from £3 billion to £4.5 billion to support more new homes to be built in England[167]. Whilst the Fund – which appears to remain available, as of April 2020 – was to be primarily accessed by Small and Medium-sized Enterprise (SME) housing developers, Homes England also highlighted that the fund is accessible to self and custom builders, stating that:

"*We want to encourage innovation, both in the kind of homes that are built and the way they are delivered. Financing is available to support these projects which could include community led housing projects, serviced plots for* ***custom and self-builders,*** *off-site manufacturing, new entrants to the market and groups of small firms working in consortia to deliver larger sites*"[168]

9.31 In order to comply with the Self-build and Custom Housebuilding Act 2015 and to understand the demand for self-build and custom build in the borough, the Councils maintain a Self-Build Register (SBR), which is a register of individuals and groups of individuals who want to self-build or have their own home built by way of a custom build. The PPG describes such registers as a data source that can be reviewed '*to obtain a robust assessment of demand for this type of housing*'[169].

---

[166] Department for Communities & Local Government (2017) Fixing Our Broken Housing Market, p49

[167] HM Government (2017) Home Building Fund [Online]

[168] Homes England (2017) An Introduction to the Home Building Fund, page 4

[169] PPG Reference ID 67-003-20190722

9.32 As of late 2019, there are a total of 136 entries on Lincoln, North Kesteven and West Lindsey's[170] SBRs, notably equating to only 0.1% of households currently residing in this area. The profile of these households is summarised overleaf at Table 9.2[171].

---

[170] It should be noted that the comparatively low number of people on West Lindsey's SBR is likely to have been influenced by the fact that there exists an administrative charge of £50 to be included on the authority's register.

[171] Note that not all authorities collect data for all indicators presented.

Table 9.1: Central Lincolnshire Authorities' Self-Build Registers, 2016-2019

	Lincoln		North Kesteven		West Lindsey		**Central Lincolnshire**	
	No. on SBR	Percentage	No. on SBR	Percentage	No. on SBR	Percentage	No. on SBR	Percentage
Total number on register	**57**	**-**	**72**	**-**	**7**	**-**	**136**	**100%**
Year registered								
2016	15	26%	20	28%	1	14%	**36**	**26%**
2017	14	25%	23	32%	2	29%	**39**	**29%**
2018	14	25%	11	15%	3	43%	**28**	**21%**
2019	14	25%	18	25%	1	14%	**33**	**24%**
Age of registree								
Aged under 30	No data	N/A	7	10%	0	0%	**7**	**9%**
Aged 30 - 49	No data	N/A	41	57%	3	43%	**44**	**56%**
Aged 50 - 64	No data	N/A	19	26%	2	29%	**21**	**27%**
Aged 65+	No data	N/A	5	7%	2	29%	**7**	**9%**
No. bedrooms required								
1 bedroom	3	5%	0	0%	0	0%	**3**	**2%**
2 bedrooms	9	16%	3	4%	1	14%	**13**	**10%**
3 bedrooms	17	30%	28	39%	1	14%	**46**	**34%**
4+ bedrooms	28	49%	38	53%	5	71%	**71**	**52%**
Not stated	0	0%	3	4%	0	0%	**3**	**2%**
Type of house desired								
Bungalow	0	0%	30	42%	2	29%	32	24%
Detached	55	96%	40	56%	5	71%	100	74%
Other / Unknown	2	4%	2	3%	0	0%	4	3%

Source: City of Lincoln Council, North Kesteven District Council, West Lindsey District Council

9.33 Key trends drawn from the authorities' SBRs are as follows:

- North Kesteven (with 72 registrees) and Lincoln (with 57) represent the vast majority of Central Lincolnshire's total 136 registrees on the authorities' SBRs, with the comparatively low remainder (7) seeking this type of home in West Lindsey.
- Since 2016, there has been a fairly steady number of new households being added annually to the Central Lincolnshire authorities' SBRs, indicating that there has been no particular change in demand over this period. There was a fall between 2017 and 2018, however the numbers of new registrees did pick back up in 2019. Where applicants remain on the register from 2016 there is perhaps an indication that their demand is not being met through the availability of appropriate sites, albeit it is not possible to confirm how actively individuals are pursuing opportunities from the data.
- Where recorded, the majority (56%) of registrees are between the ages of 30 and 49, with a significant proportion (27%) also being aged between 50 and 64. Comparatively few registrees are aged under 30 or 65 and over (both 9%). Whilst demand is concentrated between the ages of 30 and 64 (i.e. early-to-late middle-age) this analysis does albeit serve to demonstrate that prospective self-builders or those commissioning custom-builds span a broad age-range.
- Larger dwellings are generally desired by people who are interested in custom or self-build homes. A majority (52%) are seeking homes with 4 or more bedrooms and a further 34% would like 3-bedroom homes. A smaller proportion of people would like 2 and 1-bedroom homes (respectively 10% and 2%). It is noted that all those registrees seeking to build 1-bedroom homes (of which there are 3) are on Lincoln's SBR.
- The majority (74%) of self-builders aim to develop detached homes, with a smaller (though significant) proportion seeking bungalows (24%)[172] and a minimal proportion seeking other types of home (both 3%).

9.34 It is apparent from the above that there is an active if small component of the Central Lincolnshire housing market looking to meet their housing needs through self-build or custom-build. Where it is recognised that people remain on the registers from 2016, further consideration should be given by the Councils as to the extent to which the supply of land set aside for this form of housing is appropriate in quantum and location to match the profile of need indicated by the preferences summarised above.

Privately renting households

9.35 The SHMA[173] found that the private rented sector had become increasingly prominent in Central Lincolnshire over the decade to 2011, which remains the latest point for which local data exists. A similar trend was observed nationally over the same period,

---

[172] Note that where registrees stated that they were seeking detached bungalows, they were recorded as seeking bungalows for the purposes of this analysis.

[173] Turley (2015) Central Lincolnshire Strategic Housing Market Assessment, Figure 3.5

but at this level it is notable that the proportion of households living in the sector appears to have stabilised since 2013/14[174].

9.36 Section 3 considered the changing cost of privately renting in Central Lincolnshire, the affordability of which was explored in the context of earnings in section 7. This section draws upon available local data to profile the types of households living in the sector and also considers the prospect of new forms of rented provision.

Household composition

9.37 Table 9.2 overleaf outlines the composition of households living in private rented accommodation in Central Lincolnshire at the time of the 2011 Census. Some key points of note include:

- Over half (57%) of households renting privately in Central Lincolnshire are families. Just under a third (30%) of private rented households are single-person homes, with the remainder (13%) comprising ‘other’ household types.
- The majority of these households are families with children (which represent 30% of private rental housing in the area) with families without children also making up a significant proportion of renters (20%).
- Conversely, families where all members are 65 and older represent just 2% of households renting in Central Lincolnshire. Just 4% of private rented homes are one-person households occupied by people aged 65 and older, further highlighting that renting is not particularly prevalent amongst older people.
- West Lindsey is the authority with the highest rate of one-person households amongst its renters (this group occupying 34% of private rental homes), with North Kesteven (at 27%) having the lowest share of private rented accommodation occupied by people living alone.
- Lincoln has the lowest proportion of rented homes occupied by families (at 47%) in comparison with North Kesteven (66%) and West Lindsey (61%). It is noted that under a quarter (24%) of private rented homes in Lincoln are occupied by families with children, this being significantly below the rates recorded in North Kesteven (37%) and West Lindsey (33%).
- A high proportion (23%) of households in private rented accommodation in Lincoln are categorised as ‘other’ relative to the North Kesteven (7%) and West Lindsey (6%). Key contributors to Lincoln’s total that are within this ‘other’ category, includes those households where all are full-time students (8%) and other multi-adult households which actually make up a higher proportion (12%).

---

[174] MHCLG (2020) English Housing Survey Headline Report, 2018-19, paragraph 1.7

Table 9.2: Composition of private rented households in Central Lincolnshire, 2011

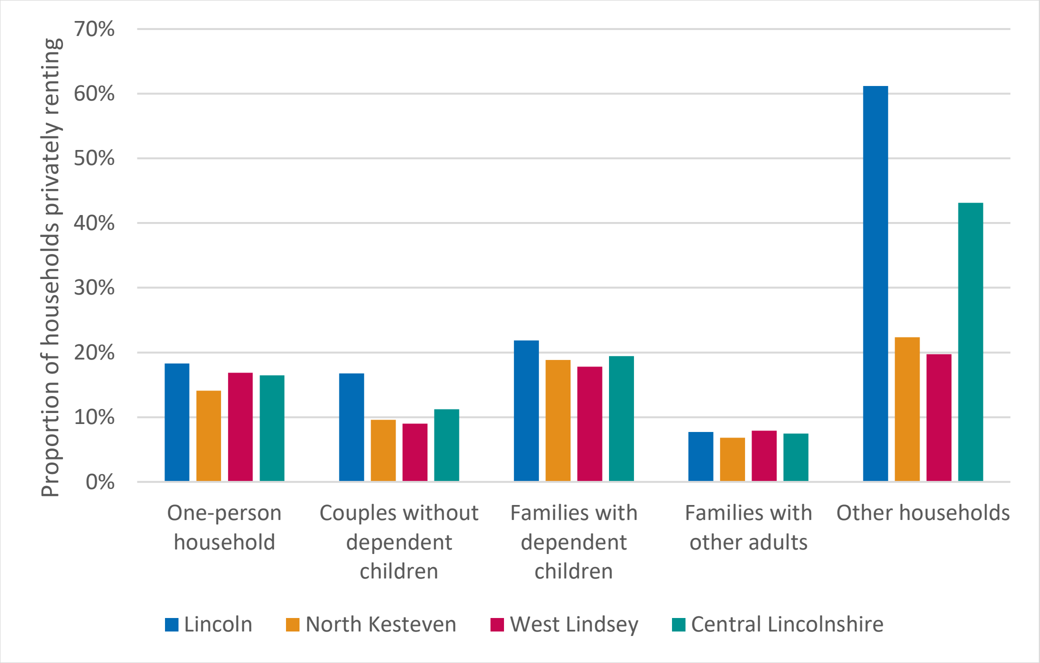
	Lincoln		North Kesteven		West Lindsey		**Central Lincolnshire**	
	Number of households	Percentage (of authority total)	Number of households	Percentage (of authority total)	Number of households	Percentage (of authority total)	Number of households	Percentage (of Central Lincs total)
One-person household	**2,503**	**30%**	**1,696**	**27%**	**1,769**	**34%**	**5,968**	**30%**
All aged 65+	*201*	*2%*	*286*	*5%*	*398*	*8%*	***885***	***4%***
One-family household	**3,927**	**47%**	**4,073**	**66%**	**3,180**	**61%**	**11,180**	**57%**
All aged 65+	*64*	*1%*	*175*	*3%*	*185*	*4%*	***424***	***2%***
With dependent children	*2,002*	*24%*	*2,269*	*37%*	*1,730*	*33%*	***6,001***	***30%***
Without dependent children	*1,623*	*19%*	*1,372*	*22%*	*993*	*19%*	***3,988***	***20%***
All children non-dependent	*238*	*3%*	*257*	*4%*	*272*	*5%*	***767***	***4%***
Other type of household	**1,915**	**23%**	**415**	**7%**	**304**	**6%**	**2,634**	**13%**
All aged 65+	*3*	*0%*	*8*	*0%*	*8*	*0%*	***19***	***0%***
With dependent children	*227*	*3%*	*135*	*2%*	*103*	*2%*	***465***	***2%***
All full-time students	*651*	*8%*	*4*	*0%*	*2*	*0%*	***657***	***3%***
Other	*1,034*	*12%*	*268*	*4%*	*191*	*4%*	***1,493***	***8%***
Total households	**8,345**	**100%**	**6,184**	**100%**	**5,253**	**100%**	**19,782**	**100%**

Source: 2011 Census

9.38 While the above profiles the type of households living in the private rented sector, it is also important to understand how the *tendency* to rent varies amongst different household types, again based on the 2011 Census. This allows identification of the household types that are more likely to privately rent than live in housing through other tenures.

9.39 Figure 9.6 illustrates this tendency to rent amongst different household types, aggregated for simplicity – and to allow comparison – to the broader household categories covered in section 6 of this report. This reveals that other households are the most likely to privately rent, largely due to the uptake of such housing by students and other unrelated sharing adults in Lincoln. This is followed in proportionate terms by families with dependent children, with around one in every five such households living in the private rented sector as of 2011. Families with other adults, or non-dependent children, were considerably less likely to be privately renting.

Figure 9.6: Rate of Private Renting amongst Different Household Types, 2011



Source: Census 2011

9.40 The earlier Figure 6.2 indicated, based on demographic modelling, that most of these household types would see growth over the emerging plan period, families with other adults – the least likely to privately rent, at present – being the exception. Other households, who are most likely to privately rent, are expected to grow in number to a notably lesser extent than one person households, couples without dependent children or families with dependent children. The tendency of at least some such households to privately rent nonetheless indicates that a growing number of households are likely to require this tenure of housing over the plan period, based on current trends.

Occupation

9.41 Trends in occupations of the Household Reference Person (HRP) for privately renting households in Central Lincolnshire as recorded by the 2011 Census has been analysed below. HRPs provide an individual person within a household to act as a reference point for producing further derived statistics and for characterising a whole household according to characteristics of the chosen reference person.

9.42 Figure 9.7 outlines the proportion of HRPs employed in different occupations[175] that privately rent their home, as of 2011. This illustrates the varying role of the sector in meeting the housing needs of different groups in the workforce.

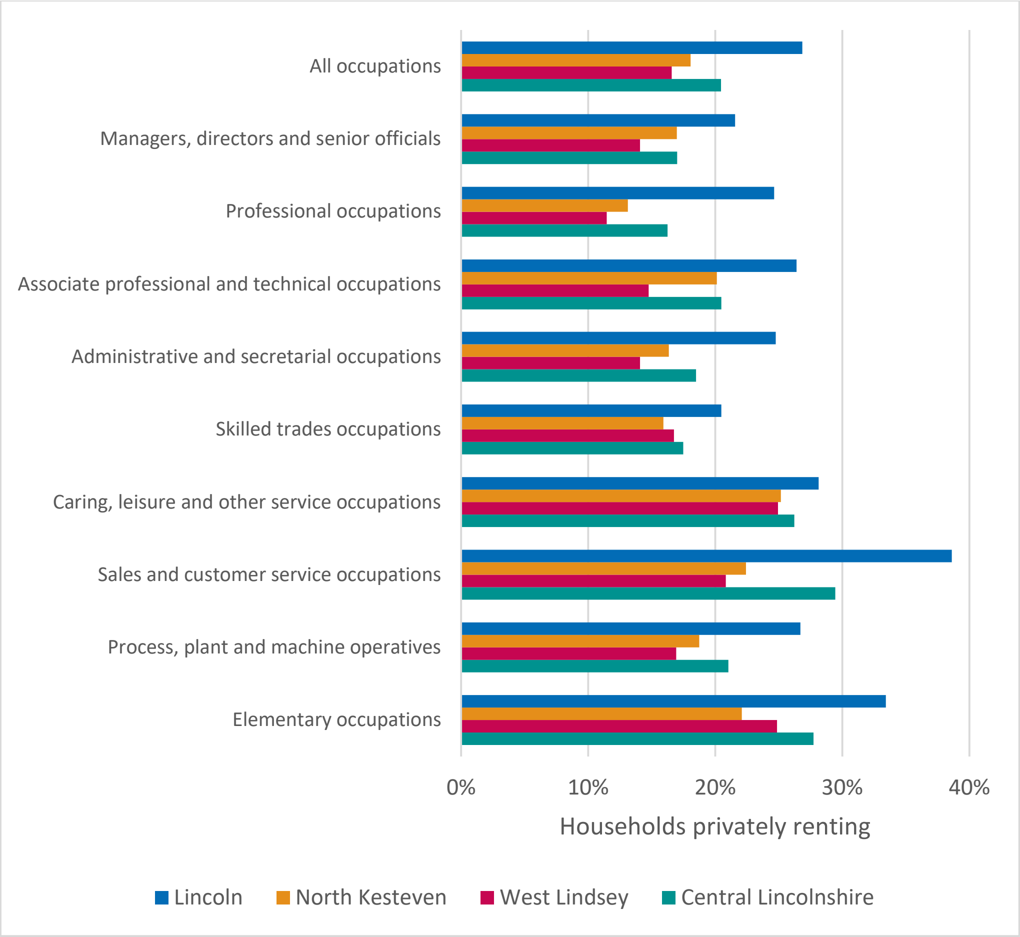
9.43 In Central Lincolnshire, the highest propensity to rent is in sales and customer services occupations, with 29% of those working in such roles renting privately. HRPs in elementary occupations and caring, leisure & other service occupations also show a high propensity to rent, with 28% and 26% occupying housing through this tenure. It is of note that these occupations are generally characterised by lower earnings, as shown at Figure 4.7 of the ENA Update, suggesting that the private rented sector plays a particularly key role in accommodating those in lower paid roles.

9.44 Fewer people working as managers, directors or senior officials or in professional occupations – occupations with the highest median earnings at the regional level, as shown in the ENA Update – tend to live in this tenure in Central Lincolnshire. That said it is noted in the case of the latter that the proportion is considerably higher in Lincoln than the other two authorities, with this likely to be a reflection of the city centre offer which is more likely to appeal to some of those employed in professional occupations.

---

[175] Based on the Standard Occupational Classification (SOC)

Figure 9.7: Occupation of Household Reference Person in Central Lincolnshire, 2011



Source: 2011 Census

9.45 This can be set in the context of the sectors considered likely to grow within the ENA Update, given that the 2011 Census provided a local breakdown of occupations within these sectors albeit with aggregation. The table below summarises the prevalence of occupations that are most and least likely to be filled by those privately renting, in each industrial sector. This reveals, for example, the availability of all such roles in the broad sector forecast to see the strongest growth, suggesting that its growth could conceivably generate demand in the private rented sector. Growth in distribution, hotels and restaurants, as well as the broader “other” category – which includes recreation activities – can also be expected to generate demand for such housing, given their prevalence of roles that currently tend to be filled by privately renting individuals.

Table 9.3: Occupational Profile of Sectors Forecast to Grow in Central Lincolnshire

	Forecast job growth 2018-40	Managers and professional roles (least likely to rent)	Sales, caring, service and elementary roles (most likely to rent)
Financial, real estate, professional & admin.	7,847	27%	25%
Public admin, education & health	3,468	34%	30%
Other	3,442	18%	46%
Distribution, hotels & food	3,252	18%	53%
Transport & communication	3,013	20%	23%
Construction	1,576	16%	11%
Manufacturing	87	19%	12%
Agriculture, energy & water	-867	17%	27%

Source: Census 2011; Turley analysis

Build to Rent

9.46 Built to Rent (BTR) is a housing model that is increasing in prominence and is highlighted in the Government's Housing White Paper as one which it aims to support in order to increase the country's provision of high quality homes for rent[176]. As the name suggests, BTR developments are those which are purpose built for private and affordable rented accommodation as opposed to a mix of homes purchased and/or subsequently let out on an individual basis.

9.47 The BTR model has been delivering a growing number of homes over recent years, with analysis conducted by the British Property Federation (BPF) and Savills indicating that the number of completed BTR units had increased by 33% during 2019, standing at 40,181 in the UK by the end of the year[177]. A further 36,415 and 75,475 units are respectively under construction or at planning stage in the UK, with approximately half of both figures comprising developments in London.

9.48 Additional research published in January 2020 by Savills[178] states that, whilst much of the existing BTR is focused on the major cities (with 50% of stock being in London and 17% in Manchester and also to a lesser extent in Birmingham, Liverpool and Leeds), '*investors are also recognising the potential for Build to Rent in smaller cities with strong fundamentals*'. The examples of Durham and Chelmsford were cited, which saw their first BTR developments start construction this year.

---

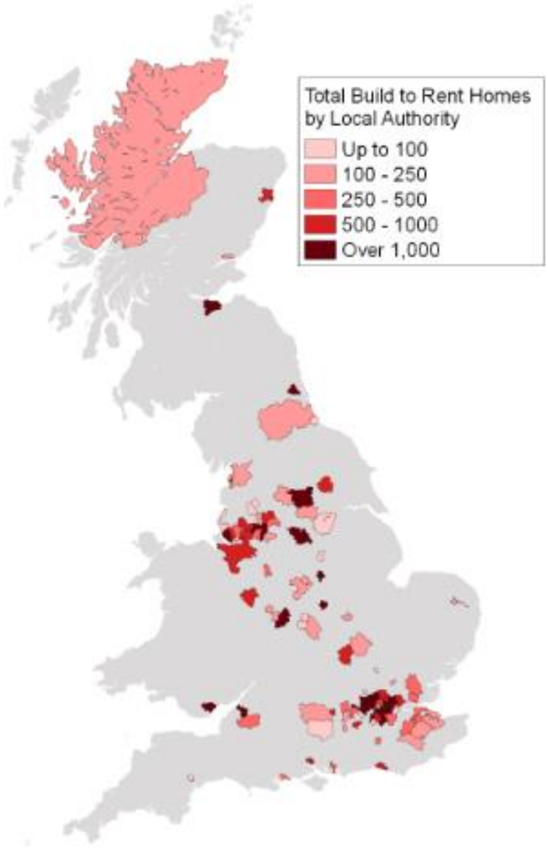
[176] Department for Communities and Local Government (2017) Fixing Our Broken Housing Market

[177] British Property Federation (2020) 'Number of newly completed build-to-rent homes across UK regions increases by 51% in 2019'.

[178] Savills (2020) UK Residential – Q4 2019: UK Build to Rent Market Update

9.49 Total BTR units as of Q4 2019 in the UK's local authorities (including pipeline developments) are shown in the below plan, highlighting the geographic spread of the sector and a lack of such development to date within any part of Lincolnshire.

Figure 9.8: Total BTR Units by Local Authority (inc. Pipeline), Q4 2019



Source: Savills via BPF

9.50 Whilst the focus of BTR development in cities suggests that Lincoln is the most likely location for any such development in Central Lincolnshire, research conducted for this report did not identify any publicised plans for BTR schemes in the area at this point in time. Development of this nature could, however, play a role in meeting a continued need for quality rented accommodation where it is recognised that those occupations and household types likely to occupy such stock are set to grow in number. Such developments, will, however, be led a market view as to the deliverability of these schemes in the area

Households searching at different levels of the market

9.51 Land Registry data introduced earlier in this report enables analysis to be conducted into the options for households looking to buy at different levels of the market; an area of analysis requested by the Councils.

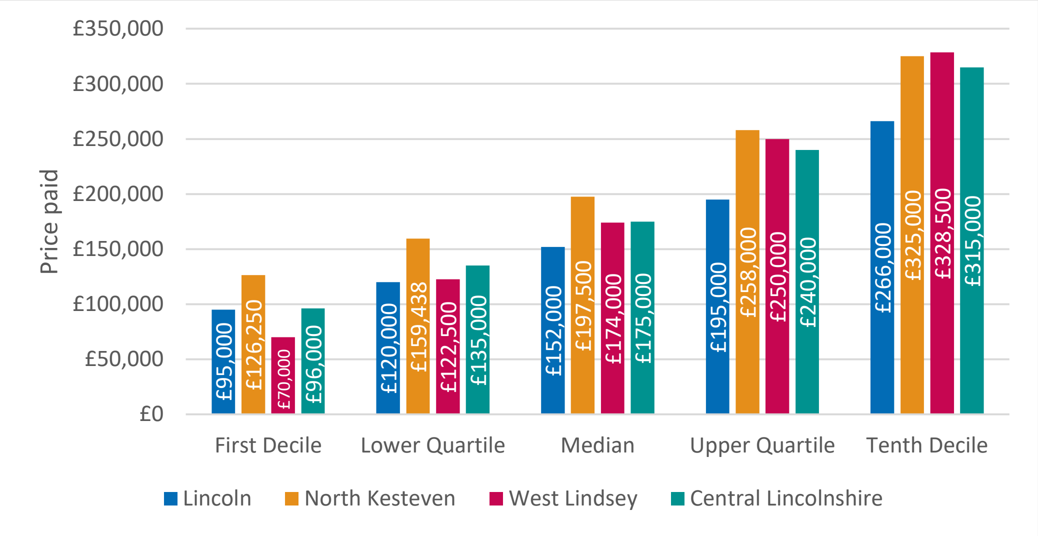
9.52 The below analysis outlines the price paid for housing at various levels of the market in Central Lincolnshire, including the lower and upper quartiles – i.e. the middle value between the median and the smallest sales value (the lower quartile) and the median and the largest sales value (the upper quartile) – and the first and tenth deciles – i.e. the equivalent figures for the top and bottom 10% of sales values.

9.53 It can be seen from Figure 9.9 that the first decile, lower quartile and upper quartile values for North Kesteven are higher than recorded in the other authorities, indicating that it generally has higher sales values at most levels of the market.

9.54 Interestingly, despite having the lowest value first decile and upper quartile sales value, West Lindsey had the highest tenth decile value, indicating that whilst there are opportunities to purchase at the lower end of the market in the district, there were also a number of high-value sales.

9.55 Whilst Lincoln has relatively high entry-level sales values, this analysis indicates that there were a limited number of houses selling for a substantially higher value in the city.

Figure 9.9: Price Paid at Different Levels of the Market, 2019

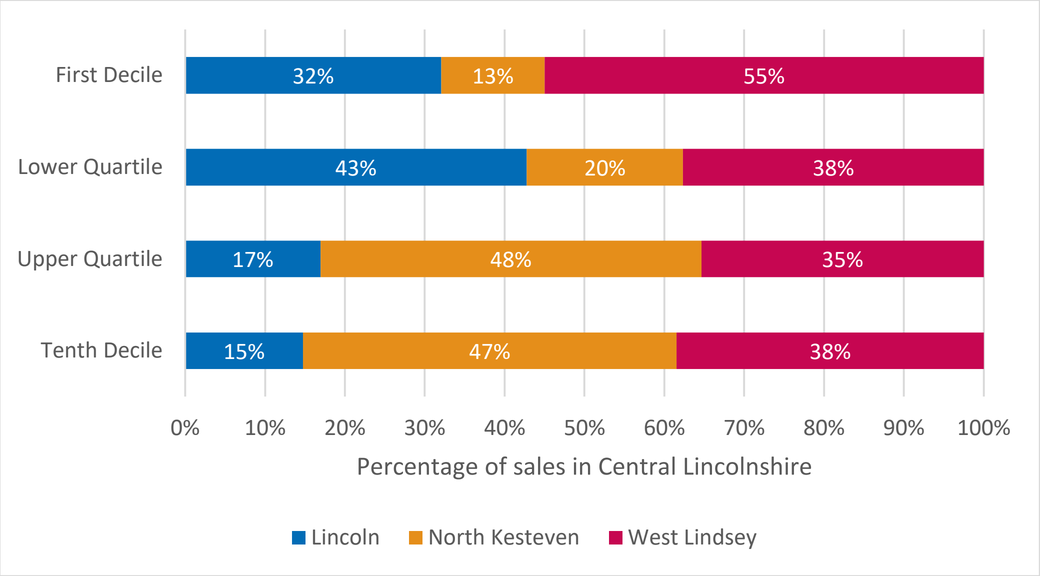


Source: Land Registry

9.56 Figure 9.10 illustrates how sales at each level of the market are distributed within Central Lincolnshire. It can be seen that the majority (55%) of Central Lincolnshire's lowest value sales occurred in West Lindsey, with a significantly lower proportion (13%) in North Kesteven. Lincoln accounted for the highest proportion of lower quartile sales (43%).

9.57 North Kesteven evidently accounted for almost half of the highest value sales in Central Lincolnshire, in both the upper quartile and decile (48% and 47% respectively), whilst Lincoln accounted for the lowest proportion of sales in both bands.

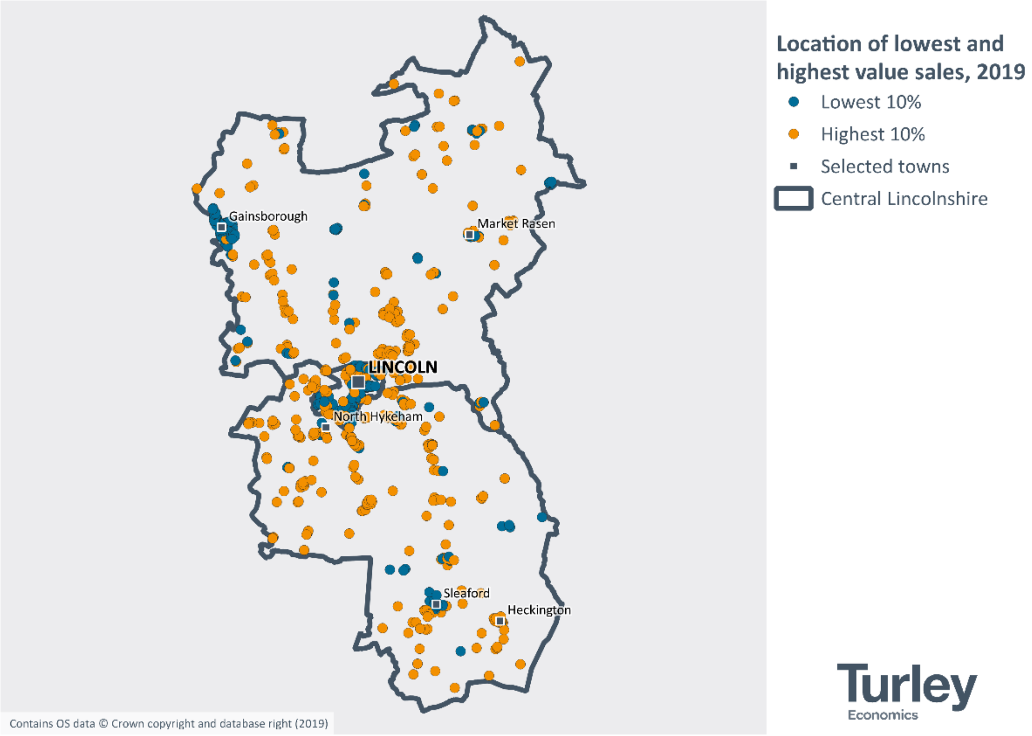
Figure 9.10: Distribution of Sales at Different Levels of the Market in Central Lincolnshire Authorities, 2019



Source: Land Registry

9.58 This is broken down further at Figure 9.11, which uses postcodes to confirm the locations of the highest and lowest value sales recorded in Central Lincolnshire last year. This is limited to the highest and lowest deciles for legibility purposes. It reveals a clustering of lower value sales in Lincoln, Gainsborough and Sleaford, with higher value sales generally more distributed throughout the area. Whilst this provides an indication of the areas in which higher or lower values are generally recorded, it should be noted that this analysis is impacted by the house type and size available in any given area, meaning that those locations where smaller housing is most prevalent, such as in and around Lincoln city centre, are likely to accommodate an increased number of low value sales.

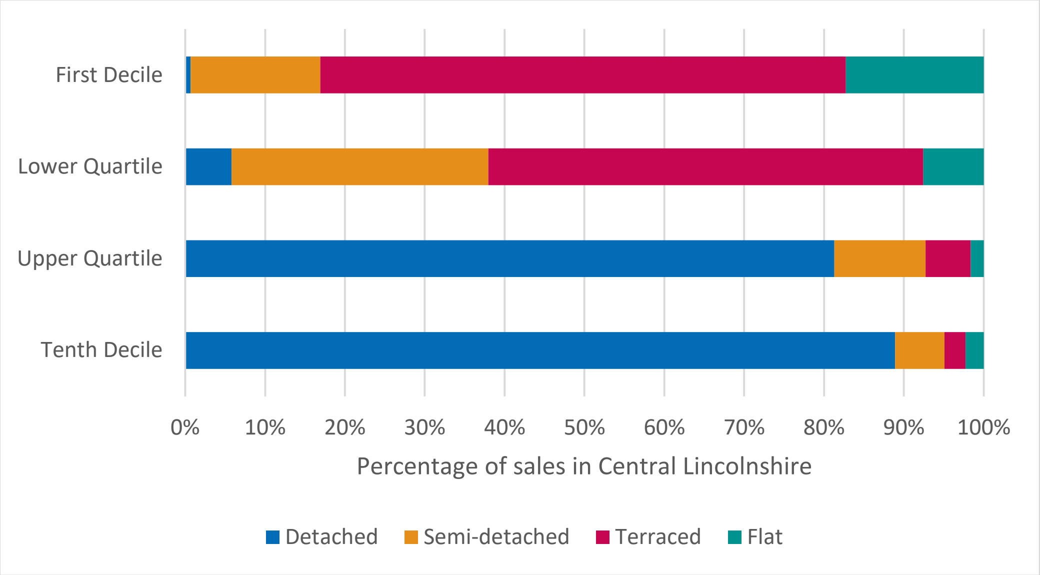
Figure 9.11: Distribution of Highest and Lowest Value Sales in Central Lincolnshire, 2019



Source: Land Registry

9.59 Land Registry data also records the type of property sold, providing further insight on the types of homes that are available at different levels of the market. Figure 9.12 shows the proportion of sales in each band that relate to each property type, confirming that detached housing accounts for a large proportion of high value sales. Lower value transactions are more likely to involve terraced houses.

Figure 9.12: Sales in Central Lincolnshire by Type and Price Band, 2019



Source: Land Registry

9.60 The above analysis therefore indicates that different locations and product types play varying roles in meeting housing needs at each level of the housing market in Central Lincolnshire. The Councils may wish to consider in this context how the planned distribution of new housing, and the types of products likely to come forward, could meet households' needs in full at the strategic level.

Houseboats and Caravans

Houseboats

9.61 The Councils specifically requested consideration of the need for residential houseboats within this report. While there is a lack of secondary data on what is widely seen as a niche area of the housing market, a number of the Canal & River Trust's (CRT) East Midlands boat license officers have been engaged to gain insights into the supply of and demand for residential houseboats in Central Lincolnshire.

9.62 Consultees highlighted that they have perceived increased awareness of the option to live permanently in residential houseboats in the area (and indeed the country as a whole), and stated it is increasingly being considered an attractive option where households are looking to decrease housing and overall living costs whilst living a lifestyle that is varied and enhances one's connection with nature. As such, consultees had perceived an overall increase in demand throughout the country over the past several years, with one stating that this was starting to filter down into Central Lincolnshire. It was albeit highlighted that whilst residential demand is strong in moorings closest to the centre of Lincoln, moorings in more rural areas tend to be occupied by leisure users. It is also noted that Lincolnshire County Councils JSNA states that houseboat dwellers across the county are '*small in number*'[179] and therefore were not included as a factor when conducting the county's JSNA.

---

[179] Lincolnshire County Council (2019) Joint Strategic Needs Assessment 2019 - JSNA Topic: Housing Standards & Unsuitable Homes

9.63 The country's extensive canal network means that those seeking to purchase a houseboat can realistically do so from anywhere and then travel to where they wish to be moored, and then stay for either long or short-term periods. Therefore long-term residential mooring numbers is the most significant indicator in terms of the form of houseboat occupancy that can be considered as having an impact on the local area's housing market and housing needs, since some boaters (generally those without ties to a particular location, this often being older demographics as opposed to those of working age) spend large parts of the year passing no more than two weeks in a single location.

9.64 The CRT currently operate circa 20 dedicated residential moorings in central Lincoln on the Foss Dyke Canal, with a further circa 40 leisure moorings. Distinctions between the occupancy and use of residential and leisure moorings include the fact that residential moorings require planning permission and that residential occupants must pay council tax. Residential moorings operated by the CRT are sold at auction, and it was stated by the consultee that moorings in Lincoln tend to be sold in excess of the guide price.

9.65 The CRT stated their ambition to increase the number of residential mornings in the centre Lincoln by 30-40 to meet their perceived understanding of current and future demand. It is beyond the scope of this assessment to validate this need with challenges in obtaining robust secondary data to quantify needs recognising the footloose nature of the need in particular. This perception of need is used therefore as a proxy for confirming a position whereby future provision may need to be planned for but evidently the Councils will need to keep the position under review.

9.66 In responding to their identification of need, the CRT outlined in feeding into this study that they believed they could accommodate future need through converting its existing leisure moorings at the Foss Dyke Canal site to residential. They recognised, however, that this approach was subject to a requirement to obtain appropriate planning permission whereby residential moorings are required to be connected to water/sewage and electricity networks and to have dedicated parking spots. It was acknowledged that whilst the CRT's residential moorings in Lincoln are connected to water and sewage networks, they do not have dedicated parking or electricity connection.

9.67 The CRT were clear to recognise that any such approach to respond to increased need would need to be agreed with the City of Lincoln Council, with future work required to explore the potential of delivering increased residential moorings at their existing sites in Lincoln. It was additionally raised that the CRT has the potential to fund the leasing and development of appropriate council-owned canal-side sites to deliver new residential mooring locations where again this was viewed positively by the Council.

Caravans and Park Homes

Gypsy and Traveller Caravans

9.68 A PPG compliant assessment of the needs of Gypsy and Travellers falls outside of the scope of this report. However, by way of providing a factual update to current provision, data taken from the Councils' annual monitoring reports and Housing

Strategies is shown at Table 9.4. This shows the latest evidence[180] as to the number of pitches available to accommodate the caravans of gypsies and travellers for Lincoln, North Kesteven and West Lindsey and cumulatively across Central Lincolnshire.

Table 9.4: Gypsy and Traveller Caravan Pitches in Central Lincolnshire

Authority	Number of Pitches
Lincoln	19
North Kesteven	29
West Lindsey	63
Central Lincolnshire	**111**

Source: City of Lincoln Council; North Kesteven District Council; West Lindsey District Council

Other Caravans and Park Homes

9.69 There are also a number of sites in Central Lincolnshire accommodating static caravans and other mobile units (often termed 'park homes'). Park homes are detached bungalow-style homes located on plots known as 'pitches'. By law they are considered 'mobile homes', and, although they are designed to be lived in permanently and many are kept long-term in fixed locations, this means that owners retain the option of moving their home to a new pitch elsewhere. In addition to utility bills and council tax, owners pay annual pitch fees to park home sites' operators; an audit of park home sites in Central Lincolnshire found pitch fees tend to be in the region of £100 - £150 per annum.

9.70 Park home sites principally cater to older people and are located on secure sites. Almost all of those identified in Central Lincolnshire have restrictions on the age of occupiers, generally requiring residents to be older than 50 or 55 and with no children allowed to be living on site. Park homes could therefore be appropriate for meeting the needs of those households who are at or reaching retirement age and/or are looking to downsize and view this form of accommodation as matching their requirements.

9.71 Based on a review of online resources, including specialist and general property websites such as Parkhome.org.uk, Zoopla and Rightmove; Council webpages relating to the licensing of park home sites, and the websites of park home operators themselves, this assessment has identified 23 park home sites in Central Lincolnshire, with 12 in North Kesteven and the remaining 11 in West Lindsey, with none in Lincoln. The assessment indicated that the 23 sites accommodate a total of 1,333 park homes, with West Lindsey having the largest share (886). The smallest site in Central Lincolnshire is the 9 units accommodated at Rutherglen Park in West Lindsey, with the largest being The Elms (also in West Lindsey), which accommodates a total of 339 units. An audit of availability was also conducted in April 2020 as part of this assessment, which identified park homes available to buy at pitches at sites in both

---

[180] City of Lincoln Council, North Kesteven District Council, West Lindsey District Council and Lincolnshire County Council (2020) Central Lincolnshire Gypsy and Traveller Accommodation Assessment

authorities. The below table outlines the identified supply and availability of park homes in Central Lincolnshire.

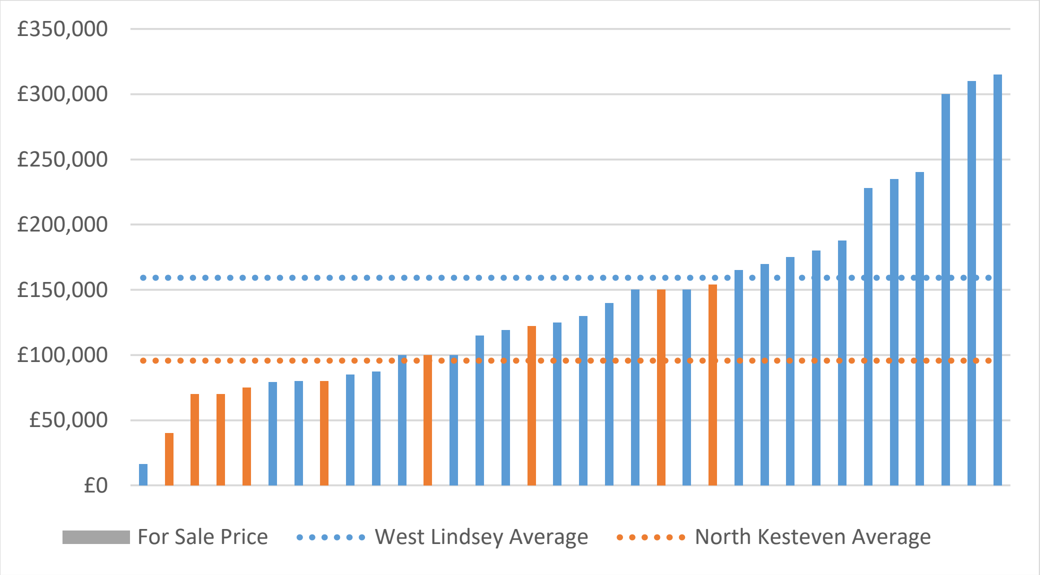
Table 9.5: Park home supply and availability in Central Lincolnshire, April 2020

	North Kesteven	West Lindsey	**Central Lincolnshire**
Number of park home sites	12	11	**23**
Total pitches / park homes	447	886	**1,333**
Park homes marketed for sale	30	49	**79**

Source: Turley Economics, 2020

9.72 The below chart outlines the advertised price of homes currently marketed, with each bar representing one unit for sale (coloured either blue for West Lindsey or orange for North Kesteven). The assessment found a wide range of advertised prices, from £16,500 for a static caravan at Short Ferry Caravan Park in West Lindsey, up to £315,000 at Lakeshore (also West Lindsey). The average price of park homes currently on the market is higher in West Lindsey than in North Kesteven, this discrepancy due in part to a number of high-specification units available at the aforementioned Lakeshore. Nonetheless, it can be seen that a significant number of park homes are available to purchase in both authorities for under £150,000 – with a number being available for under £100,000 – potentially making this an attractively affordable option for those looking to downsize.

Figure 9.13: Advertised prices of park homes in Central Lincolnshire, April 2020



Source: Turley Economics, 2020

9.73 The above analysis has identified that park homes form a very modest but specific part of the housing market in Central Lincolnshire. Where it is understood that park homes are principally aimed at catering for older households and are distinct from a separate offer aimed at tourism, it is recognised that they contribute to meeting a specific need for housing, particularly amongst those looking to downsize into more affordable accommodation. Indeed, the analysis of pricing across the study area confirms that they represent a comparatively affordable housing option.

9.74 The analysis suggests that there is a level of turnover of current stock with approximately 6% of properties identified at council-registered sites being marketed at time of writing. It therefore could be reasonable to assume a higher than average level of turnover in this particular type of housing, and this would suggest that those looking for homes of this type have options available currently, it also being noted that there is a comparatively wide price range, albeit the relatively small number of such homes is important context to this conclusion.

9.75 It is equally noted that some public bodies have expressed concern as to the appropriateness of park homes as contributors to the area's housing supply. As noted by Lincolnshire County Council's JSNA[181], whilst some units are permanent residential park homes offering living standards equivalent to regular residential housing, a proportion of 'park homes' are in fact static caravans, lodges or mobile homes that are not intended for occupation all year round. As highlighted by the JSNA, the permanent occupation of the latter type of unit presents challenges to the health of residents – particularly those who are elderly – in terms of their adaptability, unsatisfactory energy efficiency and provision of utilities, and the potential for confined spaces and overall poor conditions. It also clear that the definition of the homes means by their nature they are technically mobile and therefore creating a point of distinction with the more standard profile of housing supply.

9.76 The ongoing Covid-19 situation means that it is not considered an appropriate time to obtain an accurate view of market sentiment regarding park homes through consultation with operators and/or agents. It is, however, considered that the Councils should continue to informally monitor demand for new developments or expansion of current provision to understand any implications for policy.

Summary

9.77 While earlier sections have responded to the requirements of the NPPF by considering the housing needs of a number of different groups, both individually and collectively, this section provides further analysis of additional groups identified by the Councils, namely:

- **Students**, who appear to have grown in number since the SHMA was prepared principally due to a return to the higher levels of enrolment last seen at the University of Lincoln around ten years ago. Neither university is understood to be pursuing a strategy which expects significant growth in their student numbers in the coming years. This position of comparative stability appears to align broadly with the trend-based projections drawn upon in earlier sections of this report, thereby not suggesting that any subsequent additional need should be reflected in the Councils' future setting of a housing requirement in relation to this specific group. This is further reinforced where it is recognised that each of the universities already have an identified pipeline of supply which they expect

---

[181] Lincolnshire County Council (2019) JSNA Topic: Housing Standards & Unsuitable Homes

to accommodate future demand pressures beyond those which exist currently. There consequently appears no prevailing need for further accommodation specifically to accommodate growth in the student population, beyond the current pipeline. However, this does not preclude a justification for new homes to meet student needs to be provided where they can be shown to provide improved choice and to enable poorer quality stock to be vacated and/or returned to traditional family housing. This will also need to be considered in the context of the City of Lincoln's Article 4 Direction;

- **Service families**, with Central Lincolnshire – and North Kesteven in particular – continuing to accommodate circa 4,400 stationed RAF personnel as of 2019. Housing provided on base is understood, based on engagement with representatives of the bases, to broadly meet current and forecast demand arising from an anticipated increase in personnel associated with planned investment at core sites. It is, however, recognised that a proportion of personnel chose to rent or purchase within local housing markets which has and is likely to continue to represent a local demand driver but, based on the information shared through engagement, is unlikely to manifestly require a distinct housing response in those settlements in closest proximity;

- **Self-builders**, circa 136 of whom – primarily in Lincoln and North Kesteven – have registered their interest with the Councils. There appears to have been a relatively stable flow of interest over time, particularly from those aged 30 to 49, with an overriding desire for plots capable of accommodating larger detached housing. This represents a comparatively small part of the wider need/ demand for housing but evidently it is important for the Councils to ensure that land identified to provide for this type of housing responds to the identified demand criteria referenced by way of analysis of the registers in this study;

- **Privately renting households**, which tend to be families either with or without dependent children. Households containing unrelated adults, including students, do however show the greatest tendency to rent in proportionate terms. The sector also plays a particularly key role in accommodating those employed in sales, customer services, elementary occupations and caring or leisure roles, with growing demand likely once recognised that such roles are prominent in the industrial sectors expected to grow in Central Lincolnshire over the plan period. The sector appears to remain oriented around private landlords, with no sign to date of the institutional investment in Build to Rent that has recently emerged in London and larger regional cities but remains relatively embryonic in smaller cities;

- **Households searching at different levels of the market**. Different areas evidently play varying roles in meeting the full range of housing needs, with West Lindsey the location for most of the lowest value sales last year and Lincoln also prominent at the entry level. These sales regularly involved terraced houses. In contrast, around half of the highest value sales were in North Kesteven, and predominantly involved detached housing; and

- **Houseboats and caravans**, the former of which are becoming increasingly recognised as a housing option but continue to see low uptake in absolute terms at a national level and by inference in Central Lincolnshire. Engagement suggests that where there is a modest perceived rise in demand/ need the supply response will need to be explored in partnership with the Councils albeit with existing mooring potentially offering sufficient flexibility to respond, subject to planning. There are an estimated 1,300 static caravans and mobile units, known as park homes, throughout Central Lincolnshire. These are generally restricted to older people and could be viewed as an affordable option for those looking to downsize who consider this form of accommodation as suitable for their needs. It is also, however, noted that there are concerns around the extent to which park homes should be considered as contributors to the area's housing supply, given potential for heightened risk of sub-standard living conditions for older people in particular. In addition, their nature as mobile units create a point of distinction with the more standard profile of housing supply.

10. Summary and Conclusions

10.1 Turley, in partnership with Edge Analytics, has been commissioned by the local authorities of Lincoln, North Kesteven and West Lindsey to produce a new Housing Needs Assessment for Central Lincolnshire. This is intended to replace the Strategic Housing Market Assessment (SHMA) similarly produced by Turley in 2015, and will form part of the evidence base for the emerging review of the joint Local Plan that is being undertaken in the context of revised national policy and guidance.

Recent trends in the housing market area

10.2 While the latest available evidence indicates that the Central Lincolnshire authorities continue to operate as a self-contained housing market area, reaffirming the conclusions of the SHMA in this regard, the profile of the market has naturally evolved in the intervening years.

10.3 New homes have been provided in the current plan period to date, including the largest annual number of homes in a decade last year (2018/19). Population growth has also been sustained, though did slow to its slowest rate for twenty years prior to this boosting of housing delivery – which is yet to be reflected in official population data – due principally to a changing balance between births and deaths. This natural change does, however, continue to be offset by net migration from elsewhere in the UK and abroad, thus growing the population.

10.4 Central Lincolnshire has also continued to create new jobs over the plan period to date, as documented in detail within the Economic Needs Assessment Update (‘the ENA Update’) produced alongside this study. Around 1,850 jobs have been created each year on average since 2012, utilising latent capacity in the labour force and reducing unemployment to a notably low level as of 2018 as well as acting as a likely driver for the net inflow of migrants.

10.5 Housing costs provide an indication of how the supply of housing has responded to these drivers of demand, and suggest a degree of imbalance. The average price paid for housing in Central Lincolnshire has risen by circa 22% over the past five years, since the SHMA was prepared, with the rate of growth being notably lower in West Lindsey (17%) but still surpassing the 14% growth seen nationally albeit from a notably lower base. Average rents at the lower end and middle of the private rental market have also risen.

Overall housing need

10.6 Recent revisions to the National Planning Policy Framework (NPPF) have introduced a new, standard method for determining ‘*the minimum number of homes needed*’, and confirmed that ‘*strategic policies should be informed by a local housing need assessment*’ conducted through this method[182]. Related Planning Practice Guidance (PPG) emphasises that the method provides only a ‘*minimum starting point in determining the number of homes needed in an area*’, requiring plan-makers to assess

---

[182] MHCLG (2019) National Planning Policy Framework, paragraph 60

the existence of circumstances that justify planning for a higher – or indeed, though only exceptionally, lower – level of housing need than the standard method suggests[183].

10.7 The standard method currently indicates that **a minimum of 1,086 dwellings per annum** are needed in Central Lincolnshire, when aggregating the outcomes for the individual authorities, albeit this number is susceptible to change having risen very slightly (+3dpa) during production of this report. There remains the prospect of a more significant and as-yet unforeseeable change once the method itself is reviewed by the Government this year.

10.8 Demographic modelling indicates that such a level of housing provision could accommodate around 35,400 additional residents over the emerging plan period to 2040. This would represent average growth of circa 0.5% per annum, which is below the recent and indeed longer-term average rate of population growth in Central Lincolnshire. The modelling suggests that population growth is unlikely to be uniform across all age groups, with the elderly population aged over 65 potentially increasing by some 45% while the working age population (16-64) grows by only 2%. Allowing for reasonable changes in the behaviour of the labour force over the plan period, such growth could conceivably support the creation of circa 14,890 new jobs in Central Lincolnshire, or 677 jobs per annum.

10.9 There is no compelling demographic or market evidence to suggest that substantially fewer homes than implied by the standard method are needed in Central Lincolnshire. In contrast, and in the context of the PPG – which firmly supports '*ambitious authorities who want to plan for growth*' beyond a '*minimum*'[184] – the analysis suggests that more than 1,086 dwellings per annum could actually be needed in Central Lincolnshire. This conclusion is based on a number of factors as follows:

- The domestic migration assumptions made in the **demographic baseline** of the standard method, which influence its outcome, appear conservative in the context of Central Lincolnshire, meaning that the population is already larger and growing to a greater extent than is assumed in the generation of the minimum need;

- **Housing delivery** has been significantly greater than the minimum figure generated through the method, both over the long-term – from 1996 to the start of the current plan period, in 2012 – and in the last year for which data is currently available (2018/19). This implies that there has been a higher sustained level of demand for new homes historically than the standard method outcome would suggest. Adopting the standard method would be more akin to the low rate of delivery achieved during the recession and subsequent downturn rather than returning to more proportionate rates envisaged through the adopted plan, which is not the intention of national policy;

- There has been a **previous assessment** of a greater need for housing than implied by the standard method, within the 2015 SHMA, albeit this is

---

[183] PPG Reference ID 2a-010-20190220

[184] *Ibid*

increasingly dated and was naturally informed by evidence and guidance available at the time of its preparation. While justified at that point, it can be retrospectively seen to have made a relatively cautious estimate of the housing that could be needed to support job growth, meaning that care should be taken in drawing direct comparison with this assessment; and

- Bespoke modelling prepared by Edge Analytics strongly indicates that simply providing the homes envisaged by the standard method, while enabling some job growth, is unlikely to provide **the labour force needed to fully support anticipated levels of job growth.** Where an alignment is to be achieved between the forecast of job growth concluded in the ENA Update, approximately 1,323 dwellings per annum are indicated as being needed. This would allow for a comparatively modest increase in the population of Central Lincolnshire above that associated with providing for the minimum standard method figure through the greater – though not unprecedented – attraction and retention of people, through migration.

10.10 Recommending an alternative level of housing need to be planned for, beyond the minimum calculated under the standard method, inevitably requires a degree of judgement. Within this context, the jobs-led scenario appears to provide a particularly valuable reference point for the Councils, offering complete alignment with the recently updated economic evidence and allowing for a boost in the recent rate of housing delivery in line with the requirements of the NPPF. Accordingly, this report concludes that a rounded figure in the order of **1,325 dwellings per annum** is representative of the higher need for housing in Central Lincolnshire.

10.11 It is, however, important to acknowledge that **this report simply provides informing evidence**, with the level of growth to be pursued by the Local Plan ultimately a judgement to be made by the Councils.

Size and type of housing needed

10.12 Beyond the overall number of homes needed, the NPPF requires assessment of the size and type of housing needed in Central Lincolnshire.

10.13 The modelling introduced in this report allows this to be considered in a consistent manner, suggesting that the overall profile of growth – in terms of household type and the age of their representative, rather than the level of growth – will be similar regardless of whether housing provision aligns with the minimum need implied by the standard method or is higher to support future job growth. Households with dependent children are expected to see the strongest growth under either scenario, followed by single person households and couples without children. The number of families living with other adults, such as non-dependent children, is expected to remain broadly stable. A substantial number of the additional households projected are led by an individual aged over 65, albeit this is moderated under the jobs-led scenario where younger households led by those aged 25 to 44 account for a slightly larger share of growth.

10.14 Such different types of households naturally have differing requirements in terms of housing, with the 2011 Census robustly evidencing that single person households in

Central Lincolnshire often – though do not exclusively – occupy smaller homes for example. Households with dependent children tend to occupy larger properties, and couples without children are similarly inclined towards larger housing in this area. This is a reflection of households' ability to exercise choice in the market, with wealth an important influence.

10.15 A continuation of these local trends could see **43% of the additional households forming under either of the modelling scenarios requiring three bedrooms**. There is also implied to be a relatively sizeable need for **two bedroom properties (28%)** and homes with **at least four bedrooms (22%).** Substantially **fewer households (7%) would be expected to need only one bedroom,** albeit this is acknowledging to be influenced by the stock of housing that is currently available. It is estimated that meeting this need could require over **two thirds (69%) of new homes to be houses**, surpassing the more limited need for **bungalows (20%) and flats (11%).**

10.16 This does, however, provide only an illustrative interpretation of available evidence, which can be used by the Councils for guidance and monitoring purposes but should not be prescribed as an explicit requirement for individual sites given that they will need to respond to changing market demands and take account of viability considerations.

Need for affordable housing

10.17 This report has applied the well-established methodology, outlined in the PPG, through which affordable housing needs are separately calculated, before being considered in the context of their likely delivery as a proportion of market-led housing developments.

10.18 The first part of the calculation establishes the scale of the current backlog, revealing an imbalance between the 2,535 households currently registered in need and the 1,960 affordable homes expected to become available over the next five years. The latter is predominantly comprised of committed schemes, implicitly assuming that the Councils collectively increase their recent rate of affordable housing provision. Where this occurs, there is estimated to remain a shortfall of 575 affordable homes to meet current needs, mainly in Lincoln and West Lindsey and generally relating to one bedroom properties in particular.

10.19 The second part of the calculation estimates the net new need that may arise in the future, as new households form, existing households' circumstances change and properties continue to be let or made available. This implies that there will be a newly arising need for 565 affordable homes each year, distributed throughout each authority and predominantly relating to properties with two or three bedrooms. This profile is, however, influenced by the size of affordable housing currently available, with these assumptions requiring continuous testing in the context of housing registers that are orientated towards smaller properties.

10.20 When bringing together the two parts of the calculation, it is concluded that clearing the existing backlog while meeting newly arising need over the emerging plan period to 2040 will generate an overall need for **592 affordable homes each year**, across Central Lincolnshire. There is implied to be the greatest need for two bedroom properties, albeit the assumptions required in reaching this position should be regularly tested through monitoring.

10.21 This report has also considered the potential role of different affordable housing products, with affordable rent generally the only product to have been assessed that requires a substantially lower income than would be required to rent in the open market based on locally evidenced rental levels. Other products, such as shared ownership and discounted market sale, can nonetheless play a role particularly where households purchase a small share (25%) or receive a more significant discount of 50%, albeit it is understood that the latter is rarely delivered.

Specific needs of different groups

10.22 The NPPF requires the housing needs of different groups in the community to be assessed and reflected in planning policies. This report has therefore considered the specific needs of:

- **Older people**, with this cohort having recently grown in size such that circa 65,000 residents are now aged 65 and over. Edge Analytics' modelling indicates that this growth will continue over the emerging plan period, resulting in a projected need for **circa 87-91 bedspaces in communal establishments each year**. Where this results from growth in the population assumed not to live in individual dwellings, this is separate from and additional to the overall dwelling requirements specified earlier;

- **People with disabilities**[185], who account for circa one in five residents in this area and tend to live in private households rather than institutional accommodation. This emphasises the importance of suitably accessible housing, achieved both when new housing is delivered – by aligning with national standards, for example – and through the continued delivery of adaptations;

- **Students**, concluding that there is no evidenced need for further accommodation – beyond the current pipeline – to accommodate growth per se based on the universities' current plans. New provision could however still be justified where shown to offer choice and allow poorer quality stock to be vacated and/or returned for use by families;

- **Service families**, with housing on base understood to be capable of accommodating demand both currently and following planned investment. Some personnel do choose to rent or buy in the local area, but engagement suggests that this is unlikely to require a specific policy response;

- **Self-builders**, circa 136 of whom – primarily in Lincoln and North Kesteven – have registered their interest in mainly larger plots with the Councils. While relatively small, the existence and profile of this need should be considered in providing for this type of housing;

---

[185] This captures individuals reporting themselves to be limited to some extent in their daily activities

- **Privately renting households**, which often contain individuals employed in roles that appear likely to become more prevalent in Central Lincolnshire based on the analysis in the ENA Update with an associated continued and growing need for this tenure of housing;

- **Households searching at different levels of the market**, who appear likely to target specific locations and product types. The Councils may wish to consider in this context how the planned distribution of new housing, and the types of products likely to come forward, could meet the full range of households' needs; and

- **Those occupying houseboats and caravans**, the former seeing relatively low uptake such that existing moorings offer flexibility to respond to any rise in demand. Around 1,300 static caravans and mobile units, or park homes, are located in Central Lincolnshire, and while they offer an affordable option for downsizing older people in particular, there are concerns around their contribution to housing supply and the prospect of sub-standard conditions.

Appendix 1: Demographic Modelling Assumptions

Central Lincolnshire

Data Inputs & Assumptions

April 2020

edge analytics

Nexus | Discovery Way | University of Leeds | Leeds | LS2 3AA
0113 819 5087 | www.edgeanalytics.co.uk

Acknowledgements

Demographic statistics used in this report have been derived from data from the Office for National Statistics licensed under the Open Government Licence v.3.0.

Contents

1 POPGROUP Methodology

1.1 Evidence is often challenged on the basis of the appropriateness of the methodology that has been employed to develop growth forecasts. The use of a recognised forecasting product which incorporates an industry-standard methodology (a cohort component model) removes this obstacle and enables a focus on assumptions and output, rather than methods.

1.2 Demographic forecasts have been developed using the POPGROUP suite of products. POPGROUP is a family of demographic models that enables forecasts to be derived for population, households and the labour force, for areas and social groups. The main POPGROUP model (Figure 1) is a cohort component model, which enables the development of population forecasts based on births, deaths and migration inputs and assumptions.

1.3 The Derived Forecast (DF) model (Figure 2) sits alongside the population model, providing a headship rate model for household projections and an economic activity rate model for labour-force projections.

1.4 For further information on POPGROUP, please refer to the Edge Analytics website: http://www.edgeanalytics.co.uk/.

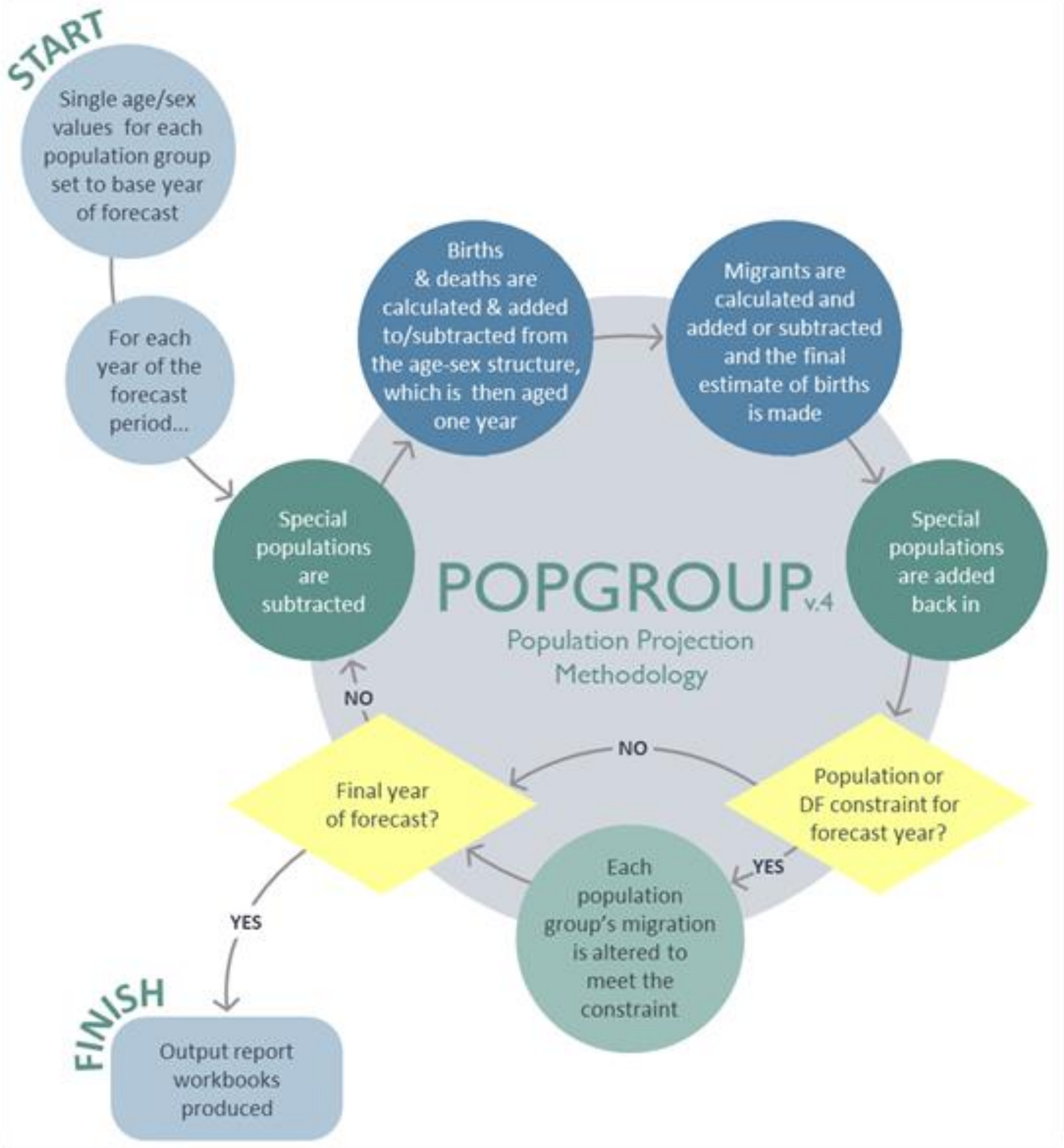
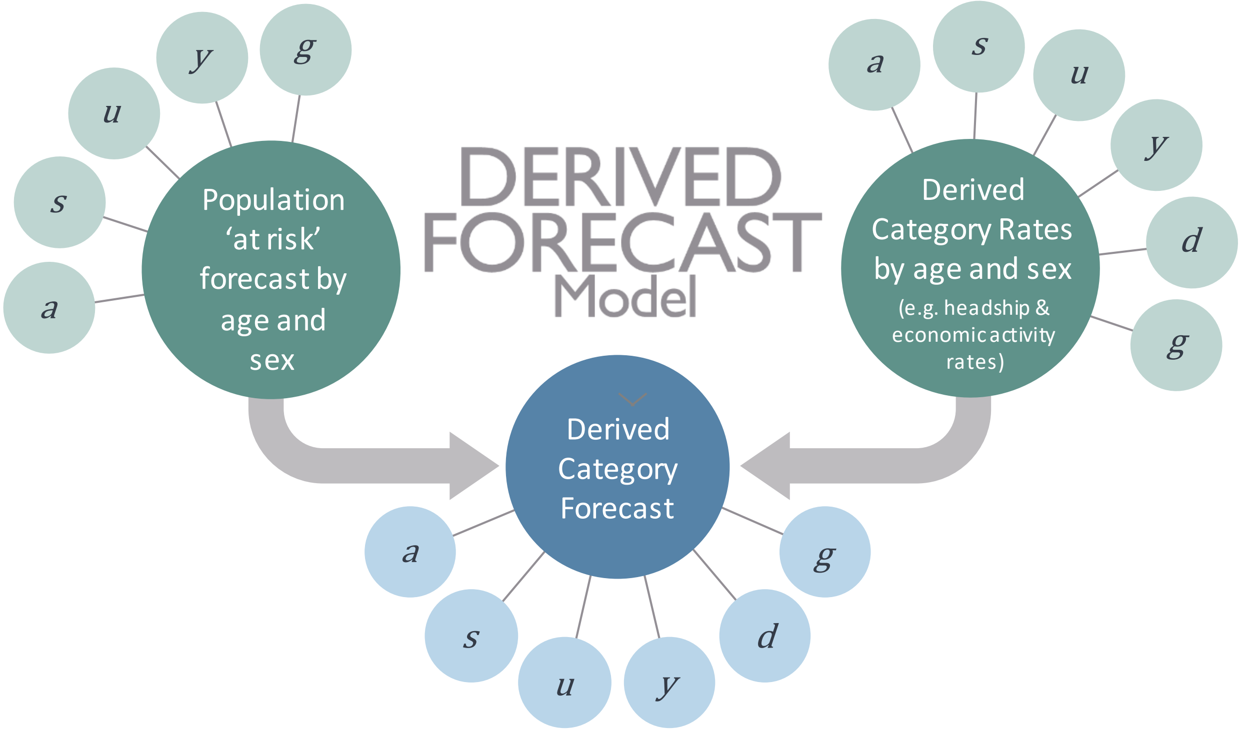


Figure 1: POPGROUP population projection methodology



$$D_{a,s,u,y,d,g} = \frac{P_{a,s,u,y,g}\ R_{a,s,u,y,d,g}}{100}$$

D	Derived Category Forecast	y	Year
P	Population 'at risk' Forecast	d	Derived category
R	Derived Category Rates	g	Group (usually an area, but can be an ethnic group or social group)
a	Age-group		
s	Sex		
u	Sub-population		

Figure 2: Derived Forecast (DF) methodology

2 Data Inputs & Assumptions

Introduction

2.1 Edge Analytics has developed a suite of demographic scenarios for Central Lincolnshire, comprising the three districts of Lincoln, North Kesteven, and West Lindsey using POPGROUP v4 and the Derived Forecast model. The POPGROUP suite of demographic models draws data from a number of sources, building an historical picture of population, households, fertility, mortality and migration on which to base its scenario forecasts.

2.2 Using historical data evidence for 2001–2018, in conjunction with information from the Office for National Statistics (ONS) latest sub-national population projections (SNPPs) and Ministry of Housing, Communities and Local Governments (MHCLG) household projections, a series of assumptions have been derived which drive the scenario forecasts.

Scenario Definitions

2.3 Edge Analytics has developed **dwelling-led** and **employment-led** scenarios for Central Lincolnshire, taking account of the latest demographic and economic evidence. A scenario that replicates the **2014-based SNPP** is also included to provide context. Scenario outcomes have been presented over the 2018–2040 plan period.

2.4 Under all scenarios, historical mid-year population estimates are provided to 2018 and the annual dwelling or employment growth targets have been applied as follows:

Dwelling-led (ONS16_Return) – From 2018/19 onwards, an annual dwelling constraint has been applied to each area (see below). Assumptions related to fertility, mortality and the profile of migrants are derived from the 2016-based SNPP. A sensitivity has been applied to household headship rates (see paragraph 2.24).

- Lincoln – annual dwelling growth of +287
- North Kesteven – annual dwelling growth of +460
- West Lindsey – annual dwelling growth of +336

Jobs-led (ONS16_Return) – From 2018/19 onwards, a jobs constraint[1] has been applied to each area (see below). Assumptions related to fertility, mortality and the profile of migrants are derived from

---

[1] Employment growth targets were provided by Turley for use in the forecast model.

the 2016-based SNPP. A sensitivity has been applied to household headship rates (see paragraph 2.22).

- Lincoln – a total of 9,561 jobs between 2018/19 - 2039/40
- North Kesteven – a total of 7,652 jobs between 2018/19 – 2039/40
- West Lindsey – a total of 3,602 jobs between 2018/19 – 2039/40

SNPP-2014 – This exactly replicates the 2014-based SNPP, produced by ONS, for each of the areas in Central Lincolnshire.

Dwelling-led Scenarios

2.5 Under a 'dwelling-led' scenario, population growth is determined by the annual change in dwellings using key assumptions on household representative rates, communal population statistics and a dwelling vacancy rate.

Jobs-led Scenario

2.6 Under a 'jobs-led' scenario, population growth is determined by the annual change in employment using key assumptions on economic activity rates, a commuting ratio and unemployment rates.

Population, Births & Deaths

Population

2.7 In each scenario, historical population statistics are provided by the ONS mid-year population estimates (MYEs) for the Central Lincolnshire districts[2] (2001-2018).

Births & Fertility

2.8 In each scenario, historical mid-year to mid-year counts of births by sex have been sourced from the ONS MYEs for the 2001/02-2017/18 period.

2.9 From 2018/19, an age specific fertility rate (ASFR) schedule derived from the ONS 2016-based SNPP, is included in the POPGROUP model assumptions. In combination with the 'population-at-risk' (i.e. all women between the ages of 15–49), the area-specific ASFR and future fertility rate assumptions provide the basis for the calculation of births in each year of the forecast period (i.e. from 2019 onwards).

---

[2] https://www.ons.gov.uk/peoplepopulationandcommunity/populationandmigration/populationestimates/datasets/populationestimatesforukenglandandwalesscotlandandnorthernireland

Deaths & Mortality

2.10 In each scenario, historical mid-year to mid-year counts of deaths by 5-year age group and sex have been sourced from the ONS MYEs for the 2001/02–2017/18 period.

2.11 From 2018/19, an age-specific mortality rate (ASMR) schedule derived from the ONS 2016-based SNPP is included in the POPGROUP model assumptions. In combination with the 'population-at-risk' (i.e. the whole population), the area-specific ASMR and future mortality rate assumptions provide the basis for the calculation of deaths in each year of the forecast period (i.e. from 2019 onwards).

Migration

Internal Migration

2.12 In each scenario, historical mid-year to mid-year estimates of the internal in-and out-migration by 5-year age group and sex have been sourced from the 'components of population change' that underpin the ONS MYEs. These internal migration flows are estimated using data from the Patient Register (PR), the National Health Service Central Register (NHSCR) and the Higher Education Statistics Agency (HESA).

2.13 In the **Dwelling-led** and **Jobs-led** scenarios, historical counts of migrants are used from 2001/02 to 2017/18. From the start of the forecast period, the scenarios calculate their own internal migration assumptions to ensure an appropriate balance between the population and the targeted change in dwellings or employment defined in each year of the forecast period. Under the **Dwelling-led** scenarios, a higher level of net internal migration will occur if there is insufficient population and households to meets the forecast change in dwellings. Under the **Jobs-led** scenario, a higher level of net internal migration will occur if there is insufficient population and resident labour force to meet the forecast change in employment.

2.14 The profile of internal migrants is defined by an age specific migration rate (ASMigR) schedule, derived from the ONS 2016-based SNPP.

International Migration

2.15 Historical mid-year to mid-year counts of immigration and emigration by 5-year age group and sex have been sourced from the 'components of population change' files that underpin the ONS MYEs. Any 'adjustments' made to the MYEs to account for asylum cases are included in the international migration balance.

2.16 Under the **Dwelling-led** and **Jobs-led** scenarios, historical counts of international in and out-migrants are used from 2001/02 to 2017/18. From 2018/19, international migration counts are taken from the ONS 2016-based SNPP. An ASMigR schedule of rates from the ONS 2016-based SNPP is used to distribute future counts by single year of age.

Households & Dwellings

2.17 The 2011 Census defines a household as:

> *"one person living alone, or a group of people (not necessarily related) living at the same address who share cooking facilities and share a living room or sitting room or dining area."*

2.18 In POPGROUP, a dwelling is defined as a unit of accommodation which can either be occupied by one household or vacant.

2.19 Under the **Dwelling-led** scenarios, the population growth outcomes of each dwelling constraint have been estimated through the application of household representative statistics (also known as household headship statistics), communal population statistics and a dwelling vacancy rate.

2.20 In all other scenarios, the household and dwelling implications of each population growth trajectory are estimated in the same way. These assumptions have been sourced from the 2011 Census and MHCLG's 2014-based household projection model.

Household Headship Rates

2.21 A household headship rate (or household representative rate) is defined as the "probability of anyone in a particular demographic group being classified as being a household representative"[3]

2.22 The household headship rates used in the POPGROUP modelling for Central Lincolnshire have been taken from the MHCLG 2014-based household projection model, which is underpinned by the ONS 2014-based SNPP. The MHCLG household projections are derived through the application of projected headship rates to a projection of the private household population. The methodology used by MHCLG in its household projection models consists of two distinct stages:

- **Stage One** produces the national and local authority projections for the total number of households by sex, age-group and relationship-status group over the projection period.
- **Stage Two** provides the detailed 'household-type' projection by age-group, controlled to the previous Stage One totals.

2.23 Under each scenario, Stage Two headship rates have been applied by age-group, sex and 'household type' (Table 1).

Table 1: MHCLG Stage Two headship rate classification household type classification

MHCLG Category	Description
One person male	One person households: Male
One person female	One person: Female

---

[3] Household Projections 2014-based: Methodological Report. Ministry of Housing, Communities & Local Government (July 2016). https://www.gov.uk/government/statistics/2014-based-household-projections-methodology

Couple no child	One family and no others: Couple households: No dependent children
Cple+adlts no child	A couple and one or more other adults: No dependent children
One child	Households with one dependent child
Two children	Households with two dependent children
Three+ children	Households with three or more dependent children
Other households	Other households with two or more adults

2.24 Under **all** scenarios, the following sensitivity to household headship rates have been applied:

- **HH-14 Return:** Between 2019 and 2029, the MHCLG 2014-based headship rates in the 25–34 age group return to their 2001 values. From 2029 onward, the headship rates projected to increase after 2029 continue their original rate of growth; the headship rates projected to fall after 2029 have been fixed at their returned level for the remainder of the forecast period. No adjustments have been made to other age groups.

Communal Population Statistics

2.25 Household projections in POPGROUP exclude the population 'not-in-households' (i.e. the communal/institutional population). These data are drawn from the MHCLG 2014-based household projections, which use statistics from the 2011 Census. Examples of communal establishments include prisons, residential care homes, student halls of residence and certain armed forces accommodation.

2.26 For ages 0–74, the number of people in each age group not-in-households is fixed throughout the forecast period. For ages 75–85+, the proportion of the population not-in-households is recorded. Therefore, the population not-in-households for ages 75–85+ varies across the forecast period depending on the size of the population.

Vacancy Rate

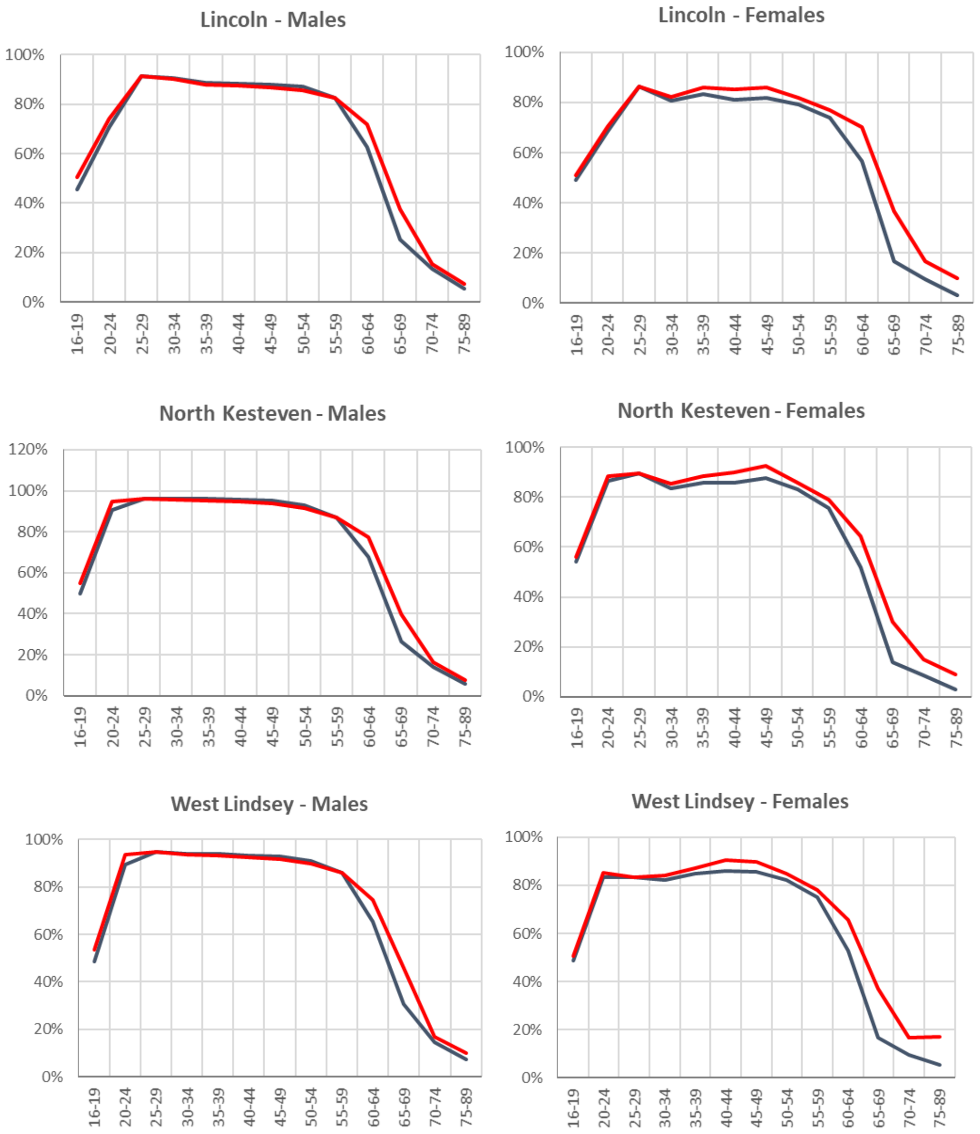
2.27 The relationship between households and dwellings is modelled using a 'vacancy rate', sourced from 2018 MHCLG Council Tax Data. Under all scenarios, a vacancy rate of 3.5% for Lincoln, 2.2% for North Kesteven, and 2.9% for West Lindsey have been applied and fixed throughout the forecast period.

Labour Force & Jobs

Economic Activity Rates

2.28 Economic activity rates (also referred to as labour force participation rates) are the proportion of the population that are actively involved in the labour force, either employed or unemployed and looking for work.

2.29 Economic activity rates by five year age group (ages 16–89) and sex have been derived from Census statistics, with adjustments made in line with the Office for Budget Responsibility's (OBR) analysis of labour market trends in its 2018 Fiscal Sustainability Report[4] (Figure 3). The economic activity rate adjustments have been applied to all scenarios.


Lincoln - Males

Lincoln - Females

North Kesteven - Males

North Kesteven - Females

West Lindsey - Males

West Lindsey - Females

Figure 3: Central Lincolnshire Economic Activity Rates 2018-2033

Commuting Ratio

2.30 The commuting ratio indicates the balance between the level of employment and the number of resident workers. A commuting ratio greater than 1.00 indicates that the size of the resident workforce exceeds the level of employment available in the area, resulting in a net out-commute. A

---

[4] https://obr.uk/fsr/fiscal-sustainability-report-july-2018/

commuting ratio less than 1.00 indicates that employment in the area exceeds the size of the labour force, resulting in a net in-commute.

2.31 The 2011 Census recorded a 0.81 commuting ratio in Lincoln, a 1.14 in North Kesteven, and 1.35 in West Lindsey. These commuting ratios have been fixed for the duration of the forecast period.

Unemployment Rate

2.32 The unemployment rate is the proportion of unemployed people within the total economically active population. The 2018 estimated unemployment rate for each district has been used and fixed throughout the forecast period. For Lincoln, this is 6.6%, 3.4% in North Kesteven and 4.5% in West Lindsey.

2.33 The model-based approach improves on the raw Annual Population Survey (APS) output by also utilising data from the claimant count (a count of people claiming benefit for the principal reason of being unemployed). This increases the precision lost in the small and often unreliable sample size of the APS.

Appendix 2: Size of Affordable Housing Needed by Authority

This appendix provides a further breakdown of the affordable housing need calculations presented in section 7 of this report, to illustrate the size of affordable housing implied to be needed at individual authority level. These figures aggregate to the Central Lincolnshire totals presented at Tables 7.4, 7.10 and 7.12, and are presented in a similarly abridged format.

These tables are separately presented on the following pages.

Lincoln

		1 bed	2 beds	3 beds	4+ beds	Total
1.1 Existing affordable housing tenants in need		165	76	79	8	**328**
1.2 Other groups on housing register		347	142	96	9	**594**
1.3 Total current housing need (gross)		512 56%	218 24%	175 19%	17 2%	**922**
2.1 Affordable dwellings occupied by households in need		165	76	79	8	**328**
2.3 Committed supply of affordable housing		51	137	69	3	**260**
2.5 Total affordable housing stock available		216 37%	213 36%	148 25%	11 2%	**588**
3.3 Total shortfall in affordable housing to meet current backlog		296 88%	5 2%	27 8%	6 2%	**334**
4.2 Newly forming households unable to rent		126	122	74	10	**331**
4.3 Existing households falling into need		126	102	82	9	**319**
4.4 Total newly arising need (gross annual)		252 39%	224 34%	156 24%	19 3%	**650**
5.1 Annual supply of social re-lets		195	149	52	5	**401**
5.2 Annual supply of intermediate housing		0	20	16	0	**36**
5.3 Total affordable housing stock available		195 45%	169 39%	68 15%	5 1%	**437**
6.3 Net new need	Annual	57	55	88	14	**214**
	Remaining 21 years of plan period	1,196 27%	1,146 26%	1,858 41%	289 6%	**4,489**
7.3 Net affordable housing need over plan period		1,492	1,151	1,885	295	**4,823**
7.4 Net annual affordable housing need		**71** **31%**	**55** **24%**	**90** **39%**	**14** **6%**	**230**

North Kesteven

<table>
<tr><th colspan="2"></th><th>1 bed</th><th>2 beds</th><th>3 beds</th><th>4+ beds</th><th>Total</th></tr>
<tr><td colspan="2">1.1 Existing affordable housing tenants in need</td><td>20</td><td>95</td><td>20</td><td>14</td><td>149</td></tr>
<tr><td colspan="2">1.2 Other groups on housing register</td><td>121</td><td>441</td><td>42</td><td>15</td><td>619</td></tr>
<tr><td colspan="2">1.3 Total current housing need (gross)</td><td>141
18%</td><td>536
70%</td><td>62
8%</td><td>29
4%</td><td>768</td></tr>
<tr><td colspan="2">2.1 Affordable dwellings occupied by households in need</td><td>20</td><td>95</td><td>20</td><td>14</td><td>149</td></tr>
<tr><td colspan="2">2.3 Committed supply of affordable housing</td><td>53</td><td>336</td><td>213</td><td>0</td><td>602</td></tr>
<tr><td colspan="2">2.5 Total affordable housing stock available</td><td>73
10%</td><td>431
57%</td><td>233
31%</td><td>14
2%</td><td>751</td></tr>
<tr><td colspan="2">3.3 Total shortfall in affordable housing to meet current backlog*</td><td>68</td><td>105</td><td>-171</td><td>15</td><td>17</td></tr>
<tr><td colspan="2">4.2 Newly forming households unable to rent</td><td>41</td><td>144</td><td>102</td><td>10</td><td>297</td></tr>
<tr><td colspan="2">4.3 Existing households falling into need</td><td>23</td><td>127</td><td>48</td><td>4</td><td>202</td></tr>
<tr><td colspan="2">4.4 Total newly arising need (gross annual)</td><td>64
13%</td><td>271
54%</td><td>151
30%</td><td>14
3%</td><td>499</td></tr>
<tr><td colspan="2">5.1 Annual supply of social re-lets</td><td>44</td><td>142</td><td>56</td><td>2</td><td>245</td></tr>
<tr><td colspan="2">5.2 Annual supply of intermediate housing</td><td>1</td><td>21</td><td>26</td><td>1</td><td>49</td></tr>
<tr><td colspan="2">5.3 Total affordable housing stock available</td><td>45
15%</td><td>163
56%</td><td>82
28%</td><td>3
1%</td><td>293</td></tr>
<tr><td rowspan="2">6.3 Net new need</td><td>Annual</td><td>19</td><td>107</td><td>69</td><td>11</td><td>206</td></tr>
<tr><td>Remaining 21 years of plan period</td><td>400
9%</td><td>2,256
52%</td><td>1,439
33%</td><td>231
5%</td><td>4,326</td></tr>
<tr><td colspan="2">7.3 Net affordable housing need over plan period</td><td>468</td><td>2,361</td><td>1,268</td><td>246</td><td>4,343</td></tr>
<tr><td colspan="2">7.4 Net annual affordable housing need</td><td>22
11%</td><td>112
54%</td><td>60
29%</td><td>12
6%</td><td>207</td></tr>
</table>

* Percentages omitted as skewed by negative number, and small need in overall terms

West Lindsey

		1 bed	2 beds	3 beds	4+ beds	Total
1.1 Existing affordable housing tenants in need		61	27	14	3	**105**
1.2 Other groups on housing register		428	190	97	25	**740**
1.3 Total current housing need (gross)		489 58%	217 26%	111 13%	28 3%	**845**
2.1 Affordable dwellings occupied by households in need		61	27	14	3	**105**
2.3 Committed supply of affordable housing		101	271	141	3	**516**
2.5 Total affordable housing stock available		162 26%	298 48%	155 25%	6 1%	**621**
3.3 Total shortfall in affordable housing to meet current backlog*		327	-81	-44	22	**224**
4.2 Newly forming households unable to rent		32	67	52	5	**155**
4.3 Existing households falling into need		101	64	37	6	**208**
4.4 Total newly arising need (gross annual)		133 37%	131 36%	89 25%	11 3%	**363**
5.1 Annual supply of social re-lets		105	59	33	4	**201**
5.2 Annual supply of intermediate housing		0	15	2	0	**17**
5.3 Total affordable housing stock available		105 48%	73 34%	35 16%	4 2%	**218**
6.3 Net new need	Annual	27	57	55	6	**145**
	Remaining 21 years of plan period	571 19%	1,200 39%	1,147 38%	133 4%	**3,050**
7.3 Net affordable housing need over plan period		898	1,119	1,103	154	**3,274**
7.4 Net annual affordable housing need		**43** **27%**	**53** **34%**	**53** **34%**	**7** **5%**	**156**

* Percentages omitted as skewed by negatives

Turley
1 New York Street
Manchester
M1 4HD

T 0161 233 7676

Turley