

CABINET

DATE	12 th February 2025
REPORT OF	Councillor Stan Shreeve, Portfolio Holder for Health, Wellbeing and Adult Social Care
RESPONSIBLE OFFICER	Katie Brown Director of Adult Social Services
SUBJECT	Housing with Care Strategy
STATUS	OPEN
FORWARD PLAN REF NO.	CB 03/24/01

CONTRIBUTION TO OUR AIMS

This report presents the All-Age Housing with Care Strategy for 2025-2029. The strategy has been developed with officers and key stakeholders. Its purpose is to set out the Council's strategic accommodation and housing priorities over the next five years for people that have care and support needs. The Strategy recognises the specialist housing and support services that people with care and support needs require in North East Lincolnshire and sets out actions as to how these will be met.

The strategy contributes to the council's priority that all adults in North East Lincolnshire will have healthy and independent lives with easy access to joined up advice and support, helping them to help themselves.

EXECUTIVE SUMMARY

This report presents the All-Age Housing with Care Strategy. The strategy has been developed with key stakeholders. The strategy aligns with the North East Lincolnshire Housing Strategy 2023-2028 which was approved by Cabinet in March 2024. The strategy outlines the ambition and approach for ensuring all people have housing that meets their needs.

The strategy reflects the models and type of housing options that are needed in North East Lincolnshire over the next five years to ensure that people are enabled to live as independently as possible.

RECOMMENDATIONS

It is recommended that Cabinet: -

1. Approves the adoption of the All-Age Housing with Care Strategy for 2025-2029 as set out in Appendix A to this report.
2. Delegates authority to the Director of Adult Social Services and the Director for Economy, Environment, and Infrastructure, in consultation with the Leader of the Council and the Deputy Leader and Portfolio Holder for Health, Wellbeing and Adult Social Care, to take all action reasonably necessary to implement the actions set out in the strategy including authority to make such modifications to the strategy that are necessary from time to time.

REASONS FOR DECISION

Making the above decision will enable the Council to put in place plans, to support residents who have care and support needs to live in a suitable home, which is safe and affordable and enables them to live as independently as possible in the community.

1. BACKGROUND AND ISSUES

- 1.1 North East Lincolnshire's Housing Strategy was approved in March 2024. Within the Housing Market and Affordability Chapter groups of residents have been identified that require specialist accommodation. The All-Age Housing with Care strategy further outlines the accommodation requirements for people that have more specialist needs.
- 1.2 This is the first time that North East Lincolnshire has had an all-age strategy that outlines specialist accommodation needs for children and adults. Consultation and engagement with key stakeholders have taken place over the last two years and the strategy reflects.
- 1.3 The strategy aims to forecast the gap that currently exists in the various categories of accommodation for people with care and support needs as well as predicting requirements for the future.
- 1.4 The strategy covers the following areas:
 - 1.4.1 Housing and care for older people
 - 1.4.2 Housing and care for working aged adults
 - 1.4.3 Extra care
 - 1.4.4 Care Leavers
 - 1.4.5 Housing related support
 - 1.4.6 Children and young people
 - 1.4.7 Shared lives
 - 1.4.8 Transforming care partnership accommodation plan
 - 1.4.9 VCSE
- 1.5 Housing and care for older people.

The commitment continues to be that people should be supported as much as practicable to live for as long as possible in their own home. When a person does need more residential support it is important that such provision is flexible to meet the persons needs and limits the chances of them having to receive diverse levels of care in different residential settings.
- 1.6 Housing and care for working aged adults.

Supported Living in North East Lincolnshire is a long established and the primary system for supporting people with a wide range of needs, enabling them to have their own tenancy to living in shared accommodation, apartments, or (for the most complex of needs) in their own bespoke environment. The underpinning ethos of provision in Supported Living is to enable people to grow, develop, and progress their skills towards the aim of

living more independently, and 'stepping down' to other types of provision and accommodation in a timescale that is right for the individual.

1.7 Extra Care

North East Lincolnshire has two established Extra Care schemes. Further schemes need to be developed to meet the projected demands for the population over the next 5 – 10 years. Extra Care allows predominantly older people to live in their own flat/apartment in a complex that has a number of additional facilities and wrap around care and support if it is required.

1.8 Children, young people and care leavers.

The North East Lincolnshire Children in Care and Care Leavers Sufficiency Strategy 2024-2027 gives a comprehensive overview of the accommodation needs of children and care leavers, the current sufficiency of accommodation and the actions that will be undertaken to meet the ongoing needs in the future.

[NELC Children in Care and Care Leavers sufficiency strategy \(nelincs.gov.uk\)](https://nelincs.gov.uk)

1.9 Housing related support.

Housing Related Support refers to a tier of support for individuals whose vulnerabilities are primary to their need for support to maintain a tenancy. Within North East Lincolnshire there are two schemes, one commissioned by NELC and the other by the ICB. The strategy commits to developing a joint framework.

1.10 Shared Lives

Shared Lives represents a new offer for people with vulnerabilities in North East Lincolnshire. Shared Lives delivers excellent support to people and enables people to live good lives in a loving family home. Collaborating with Local Authorities across the ICB footprint, NEL are exploring the implementation of Shared Lives schemes with the ambition of being able to deliver this model for at least 30 people from NEL by 2029.

1.11 Transforming care

NEL has historically been a key partner in the Humber Transforming Care Partnership alongside East Riding, Hull, and North Lincolnshire. This partnership saw development of an Accommodation Plan geared towards supporting people with the most complex needs relating to Learning Disability and/or Autism & Mental Health returning to community settings from long stay and secure hospitals. It aims to do this by improving the support available for people with complex needs within the communities and as close to home as possible.

1.12 VCSE

The VCSE in North East Lincolnshire underpin the support provided to enable people to stay safe and health in their own home. Whilst the VCSE provide wrap around support through a range of individual projects, including housing provision, the ICB and North East Lincolnshire Council need to consider the long-term commissioning arrangements to give the sector stability. The sector has a wide range of assets that include specialist knowledge, expertise and support that helps people to live the lives they choose.

1.13 Disabled facilities grant

A Disabled Facilities Grant (DFG) is financial aid provided by local councils to help cover the costs of making necessary adaptations to a home for a disabled person. This ranges from minor aids to major adaptations delivered as a multi-disciplinary approach. A transformation programme has been undertaken in relation to the delivery of DFG's to reflect the requirements of people in North East Lincolnshire.

2. RISKS AND OPPORTUNITIES

- 2.1 The Housing with Care Strategy seeks to set out clear objectives and actions that mitigate the issues being experienced by the residents of North East Lincolnshire when they have specialist accommodation requirements, which if not appropriate can result in poor outcomes and additional cost to the council.
- 2.2 The strategy sets out key opportunities to work in partnership with key stakeholders that will develop housing and accommodation options that reflects best practice models and mitigates the need for expensive, inappropriate support options for people that results in them being supported outside of North East Lincolnshire.
- 2.3 The strategy supports key deliverables of the council plan enabling people to live good, healthy and independent lives in North East Lincolnshire.

3. OTHER OPTIONS CONSIDERED

The strategy brings together into one document the housing with care objectives and actions that currently are in separate documents. This has been done to ensure clarity on North East Lincolnshire's requirements to all stakeholder and partners.

4. REPUTATION AND COMMUNICATIONS CONSIDERATIONS

If the actions as outlined in the strategy are not progressed there is potential for it to become a reputational risk issue for the council.

5. FINANCIAL CONSIDERATIONS

- 5.1 Key objectives within the strategy are already identified in the medium-term financial plan and any potential investment and benefit have been included.
- 5.2 Any financial commitment to new schemes would be subject to an individual cabinet report and consideration by scrutiny.

6. CHILDREN AND YOUNG PEOPLE IMPLICATIONS

The strategy contains and is aligned with the Children in Care and Care Leavers Sufficiency Strategy.

7. CLIMATE CHANGE AND ENVIRONMENTAL IMPLICATIONS

Any future accommodation developments commissioned by North East Lincolnshire Council would be subject to planning rules and considerations in

relation to any environmental implications

8. CONSULTATION WITH SCRUTINY

Scrutiny considered the strategy on the 25th September 2024. Feedback from scrutiny has been incorporated into the final document.

9. FINANCIAL IMPLICATIONS.

9.1 Where the information is available, the financial implications of key objectives within the strategy will be reflected in the latest medium-term financial plan.

9.2 As specific projects are identified to achieve the objectives of the strategy, a separate evaluation of the financial implications will be undertaken.

10. LEGAL IMPLICATIONS

10.1 Adoption of the above policy will position the Council to better enable it to meet its obligations and ensure the benefits as set out above.

10.2 The delegations sought are appropriate. Ultimately the Portfolio Holder has constitutional authority to approve any future modifications to a policy touching upon the services within the Portfolio Holder's defined remit, even those having a borough wide application.

11. HUMAN RESOURCES IMPLICATIONS

There are no human resources implications.

12. WARD IMPLICATIONS

12.1 The Housing with Care Strategy impacts on all residents in North East Lincolnshire.

12.2 The development of any new scheme would be subject to individual scrutiny and approval including engagement with locally elected members.

13. BACKGROUND PAPERS

The North East Lincolnshire Housing Strategy 2025-2029

Public Health Observatory Data on Housing – North East Lincolnshire

SCIE – A Place We Can Call Home (2021)

14. CONTACT OFFICER(S)

Katie Brown, Director of Adult Social Services.

Councillor Stan Shreeve
Portfolio Holder for Health, Wellbeing and Adult Social Care



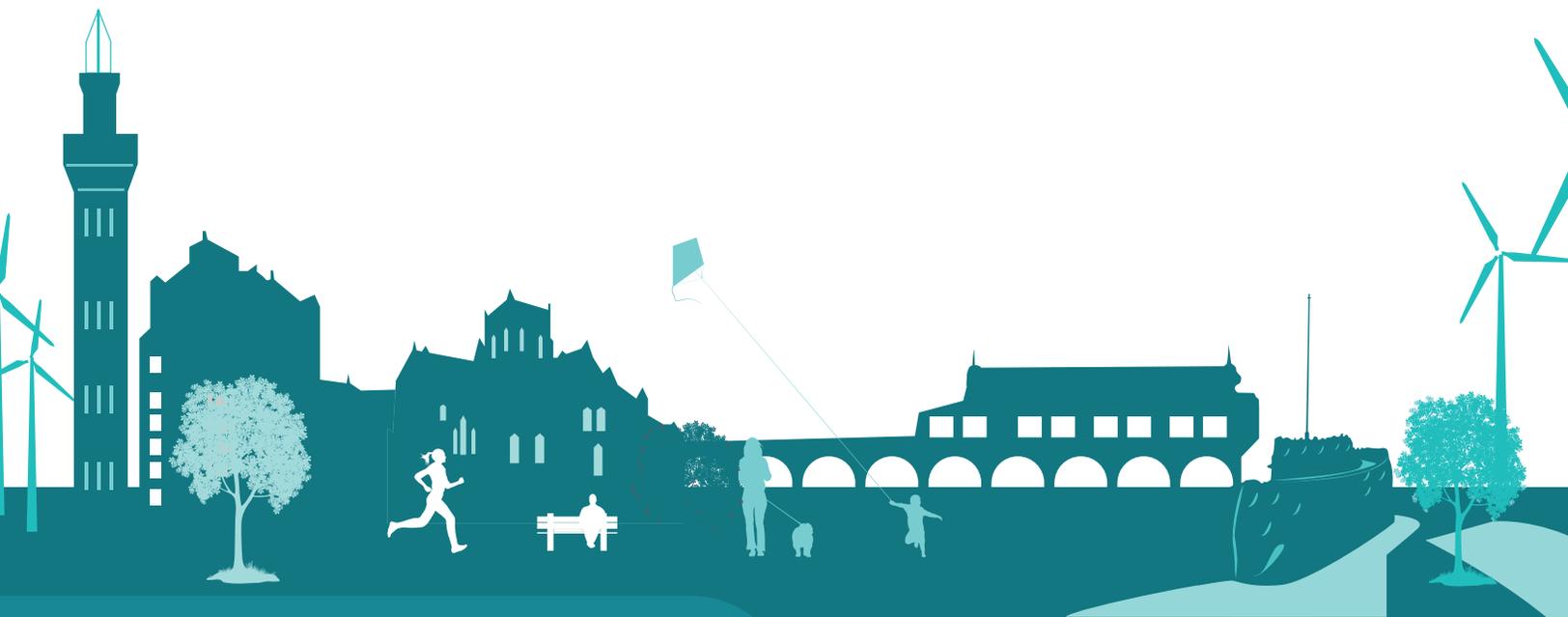
All Age Housing with Care Strategy 2025-2029

Housing options for people who require care and support

Executive Summary

Housing options for people who also require care and support are a critical element of ensuring that people can live as independently as possible in accommodation that enables them to stay safe and healthy.

This strategy considers the housing with care options for children and young people, working age adults and older adults in North East Lincolnshire. The aim of the strategy is to bring together a set of agreed principles and actions that supports the development of accommodation for those whose needs cannot be met by general needs housing and aligns with the North East Lincolnshire Housing Strategy 2023-2028.

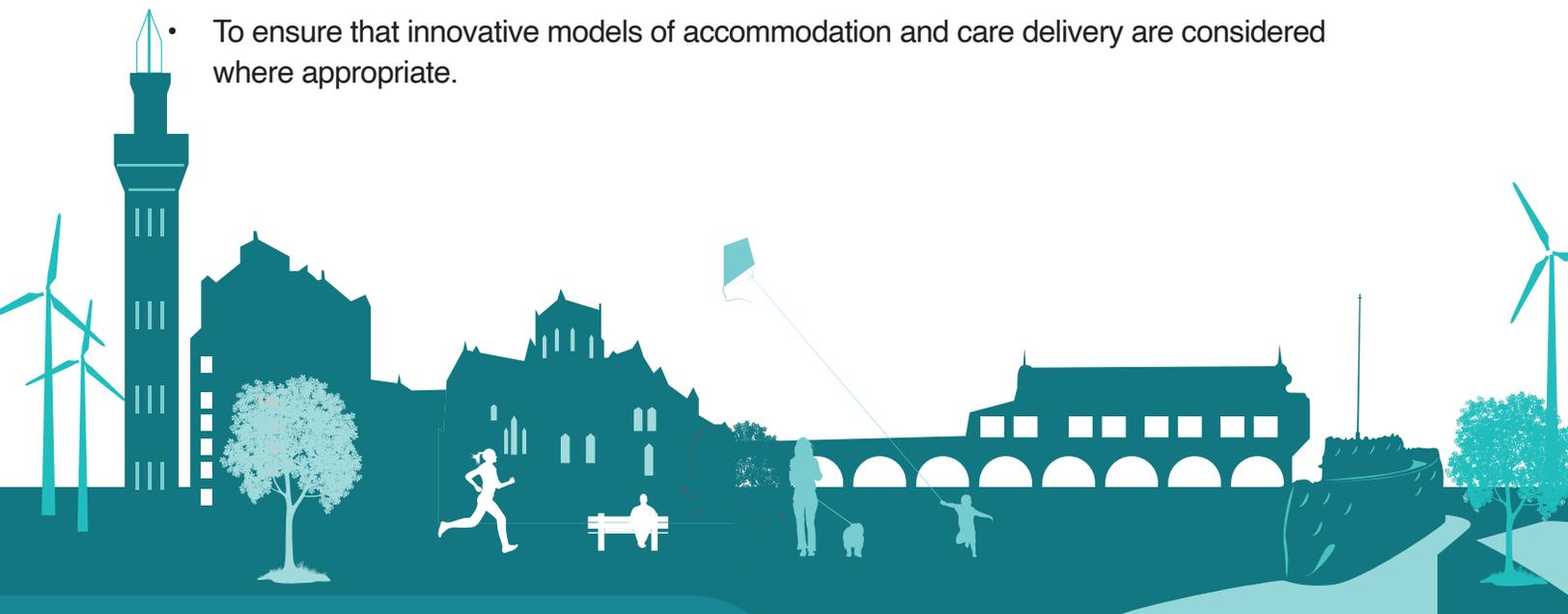




Strategic Aims

The strategic aims are to:

- Increase Extra Care Housing provision in North East Lincolnshire to double the current number of places.
- Increase the range of housing with care options for working age adults to include the development of a shared lives service.
- Enable young people to transition into adulthood and live as independently as possible in their community by commissioning suitable accommodation options
- Keep children and young people safely within their families and communities by ensuring that everyone has a safe and suitable accommodation.
- Develop new options for younger adults to support them to live as independently as possible. This will include the development of accommodation options available in supported living services. (currently being procured). This includes increasing the capacity of accommodation options so that more people can get the support they need closer to home, family and friends.
- Develop the range of housing related support services including community equipment, assistive technology and preventative advice and guidance services.
- Undertake market shaping activities for older adults in North East Lincolnshire that realigns the right capacity within the right types of accommodation. This requires a particular focus on the current oversupply of residential care beds and the growth required in Extra Care and support at home services enabling people to stay living in their communities in accommodation that allows for changing need.
- To ensure that innovative models of accommodation and care delivery are considered where appropriate.



Outcomes

The outcomes from the action plan will:

- Ensure housing with care is a key element of the housing strategy in North East Lincolnshire.
- A reduction in expensive out of area placements.
- A reduction in the number of children in care.
- Give clarity to providers of housing, support and care about our commissioning intentions through the Children's Sufficiency Strategy and Adult Social Care Market Position statement.
- Ensure that there is a cohesive approach across the North East Lincolnshire system to developing and commissioning appropriate accommodation options
- Shift the balance of care to increase the proportion of people who receive support and care in their own homes
- Provide the right services, at the right time, with accommodation to meet need and align the early intervention and family hub model.
- Develop a clear plan on how we work with partners in the voluntary, community and social enterprise sector as part of housing with care developments. This will include developing preventative, social support and advice and support for family carers.
- Ensure all developments and plans will be informed and co-produced by the experience and wishes of North East Lincolnshire residents and key stakeholders.

Adults

North East Lincolnshire supports approximately 2,000 adults who require adult social care support. A fundamental factor in supporting people to have the best outcomes is ensuring the accommodation that people live in is suitable for their ongoing and changing needs. This varies significantly across different groups of people and the details of this for North East Lincolnshire can be found in Appendix 1.

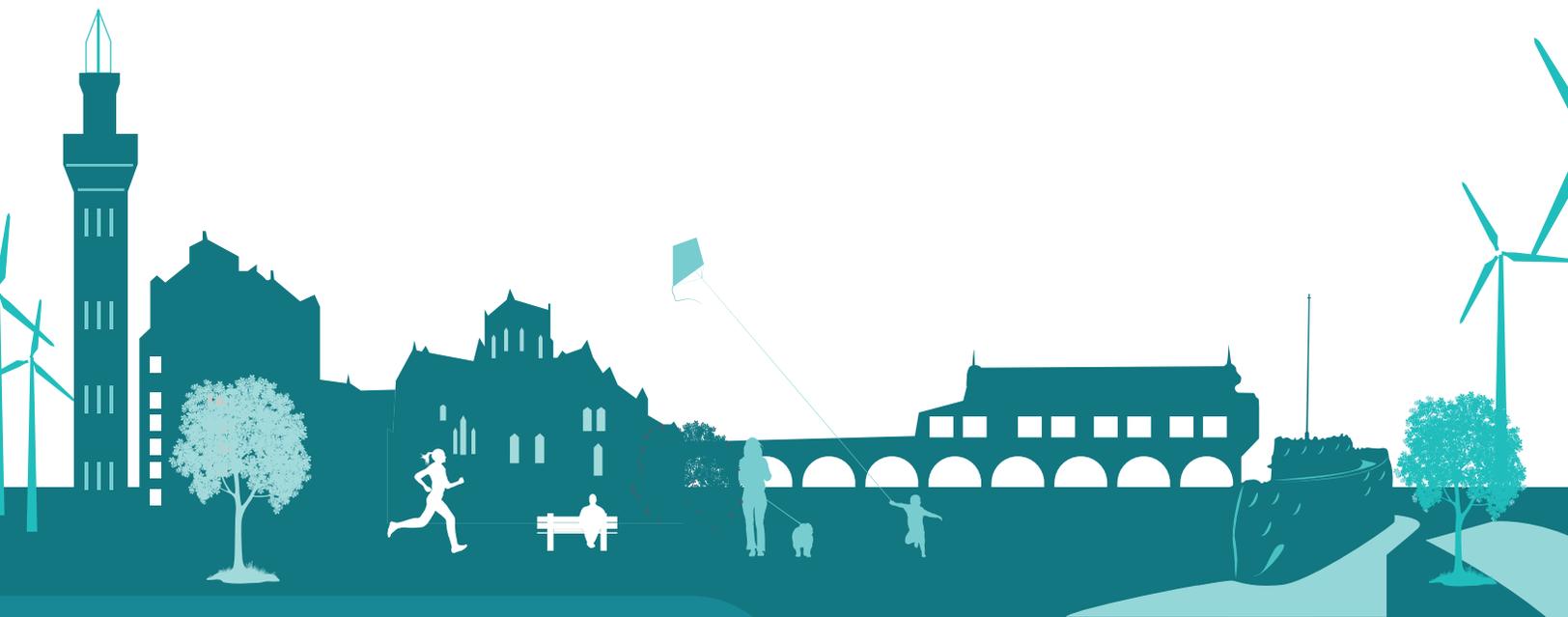
Children and care leavers

The North East Lincolnshire Children in Care and Care Leavers Sufficiency Strategy 2024-2027 gives a comprehensive overview of the accommodation needs of children and care leavers, the current sufficiency of accommodation and the actions that will be undertaken to meet the ongoing needs in the future.

[NELC Children in Care and Care Leavers sufficiency strategy \(nelincs.gov.uk\)](https://nelincs.gov.uk)

Homelessness and Rough Sleeping

The North East Lincolnshire Homelessness and Rough Sleeping Strategy is due to be implemented in 2025/26 and is currently in development. The strategy will identify how we support and help reduce the number of people that are evicted from supported housing provision, those who become homeless because of their disability or following discharge from an acute setting. A preventative approach to support people to successfully stay in their accommodation to reduce the instances of people becoming homeless is critical to reduce the prevalence of rough sleeping and use of interim, temporary accommodation.



Voluntary and Community Sector

The VCSE in North East Lincolnshire underpin the support provided to enable people to stay safe and healthy in their own home. Whilst the VCSE wrap around support through a range of individual projects, including housing provision the ICB and North East Lincolnshire Council need to consider the long-term commissioning arrangements to give the sector stability. The sector has a wide range of assets that include specialist knowledge, expertise and support that helps people to live the lives they choose.

There is further scope for the sector to work more closely together and with statutory organisations on projects related to supporting people with additional care and support needs to live independently within the local communities. This needs to be underpinned by a co-produced strategy and plan.

Funding

The delivery of the strategic objectives will be done in partnership with key housing and accommodation providers as well as adult and social care providers.

Accommodation is often the biggest barrier in ensuring that people's need can be met effectively, achieving best outcomes for people as well as financial sustainability for the council. Investment for key schemes has been built into the Medium-Term Financial Plan on the basis that they will ensure long term benefits.

All will be subject to individual cabinet decisions and consideration by scrutiny



Commissioning Intentions and Action Plan

Service	Action	Completion date
Support at Home	Re procurement of the support at home framework	Implemented September 2025
Extra Care Housing	Development of two Extra Care Schemes	First scheme – Autumn 2027
Care Homes	Market shaping and position statement to reflect the projected requirements for care homes in the future	March 2026
Supported Living	Implement new framework for provision	April 2025
	Develop 45 new placements in NEL	March 2029
Preparing for adulthood	Develop a new bespoke schemes (up to 12, ground level) for young people with the most complex needs moving into adulthood	March 2026- April 2029
Housing related support	Implement new framework for provision	April 2025
Shared Lives	Procurements of the service in partnership with North Lincolnshire council	April 2025
Transforming care partnership	Development of ICS wide framework for care and accommodation for TCP cohort	December 2025
Homelessness/rough sleepers	Develop a new Homelessness and Rough Sleeper Strategy and action for plan 2025.	April 2025
Disabled Facilities Grant	Continue to develop the use of the Disabled Facilities Grant to increase the number of adapted properties within North East Lincolnshire	March 2026

Appendix 1

Housing and Care for Older Adults aged 65 and over.

Overview of Commissioning intentions for Older Adults Housing with Care

Care and housing needs are a constant changing variable factor in most people's lives. When considering housing the primary principle should be to support people to live for as long as possible in their own home. When a person does need more bespoke accommodation it is important that such provision is flexible to meet the persons needs and limits the chances of them having to receive different levels of care in different settings.

It is noted that North East Lincolnshire has a relatively static, but aging population with increasing complexity of need.

Population aged 65 and over, numbers projected to 2035, North East Lincolnshire

	2023	2025	2030	2035
People aged 65-69	9,300	9,700	11,100	10,800
People aged 70-74	8,200	8,300	9,200	10,500
People aged 75-79	7,700	8,000	7,500	8,400
People aged 80-84	4,800	5,100	6,600	6,300
People aged 85-89	3,100	3,200	3,500	4,500
People aged 90+	1,700	1,800	2,000	2,400
Total population 65+	34,800	36,100	39,900	42,900

Source: POPPI Crown copyright.

Population aged 65 and over, and percentage change from 2023 projected to 2035, North East Lincolnshire and England

	2023	2025 NEL (Eng)	2030 NEL (Eng)	2035 NEL (Eng)
People aged 65-69	-	4% (5%)	19% (21%)	16% (24%)
People aged 70-74	-	1% (-1%)	12% (10%)	28% (27%)
People aged 75-79	-	4% (3%)	-3% (-3%)	9% (8%)
People aged 80-84	-	6% (9%)	38% (37%)	31% (29%)
People aged 85-89	-	3% (4%)	13% (20%)	45% (53%)
People aged 90+	-	6% (4%)	18% (19%)	41% (41%)
Total population 65+	-	4% (4%)	15% (15%)	23% (25%)

Source: POPPI Crown copyright.

Population aged 65 and over as a percentage of the total population, projected to 2035, North East Lincolnshire and England

	2023 NEL (Eng)	2025 NEL (Eng)	2030 NEL (Eng)	2035 NEL (Eng)
People aged 65+	22% (19%)	23% (20%)	25% (21%)	27% (23%)
People aged 85+	3% (3%)	3% (3%)	3% (3%)	4% (4%)

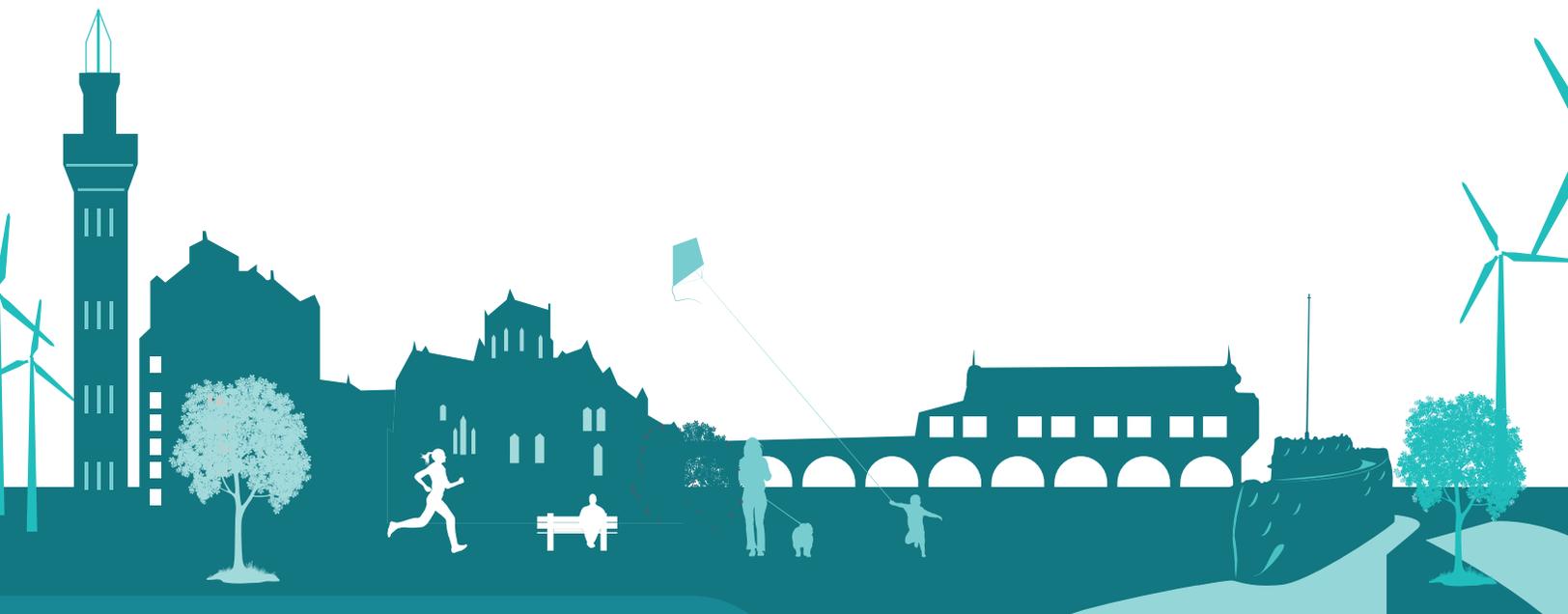
Source: POPPI Crown copyright.

Care will need to be provided for people with increasing levels of need and the skills that are needed to deliver this support will be identified as part of the market sustainability and workforce plans.

A focus needs to be given to adaptable housing options that can accommodate changes to people's needs allowing them to stay in their homes. This will need to be a planned programme of work aligned with housing associations, new build accommodation schemes such as extra care and the use of the disabled facilities grant.

Support at home services

North East Lincolnshire commissions support at home services which are presently provided by three locality lead providers (delivering support within a defined geographical area). Providers are working away from a traditional times-based model of delivery to one which is more about individual outcomes and the delivery of care by a locality team. This model reduces the need for carers to travel extensively and builds more knowledge of the locality area and the services it offers. It also allows more individual flexibility to meet a person's needs by allowing staff to extend or shorten visits where this is beneficial to the person. Evidence from pilot projects has also identified the possible benefit to the person of having an increased skill set within our support at home service so that some support for health needs and conditions can also be delivered by carers where appropriately trained and supervised. Carers and those who draw on care and support have both fed back that this would be a welcome development. It is anticipated that future commissioning will factor in the need for an increasing level of skills needed to provide care for a population with more complex needs. This enabling people to continue to live in their own homes as their needs change. This coupled with the focus that needs to be placed on early intervention with aids, minor and major adaptations through the use of community equipment and the disabled facilities grant. North East Lincolnshire Council has made significant changes to the delivery of the disabled facilities grant to meet increasing demand.



Extra Care Housing

North East Lincolnshire currently has 2 extra care facilities – Strand Court and Burchester Court. Both are 60-unit schemes for people aged 55+ years and offer an independent alternative to care home placements. Extra care housing enables people to maintain independence, with minimal support from housing and care staff, in their own home. Both facilities operate at high levels of occupancy and have waiting lists. Burchester Court currently has a higher proportion of residents with lower-level support needs. Over the coming years this will need slow adjustment as flats become vacant and are reassigned to people that require more complex support.

The Extra Care need identified in North East Lincolnshire via the Housing Learning Improvement Network report was a minimum of 300 units, a commitment made by the Health and Care Partnership in 2021. Two further Extra Care schemes are in early development, both will be between 75-90 units. This will bring the total units to the required number recommended for North East Lincolnshire.

It has become apparent that there are housing gaps for individuals that historically would have lived in warden assisted housing as well as a requirement for different models of supported housing for people that are experiencing homelessness and requiring support with their mental health. There have been discussions about multi-need Extra Care Housing schemes in the future, as well as a need to work closely with local housing providers and the Voluntary and Community Sector Organisations to develop other models of supported accommodation.

Two extracts from the Strategic Housing Market Assessment provide further information which will guide developments in Extra Care Housing:

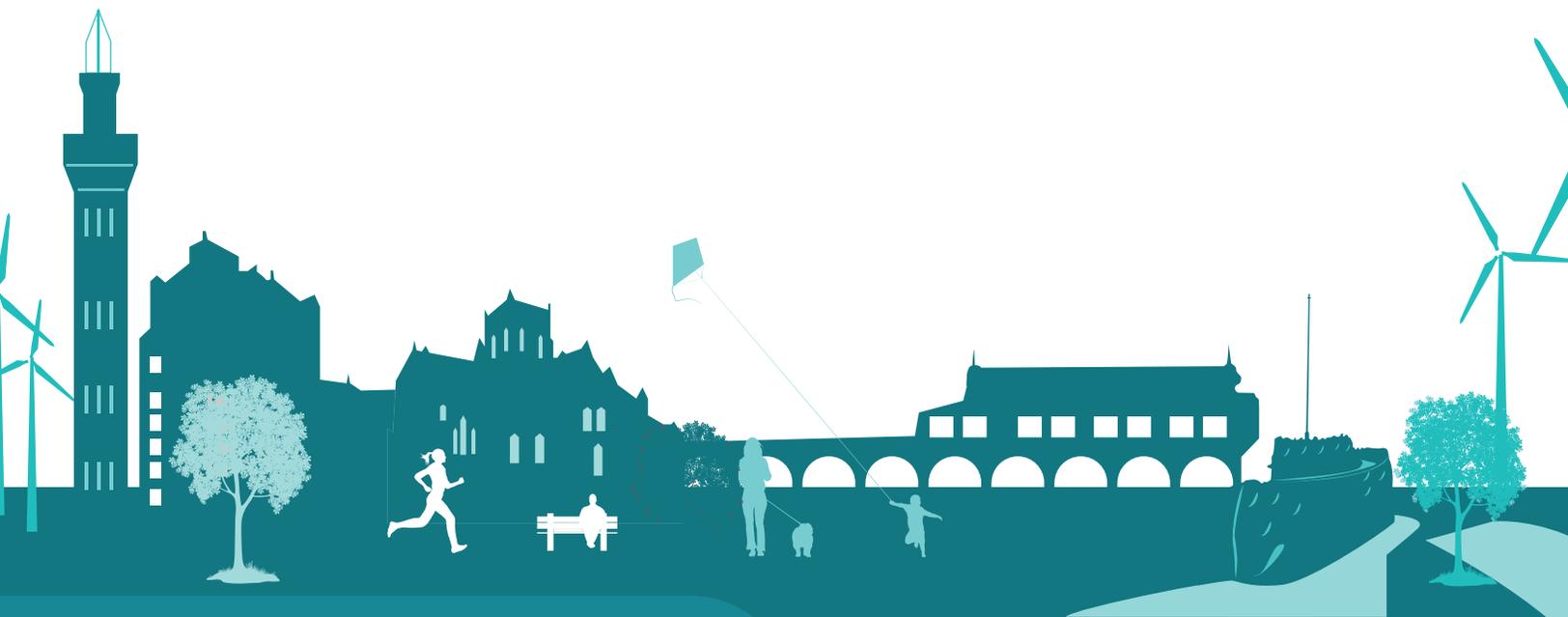
The Council produced a Joint Strategic Needs Assessment [JSNA] in 2021 exploring the impact of Covid-19 on Adult Social Care in the Borough. The JSNA sets out the impact on care delivery across care giving settings including care homes, supported living/extra care housing as well as those in their own homes. The assessment highlights a series of key emerging issues including the impact social isolation particularly on elderly individuals and those affected by dementia and general ill-health. The assessment also acknowledges the shift of those in need of care depending more on informal care provision following lockdown restrictions with official service use declining during the pandemic.

In terms of Extra Care housing, North East Lincolnshire fares relatively poorly, with a total of 120 units across the Borough, all of which are located in the Urban Area. This equates to an average of just 7.9 units per 1,000 residents aged 75+, compared to the national average of 13.2 units across Yorkshire & The Humber and 15.7 across England.

Supported Accommodation

Care Homes

Care and Nursing Homes will have a key role to play in supporting the needs of the older people of North East Lincolnshire as their needs become more complex. Presently there is capacity in the residential sector with average occupancy levels of 82% but projections do not suggest there will be a significant increase in demand for care home places. The commissioning of future care homes will be based on a market sustainability plan and will focus on supporting the market to reach more sustainable and effective levels of occupancy. This will be developed on the premise of less people requiring residential and nursing care but those that do require this level of support are likely to have the most complex needs. This will require adaptable and specialist accommodation options, that include fully accessible rooms.





Housing and Care for Younger Adults aged 16-64.

Supported Living

Supported Living in NEL is a long established and primary system for supporting people with a wide range of needs, enabling them to have their own tenancy to living in shared accommodation, apartments, or (for the most complex of needs) in their own bespoke environment. The underpinning ethos of provision in Supported Living is to enable people to grow, develop, and progress their skills towards the aim of living more independently, and 'stepping down' to other types of provision and accommodation in a timescale that is right for the individual.

A snapshot of NEL in one month of 2024 highlighted that there were 236 people supported in this way, with 10 potential places that were unfilled (voids). The number of voids is reducing thanks to active management, but there remains a few long-lasting voids where people were unable to be matched to the residence or accommodation. Most of the Supported Living accommodation is in Houses of Multiple Occupation, sharing a front door and amenities with a bedroom of their own. The quality of the environments of such provision is very variable. It is the ambition in North East Lincolnshire to improve this over the next 5 years by bringing more robust standards to its Supported Living Framework, including environmental standards in line with REACH. It is anticipated that this will see the closure of some houses and re-provision to a higher specification of environmental standards as the market transforms.

New developments of moderately sized and flexible apartment type models will be required to meet the future needs of the cohort. For people with the most complex needs a more robust environment is required. There will be need to deliver up to 12 small ground level complexes or discrete bungalow environments between 2025 and 2029 to meet the needs of people transitioning from Childhood, and to support a small number returning to the area in line with the Transforming Care Action plan.

Work is underway with some established providers in North East Lincolnshire to develop accommodation options which meet the specific needs of individuals over the next 5 years. This is part of a targeted commissioning process that aims to establish long term relationships with providers that are committed to working and developing bespoke supported living services.

The identified growth requirements are

Accommodation needs	Cohort type	2024/25	2025/26	2026/27	2027/28	Total
Robust Environment, advanced skilled care	Preparing for Adulthood (PfA)	2	10	3	4	19
	Repatriation	2	3	3	4	12
	Potential other	3	3	4	4	14
Total Predicted Additional accommodation requirement						45

Preparing for Adulthood (PfA)’.

These are identified young people due to transfer to adult services (Adult Social Care or Continuing Health Care) and are expected to have an eligible level of need. There will be variance due to the nature of this type of prediction, particularly for the later years.

‘Potential Other’ cases may come from responsive events such as adults leaving family home following carer not being able to continue their support, or a person’s needs change on discharge from Mental Health wards including rehabilitation environments. This is an approximation based on previous years activity.

Housing Related Support

Currently in North East Lincolnshire there are two Housing Related Support schemes – one operated through North East Lincolnshire Council and one hosted through Humber and North Yorkshire ICB. It is the strategic intent to jointly commission these schemes in the mid-term, and contract terms are being aligned to enable this to happen.

The North East Lincolnshire Council scheme broadly focusses on vulnerable people with a primary need for accommodation and offers time limited support for two broad cohorts of people (general and complex). The second scheme is a ‘Health & Care’ driven scheme, hosted by Humber & North Yorkshire ICB and operated through North East Lincolnshire Health & Care Partnership (NEL HCP). The HCP Housing Related Support refers to a tier of support for individuals whose vulnerabilities are primary to their need for support to maintain a tenancy. The service is intended to support those with needs related to physical or learning disability, including neurodiversity, and is not necessarily time limited. This cohort will be extended to include Severe Mental Illness (SMI). This support may be provided for people who experience challenges but do not meet the threshold eligibility of Adult Social Care, as well as people who do satisfy eligibility criteria.

At the time of writing this document the HCP Housing Related Support service is commissioned as an element of the Supported Living Framework. It is provided by three providers, each with a block contract to provide 880 hours of support between them, and those hours of support are used flexibly through a trusted provider model. Previous interpretations and applications of this service has seen some providers use a significant number of those

hours augmenting or supporting people in their Supported Living accommodations. Following this the number of hours available to support people without eligible social care need has diminished – weakening our ability in NEL to prevent the persons needs escalating to become dependent on statutorily based care, reducing their opportunities to live their lives as independently as possible.

The future for Housing Related Support will see the service reprocured to a new specification, separated from the Supported Living framework – representing the belief that Housing Related Support is an element of support inclusive within the Supported Living offer. This enables Housing Related support to be available for more people with their own tenancy arrangements in the wider social accommodation market. The aim is to foster the underpinning philosophy, that the North East Lincolnshire system should drive towards and systematically enable people to progress towards developing skills for as much independence as possible, enabling people to maximise their strengths and to live within a home they can call their own.

Whilst there will remain a need for people supported by Housing Related Support to be supported in accommodation where all residents are in receipt of Housing Related Support, this will be separate and distinct from Supported Living, and represent less than 33% of the HCP Housing Related Support offer.

It is also the intention to align Housing Related Support provision with Personal Support provision, enabling people with eligible needs who have gained skills to maintain their tenancy to further their progress whilst keeping the continuity of the relationships with the people supporting them to maintain their tenancy. It is these community connections that increase the chances of a vulnerable person living a successful and meaningful life.

Shared Lives

Shared Lives represents a new offer for people with vulnerabilities in North East Lincolnshire. In other authorities, where implemented well, Shared Lives delivers excellent support to people and enables people to live good lives in a loving family home. Working with Local Authorities across the ICB footprint, North East Lincolnshire are exploring the implementation of Shared Lives scheme with the ambition of being able to deliver this model for at least 30 people in 2029. This should enable people to be supported in different types of accommodation available through enabling households to host people with different needs on a long term or short term basis within their home. Working as a network across the ICB footprint enables innovative options for people to explore, such as short breaks across a wider geography.

The North East Lincolnshire Council scheme will be commissioned in partnership with North Lincolnshire Council to enable a contract for a provider to deliver Shared Lives across Northern Lincolnshire.

Children and care leavers

The North East Lincolnshire Children in Care and Care Leavers Sufficiency Strategy 2024-2027 gives a comprehensive overview of the accommodation needs of children and care leavers, the current sufficiency of accommodation and the actions that will be undertaken to meet the ongoing needs in the future.

[NELC Children in Care and Care Leavers sufficiency strategy \(nelincs.gov.uk\)](https://nelincs.gov.uk)

Transforming Care Partnership Accommodation Plan –

North East Lincolnshire has historically been a key partner in the Humber Transforming Care Partnership alongside East Riding, Hull, and North Lincolnshire. This partnership oversees the development of an Accommodation Plan that focuses on supporting people with the most complex needs relating to Learning Disability and/or Autism & Mental Health returning to community settings from long stay and secure hospitals. It aims to do this by improving the support available for people with complex needs within the communities and as close to their home as possible. As a result of North East Lincolnshire not having a Learning Disability hospital within its locality it has already developed stronger community based models of care, with the Supported Living model working alongside local Intensive Support Teams and Forensic Outreach Liaison teams enabling many people to return to the area.

However, there remains around 80 people from North East Lincolnshire with complex Learning Disability needs who are placed in non-hospital settings outside of the area. A minority are supported out of the area to be nearer to family, or that are legally not permitted to return to North East Lincolnshire. However there remains over 50 people whose needs could not be met in North East Lincolnshire. It is the ambition of North East Lincolnshire to develop with providers more robust care and accommodation environments, supported by higher trained staff, and working in partnership with local services to both reduce the number of people needing placement out of area, and enable appropriate options for people to return to the area where possible.

This document is published at a time where Humber & North Yorkshire ICB are adjusting the governance arrangements and priorities of the Transforming Care programme. As such North East Lincolnshire Council HCP will work with the emergent Transforming Care Programme to ensure that those people who are not able to return to North East Lincolnshire are afforded good quality and resilient support packages within the ICB footprint and as close to home as possible, benefitting from the extended network opportunities across the places that the ICB covers.

Disabled Facilities Grant

A Disabled Facilities Grant (DFG) is financial aid provided by local councils to help cover the costs of making necessary adaptations to a home for a disabled person. This ranges from minor aids to major adaptations delivered as a multi-disciplinary approach. A transformation programme has been undertaken in relation to the delivery of DFG's to reflect the requirements of people in North East Lincolnshire.

Appendix 2

Strategic Housing Management Assessment – includes useful data on overall need and particular section on housing needs for older people p169 which reviews the need for Extra Care Housing and the section on adaptable and accessible homes, p 186 which highlights the importance of housing for those with a long term health need and/ or disability



65864_01 NE Lincs
SHMA 16.12.22.pdf

Public Health Observatory Data on Housing

Information on housing and households allows us to identify areas where people may be at risk of social exclusion, due to the type and condition of their housing or their household structure. This report displays data on the type and tenure of dwellings as well as the condition of housing in North East Lincolnshire from the North East Lincolnshire Public Health Data Observatory.



Housing - UTLA _
North East Lincolnst

SCIE – A Place We Can Call Home (2021)



commission_housin
g_with_care_and_su





social care
institute for excellence



Remarkable
research for
healthy ageing
THE DUNHILL MEDICAL TRUST

A place we can call home: A vision and a roadmap for providing more options for housing with care and support for older people

Commission on the Role of Housing in the Future of Care and Support





social care
institute for excellence

Written by Ewan King, Dr Rebekah Luff, Sanah Sheikh and Fiona Templeton

Contact info@scie.org.uk

First published in Great Britain November 2021 by the
Social Care Institute for Excellence

©SCIE All rights reserved

Social Care Institute for Excellence
83 Baker Street, London W1U 6AG

www.scie.org.uk

Contents

Foreword	i
Executive summary	1
Key recommendations	5
Introduction	7
Scope	8
Where are we now?	13
Summary	13
A complex system	14
A mismatch between supply and demand	17
Impact of COVID-19	19
Skills gaps and recruitment challenges	20
Consumer rights	21
Advances and innovations in the housing with care and support sector	22
Understanding and navigating the housing with care and support system	23
Public perceptions and concerns	25
Inequalities in access to housing with care and support	29
The economic case	31
Our vision and the urgent need for change	34
Without change	35
What we need	35
What should the future look like?	38
The Seven Principles of Excellence	39
Brookmore – a glimpse at the future place	50
A roadmap for providing older people with housing and care in the future	59
Immediate priorities	60
Medium-term priorities	62
Longer-term priorities	64
Conclusions	66
Key recommendations	67
Appendix 1: Governance	70
Appendix 2: Methodology	73
References	76

Foreword

‘Rebranding residential care as a part of a spectrum of housing options with care is a prerequisite of delivering the 21st-century care system we want to see. Housing with care separates the decisions about the “what” of care from the “where” we live. It starts with the goal of maintaining the everyday rhythms and routines of life; it recognises that feeling included and purposeful matter.’ (CORC, 2014)

In 2014, the Rt Hon Paul Burstow, chaired the Commission on Residential Care¹ (CORC) which made several recommendations about the future of residential care. Amongst many specific recommendations on topics ranging from inspection to training to funding and workforce pay, CORC called on the Government to establish a shared vision of what role housing with care and support plays and what it should achieve for people it serves in a 21st-century care system.

Much has happened to the social care sector since CORC published its report, including the Care Act, a landmark piece of legislation on social care, the effects of over a decade of austerity and most recently the COVID-19 pandemic, all of which have had far-reaching consequences for the sector. In view of these changes, it seemed timely for this Commission to review the CORC recommendations and explore what more is needed for older people to receive the care and support wanted to enhance quality of life, as they became more dependent in later life.

Even before the pandemic, the House of Lords report ‘Social Care Funding: Time to End a National Scandal’ (Economic Affairs Committee, 2019) highlighted a system not working and, on election, Boris Johnson committed to ‘Fix social care, once and for all’. It will be interesting to see if the Government’s recent announcement of a record investment in health and social care of around £12 billion per year on average across the UK over the next three years, together with plans not only for social care in England, but also, for healthcare and funding, indeed fixes social care.

However, the Government has set some clear objectives for social care: to offer choice, control and independence to care users; provide an outstanding quality of care; and be fair and accessible to all who need it, when they need it. Together they provide a crucial foundation for the role of housing in the future of care and support. It is the case that we do not have enough of a range and quantity of housing in this country to meet the need. Too often older people go into residential care at a point of crisis, when other housing options may have served them better. The Commission’s purpose is to provide evidence,

1 Demos, The Commission on Residential Care, 2014.

advice and recommendations that offer a way forward for policy-makers, commissioners, and providers to widen choice and range of options.

Going forward, we need more innovative housing models that offer more choice to people as they age and better partnership working across the whole housing, health and social care system, from top to bottom, and across the public and private sectors. We are most grateful to SCIE for developing this project and providing the secretariat and underpinning research. The Commission would not have been possible without funding from the Dunhill Medical Trust and its commitment to systemic change to secure a healthier later life for us all.

By instigating a national conversation when the eyes of the country are on social care – led through an expert Commission Advisory Panel – and involving thorough engagement with people with lived experience, the sector and beyond, together with a national and international evidence review, we hope this report will constitute a powerful platform from which to call for radical change. Whilst the focus is on findings in England, we hope that the insights from this review will be useful to policy-makers in other countries too. We are most grateful to all those who contributed to their perspectives.

There is clearly a need to harness the collective ambition of all the actors in this under-developed area. We can make a real difference to the lives of those who need housing with care and support, in the context of the current reform of the social care and health system. With moderate investment and galvanised effort, there are huge opportunities to transform the provision of housing with care and support.



Rt Hon Paul Burstow, Chair, SCIE



Sir David Pearson CBE, Independent Advisor



**Professor Julienne Meyer CBE, Professor Emerita of Nursing:
Care for Older People at City, University of London**



Executive summary

The Commission on the Role of Housing in the Future of Care and Support was established in October 2020. Composed of a group of leaders of care and support organisations, academics, experts and practitioners related to housing with care and support, and co-chaired by the Rt Hon Paul Burstow, Professor Julianne Meyer CBE and Sir David Pearson CBE, the Commission was tasked with developing a vision and roadmap for providing more options for housing with care and support.

The Commission focused on the needs of people over the age of 65, although it also takes account of examples of promising practice in relation to working age adults (including those with learning disabilities). The Commission also considered the specific needs of diverse communities who often find it more difficult than others to access high-quality housing that facilitates their care and support.

The Commission believes that as much as is feasible, people should be supported to live in their own homes if they choose to, but there will always be some people who need or want to move from their original home.

This Commission has considered a broad spectrum of currently available housing types that provide access to care and support including: care homes, housing with care (an umbrella term for extra care, retirement villages, assisted living), housing with support (an umbrella term for retirement flats, sheltered housing), Shared Lives, and some forms of alternative or community-led housing, such as co-housing schemes, which for simplicity we refer to as housing with care and support throughout the report.

Despite many reviews and attempts to address these challenges, insufficient progress has been made in terms of policy and delivery. The voices of older people and their carers are not consistently heard or listened to and there is an urgent need for central and local government to understand what older people want and need in later life and to create the conditions to enable the housing with care and support market to flourish.

The Commission believes that the Social Care Future vision should be our guiding ‘north star’ as we consider where we want to be in the future:

‘We all want to live in a place we call home with the people and things we love, in communities where we look out for one another, doing the things that matter most.’

Moreover, on the specifics of housing with care and support, the Commission further believes that:

‘In the future, if people are to move into housing with care and support, a good choice of options must be available locally so we are not simply “placed” in a one-size-fits-all approach to care.’

The case for change is compelling and urgent. Without far-reaching and sustained change nationally and locally, we will see the gap in the choice worsen, quality decline, inequalities widen and the economic costs grow.

At the heart of the vision is the idea that as far as is possible, people should be supported to live in their own homes. But for many people, this will be neither desirable nor possible. In this situation, the Commission has identified seven key principles of excellence that reflect this vision of the future, as well as existing examples of positive practice that demonstrate that such a vision is entirely achievable. These key principles build on other quality frameworks, such as the Think Local Act Personal ‘**I statements**’, the **My Home Life** hallmarks of what good looks like and the Housing LIN **HAPPI** design principles and are depicted below.

The seven principles of excellence:



1. Person centred and outcome focused



2. Community connectedness



3. Strong leadership culture and workforce



4. Adopting innovation



5. Enabling choice and control



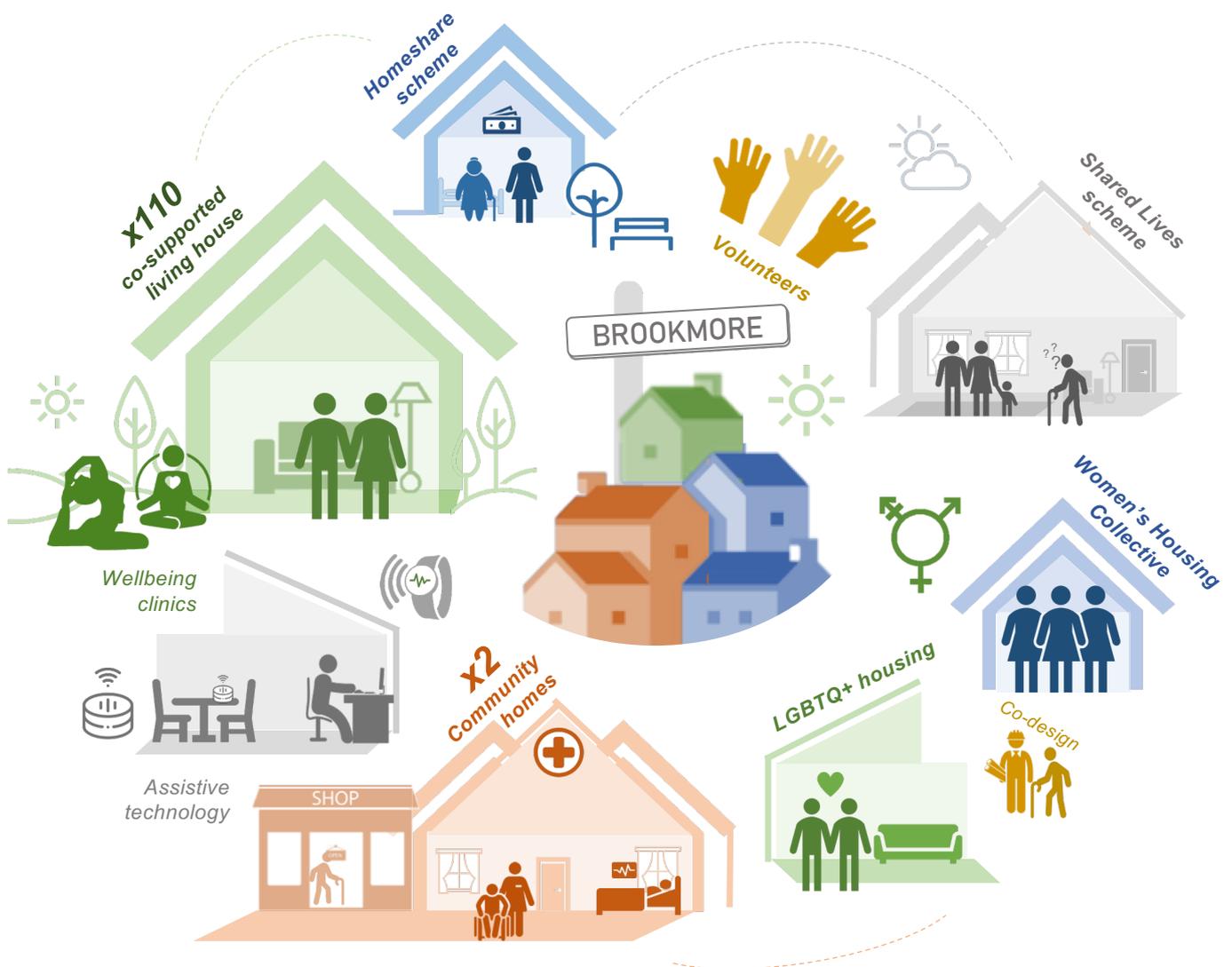
6. Promoting equality



7. Co-production and shared decision-making

If we are holistic in our thinking and actions, there is the potential to transform whole communities in the future through housing with care and support. The Commission worked with the co-production collective (a steering group of people with lived experience of different aspects of social care) to envision what we wanted a future place to look like, 10 years from now. The result was Brookmore, an imagined but also plausible place, we would all like to see in the future if we are ambitious for change. Through a place-based, integrated and co-produced approach to developing a vision and plan, and with sustained and focused action thereafter, we believe that Brookmore could be winning awards for the quality, choice and diversity of housing with care and support provision, and benefitting immensely from the growing health and wellbeing of its older population.

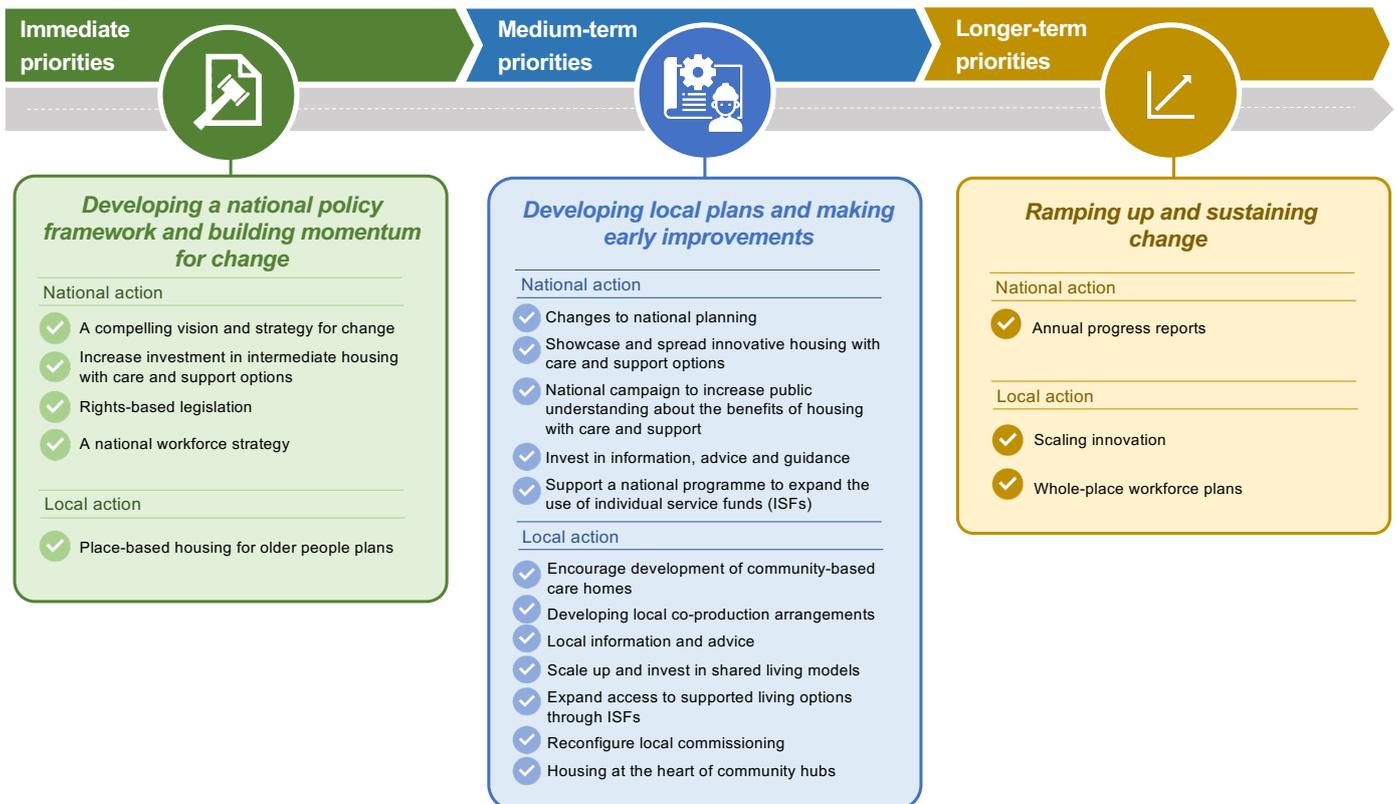
Figure 1: The Brookmore 2031 vision



To realise the vision, and to create many more places like Brookmore in the future, we need to overhaul how we plan, commission, design and deliver housing with care and support. This will require concerted action nationally and locally, for at least 10 years.

This should not happen all at once through a big bang approach. It will need a combination of immediate action and actions over the medium and longer terms. These actions, both national and local, are set out in the Commission's roadmap.

Figure 2: The roadmap



Key recommendations

National Government

- Create a national long-term vision and strategy for housing with care and support for older people, co-produced with people with lived experience and other key stakeholders, with the aim of greatly increasing availability, quality and choice of housing with care and support options. This strategy should include targets for dramatically increasing the supply of housing with care and support across the country, with a priority being on ‘levelling up’ supply in areas where there are fewer options and choice.
- Legislate for a new Housing Future Fund (combining both money for capital spend and revenue spending) that obliges local partners including the NHS and local authorities to pool statutory funding and work together to develop a single plan for housing for older people.
- Introduce rights-based legislation, building on the **Care Act (2014)**, which creates legally enforceable standards for housing with care and support, specifying what each person can expect from any housing with care and support provided.
- Increase capital expenditure, expanding the size of existing grants administered by Homes England and the Greater London Authority, to rapidly grow the supply of housing with care and support for those with ‘intermediate’ and lower needs, such as extra care and supported living. This expenditure should be linked to requirements for local authorities to produce a detailed local strategy and plan.
- Publish a national workforce strategy for social care, which includes six priorities, as previously called for by the **national social care leaders** and applies across all housing with care and support settings.
- Introduce clear definitions of housing with care type housing options – such as extra care and retirement villages – into national planning frameworks. Improve planning guidance so there is clarity on the application of planning use classes, site allocation, and assessment of local needs and demands.
- Strengthen the guidance notes for local authorities on the access requirements contained in the National Model Design Code by referring to older people and also including specific reference to the **HAPPI** design principles.

- Ringfence national investment in local information, advice and advocacy services for older people seeking housing with care and support options and help to move.

Local authorities and local partners (e.g. NHS, housing associations, voluntary, private and community sector and people who draw on care)

- Form local partnerships to produce a single plan for improving housing for older people within a local place, co-produced with people who draw on support. These plans should be developed jointly with the NHS, with budgets pooled to leverage larger capital funding and other inward investments into new developments, and their strategic requirements should be explicitly based on a thorough analysis of needs. The plans should include a long-term strategy for shifting investment into innovative, preventative models of housing with care and support.
- Include the HAPPI design principles along with nationally approved building regulations on accessibility when scoping out the design code.
- Establish and resource local co-production forums made up of, and speaking for, older people from all kinds of backgrounds, to influence planning, commissioning and design of housing.
- Expand the use of Individual Service Funds, a form of personal budget for people who draw on support, to help many more people to access innovative forms of supported living.
- Develop local information, advice and advocacy hubs to give older people better access to information on housing with care and support.

Developers and providers

- Provide a diverse range of different housing with care and support options for older people, broadening choice at all levels of affordability. Developers should ensure that all new developments adopt the 10 HAPPI design principles as a minimum which provide guidelines for the production of high-quality housing with care and support.

Introduction

The Commission on the Role of Housing in the Future of Care and Support was established in October 2020. Composed of a group of leaders of care and support organisations, academics, experts and practitioners and people who draw on support, and co-chaired by the Rt Hon Paul Burstow, Professor Julianne Meyer CBE and Sir David Pearson CBE, the Commission was tasked with developing a vision and roadmap for housing with care and support. It was further supported by a Co-production Collective made up of people who draw on care and support and carers and a wider reference group of sector experts.

The Commission believes that as much as is feasible, people should be supported to live in their own homes if they choose to, with the necessary adaptations, technology and flexible personal support directed by them, but there will always be some people who need or want to move from their original home.

The Commission therefore examines the range of housing types that provide access to care and support to older adults who no longer live in their original home. This includes the following types: care homes (also referred to residential homes and nursing homes), housing with care (an umbrella term for extra care, retirement villages, assisted living), housing with support (an umbrella term for retirement flats, sheltered housing), Shared Lives, and forms of alternative and community-led housing such as co-housing schemes.

The Commission focuses on the needs of people over the age of 65, although it also takes account of examples of promising practice in relation to working age adults (including those with learning disabilities), where their application to the needs of older people is perceived to be pertinent. The Commission also considers the specific needs of BAME (Black, Asian and minority ethnic) communities, LGBTQ+ (lesbian, gay, bisexual, transgender and queer or questioning) communities and people with disabilities, who often find it more difficult than others to access high-quality housing that facilitates their care and support.

Increasing the choice and availability of housing with care and support for our fast-growing population of older people is one of the most significant policy challenges we face today.

People consulted for this Commission told us that they wanted more choice, better-designed and higher-quality housing with care and support properties, in places that are close to their friends, families and social connections. They also want houses which benefit their wellbeing, health and help maintain their independence.

The definitions of forms of specialist housing which facilitate care and support are complex and there is a lack of agreement on what the right definitions

should be. The Commission looked at a broad range of housing with care and support options including supported living, extra care, residential care and sheltered/retirement housing, and for simplicity we will refer to these forms of housing as housing with care and support during this report.

This complex challenge we face demands a better, and more coordinated, national and local approach to how we invest in, commission, plan, design and deliver housing with care and support. The roadmap presented later in this report proposes new ways of achieving this. Seizing this opportunity will require courage and a fundamental shift in both policy and mindset – one that looks at what we can do collectively across the whole system, rather than in our own part of the ‘sector’.

To realise the vision of choice and better housing with care and support for older people, leaders within local authorities, the NHS, and housing and development organisations, as well as politicians, regulators and central government, need to change the way they work with communities to develop and implement new plans for housing with care and support. It will require genuine co-production that involves people in the design, planning, commissioning and delivery of housing with care and support. The roadmap set out later does not seek to solve every problem the sector faces and it is ‘a’ roadmap rather than ‘the’ roadmap for all aspects of housing, social care and the workforce. Its development has, however, involved a very wide range of expert stakeholders and, we believe, provides a robust starting point for making meaningful change.

Scope

This Commission has considered a broad spectrum of currently available housing types that provide access to care and support as highlighted in the box on page 9. We use the umbrella term ‘housing with care and support’ to describe these, but we recognise that there are different views about what the definition should be. Care provided in and alterations made to general housing is not within the scope of this Commission, but does, of course, form an important part of the wider housing context and the choices available to older people, and has recently been addressed through the Centre for Ageing Better’s [‘The Good Home Inquiry’](#).

Definitions of the housing with care and support models covered by the Commission

Care homes (also referred to as residential homes and nursing homes) are places where personal care and accommodation are provided and regulated together as one package. People may live in this form of housing for short or long periods. Whilst care homes are used for respite care, for many people it is their sole place of residence and so it becomes their home, although they do not legally own or rent it. Some care homes, sometimes called nursing homes, are also registered to provide qualified nursing care for those who need it.

Housing with care* (also known as retirement communities or integrated retirement communities – which includes extra care housing, assisted living and retirement villages) are purpose-built (or purpose-adapted) with accommodation that is owned, part-owned or occupied under a tenancy agreement. Staff are typically based 24 hours a day on site, with optional care and domestic services available. Individual, self-contained accommodation is in a building specifically designed to facilitate the delivery of personal care and support to older adults; with access to, when needed, extensive amenities on site or in the wider community.

Housing with support (also known as retirement housing – which includes sheltered housing or retirement flats and sometimes bungalows) consists of self-contained homes for sale, shared ownership, or rent and have scheme managers and emergency call systems. It usually has a shared lounge and may have a shared garden, laundry facilities and a guest room. Typically, it consists of 40–60 units. It also includes **supported living** (also called supported housing) is for people who can either live by themselves with support or share an ordinary or purpose-built home with a small number of other disabled adults of working age or older people. If the latter, each person normally has their own bedroom. The rest of the property is communal space and normally this will include at least a living room and kitchen/dining area.

Shared Lives supports adults over the age of 16 with learning disabilities, mental health problems or other needs that make it harder for them to live on their own and is regulated by the Care Quality Commission. It is growing in popularity for older age groups and is seen as an alternative to supported living or residential care. The schemes match someone who needs care with an approved carer. The carer shares their family and community life and gives care and support to the person with care needs.

Homeshare is a form of shared living which brings together people with spare rooms with people who are happy to lend a hand around the house in return for affordable, social accommodation.

Co-housing (also called community-led housing) is a form of housing for sale or rent that combines self-contained accommodation with some shared communal facilities. There are a few schemes that have been developed specifically with older people in mind.

*At the time of writing this report, the Associated Retirement Community Operators (ARCO) has proposed a new term for housing with care, 'integrated retirement community' which has emerged out of extensive research. As the Government develops its new vision for housing with care and support, and more clearly sets out defining it, this new terminology should be considered.

In considering the full spectrum of housing with care and support options available to older people, the Commission takes the view that everyone should have the right to choose and access a variety of different forms of housing options to best suit their needs. The Commission does not seek to highlight specific models as 'better' or 'worse', as there is no 'one size fits all' and individual choice and personalisation as well as support needs, must remain at the heart of any future model.

The Commission has sought to understand housing with care and support options for older people from a wide range of perspectives: people who draw on care and support together with their carers, general public planning for their own futures, housing developers, health and social care providers, staff working with or for providers, housing operators, NHS and local authority commissioners of state-funded health and social care and self-funders, councillors and planning officers, relevant national government departments, charities and representative organisations for housing, health and social care.

The Commission is guided by three co-chairs and advised by a panel of 14 commissioners which met together four times. The group was supported by SCIE's Co-Production Collective and a secretariat. The work is also informed by a Stakeholder Reference Group.

The Commissioners

- Rt Hon Paul Burstow, Chair of SCIE and former Minister of State for Care Services (2010–12) – Co-Chair
- Sir David Pearson CBE, Independent Advisor and former Chair of the Social Care Sector COVID-19 Support Taskforce – Co-Chair
- Professor Julienne Meyer CBE, Professor Emerita of Nursing: Care for Older People at City, University of London and Co-founder of My Home Life – Co-Chair
- Jane Ashcroft CBE, Chief Executive, Anchor
- Dr José-Luis Fernández, Director Care Policy and Evaluation Centre, London School of Economics

- Professor Martin Green OBE, Chief Executive, Care England
- Edel Harris OBE, Chief Executive, Mencap
- Richard Jones CBE, Chair of Board for Shared Lives Plus
- Julie Ogley, Immediate Past President, Association of Directors Adult Social Services and Director of Social Care, Health and Housing, Central Bedfordshire Council
- Professor Alison Petch, Chair, The Dunhill Medical Trust
- Jeremy Porteus, Chief Executive, Housing LIN
- Vic Rayner OBE, Executive Director, National Care Forum
- Dr Ossie Stuart, Trustee, Social Care Institute for Excellence
- Andrea Sutcliffe CBE, Chief Executive, Nursing and Midwifery Council
- Dr Jane Townson, Chief Executive Officer, Homecare Association
- Michael Voges, Executive Director, Association of Retirement Community Operators
- Emma Williams, Relatives and Residents Association

Evidence

The Commission drew on the following six strands of evidence to inform the roadmap:

- An online public perception survey of 1,543 people conducted via YouGov
- A mapping exercise of the housing with care and support sector
- A cost-benefit tool designed to enable local authority commissioners to explore the financial costs and benefits of developing extra care, residential care, Shared Lives and sheltered housing. The tool was developed jointly by SCIE and Private Public Limited and can be found in appendix 3
- A Directory of Promising Practice containing 42 examples and eight case studies
- Appreciative Inquiry consisting of online workshops and a series of one-to-one conversations. Three workshops were with people with lived experience and carers of people with lived experience and one with providers, including managers and other senior staff. In total, 15 people with lived experience and carers, and nine providers and social workers took part
- Scoping review of the literature

More details of the methodology used for each activity can be found in appendix 2.



Where are we now?

Summary

- Despite several reviews of housing with care and support and social care more generally little progress has been made in implementing meaningful reform.
- The current national policy, funding, regulatory and planning frameworks for housing with care and support are complex and fragmented.
- The supply of many forms of housing with care and support is not keeping up with demand, with the gap in supply of extra care housing particularly acute.
- There are significant regional disparities in supply and in many areas there is a lack a choice in housing options.
- There is a lack of supply for people of all economic backgrounds, including those who are eligible for social care and who are seeking 'middle market' options for purchase or rent.
- The demographic and funding pressures on the system mean that this supply gap will worsen.
- COVID-19 has contributed to rising unmet need and growing market fragility.
- Whilst the availability of new technologies continues to rise, the sector also experiences some challenges in using them, sometimes due to a lack of understanding about how these technologies work or due to the way care is funded and commissioned.
- The range of regulation, both in terms of the Care Quality Commission and planning for new-builds, both hinders new developments and/or repurposing of buildings and also presents a major hurdle for consumer rights and informed decision-making.
- There is a low level of public understanding of housing with care and support and people struggle to navigate the system.
- Advances in technology, new ways of working and collaboration between sectors occurring as a result of COVID-19 need to be 'locked in'.
- Remaining independent is the most important consideration for people (51%) when thinking about needing care or support in old age.
- The voices of older people and their carers are not consistently heard or listened to and there is an urgent need for central and local government to understand what they want and need from care and support in later life.

This Commission's evidence-gathering activities, together with the views of Panel of Commissioners, Stakeholder Reference Group and Co-Production Collective gives us a strong sense of what is needed going forward.

There has been extensive research, evidence gathering, consultations and comprehensive reviews conducted over many years – including the Demos Commission on Residential Care in 2015 – exploring different funding options, but there has been little progress in implementing meaningful reform. Whereas short-term and one-off funding initiatives have helped relieve pressure on the sector, this has also constrained innovation and investment. The Health Foundation has estimated that an extra £1.9 billion revenue will be needed simply to meet demand for adult social care by 2023/24 (The King's Fund, 2021).

The work of the Commission has certainly helped us to understand why progress on meaningful reform has been so challenging. Budgetary responsibility for the various essential elements lies across a range of government departments, responsibility for supply and delivery lies across the public, private and third sectors with, sometimes, competing interests and unaligned objectives amongst others.

The focus of reform needs to pivot from the supply to the demand side to provide a different and more meaningful perspective – that is, putting people and their needs and aspirations at the centre of local decision-making; together with a strong and supportive national funding and regulatory framework to support the changes that need to be made. And as we emerge tentatively from the pandemic, in a world where the demand for more choice and greater consistency of supply will grow all the more emphatically, there are important lessons and good practice examples from which we can learn and build on. We firstly explore the challenges and current position to explain and highlight the important and urgent need for change. We then go on to make some proposals for change – which we believe are achievable – but will require a long-term, and therefore, courageous commitment from all political parties.

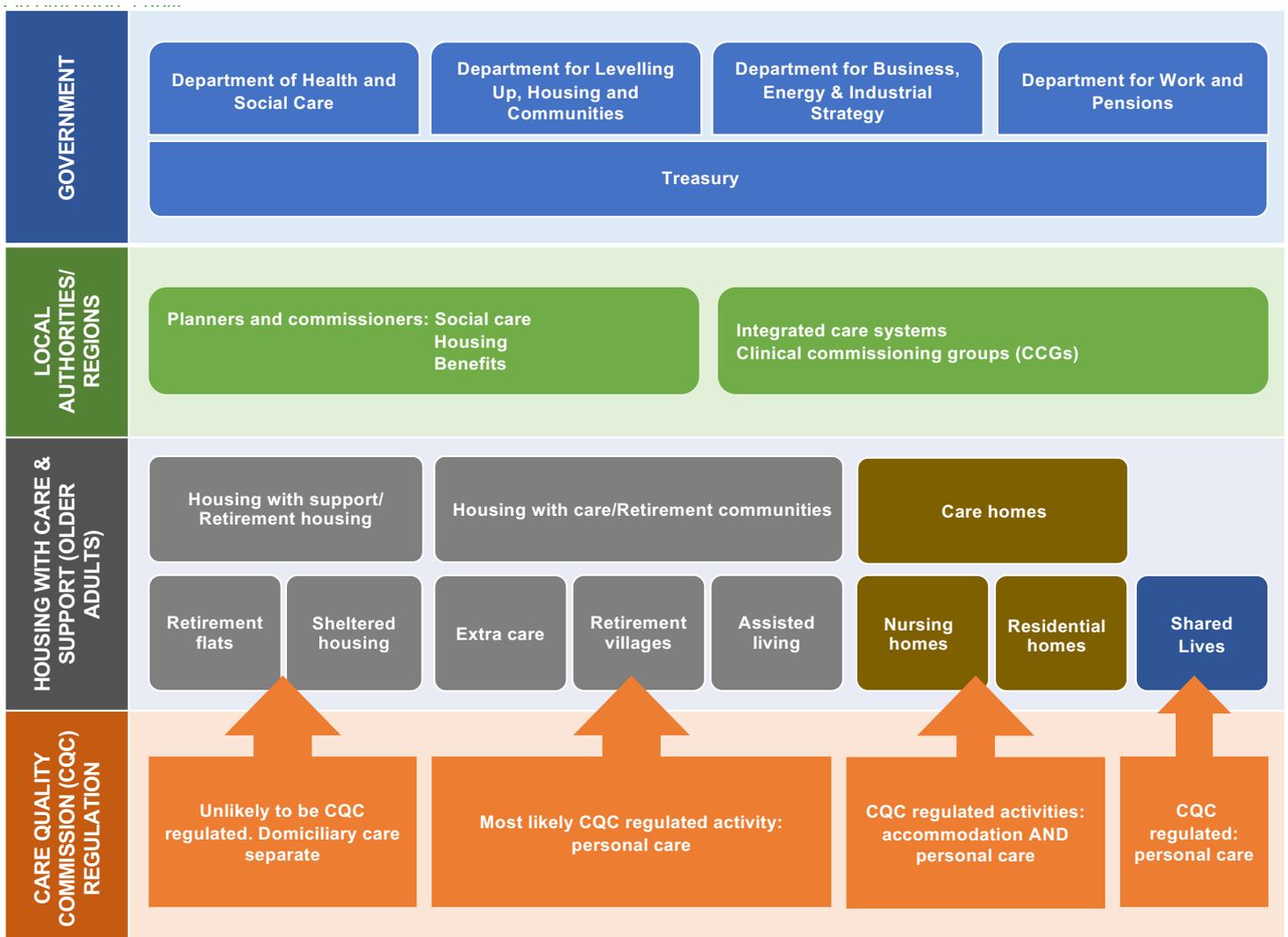
A complex system

The mapping exercise demonstrated the complexity of differing definitions, how services overlap, inequalities in Care Quality Commission (CQC) regulation, and the variety of local and national bodies and policy-making groups impacting on these services. A simplified overview of this complexity is shown in [figure 3 on page 15](#) (note, this does not include all the models of housing with care and support included within the Commission).

The cause of this complexity stems from the top. At national government level, responsibility for the following activities is split across departments (see also [ARCO overview](#)), for instance:

- Regulating care activities, health and care integration: Department of Health and Social Care (DHSC)
- Housing investment, building regulations, design and planning guidance, housing needs assessment and leasehold oversight. Wider community and town planning: Department for Levelling Up, Housing and Communities (DLUHC)
- Benefits and funding (individual level): Department for Work and Pensions (DWP)
- Consumer protection, 'green' innovations and building: Department for Business, Energy and Industrial Strategy (BEIS)
- Overall funding decision: HM Treasury
- Healthy ageing mission, dementia strategy, 'levelling up' strategy: 10 Downing Street

Figure 3: Complexity of the housing with care and support sector



These different departments have different priorities and varying levels of understanding of the whole system. For example, the Department of Health and Social Care is responsible for health and social care priorities and funds the Care and Support Specialist Housing Fund. It has limited understanding of town planning, building regulations and local authority funding around capital investment projects. Whereas the Department for Levelling Up, Housing and Communities focuses on cohesive town planning and accessibility of homes and buildings, but lacks knowledge of health and social care. Strategic planning for the role of housing in the future of care and support requires better understanding of all parts of the system and enhanced partnership working between departments.

Further complexity is found with differences in CQC regulation between and within different types of settings. Whilst both accommodation and personal care are regulated in care homes, most commonly only personal care is regulated in Shared Lives and in housing with care. In housing with support there is no CQC regulation, but a person living there may receive external domiciliary care and that provider will be CQC regulated. For all the forms of housing outside care homes and Shared Lives, there is split regulation – CQC being responsible for care and the Regulator of Social Housing and Planning Inspectorate for housing.

As reported by the Associated Retirement Community Operators in its report on housing with care and support and planning, the current planning system lacks a clear definition of retirement housing, and there is an inconsistent approach locally for how extra care housing is classified, planned for and delivered (ARCO, 2020).



A mismatch between supply and demand

The Commission has consistently heard that there is insufficient supply of many forms of housing with care and support, with a large mismatch emerging in what is available and what people need:

Shape of provision in England

- There are approximately 11,000 care homes for older people in the UK with capacity to support 416,000 older people (BPF, 2020).
- There are approximately 70,000 retirement community (housing with care) units in England (ARCO, 2020).
- In England in 2019–2020, 11,470 people were being supported in Shared Lives arrangements, of which 1,700 were aged 65+ (Shared Lives Plus, 2020).
- There are approximately 401,000 retirement flat and sheltered housing units (housing with support) (BPF, 2020).
- There are between 22,000 and 30,000 supported living units, 76% of which are shared housing and 24% are self-contained. Older people are the primary client group for under 4% of units (Mencap 2018).

This Commission found evidence that there is a significant gap in the supply of all the types of housing with care and support models covered by this Commission, particularly of housing with care and support for people with intermediate or lower needs, between the UK and other comparable countries is stark. For instance, in the UK 0.6% of people over 65 years reside in a retirement community, where as 5% do in Australia and 6% in the United States (ARCO, 2020).

Key drivers of this problem

Demographic change: Population patterns and projections indicate there will be an increasing number of older people, and that the proportion of people aged 85 years and over will almost double over the next 25 years (ONS, 2018). Many people aged 65 or older have two or more long-term health conditions, and this is increasingly present in younger people as well, with the majority of people aged 50 or over having at least one chronic health condition (CQC, 2021).

Unmet need: There is ongoing concern in the sector about the high levels of unmet need from under-investment in the sector (NAO, 2021; The King's Fund, 2020; The King's Fund, 2021). For example, ADASS (2021) report that from 2017/18 to 2019/20 the proportion of people accessing long-term support has fallen by 3% for people aged 65+ and 1% for people aged 18–64. Unmet need

is particularly high for older people and in deprived areas (twice as high) (King's Fund, 2021). The latest Health Survey England in 2018 reported that 24% of adults aged 65 and over surveyed had some unmet need for an activity of daily living (NAO, 2021).

Geographic distribution: University of Cambridge (Stirling and Burgess, 2021) estimated that there are 515,666 units of housing with care and support (excluding care homes) which are relatively old, built before 1997/98, and distributed unevenly around England. The supply is far behind projections of need and still mostly built in London and the south east. Similarly, there remain, for instance, only 70,000 extra care units and several local authorities do not have a single extra care scheme. According to Stirling and Burgess (2021), in this case talking about properties for sale, *'A disproportionate number of successful development sites [of housing with care units] can be found in the south east of England; by contrast, private retirement communities are relatively undersupplied elsewhere...the uneven distribution of retirement housing for sale means that options are very restricted for those living outside the south east'*. The Commission heard about older people in the north west of England who have had to move to Scotland, leaving their families and communities due to a lack of housing stock with care and support. Even though care homes make up a big part of the market, it was estimated 71,000 more care home beds will be needed in England by 2025 (Lancet, 2017).

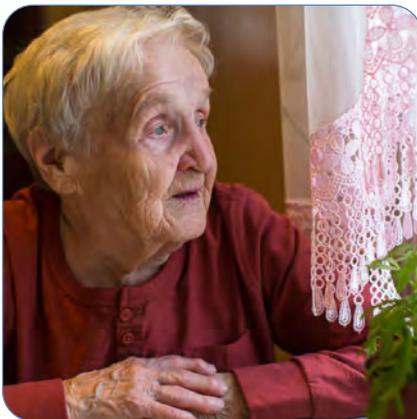
Price distribution and tenure types: There is not enough of a range of price points across housing stock with care and support, particularly in some locations. For those whose care is publicly funded (people with assets worth less than £23,250), or who struggle to pay for accommodation, the choices can be very limited. Even though most housing with care e.g., (extra care, retirement communities) is affordable or for lower rent, there are many parts of the country with very low coverage of these kinds of property (ARCO, 2020). The limitations of different lease and price points is highlighted by the University of Cambridge (2021) which reports that whilst the number of leasehold retirement community properties has risen in recent years, and now makes up almost 25% of all retirement homes in the UK, this does not reflect the fact that 79% of people aged 65 and over are home-owners, and 74% own their homes outright. The limited options available at the affordable end of the market does not impact on all groups equally. For example, older adults with a learning disability are less likely to having savings or assets

Commissioning costs: Local authorities commission services from third-party providers. The King's Fund (2021) found there were significant differences in the costs of care home places between age groups. Places for working-age adults were nearly twice as expensive (£1,317.45) as for older people (£678.95). For home care costs, there was wide variation between local authorities in the amounts paid, which was between £14.00 and £25.56 an hour.

Public preferences: The range of options available do not align with patterns of demand. The Commission's survey found that retirement villages and extra care were the most popular types of housing with care and support, with 69% responding that they would consider living in retirement villages and 55% reporting they would consider extra care. These numbers were significantly higher than support for other types of housing with care and support including care homes (37%), supported living (35%) and Shared Lives (23%).

Difficulties in delivering new housing development with care and support: Developers have raised concerns about the delays they face in gaining the permissions they need to progress with new developments. According to ARCO, there is a lack of consistency in the planning system in how housing with care and support is classified, planned for and delivered (ARCO, 2020). There are also very different processes and requirements in different local authorities, adding to the time and cost of development. Furthermore, where land costs are high, housing with care and support developers may be less competitive than general housing developers as the latter do not need to include communal spaces and facilities.

Cost barriers: In many instances we heard that people struggled to afford the housing with care and support options available to them. The Commission's survey found there was a great deal of public concern about the cost and affordability of housing options. Many identified it as a top concern in relation to extra care (56%), care homes (49%) and retirement villages (56%).



'The whole question of how you would fund your care when the time comes is a minefield. Friends have relatives in care and pay £800-£1,000 a week.'

Survey participant

The survey highlights there is a generally negative public perception around the costs of housing with care and support options for older people.

Impact of COVID-19

Changes to services, care home closures, suspension of day centre activities and charities scaling back as a result of the pandemic have all contributed to rising unmet need. COVID-19 left many people unsupported or with reduced support at an already very challenging time. It has also exacerbated the fragility of the market for many providers of housing with care and support. In the first

six months of the pandemic some care homes found themselves having to hand back contracts (The King's Fund, 2020) and deal with significant financial challenges. However, the latest figures from Knight Frank (2020) report that although occupancy in care homes fell by 8.5% on the second quarter of 2020, there was a recovery of 1.2% in the third quarter as care homes started to admit new residents. Pent-up demand is also expected to support a recovery in occupancy but stringent testing and procedures, and hesitancy about moving into care homes among people is likely to slow the pace. Retirement communities (including extra care and retirement villages) have reported that the pandemic has been very financially damaging with higher costs associated with reduced occupancy, personal protective equipment (PPE), additional laundry and additional staff. Most housing with care and support models have not received any financial support during COVID-19 and lack of funding is considered one of their biggest challenges (Housing LIN/ St Monica Trust, 2021).

The unequal impact of COVID-19 has been demonstrated repeatedly. Statistics have shown that people from BAME backgrounds, older people, and people with some long-term health conditions and other disabilities have been hit harder by the pandemic and its knock-on effects, as have people from poorer communities (Public Health England, 2020a & 2020b; CQC, 2020). This means that the problems that were present pre-COVID have not disappeared, and have in fact been exacerbated. Later in this report we discuss how we address inequalities through a new approach to developing housing with care and support.

On the other hand, new ways of working, adaptations of environments in villages and schemes, enhanced communications, and rapid creation of alternative services, facilities and support were among the wide range of innovative changes implemented during the pandemic. For instance, many recent reports (SCIE, 2020; ADASS, 2020; RSA, 2020) have outlined that during the COVID-19 pandemic, the social care sector adapted very quickly to the need to work online. They moved their services online such as assessments, care planning, reviews and outreach – at astonishing pace. As the CQC (2020) has argued, it is important to 'lock in' the positive changes and innovation that the pandemic has enabled, support a learning culture and proactively respond to emerging best practice.

Skills gaps and recruitment challenges

The Commission recognises that the pressures facing the social care workforce continue to grow with high levels of vacancies and a projected deficit in the future supply of the workforce. Many social care providers have struggled to recruit enough skilled workers, a situation made worse by the Brexit points-based immigration system (PWC, 2018). Concerns about low pay and high turnover in the sector have also been well documented. The experience of the

social care workforce during the COVID-19 outbreak only helped to heighten the urgent need for reform in their working conditions. ADASS (2020) highlighted that the skilled and compassionate staff have been undervalued by society for too long. Both ADASS (2020) and SCIE (2020) recommended that there is an urgent need for the development of a workforce strategy by the Government in partnership with Skills for Care. This strategy should consider the range of settings and roles that make up the social care workforce, the overlap with parts of the housing management sector, and set out proposals on training, pay, leadership development, career progression pathways and recognition.

Consumer rights

The range of regulation, both in terms of CQC and planning for new-builds, both hinders new developments and/or repurposing of buildings and also presents a major hurdle for consumer rights and informed decision-making. Care homes have a CQC inspection rating and report and there can be comparisons between homes, all of which offer some aspects as the standard (person-centred care, dignity and respect, consent, safety, safeguarding from abuse, food and drink, premises and equipment, complaints, good governance, staffing, fit and proper staff, duty of candour, display of ratings). However, due to the lack of transparency it is currently very hard for people to compare between types of housing with care and housing with support.

The Commission has heard from people looking for extra care and from social workers who found that what was on offer for different schemes was very variable. Some schemes are 'more restrictive', for example, not allowing pets. Similarly, there are models of housing with support (e.g. retirement flats) that provide communal spaces, support social activities, facilitate domiciliary care from a specific care provider and have a live-in manager. Others have none of these things, and so do not really offer any meaningful support to people that live there. Another problem we encountered when speaking to people working in social care, is that there is a lack of knowledge about what is available locally and confusion over definitions of different models. We return to this issue later in the report when we discuss the paucity of good information, advice and brokerage.

'I have social workers who ask me – what is the difference between Shared Lives, independent living and extra care. It's all very confusing'. Social worker

People living in housing with care and support settings and their families often do not know about, or do not have an obvious way of raising concerns or making a complaint about the service they receive, for example, via an ombudsman.

Advances and innovations in the housing with care and support sector

The last decade has seen the acceleration of innovations across the sector, some examples of which we cover later in this report. There have been particular advances in the take-up of new technologies, such as, the remote monitoring of physiological conditions, personal wearable safety alarms, intelligent assistive technology, robotics, movement sensors, remote diagnosis and treatment and digital care planning. COVID-19 resulted in accelerated and innovative uses of technology as the social care workforce was forced to develop new ways of working in the face of a lockdown. It is important to keep pace with these advances, as we have seen that useful technology has the real potential to enhance care experiences and outcomes. This will be all the more important as we develop new forms of housing that facilitates care and support.

However, the Commission has also heard that whilst the development and availability of new technologies continues to rise, the sector also experiences some challenges in using them, sometimes due to a lack of understanding about how these technologies work or as a result of the way in which care is funded and commissioned which can provide little incentive for investment in technologies. It is important that information and guidance about choosing appropriate technologies and help with using them is also available to the social care sector, as it continues to grow. There also needs to be ownership and commitment to the use and funding of new technology by all stakeholders, e.g., the CQC in its legislative capacity, commissioning bodies and providers.

Further evidence of what works is demonstrated through the Dunhill Medical Trust-funded **Technology for an Ageing Population: Panel for Innovation (TAPPI)** led by the Housing LIN (2021).

Significant progress has been made in relation to age and dementia-friendly housing design. The Housing our Ageing Population Panel for Innovation (**HAPPI**) series of reports, for instance, has proved influential in raising awareness of the attractive care-ready design features that can make housing specifically designed for older people something to which to aspire and not dismiss. The Commission's review of promising practice also found innovation in this area. For example, **Cullingtree Meadows** (supported living) and **Millers Grange** (care home) have both won multiple awards for their use of architecture, interior design and communal spaces to create responsive and accessible spaces that also feel homely, pleasant and calming for residents living with dementia.

Digital advances and technologies rely on a good, stable internet connection which is often lacking in many buildings that support social care activities. For example, a 2019 survey by carehome.co.uk found just 45% of care staff reported that Wi-Fi was available in both bedrooms and communal areas in the

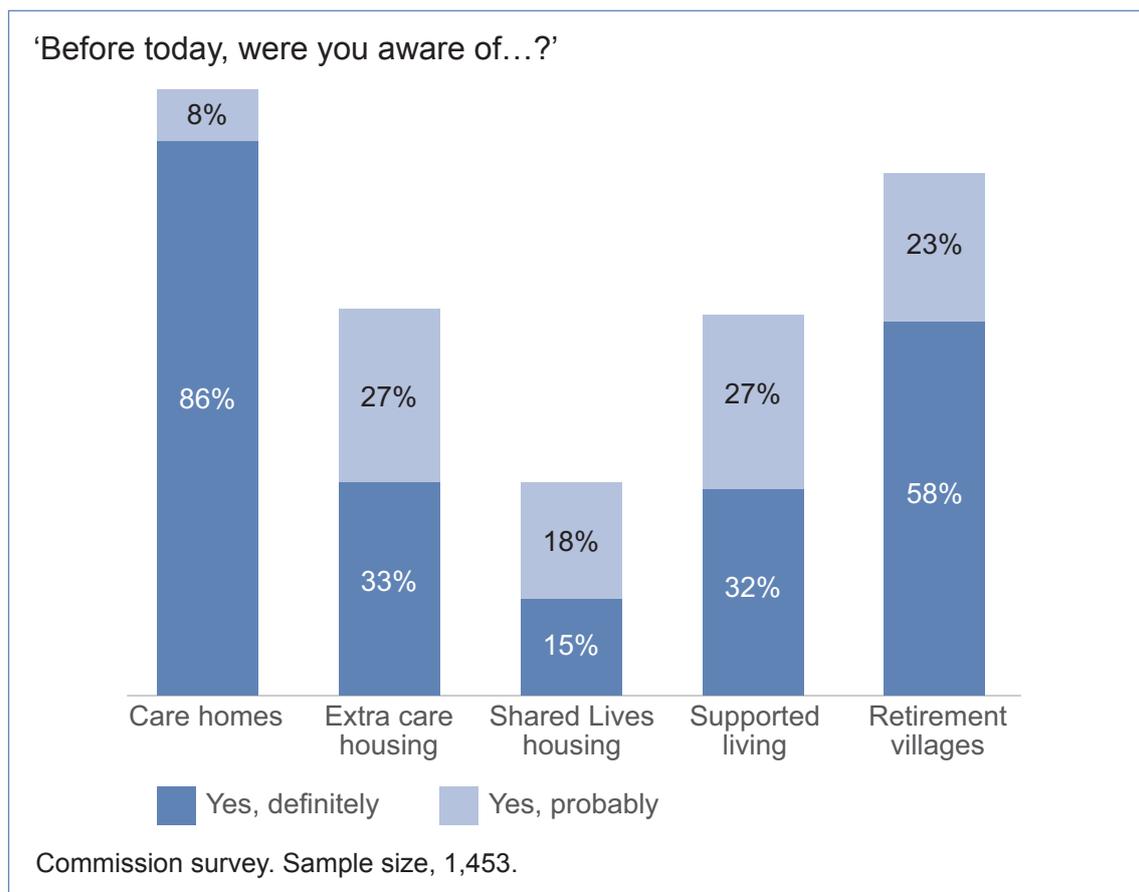
care homes they worked in. In terms of those living in retirement housing, older people on lower incomes are particularly at risk of digital exclusion (Centre for Ageing Better, 2021) as they may not be able to pay for it.

Understanding and navigating the housing with care and support system

Public understanding of social care and the different housing options that facilitate care and support continues to be limited (Health Foundation, 2018). This is compounded by what the public perceive as a lack of high-quality information, advice, guidance and advocacy support to help people make the right choice.

The Commission's survey found significant variability in respondents' awareness of the different housing with care and support models.

Figure 4: Public awareness of different forms of housing with care and support



Perhaps unsurprisingly, 90% of respondents were aware of care homes, with 82% being aware of retirement villages. However, only approximately 33% were previously aware of Shared Lives.

Although people may be 'aware' of some of these options, this does not mean they understand what these different models comprise, in terms of type of

housing or what care and support is provided (Shakespeare Martineau, 2021). Professionals such as social workers can also find the types of housing with care and support options available very confusing. There is huge variation in the types of options that exist, in terms of the physical buildings, the additional services offered, as well as in management, contractual and pricing arrangements.

In a recent survey, most people thought it was too difficult to find the right information (56%) and found the care system too complex (e.g. costs and payment options) to find their way through (78%) (Just Group, 2020). The Commission also heard about people struggling to find and access information. Many people depend on articulate and dedicated family members to find their way through, and even these family members can find it difficult to access information.



'We get tossed into a maelstrom at an age where very many cannot cope with it.'

Carer

Across the UK, approximately 2 million people over the age of 70 have access to the internet (Centre for Ageing Better, 2021), but many may not be very confident using it. People who draw on support, their families and providers unanimously agreed that the accessibility of information needs to extend beyond the internet. Whilst many older people are online and comfortable with searching the internet, others are not (especially those on low income). Even those with expertise reported it was difficult to compare between options and found it almost impossible to search for suitable housing with care and support by location, housing type, care need and financial situation. Websites simply could not answer questions that people had as well as a 'knowledgeable person who listens'. They highlighted the need for advocacy and support in understanding the different options and making decisions about housing with care and support.

Many people have their first experience with accessing information and advice about their housing with care and support options at a time of crisis. For example, when someone has a fall, or a stroke and ends up in hospital, or if their carer dies or becomes unwell. It is often at the time of hospital discharge that people often find themselves having to make decisions under pressure (Rhynas et al, 2018). Moreover, it is not only people who draw on support and

families that are under pressure, but also social workers who are hard pressed to find quick solutions.

'If you are doing that job often enough you get to know how it all works but if you are cast into it in an emergency you aren't sure.'

Social worker

Although it was felt that decision-making at a time of crisis would still be hard, having some 'baseline' knowledge about housing would be helpful to know what questions to ask.

Advice about housing options does exist, but funding for it can be limited and for a fixed term only. Recently, EAC has reopened its **advice service**, following a two-year closure due to lack of funds.

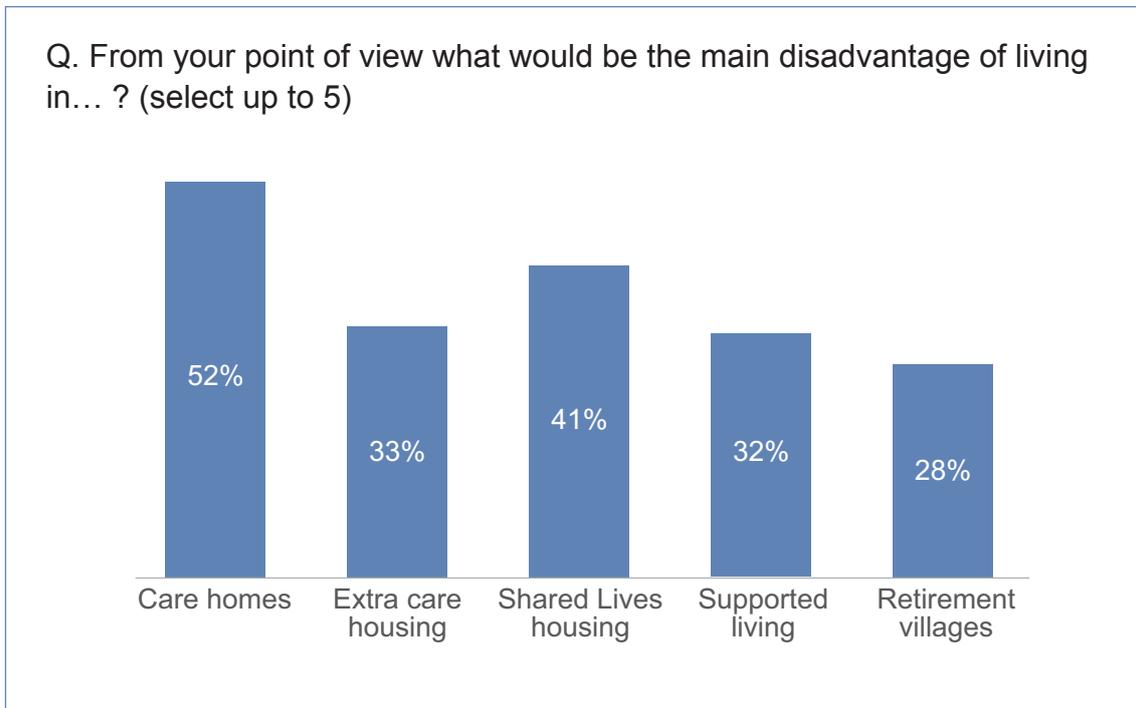
Public perceptions and concerns

Whilst public attitudes towards social care are generally positive, with satisfaction with social care provision high (The King's Fund, 2021), historically there have been some people who are concerned about the quality of care in some types of provision. These concerns have risen since COVID-19 and there is a need for change, for the public to better understand and re-build confidence in the social care system.

Fear of potential neglect and abuse

The King's Fund (2018) identified neglect and abuse as one of the key challenges that is facing the sector and that needs to urgently be tackled. The Commission's survey reinforces these findings, with fear of abuse and neglect as one of the public's top three concerns regarding care homes, extra care and retirement villages. The fear of abuse and neglect was highest in regard to care homes, where more than half of the respondents (54%) identified it as one of their top concerns (compared with 28% selecting the possibility of abuse as one of their top concerns about living in a retirement village). Whilst bad practice and abuse must be highlighted and driven out, misconceptions about the actual prevalence can be very damaging. This again highlights the urgent need for people to have access to better information and advice, in order to counter these concerns of fear of abuse and neglect.

Figure 5: Percentage of people who selected 'possibility of neglect or abuse' as a top 5 concern in each setting



Particular concerns about care homes

The Commission's survey found that care homes in particular have a poorer reputation with the general public compared with other settings. Only 37% of people said they would consider living in a care home. When only looking at respondents who are 65+ a similar picture emerged, with only 33% saying they would consider living in care homes. The unpopularity of care homes was also identified by people when they were asked about the advantages of different models. For example, across extra care, supported living and Shared Lives, one of the top three advantages identified was that the setting was 'not a care home.' The Commission's stakeholders have emphasised the importance of addressing and changing negative perceptions of the residential care market. Powerful individual stories about positive experience in care homes, particularly in the media, backed by robust evidence are needed.

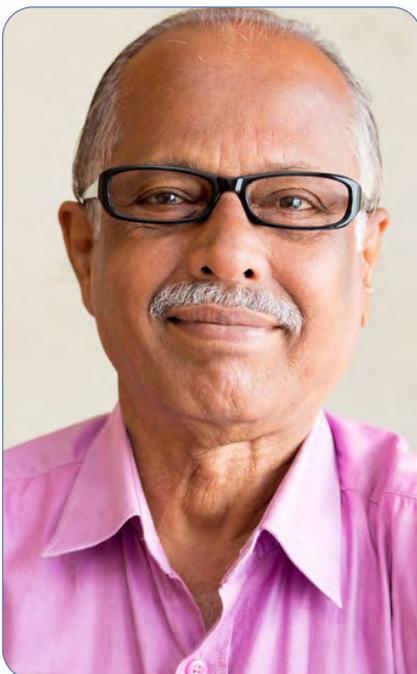
Public concerns about the sector following COVID-19

There are also concerns about the quality of care provided, which, according to CQC, varies between regions, sizes and types of care provider (CQC, 2019). These concerns are greatest with respect to the care home sector, where COVID-19 has had a disproportionate impact and significant media coverage. By mid-June 2021, through no fault of their own, there had been nearly 30,000 excess deaths in care homes in England and Wales (ONS, 2021) since the start of the pandemic. In these unprecedented times, managing levels of infection became an urgent priority and this led to social distancing or isolation measures

that impacted on quality of care and quality of life. Perhaps most devastatingly family visits were suspended in many homes, which prevented a crucial source of emotional support for older people. Lack of partnership working between the NHS and care homes meant that older people were discharged from hospital into care homes with COVID-19 furthering spread at a time when care homes found it difficult to access GP and other healthcare services on behalf of the people they cared for. This indicates that people living in residential settings may well have been put at greater risk from general health problems being left untreated, not just COVID-19 (The King's Fund, 2020; CQC 2020; Health Foundation, 2020). The Commission heard that there was a lack of recognition of the impact of COVID-19 on people living in retirement housing/housing with support during this time and this related to a lack of general understanding of both the people living there and the support available for them. There was little or no wider policy support for these settings and people struggled to access food, medication and day-to-day support from their family and community.

'In lockdown the focus was very much on care homes – but the people there had carers and food. People in retirement housing were forgotten. There is not a lot of understanding of the needs of individuals living in these settings – their needs have crept up over the years.' Provider

The Commission survey found that 20% of people felt COVID had changed how they felt about moving into housing with care and support. Common themes included people wanting to be able to live alone or at a distance from other people and having access to an outdoor space or garden. Some respondents reflected on their own experiences of sharing accommodation with others during the pandemic and felt they would not like to experience similar again.



'Living alone has been a blessing as I have been able to self-isolate and keep safe. Especially with the knowledge that care or assisted housing has had a major effect on deaths.'

'Care homes are more like prisons. Rules to restrict visitors have been terrible.'

'Because I am living in a shared accommodation with some different age groups and that poses a risk of infections and health hazard. Hard to control.'

Responses to Commission survey

It is difficult to know what the mid- and longer-term effect of COVID-19 on sector perceptions may be. It is also important to highlight that a general public survey cannot reflect the decision-making of people once they actually need additional care and support, or are in a crisis situation.

Wellbeing and quality of life

People are putting a great emphasis on wanting to live in housing with care and support settings that promote wellbeing and improve their quality of life. For example, the Commission's survey found that remaining independent is the most important consideration for people (51%) when thinking about needing care or support in old age. People have also identified the importance of being close to their families and staying connected to their local communities. This was seen as crucial in combatting the risk of loneliness and isolation. This is not surprising given that 1.4 million older people class themselves as 'often lonely' and it is estimated this will rise to 2 million people over the age of 50 by 2025/26 (Age UK, 2019).

'If my husband falls ill, I want him to be able to move to a care facility nearby where I can easily visit him. We should be building villages for older people and those with disabilities as part of new estates. Near a community is key.' Carer

The Commission also heard that it is equally important for housing with care and support developments to focus on building a sense of community within the development, through consideration given to the design and inclusion of social spaces, cafés and other amenities that are open to the public and social activities based on people's preferences. There should also be a focus on building intergenerational connections, with new-builds including people from all ages. Dedicated roles such as activity coordinators, wellbeing workers and estate managers were identified as being helpful in facilitating a sense of community and in providing support.

'We need retirement communities where people feel they belong and want to be part of the community.' Provider

Clearly any evaluation or cost-benefit analysis of different housing with care and support models must also consider impact on people's wellbeing and quality of life. Moreover, evidence must come directly from older people, and this highlights the need to capture subjective experience through research (e.g., using qualitative methods) within an overall robust framework of social impact evaluation.

Older people are not listened to and not heard

There is also widespread concern about the lack of involvement of older people in planning for housing with care and support at all levels. The Commission

heard that there is a clear perception that the voices of older people and their carers are seldom heard or listened to and that there is an urgent need for central and local government to understand what they want and need from care and support in later life.

'Listening is just not there. No-one is employing service users on boards etc who make decisions. This is a missing link.' Provider

Hearing people's voices is also the key to understanding their experiences and providing care and support that is truly person centred. The key is to work in partnership with older people, whether this involves architects listening to older people about the design and layout of new-builds, local councillors attending specific older people's forum meetings or housing with care and support settings listening to what activities they would like to take part in or meals they would like to eat at as part of their daily life. Some of the key areas that people would like to have more of a say in include local authority planning decisions, commissioning decisions, rules for new buildings, e.g. pets, environment and technology in homes, and tenancy options. Currently, much of the focus is on involvement in individual care plans and not enough on involvement in decision-making in relation to all the services and systems that support the delivery of that care plan.

The Commission heard that what is needed is true co-production, at all levels across the system. True co-production is about shifting power to older people so that eventually they are in a position to be able to make the choices they want with regards to housing with care and support.

However, people also identified negative attitudes towards older people as being part of the problem.

'Older people are not seen as part of the community, seen as has-beens...' Person who draws on support

'Need to change assumptions that all older people are sick. People assume that older people are useless, But we don't just die at 60.'
Person who draws on support

Inequalities in access to housing with care and support

The Commission looked specifically at the information, advice, access and concerns of people from Black, Asian and minority ethnic (BAME) communities and those who identify as LGBTQ+. Both represent hugely varied, diverse and, sometimes, overlapping people who have different experiences and concerns and some cross-cutting themes emerged. People from BAME communities, LGBTQ+ communities and people with disabilities have historically found it more difficult than others to access high-quality housing with care and support. These groups all have unique preferences, experiences and information needs

that have not been sufficiently considered in the provision and planning of housing with care and support.

BAME communities have historically been reluctant to access housing with care and support for complex reasons. In a 2001 study of the experience of African-Caribbean people in the Leeds Chapeltown area found that there is a great sense of disempowerment amongst community members in terms of making their needs known and having them met, attributed partly to institutional racism, lack of information, lack of awareness of the decision-making process (Hylton, 2001). It is also important to recognise the huge diversity of BAME communities, with each having specific needs and preferences that have as yet to be identified. The Commission heard that there is a need for smaller housing solutions tailored specifically for particular communities rather than solely relying on integration into existing schemes. The fact that this has been well known since the middle of last decade (Richards, 2006; Sunmonu, 2016) is of great concern. It demonstrates that a lot still needs to be done to address the perceived lack of diversity in housing with care and support settings.

A recent survey on LGBT+ later life housing demand in London (Tonic, Stonewall Housing and Opening Doors London, 2020), highlighted that a far higher proportion (82%) of LGBTQ+ people will age without their support. LGBTQ+ older people reported having concerns about their safety and wellbeing in relation to housing, care and support. Many were concerned about having to 'go back in the closet' or living more restricted lives. Currently, most of the policy focus has been on ensuring providers are LGBTQ+ inclusive (e.g., the Stonewall inclusion standard or the **HouseProud** pledge for social housing). There now are a few LGBTQ+ affirmative (or majority) housing schemes, in the pipeline. For example, **Tonic's** partnership with One Housing Group in London and the LGBT Foundation's work with **Anchor** and Manchester City Council for the first purpose-built extra care scheme in the city. However, there is no 'one size fits all' and whilst a recent survey suggests over half of LGBTQ+ people would favour an LGBTQ+ specific provider, there's a wide range of needs and preferences (Tonic, Stonewall Housing and Opening Doors London, 2020). It was also suggested that it would be wrong to assume that LGBTQ+ specific housing would have an inclusive ethos, especially in relation to non-binary and trans older people. It should be recognised that currently, most LGBTQ+ adults do not have the option of LGBTQ+ specific services (e.g., advice services, housing and/or care services).



'There is a desperate need for more information and a joined-up pathway that is LGBTQ+ relevant.' Professor Andrew King, University of Surrey

Another vulnerable group identified by the Commission are those that live alone and are ageing without support from children. The number of one-person households in England is projected to increase by 26% between 2016 and 2041 (Age UK, 2019). Currently, 3.9 million pensioners are living by themselves, up 500,000 from 2008, according to the Office for National Statistics (ARCO, 2021). This means that more people who live alone will need appropriate housing to support them live independently as they age. The National Care Forum along with Ageing Without Children (2020) published a toolkit for providers in relation to older people without children and further emphasised the invisibility of this group, highlighted by the pandemic. Similarly, another overlooked group whose needs are seldom considered are older people with children with disabilities who will need ‘whole family’ accommodation options.

Older adults with a learning disability can be at a significant disadvantage in relation to both accessing housing that can meet their needs and wishes and being involved in decision-making. As previously highlighted, they are a group that are less likely to have assets or savings and so may have a more limited set of choices. For those with more complex support needs, there may be limited housing options that can meet them. People with a complex learning disability or disabilities may need additional support in relation to decision-making, for example, by drawing on Mencap’s **‘Involve me’** guide.

The economic case

An independent evaluation of the extra care villages provided by ExtraCare Charitable Trust by Aston University demonstrated that extra care developments can bring significant potential savings in the cost of social care for local authority commissioners. The cost of providing lower-level social care using the extra care model was £1,222 less per person (17.8% less) per year than providing the same level of care in the wider community. ARCO (2020c) estimate that by 2030, extending retirement community provision above current levels to accommodate 250,000 people could generate up to £5.6 billion savings for the UK’s health and social care systems.

At a micro level, a 2019 Housing LIN report for Southampton City Council found that the city’s current provision of housing with care (circa 170 units) had produced a cost benefit to the health care economy of over £334,000 per year. However, this figure was estimated to increase to almost £890,000 per year once Southampton delivers on its ambition to grow its supply to about 450 units of housing with care.

There are 10,000 Shared Lives carers. All are approved following rigorous recruitment and training by one of the UK’s 150 regulated local schemes, with almost complete England coverage. The CQC rates the sector as 96% good/ outstanding and it is typically £30,000 per annum lower cost per person for people with learning disabilities. If all areas caught up with those who use

Shared Lives the most, there would be over 30,000 people benefiting from it, improved outcomes, and saving well over £100 million per annum.

Norfolk Development of Housing for older people

An upper tier authority, Norfolk County Council is not usually responsible for housing but recognised and responded to the need for appropriate and affordable specialist housing, to ensure people can live as independently as possible in the communities they are connected to. Current housing options are limited, which means significant numbers of residential care admissions are being used for people with low care needs whose homes become no longer suitable. The Council also has a higher-than-average number of over 65s living in single-person households.

The Council recognised that it was hard to attract any private investment in affordable specialist housing. This meant that ensuring rents are covered by housing benefits is critical to ensure that build costs don't exceed rental income, in the absence of any capital funding. The Council made a powerful case for capital funding for affordable specialist housing, arguing that it is a pragmatic investment and compares favourably to savings against future residential care. It worked with partners to establish two dedicated capital programmes with a combined public commitment spend of £47 million. Partners involved in the work include new and existing registered social landlords, care providers, local councils, councillors, Norfolk residents, co-production groups and the NHS.

The Council also established a housing strategy as part of its wider objectives which included recognising that Council-owned land was to be considered for specialist housing as a priority for any disposal.

As a result, an independent living scheme to increase the provision of extra care housing by 2028 was established in 2019, and a supported living scheme to increase the provision of supported housing for working age adults was established in 2021. The schemes are run by two full-time staff who work extensively with partners across Norfolk.

Demos calculated that sheltered housing in England brings £486 million in savings per year from the contribution this form of housing makes to reduced inpatient stays, reduced falls and reduced loneliness.

Frontier Economics' report for the Homes & Communities Agency (now Homes England) calculated that the total net benefit per person from investing in specialist housing for older people was £444 per person, with £640 million savings nationally per annum.



Our vision and the urgent need for change

The Commission agreed to adopt the Social Care Future vision for social care:

'We all want to live in a place we call home with the people and things we love, in communities where we look out for one another, doing the things that matter most.' Social Care Future

More recently, as a result of its **Whose Social Care is it Anyway?** inquiry, Social Care Future has elaborated on what this means in relation to housing. It states:

- We should be supported to live in our own homes, with the necessary adaptations, technology and flexible personal support directed by us.
- If needed, we should be supported to plan ahead for ourselves and our families with the information, advice, support and advocacy that helps us make good decisions and choose the right things for us – much of this best comes from our peers.
- If we move from our original homes, a good choice of housing and support options must be available locally so we are not simply 'placed' in one-size-fits-all institutional care.
- When we choose housing with care and support options we must be supported in ways that keep us as free to live as other people do, not putting up with different rules and controls that no one else has to endure.

The vision set out above is as simple as it is compelling. It is the vision of many people who draw on care and support, and we think it should be at the heart of thinking about the future of housing with care and support, The Commission endorses this vision.

As demonstrated in the evidence in the previous section, the case for change is a powerful and urgent one. Successful change will be dependent on commitment to a long-term plan and sustainable funding settlement for social care and a national regulatory framework, consistently applied and tailored for local areas, which encourages developers, investors and customers to invest in a much-expanded, and much-improved, housing with care and support sector.

Without change

- We will have a very significant gap in the supply of housing with care and support, particularly for those with intermediate or lower needs.
- Too many older people will not receive the care and support they need that meets their personal preferences and will lose choice, control and independence.
- People will not have any power and control over where they live.

'I want to remain in society (a mixed-age group) as long as possible, not segregation.' Appreciative Inquiry participant

- We will fail to address growing inequalities which are faced by older people, LGBTQ+ and BAME communities. Access to good housing with care and support is a critical, intersectional equalities issue.

'The attitude and approach of society towards older people is not what it should be. Body may look aged but we still have an active mind, skills and abilities that younger people don't seem to perceive.' Appreciative Inquiry participant

What we need

- Simpler and more transparent national policy-making, regulation and guidance, which can lever the step-change we need in the market to see the expansion in access and choice to housing with care and support options.
- Greater use of technology to enable people to live better lives in housing with care and support. There are bountiful examples of innovations in the sector that are greatly enhancing the quality of life for those living in different housing with care and support settings. Yet its use is greatly underdeveloped.
- Combining the spending power of local organisations such as the NHS and local authorities working in 'places' to drive more ambitious developments, either with solely state investment, or as a way to encourage investment and partnership with the private and housing association sectors. Thus freeing up NHS and local authority land for new developments.

- Greater use of people's strengths and social networks through the further development of strengths-based approaches to providing housing with care and support, which enable people to use the assets they already have, as well as the resources available in their wider networks, to grow their independence and wellbeing.

If we strive to achieve these goals, we will see benefits not just to individuals, but to the wider economy.





What should the future look like?

Summary

Housing with care and support needs to meet the seven principles of excellence:



1. Person centred and outcome focused



2. Community connectedness



3. Strong leadership culture and workforce



4. Adopting innovation



5. Enabling choice and control



6. Promoting equality



7. Co-production and shared decision-making

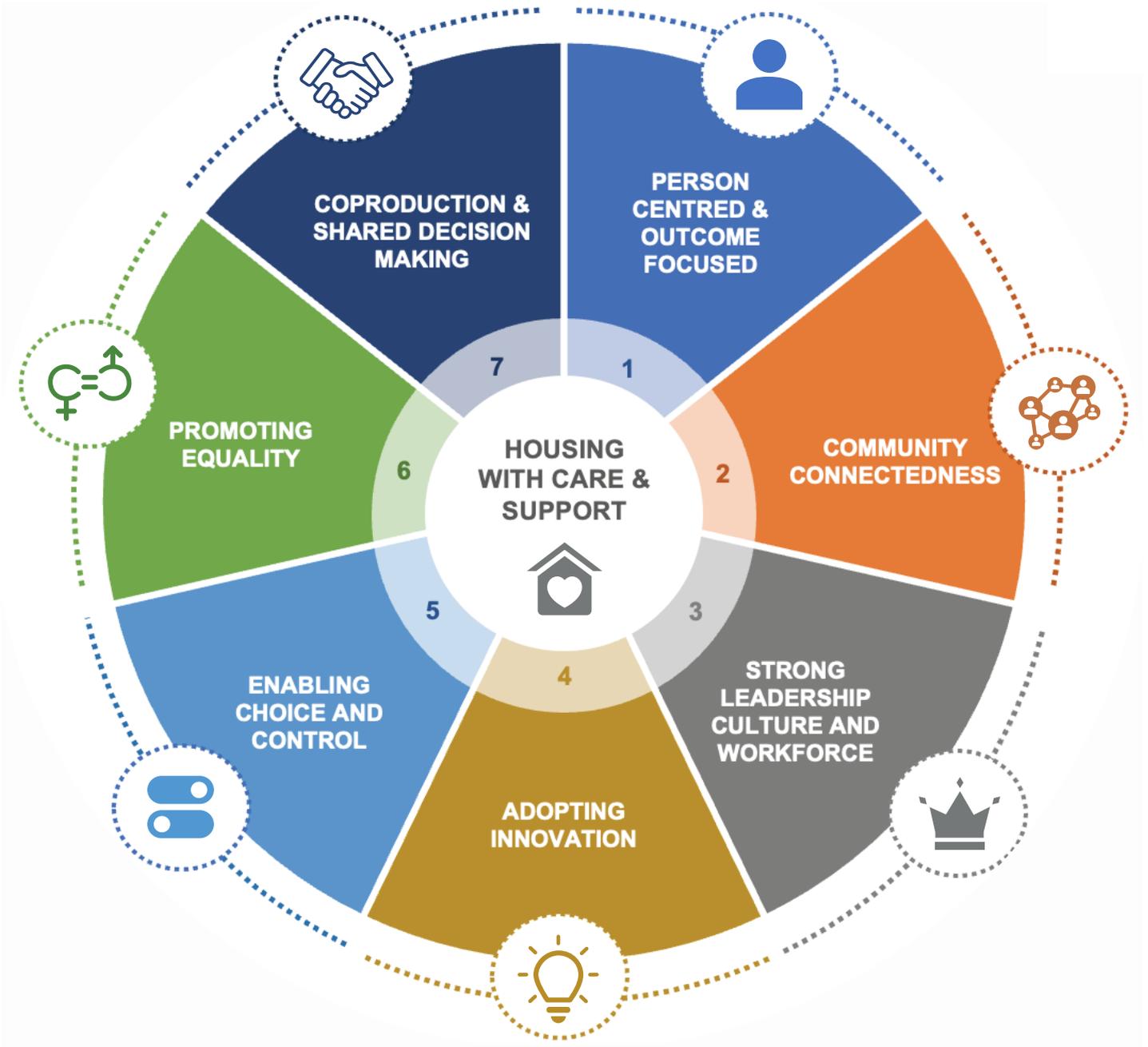
It is possible that we can transform places in England, if we are determined to develop housing with care and support that meets these standards, as conveyed in Brookmore in 2031.

The seven principles of excellence

We have set out a case and vision for radical change. In this section, we imagine what the future could look like if such a vision were to be realised 10 years from now.

At the heart of the vision is the idea that as far as is possible, people should be supported to live in their own homes. But for many people, this will be neither desirable nor possible. In this situation, the Commission has identified seven key principles of excellence that reflect this vision of the future, as well as existing examples of positive practice that demonstrate that such a vision is entirely achievable. The Commission has identified the following features that need to be reflected in any future landscape. These build on other quality frameworks, such as the Think Local Act Personal 'I statements' (Think Local Act Personal, 2018), the My Home Life hallmarks of what good looks like (NCHR&D, 2007) and the Housing LIN **HAPPI** design principles. These are:

Figure 6: The seven principles of excellence





1. Person centred and outcome focused

What people want for themselves and for their loved ones is personalised care and support that promotes their independence, improves their wellbeing and quality of life, and reduces feelings of loneliness and isolation. Not only is this good for people, but it has an added benefit for society in that it helps mitigate demand for acute secondary care (Housing LIN, 2017).

In practice, this means that all care and support provided must aspire to be person centred and relationship centred, with the focus being on using a strengths-based approach to getting to know each older person and their likes, and dislikes, to create individually tailored and co-produced packages of support.



Close Care Home in Oxford treats residents as individuals, and care is tailored to meet specific needs with cultural diversity being embraced and enhanced. Staff engage in Life Story work with each resident, learning about their interests, routines and hobbies.

'We pride ourselves on being a resident-led care home, as this is your home as much as it is ours. We treat every resident individually and tailor our care to meet your specific needs. Every resident receives an individual care plan which is designed to build upon your strengths and to improve your quality of life, something we are constantly trying to achieve.'

A better quality of life also means being able connect with others and form meaningful relationships. It is argued that person-centred care can only be delivered by paying attention to the needs of all those involved (relationship-centred care). Users, carers and providers all have an intrinsic need to feel a sense of security, belonging, continuity, purpose, achievement and significance (Nolan, 2006). Building positive relationships is key to a thriving community, both within the setting and between the setting and the local community and wider health and social care system.

Providing people who draw on supports with regular and meaningful opportunities to participate in social activities, interact with family members and maintain or even rediscover hobbies is very important.



Belong is a not-for-profit charitable organisation which runs seven villages across the north west of England, which have been designed following extensive research and consultation with dementia experts and aim to create spaces which reduce anxiety and confusion. Belong Villages aim to promote diversity and integration, welcoming all age groups,



creating a place where children can play, families can unwind and residents can receive the support they require. The Village facilities, including the bistro, are open for use by the local community, creating a vibrant hub. Working in partnership with **Ready Generations**, **Belong** plans to open a nursery in its Chester Village in January 2022. This will make it the first intergenerational care village in the North West.

2. Community connectedness



Any inspiring vision of the future needs to ensure that people are able to access housing with care and support in both a place they want to live and a community with which they identify. The Commission's survey found 36% of respondents said that living near to friends and family was one of the most important considerations when thinking about care and support in older age. Progress is already being made in relation this.



Bournville Gardens retirement village provides 212 apartments for those aged 55 years and over, is a close partnership between **The ExtraCare Charitable Trust, **Bournville Village Trust** and Birmingham City Council.**

The 10 key design elements identified by the **HAPPI** Report have been an important feature of the design of the village. Each home has its own front door, kitchen, living room and one or two bedrooms. All homes have a spacious shower room with basin and toilet and some have their own balcony. Village homes have been carefully designed, combining traditional style with modern technology. The technology is designed to support independence, safety, and mobility in the home without being obtrusive.

The wider facilities are available for the local community and benefit over 300 older people and encourage social and active participation amongst all age groups in the neighbourhood.

Creating a sense of community within housing developments is as important as locating these developments close to communities.

In our workshops and conversations, we heard about the importance of social and community activities being facilitated by the housing or care provider, but being led by the people living there. Rather than selecting from a limited menu of social events, people wanted to be able to create

their own. We also heard that not all housing for older people includes any communal space, making it harder to facilitate activities, but correctly managed, this space is hugely beneficial.

Building community connectedness is also about creating partnerships with local communities such as local schools, social groups and faith groups so that residents have regular involvement and interactions with members of the wider community and feel they are active citizens. This can be important to people who identify as LGBTQ+ as they may need support in staying connected to LGBTQ+ groups outside their housing.



Supportive living development, [Kilcreggan Homes](#) in Northern Ireland, has been developing unique services in response to people who draw on support and their wishes to participate in their community and make a meaningful contribution. From provision of housing and housing-related support, the organisation has extended to create a [unique urban farm](#), social enterprises, a garden centre and café volunteering and supported employment opportunities and a visitor attraction/sanctuary used by the entire community and visitors to the region.

3. Strong leadership, culture and workforce



Strong leadership and a committed management team are instrumental in providing high-quality, personalised care for people who draw on support. This includes leaders fostering a culture of genuine care, concern, awareness and kindness towards people who draw on support, their family/friends, and staff across the organisations. This starts at the top and buy-in from staff is best when they see leaders and managers living the values and vision themselves.

Strong leadership also means investing in workforce training and development. Development of skills and capabilities around supporting people with complex and multiple health and social care needs, including dementia and learning disabilities, is particularly important.

Whilst there are minimum qualification standards expected for managers in care homes, this is not the case across other housing with care and support types, with some housing for older people being largely managed within the housing sector and lacking social care leadership. In addition to workforce training and development, any compelling vision of the future needs to invest in the career progression and job satisfaction of the workforce. As discussed earlier, there are projections of high future vacancies in the social care workforce, as they leave to find more rewarding and financially sustainable jobs.



An example of strong leadership is **Golden Lane Housing** which operates 940 supported living properties for people with learning disabilities and where safeguarding is central. They are passionate about embedding a culture where staff understand that it is everyone's responsibility to help keep an adult at risk safe from abuse. As a result, all staff receive a comprehensive induction programme which includes training on the protection of people at risk. In addition to this, staff receive yearly refresher training on recognising the indicators of abuse and the actions they should follow if they have a concern about a tenant.

4. Adopting innovation



A compelling future is one where investment in innovation is recognised, encouraged and facilitated. A key area of innovation is enabling inclusive and accessible design, with all housing in the future reflecting Housing LIN's HAPPI principles which are based on 10 key design criteria. Encouragingly, there are many examples in the housing with care and support sector where inspiring progress has already been made. For example, many developers work in partnership with specialist architects, and centres for excellence on design or dementia research to develop bespoke buildings centred around people who draw on support.



Village 135 in Manchester is one such retirement community which has been designed to **HAPPI** principles, **Lifetime Home standards**, **Secure by Design requirements** and has achieved a **BREEAM Very Good** rating for its environmental, social and economic sustainability performance. Special attention has been given to the interior design of all circulation spaces to ensure they are both pleasant areas to be, but also to make sure wayfinding is clear and simple. Corridors are wide enough for scooters to pass but not too wide so they feel uncomfortable.

The innovative use of digital technologies will also play a big part in the future of care and support. Even to date, innovations in assistive technology, artificial intelligence, self-care apps, wellbeing calls, integrated records of people who draw on support, and wearables have underscored the enormous value of technology to supporting people to live independent and fulfilling lives.

However, although there are pockets of good practice, embedding the use of technology across the housing with care and support sector will need a

lot of determination. The **TAPPI design principles** were published at the end of October 2021 and again, we call for local and neighbourhood health, housing and care plans need to require their inclusion in the design of housing.

5. Enabling choice and control



The future of housing with care and support must include a shift of power and control to people. People need to be able to choose from and access a broad range of options for housing with care and support, regardless of the economic resources at their disposal or where they live.

The growing drive for greater personalisation in social care through the expansion of the provision of Direct Payments and Individual Service Funds (ISFs) can act as a key mechanism for giving people choice and control. Presently, Direct Payments and ISFs are used largely by people to purchase forms of home care, personal care, activities and the time of personal assistants, although this is not without its difficulties (TLAP, Direct Payments, Working or Not Working, 2021). However, there is real scope to expand their use into housing with care and support. ISFs in particular, which involve people who need care and support choosing an organisation to manage their personal budget for them, are a good mechanism through which to enable more people to access forms of housing with care and support that they prefer, although few local authorities encourage their use at the moment. They are already being used to support people with learning disabilities to access supported living accommodation with potential to expand their use into housing for older people, including supported living and extra care.

Additionally, to enable improved choice and control, we need better independent and impartial information, advice and advocacy. The Commission heard that there is an urgent need for forward planning, to ensure people start to think about their options in their 50s and 60s. By understanding more about housing options, people would be starting from a stronger position in the event of a crisis situation, and in some cases may avoid the crisis altogether. For example, a person who cannot be discharged to their own home following a hospital stay may only have the option of a care home presented, but may ask about extra care options if they already knew a little about it.

The Commission heard that information about housing with care and support options needs to 'be clear, be specific, and be local'. People want to know what each type of option is, what it offers, what it costs and how to access local provision. Clarity of language is key. Moreover, older people also want

to know about financial eligibility, the associated costs and the benefits they are entitled to, and that this is an area that social workers can be reluctant to talk about.

'What about a guide for good practice on how to share information? Local information talks need to be very clear on what is being provided. A lot of information can be overwhelming.' Provider

People with learning disabilities as well as people living with dementia and other conditions that impact on cognition should be supported, following the principles of the Mental Capacity Act (2005). The MCA focuses on an individual's right to make their own decisions, and assumes that a person has the capacity to make the decision (**principle 1**). Every effort must be taken to encourage and support the person to make the decision for themselves (**principle 2**). Information needs to be presented in an accessible way for all groups, along with support for communication and to understand preferences (for example, '**Involve Me**' practical guide from Mencap).

In terms of 'where' information could be found, general practices were identified as a specific community hub where people should be able to get information on housing with care and support. The information does not need to come from GPs themselves (although they have an important signposting role), but there is a big potential for an additional role, a 'community manager', or 'information advisor' who could act as a bridge to social care.

'It's about interface – e.g. if someone in the GPs had all local care homes and information and support that was on offer – very helpful.' Provider

6. Promoting equality



In a compelling future, high-quality, personalised and accessible housing with care and support will be easy to access for everyone, regardless of their age, ethnicity, gender, sexual orientation, or disability. To start, this means that people from BAME, LGBTQ+ communities and people with disabilities should be able to access advice and information about housing with care and support that meets their needs. However, it is not just people with these protected characteristics that need support, but also lower income groups and those living in deprived areas who face similar challenges in accessing information and advice. Furthermore, there is an urgent need to expand the housing with care and support options available to these groups that not only

meets their specific needs and preferences but is also designed and planned in consultation with these groups.



Meri Yaadain, meaning ‘my memories’, is a Community Interest Company which seeks to raise awareness of dementia in Black, Asian and minority ethnic (BAME) communities. Recognising that dementia can be a taboo subject for many people in the BAME communities, Meri Yaadain aims to raise awareness of dementia and its symptoms and behaviours amongst the BAME communities. It also works with service providers to challenge inequalities regarding availability of information, including accessible languages, and culturally appropriate dementia support services. They are committed to working in co-production with BAME people living with dementia and their family carers to design and deliver culturally competent training for organisations and individuals.

7. Co-production and shared decision-making



Providing housing with care and support that meets people’s needs is only possible if people themselves have been involved in the commissioning, planning and design of housing development and in shaping their own care and support plan. In the Commission’s survey, 31% of respondents said that being involved in decision-making was one of the most important considerations when thinking about care and support in older age. The level of engagement the survey received, including detailed responses to the open-ended questions highlighted that the wider public will engage in this topic and many would like to if invited.

There are many ways in which people should and can be involved in co-production and shared decision-making at an operational level. For example, a growing number of housing developments now have tenant panels or resident representative bodies that play a vital role in improving the quality and responsiveness of the care and support provided.



Strong Life Care is a care home that has implemented an initiative called ‘Recruit with the Resident’ allowing residents to be involved in the interview process for new staff candidates. Management recognise that ultimately, it’s the resident’s home and it is the residents that potential candidates will be supporting. Residents can ask the candidate questions about their past experience, why they

want to work in care and their reasons for wanting a role in a particular home.

Co-production and shared decision-making, which SCIE defines as ‘people who use services and carers working with professionals in equal partnerships towards shared goals’, will not only enhance outcomes for people who use services, but also help ensure that resources are better spent.

Funding, commissioning and regulatory structures need to change to embed co-production into the structure of policy-making, local authority planning, local commissioning, design, building and the running of services.

There is also an important role for co-production at strategic levels. In Bristol for example, an older person’s Housing Action Group was established to advise on future housing development. The Group recruited more than 40 older people with an interest and/or expertise in housing, housing development and housing policy. The Group initially identified five important themes:

- Community – feeling part of the community and staying in your own community
- Choices – need for housing choices in the community and more advice/information about choices
- Planning ahead – need to start at a younger age (before retirement)
- Home adaptations and repairs – poor design and shortage of advice and information; impact of housing associations moving to remote management (poor support and maintenance and reliance on online communication)
- Influencing – older people need to be involved in all stages of planning for housing services and housing developments

Similarly, Hammersmith and Fulham Council recently published a Disabled people’s housing strategy 2021, which was co-produced with people who draw on support and those that support them. The Council consulted with the Disabled People’s Commission, Adult Social Care, H&F Mencap, Safety Net – People First, and held three focus groups with disabled residents. The strategy identified four key objectives:

- Create a culture of co-production with disabled residents, and work together with those residents to improve their influence in shaping housing services

- Improve access to housing information with disabled residents including housing options and housing services
- Improve the Council's services as a landlord for disabled residents
- Identify ways to increase the supply of accessible and affordable housing to meet needs with disabled residents

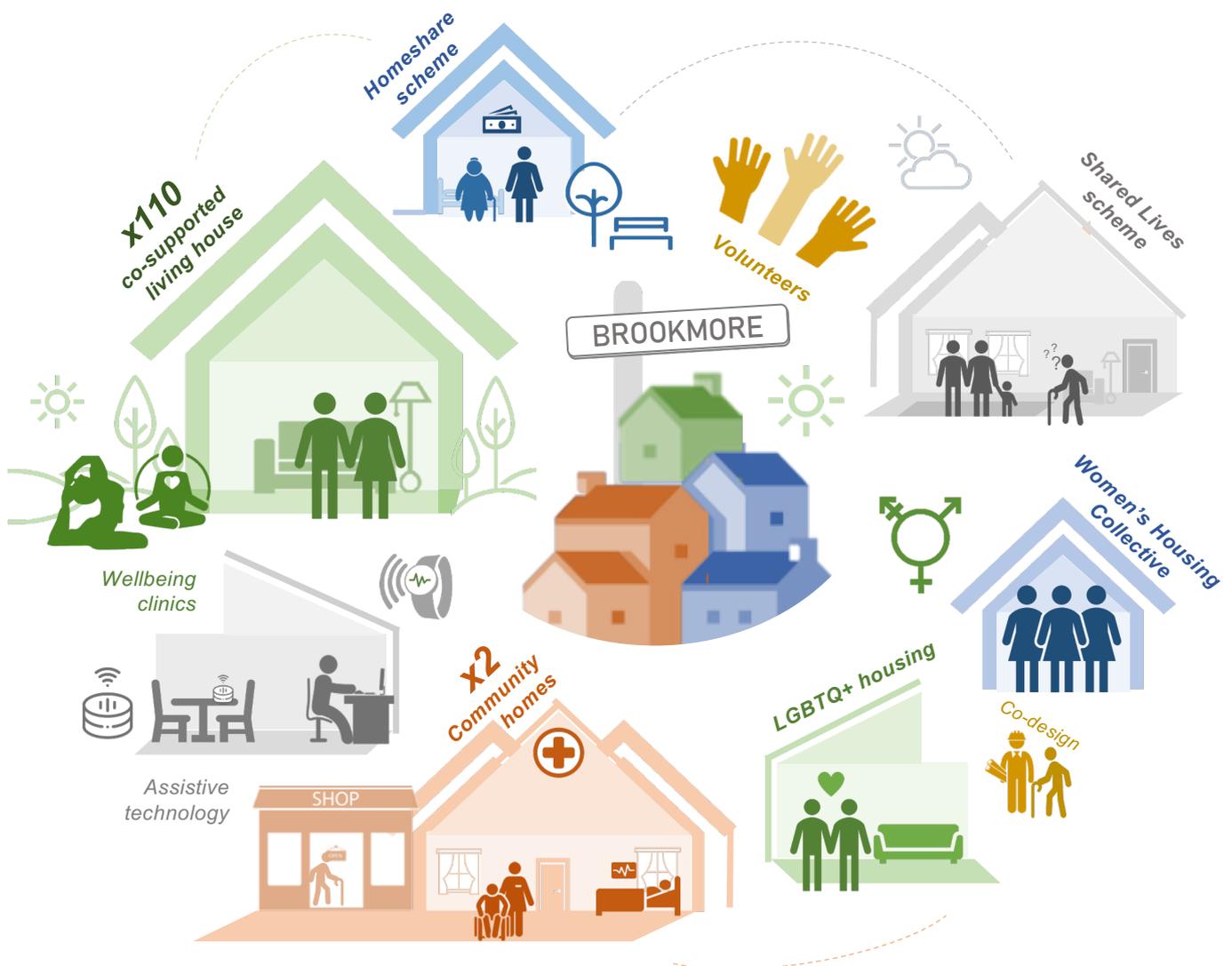
At all levels of decision-making, co-production should be as inclusive as possible (for example, to people with sensory impairment, learning disability or physical disability), with accessible materials and more than one way for people to be involved (for example, face-to-face session with smaller groups).

Brookmore – a glimpse at the future place

This short vignette imagines a better future. It is a fictitious compilation of perceived best practice and is based on findings from the Commission's research, including discussions with the Co-production Collective.

The imagined future is in a local area called Brookmore, a medium-sized unitary authority in the English Midlands, with a population of 230,000. Of these, 85% identified themselves as White British with 5% non-White. Brookmore has a higher proportion of people over 65 than the average for England. The year is 2031 and Brookmore has been recognised as an award-winning place to live.

Figure 7: The Brookmore 2031 vision



How did it get there?

To find out how Brookmore got to the point of being an award-winning place to live in 2031, we return to 2021, when it set out on this journey.

In 2021 the local authority established a new Housing for Older People Partnership (including representatives from NHS, local housing, care operators and providers, people with lived experience of care and support, the voluntary sector and local housing associations) to agree a long-term 10-year strategy for older people's housing. The strategy was informed by co-production events that were held across the town, involving people from all backgrounds including people with learning disabilities, people from LGBTQ+ and BAME communities. The strategy proposed a vision for transforming care and support, stating that:

'If the people of Brookmore need to move from their original homes, a good choice of housing and support options must be available so people are not simply "placed" in one-size-fits-all accommodation.'

To ensure that the strategy would be properly funded, a single ringfenced housing with care and support budget was created, bringing together funding from the local authority, NHS and housing associations, which would be used to support new investments. The partnership recognised that public funding would be insufficient on its own, so published an investment prospectus to encourage investment in new housing developments, which stated:

'To deliver these options Brookmore is keen to work with all organisations that are involved in these sectors or are interested in expanding their activities. This includes landowners, developers, house builders, architects, landlords and care providers.'

In return, the council, the NHS, housing associations, and the local university were offered subsidised land that was specifically for use for housing with care and support developments. The council also offered help with planning, funding applications, support with recruitment and procurement and contracting.

The strategy set out a range of ambitious goals, based on what local people wanted:

- A large increase in the proportion of people with care and support needs are living well and independently in a housing with care and support home of their choice
- Significant reductions in wellbeing inequalities for excluded groups and communities
- Delivering economic development to the area and age-friendly communities

It also included a mix of agreed concrete measures (e.g., the number, type and quality of properties delivered, wellbeing surveys, indicators for age-friendly

communities, measures of local economic impact (e.g., Local Multiplier 3) to measure this improvement.

Having developed the vision, the Brookmore Housing for Older People partnership created a prospectus which called for investment in local housing developments. The national planning regulations had changed in 2022 requiring all new housing developments to be built to **HAPPI** design principles, tech-ready and reflective of the population needs of the local community. A range of investors were attracted having welcomed the commitment set out in the prospectus to freeing up brownfield sites (including NHS and council-owned) and the long-term vision providing them with a high degree of planning certainty and hence investable propositions.

To drive the delivery of improved outcomes for people who draw on support, Brookmore launched a new long-term commissioning plan which was co-designed with local people, focused on prevention, and connected up and invested in community assets. To support this new plan, new forms of contracting were developed including the expansion of Individual Service Funds (ISFs) which gave people more control over the care they received and alliance contacts, which brought a range of housing and care organisations together to provide greater scale, innovation and choice.

Finally, in 2022 Brookmore decided to become a digital pioneer, forging a close partnership with the local university's computing department, Academic Health Science Network, and local technology start-ups to develop a new health and social care digital strategy.

Where are we in 2031?

The groundwork laid in the last 10 years has fundamentally changed the nature of housing with care and support in Brookmore. By 2031, ISFs were used to fund the creation of 110 co-supported living houses for older people with disabilities and mental health conditions, each of which was co-designed by the older people themselves. David, a 66-year-old man with a learning disability, describes how his life was transformed when he moved into one of these new supported living houses in 2028, paid for through his ISF:



'For the last 41 years, I've been living in and out of a hospital and residential care, which was often not nice. One time I was living on a ward with 12 people and there wasn't much privacy. Now I live on my own within a small block of five flats where I can get support 24 hours a day if I want. The building also contains shared areas including a recreation room and a laundry, and a shared garden. The first floor has a sleep-in room for staff.'

'I definitely prefer this as my home. Everything is close by and I've settled in. I get on with the neighbours and have started making new friends. I have choice now – with meals, what I do and when and buy what I want. At the hospital everyone was in bed by 10pm. Now, if I can't sleep and want to chat to someone, I can go and see Paul in the living room.'

Brookmore has a sizeable population of older people who require high levels of personal care and access to 24-hour care, including people with later-stage dementia; traditionally served by care homes. Over time, the council has sought to change its commissioning strategy for residential care, decommissioning many of their lower performing and larger 'out of town' care homes and commissioning instead smaller homes and care homes which act as community hubs, with strong links to their local communities and volunteers. Now in 2031, Brookmore has a network of two 'community care homes', providing a combination of care and support (including nursing) not only for longer-term residents, but also for other people requiring short breaks, step-up and step-down care to prevent unnecessary hospital admission, and even information, training and other services for a local community, including a network of volunteers.

For some people, moving into new housing with care and support is not ideal and the model doesn't always provide a good 'fit'. In 2021, Brookmore already had a well-established Shared Lives scheme, but as part of its strategy it began to significantly expand the number of placements. Previously focused mainly on younger adults, the scheme was expanded to include older people, people with dementia and mental health conditions. In parallel, the council expanded its homeshare scheme which brings together people with spare rooms with people who are happy to chat and lend a hand around the house in return

for affordable, sociable accommodation. By 2031, Brookmore has the largest number of older people by population living in either Shared Lives or homeshare schemes.

In 2031, Brookmore has one of the most advanced assistive technology offers in England, winning several awards. Connecting users (including self-funders), carers and providers with the town's digital support centre to co-produce what's needed, people can now access a broad range of leading technology, tailored to their needs:

- Voice activated 'Alexa-style' devices which seek to maximise independence through adaptation of household items such as lights, curtains, heating, doors and TV controls and reminders about medicines and information about social clubs and peer networks
- Connected home devices which integrate artificial intelligence (AI) with technology in the home including smartphones, sensors and wearables to detect whether someone's health could be about to deteriorate, spot a potentially undiagnosed condition, or resolve an immediate social care need, alerting the care professional or family member when required
- Online and easily updatable care, housing and support plans and digital care records
- Virtual wellbeing and health care clinics providing remote consultations, diagnostics and tests, and online peer support groups

The analysis of population needs and conversations with older people showed that there was high demand for extra care housing (developments that comprise self-contained homes with design features and support services available to enable self-care and independent living); and this is another area where there has been significant investment. From the outset, the focus for any new development was ensuring that they were near to local communities rather than in out-of-town sites. Planners and designers were told - 'I want to be close to my friends, people of different ages, and to shops, parks and amenities - not stuck away somewhere!' By 2031, 412 new extra care developments have been built, catering for a mix of people in terms of care needs, differing lifestyles, economic status, age and ethnicity.



One such development is called **Town Square Court...**

Located as 'town within the town' Old Farm is in the north of Brookmore, with a vibrant community centre. Town Square Court is an intergenerational development for older and younger adults and includes 38 self-contained flats, 38 one-bed and six two-bed units, with 24-hour care and support available onsite. There is also one guest suite, so that tenants' family and friends can stay when visiting. In addition, there is a large ground floor with indoor and outdoor space for tenants to enjoy, including a communal space which can also be used by local people for shared meaningful activities.

The Court is managed by a self-managing team which were recruited based on their values, rather than just their education or previous experience, and they will be supported and coached by the Wellbeing Leader to work together effectively. Wellbeing Workers work together with residents of the Court to plan their support and build on their strengths and what matters to them, so that each person can live their best possible life in their new home and within the community.

The strategy Brookmore initiated in 2021 also had a strong focus on ensuring that the town's diverse community's needs were fully reflected in the development of housing with care and support. To this end, several dedicated working groups were established to work with communities to understand and identify their unique preferences, experiences and needs. In 2031, Brookmore has a broad range of housing with care and support houses for people with different needs and backgrounds.



One such development is called the **Women's Housing Collective...**

It is a sheltered mutually owned co-housing property for 30 women aged from 51 to 87. The group first came together to be friendly, mutually supportive neighbours and decided that as they got older they would like to find a way to live together. The development comprises 20 two or three bed flats which are clustered around a walled garden and all have their own patio or balcony. There is a communal meeting room with kitchen and dining areas and residents share a laundry, allotment and guest room.



Another development is **Accent House**...

A community-led not-for-profit housing association for LGBTQ+ people over 55. It is focused on creating vibrant and inclusive urban LGBTQ+ affirming retirement communities where people can share common experiences, find mutual support and enjoy their later life in Brookmore. The properties are a mix of one- and two-bedroom shared ownership homes with access to communal rooms, a wellbeing clinic and 24-hour on-site social care.

People consulted during the shaping of the strategy in 2021 told the partnership that there was a lack of information, advice and advocacy to help them decide on the best housing choices. In response, Brookmore has set up several housing and care information hubs, based in local community buildings which have advice workers who help people understand what housing is available, explore people's finances and the costs of different options and how to plan for moving home. Each hub has a network of trained housing volunteers who can provide more in-depth advocacy, advice and help with paperwork.

Like most towns in England, Brookmore has faced significant problems in finding and keeping care staff. Recognising the workforce challenges in 2023, the integrated care system and council agreed to develop a single health and social care workforce plan. This committed all providers to a living wage for care workers, created a successful cross-sector leadership programme which included leaders in housing with care and support settings, access to lower-cost housing, and clear career progression pathways. In many extra care settings, self-managing teams have been established – small groups of employees who take full responsibility for delivering a service through peer collaboration without a manager's guidance – which has increased retention and job satisfaction in many sites.

What difference has it made?

Brookmore's coordinated and sustained investment in better housing for older people has transformed the local area. In relation to all national measures, Brookmore now outperforms its neighbours and those in far more prosperous parts of the country; Brookmore has gained the internationally recognised status of being an age-friendly community. The area can now report having:

- lower waiting times for older people to be housed in a property of their choice
- reduced rates of referrals from residential care into hospitals
- high levels of public satisfaction with social care and housing
- reduced falls amongst people over 65
- reduced vacancies for social care workers
- 96% of CQC-registered domiciliary providers working with housing with care operators rated Good or Outstanding
- 85,000 bedrooms released to the market for all generations as some older people chose to downsize into housing with care and support.



A roadmap for providing older people with housing and care in the future

Summary

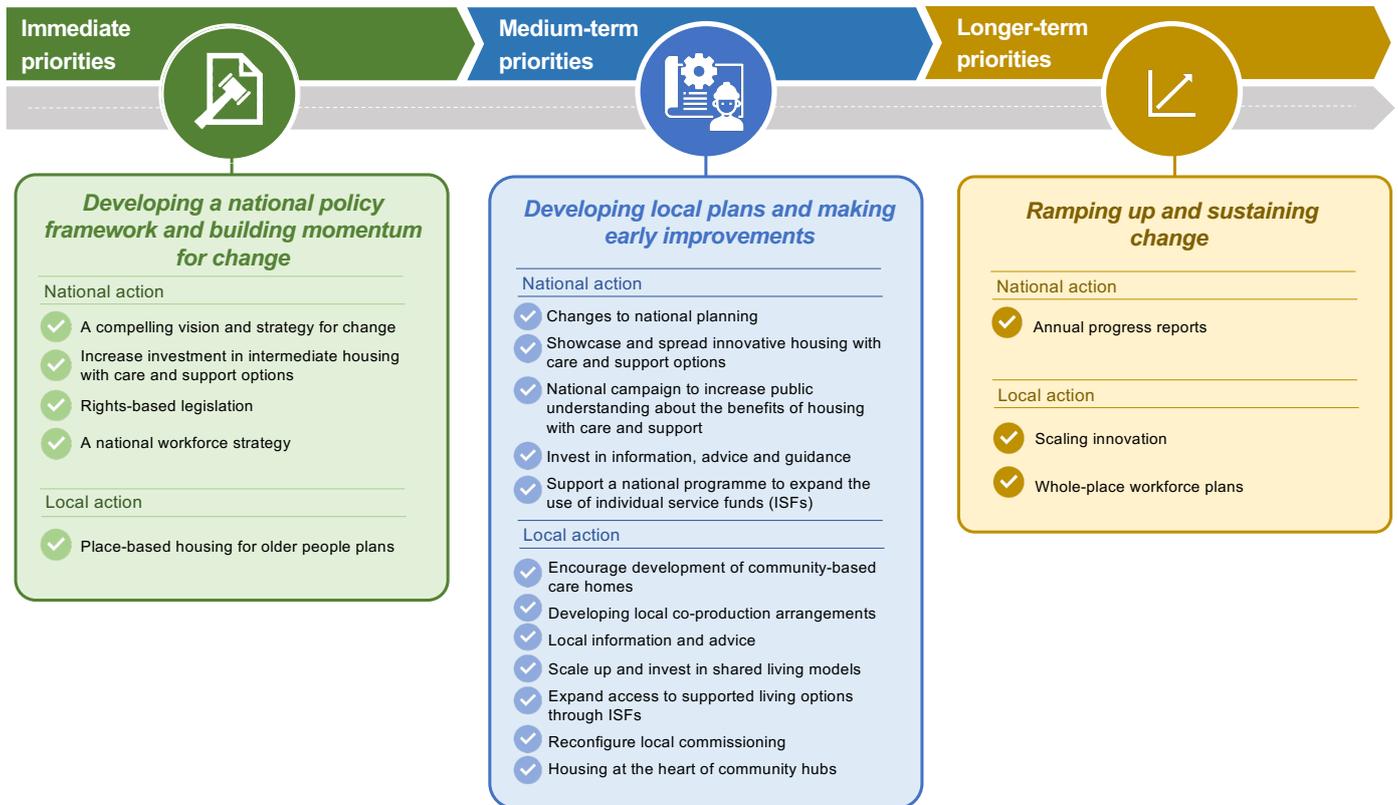
- The Government needs to develop a vision and long-term national strategy for housing with care and support for older people. This should be co-produced with people who draw on support and their carers/families.
 - The Government should invest significantly in housing with care and support and establish a new Housing Futures Fund to invest in coordinated action in local areas.
 - To deliver on this vision, we need concerted action. We set out immediate, medium- and longer-term priorities over the next 10 years.
 - The Government should report annually on progress.
-

To realise the vision described earlier, concerted and coordinated action at national and locally is required, we envisage over a period of at least 10 years.

Whilst a 'Big Bang' change may be welcome – and certainly some of the action required is urgent – we believe a phased, incremental approach will be needed, building on some of the examples of best practice we have identified.

It is difficult to put exact timings on what needs to happen, so we have separated the actions which need to be taken forward into immediate, medium- and longer-term priorities.

Figure 8: The roadmap



Immediate priorities



National action

A compelling vision and strategy for change

The Government needs to create a vision and at least a 10-year strategy for housing with care and support. This should:

- be co-produced with older people, their carers and families
- adopt the Social Care Future vision as driving statement of intent
- include a clear and more widely agreed definition of housing with care and support
- build a more preventative approach to care and support to help people live independent and fulfilling lives for as long as possible
- demonstrate how it will tackle injustice and long-standing inequalities in access to housing with care and support
- include a strategy for promoting the right conditions for investment from the private and voluntary sector across the country
- create a sense of ownership, responsibility and accountability for all partners involved in delivering this vision.

Increase investment in intermediate housing with care and support options

To level up communities and tackle the growing gap in housing with care and support, the Commission calls for a substantial increase in investment in housing with care, especially in extra care and other forms of housing for people with intermediate needs. A Housing Future Fund should be created, which will:

- combine local authorities' housing and care budgets, together with a contribution from the NHS and from central government
- be made available to local authorities who have a clear plan for housing with care and support (as highlighted in the 'local action' section below), that is joined up and outcomes focused and meets a set of nationally agreed measures
- make allowances to be used to support private and public partnerships so that it can be used to leverage further commercial investment.

Rights-based legislation

The Commission calls for rights-based legislation, which builds on the Care Act, which creates legally enforceable standards for housing with care and support which each person can expect from any housing with care and support provided.

Changes to national planning and design codes

The national planning framework should be revised so that it clearly defines housing with care options within the planning system and sets targets for the delivery of more choice and diversity of housing with care and support, particularly for those with 'intermediate' needs.

Strengthen the guidance notes for local authorities on the access requirements contained in the National Model Design Code by making reference to older people and also including specific reference to the **HAPPI** principles.

A national workforce strategy

- The Commission calls on the Government to develop a national workforce strategy for the adult social care workforce, including the growing number of people working in housing with care and support settings. The development of this should be led by Skills for Care, in collaboration with sector partners and people who draw on care and support.

Local action

Place-based housing for older people plans

Local areas should be obliged through new legislation to produce a single place-based plan for housing with care and support for older people which is shaped by the local authority, the NHS, local planning authorities, other local

partners, and people who draw on care and support. Where responsibilities for housing are split between county councils and district councils in two-tier local authority arrangements, rare two-tier local authorities (county councils and district councils, local authorities should be encouraged to work more closely together). Each plan should include a:

- vision and action plan to support improved health, care, wellbeing and the local economy through investment in housing with care and support for older people
- robust analysis of current supply and future needs
- comprehensive evidence base on the economic and social benefits of developing additional housing with care and support
- targets for how housing demand will be met
- strategy for tackling inequalities in access
- prospectus for investors and developers (see Central Bedfordshire example)

Medium-term priorities



National action

Showcase and spread innovative housing with care and support options

The Government should consider establishing a targeted innovation fund enabling councils and their partners to make a rapid shift towards prevention and person-centred care through more innovative forms of housing with care and support.

National campaign to increase awareness of the benefits of housing with care and support

The Government should organise a national promotional campaign on the health, wellbeing and aspirational aspects of the different types of housing with care and support, along with information about tenure options and costs involved for different options.

Invest in information, advice and guidance

The Commission calls for the Government to make a housing information and advice fund available for local authorities to fund the development of more holistic advice services.

Support a national programme to test the feasibility and expand the use of Individual Service Funds

Think Local Act Personal (TLAP) should be funded to run a national programme to test the feasibility and support the expansion of Individual Service Funds (ISFs) in supporting the development of supported housing and other forms of housing with care and support.

Local action

Encourage development of community care homes

There should be increased investment in community care homes which are an active and visible part of one's community, such as those which are co-located with community services.

Develop local co-production arrangements

Local areas develop comprehensive arrangements for co-producing plans for housing with care and support with local people.

Local information and advice

Local areas should develop local information, advice and advocacy hubs for housing with care and support which enables people to plan for the future, understand housing options, and understand the finances involved.

Scale up and invest in shared living and co-housing models

Local authorities, working with other statutory partners including the NHS, should invest in and set ambitious targets for scaling up shared living models of housing with care and support such as Shared Lives, homeshare, co-housing, community care homes, and innovative models of extra care.

Expand access to supported living options through ISFs

Local commissions should dramatically increase the level of investment in ISFs to commission supported living for older people.

Reconfigure local commissioning

Where possible, longer-term contracts – up to 10 years – should be introduced to encourage providers to invest in innovative models of housing with care and support. Including supported living and Shared Lives.

Housing at the heart of community hubs

Local authorities and their partners should develop housing-based community hubs which connect different types of housing with care and support to a broad range of community services based on a single site such as community rooms, gyms, bistros and shops, and volunteering opportunities.

Longer-term priorities



National action

Annual progress reports

To ensure transparency and confidence in the national strategy, the Government should produce an annual 'State of the Nation' report setting out what progress has been made on delivering on the strategy.

Local action

Scaling innovation

The Commission calls on local authorities, in partnership with other partners such as the NHS, to develop plans which set out how they will support the growth of small-scale, but promising, models of housing with care and support

As local authorities, the NHS and other statutory bodies reduce their office footprint – this land should be made available for housing with care and support developments

Local planning authorities should explore ways to redesignate land currently occupied by unused offices and retail outlets for use by housing with care and support.

Whole-place workforce plans

Local place-based integrated health and care partnerships should develop whole-place workforce plans which create more equitable and transparent career pathways across health, social care and housing, making it easier for people to 'passport' into different jobs.



Conclusions

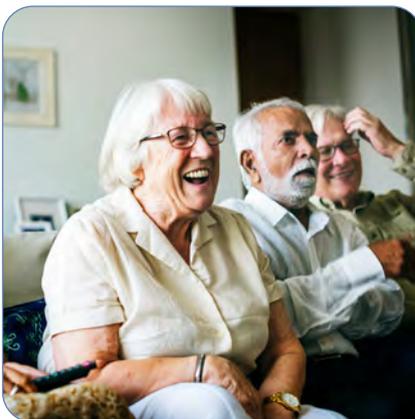
This Commission has looked in considerable detail at the landscape of housing with care and support, where we are now, and where we need to go in the future. In one way or another, over 2,000 people have contributed to the Commission's thinking, giving us a strong sense of what is not working and what needs to work better.

Looking at all this information, the Commission has been able to conclude that we need to urgently address the problems associated with housing with care and support. Despite several reviews of housing with care and support and social care more generally, little progress has been made in implementing meaningful reform. Importantly, we have found that the voices of older people and their carers are seldom heard or listened to in developing plans for housing or social care, but where they have been, they make a significant positive impact.

The task for reform to housing with care and support, is now more urgent. This is due to the publication of the Funding Settlement on Social Care in September, which gave very little detail on how a reformed vision for care and support would be delivered, with a White Paper now promised.

However, we hope that the Government finds the proposed reforms set in this report to be helpful in shaping the planned Social Care White Paper and the Integration White Paper.

This Commission believes we can unite around a compelling vision for housing with care and support, which builds on the vision developed by Social Care Future:



'We all want to live in the place we call home with the people and things that we love, in communities where we look out for one another, doing the things that matter to us.'

This means that in the future if people are to move into housing with care and support, a good choice of options must be available locally so they are not simply 'placed' in one-size-fits-all care.

To realise a brighter future, we need to overcome a complex range of challenges:

- The current national policy, funding, regulatory and planning frameworks for housing with care and support are complex and fragmented.
- The supply of many forms of housing with care and support is not keeping up with demand, with the gap in supply of extra care housing particularly acute.
- There are significant regional disparities in supply, and in many areas there is lack of choice in housing options.
- There is a lack of supply for people of all economic backgrounds, including those who are eligible for social care and who are seeking 'middle market' options for purchase or rent.
- The demographic and funding pressures on the system mean that this supply gap will worsen.
- COVID-19 has contributed to rising unmet need and growing market fragility.
- Whilst the availability of new technologies continues to rise, there is a reluctance in parts of the sector to use them in social care, sometimes due to a lack of understanding about how these technologies work.
- The range of regulation, both in terms of CQC and planning for new-builds, both hinders new developments and/or repurposing of buildings and also presents a major hurdle for consumer rights and informed decision-making.
- There is a low level of public understanding of housing with care and support and people struggle to navigate the system.
- Advances in technology, new ways of working and collaboration between sectors occurring as a result of COVID-19 need to be 'locked in'.

Key recommendations

National Government

- To appoint a task force to help create a national long-term vision and strategy for housing with care and support for older people, co-produced with people with lived experience, with the aim of greatly increasing availability, quality and choice of housing with care and support options. This strategy should include targets for dramatically increasing the supply of housing with care and support across the country, with a priority being on 'levelling' up supply in areas where there is less availability of different options and choice.
- Create a new Housing Future Fund which obliges local partners including the NHS and local authorities to pool statutory funding and work together develop a single plan for housing for older people.

- Introduce rights-based legislation, building on the Care Act, which creates legally enforceable standards for housing with care and support which each person can expect from any housing with care and support provided.
- Increase capital expenditure in housing with care, focused as a priority on rapidly growing the supply of housing with care and support for those with 'intermediate' and lower needs, such as extra care and supported living.
- Publish a national workforce strategy for social care, which includes six priorities, as previously called for by the **national social care leaders**
- Introduce clear definitions of housing with care type housing options – such as extra care and retirement villages – into national planning frameworks. Improve planning guidance so there is clarity on the application of planning-use classes, site allocation, and assessment of local needs and demands.
- Reinstate national investment in local information, advice and advocacy services for older people seeking housing with care and support options.

Local authorities and local partners (e.g. NHS, housing associations, voluntary and community sector and people who draw on care)

- Form local partnerships to produce a single plan for improving housing for older people within a local place, co-produced with people who draw on support. These plans should be developed jointly with the NHS, with budgets pooled to leverage larger investments into new developments, and their requirements should be explicit based on a thorough analysis of needs. The plans should include a long term strategy for shifting investment into innovative, preventative models of housing with care and support.
- Establish and resource local co-production forums made up of, and speaking for, older people from all kinds of backgrounds, to influence planning, commissioning and design of housing.
- Expand the use of Individual Service Funds, a form of personal budget for people who draw on support, to help many more people to access innovative forms of supported living.
- Develop local information, advice and advocacy hubs to give older people better access to information on housing with care and support.

Developers and providers

- Provide a diverse range of different housing options for older people, broadening choice. Developers should ensure that all new developments adopt the 10 HAPPI design principles which provide guidelines for the production of high-quality housing with care and support.



Appendix 1: Governance

Co-Production Collective

This group is an active part of the delivery team at SCIE and is co-chaired by Dr Ossie Stuart and Ewan King. The group includes people with lived experience of different aspects of social care, including living in residential care and as family members. This group has met six times.

- Trevor Salomon
- Sally Percival
- Jo Barnicoat
- Anne Pridmore
- Kevin Minier
- John Evans

Stakeholder Reference Group

This group is chaired by Kathryn Smith, CEO, SCIE, and Susan Kay, CEO, Dunhill Medical Trust. The full SRG has met twice and individual and small group consultation continues in relation to specific topics.

- Sue Adams OBE, Chief Executive, Care and Repair England
- Anita Astle MBE, Managing Director, Wren Hall Nursing Home
- Laura Bennett, Head of Policy and Public Affair, Carers Trust
- Simon Bottery, Senior Fellow, The King's Fund
- Sophie Chester-Glyn, CoProduce Care
- Roger Davidson, Director, NHS England and Improvement
- Anna Davies, Policy and Research Manager, Independent Age
- Aisling Duffy, Chief Executive, Certitude
- Beatrice Fraenkel, Mersey Care
- Professor Claire Goodman, University of Hertfordshire
- Chris Hampson, Look Ahead
- Patricia Higgins, Interim Chief Executive, Northern Ireland Social Care Council
- Rachel Hill, CEO, Whiteley Homes Trust

- Nigel Hopkins, Senior Associate, Standards Wise International
- David James, Head of ASC Policy, Care Quality Commission
- Ann Marie Lubanski, Director of Adult Services and Housing, Rotherham Council
- Anna McEwen, Executive Director, Shared Lives Plus
- Dr Tanya Moore, Principal Social Worker, Hertfordshire County Council
- Sue Morgan, Chief Executive, Design Council
- Dr Katharine Orellana, Research Associate, Kings College London
- Anne Pridmore, Co-production Collective
- Nick Philips, CEO, Almshouse Association
- Kathy Roberts, Chief Executive, Association of Mental Health Providers
- Anna Severwright, Co-chair, Coalition for Collaborative Care
- Alyson Scurfield, Chief Executive, TEC Services Association
- Kate Terroni, Chief Inspector, Adult Social Care, Care Quality Commission
- Jim Thomas, Head of Quality, Skills for Care
- Ian Turner, Executive Chairman, Registered Nursing Home Association
- John Verge, CEO, Golden Lane Housing

Secretariat

SCIE acts as the secretariat for the Commission, led by Ewan King (Project Director), Kathryn Smith (Project Director) and Dr Rebekah Luff (Project Manager).

The Secretariat, Co-Chairs and funding body form a Management Team who met monthly to respond to the Panel and steer the Commission.

Expert Challenge Group

The Expert Challenge Group was set up specifically for the cost-benefit analysis. It was co-chaired by Sir David Pearson CBE and Ewan King. The ECG members were:

- Iain Baines, Director Adult Services and Wellbeing, Calderdale Council
- Nicholas Bungay, Director of Strategy & External Affairs, Habinteg
- Jo Chilton, Programme Director, Greater Manchester Health & Social Care Partnership

- Aileen Evans, Chief Executive, Grand Union Housing
- Dr José-Luis Fernández, Director Care Policy and Evaluation Centre, LSE
- Alex Fox OBE, Chief Executive, Shared Lives Plus
- Sam Monaghan, Chief Executive, MHA Housing
- Ian Copeman, Housing LIN

Appendix 2: Methodology

Survey

An online YouGov survey of a nationally representative sample of the English public aged 18+, with a boost of people aged 55+ was undertaken.

The survey asked about people's awareness and perceptions of five different housing with care and support types: care homes, extra care, shared lives, supported living and retirement villages.

The survey included a number of open-ended questions which were analysed and themed.

1,543 respondents completed the survey. Of these, 1,026 respondents were in the nationally representative sample and 517 respondents in the 55+ boost. The overall sample includes 167 people aged 75+. Data has been weighted by age and gender (interlocked), region, social grade, and ethnicity.

Fieldwork was conducted between 1 and 8 December 2020.

You can view the [methodology and results](#) from this survey.

Mapping exercise

In the first phase of the Commission, it became clear that definitions of housing with care and support types were contentious and inconsistent and that even within the sector, much was not known about the variation between the different types.

A mapping exercise of the sector was undertaken to support policy-makers, professionals and the public to better define and understand current models of housing with care and support and to create shared definitions that make more sense to more people. The exercise included the following types of accommodation and key information for each.

This mapping exercise was used to support the design of the cost-benefit tool, and to sense-check aspects of the sector with stakeholders. You can view key information about the sector in [Models of housing with care and support](#).

Cost-benefit tool

A cost-benefit tool was designed to enable local authority commissioners to explore the financial costs and benefits of developing four types of housing which facilitate care and support: extra care, residential care, Shared Lives and sheltered housing. The tool was developed jointly by SCIE and [Private Public Limited](#). The tool was developed through a mixed-method research approach which involved:

- An extensive review of relevant data and literature
- Interviews with 20 policy-makers, local authority commissioners and representatives of provider organisations
- Engagement on two occasions with an Expert Challenge Group. The group consisted of experts in economic modelling, commissioning and development, and provision of housing with care and support (see Appendix 1 for list of experts).
- Testing of the draft economic tool with 10 local authority commissioners and providers

You can view the [tool, user guide and report](#).

Directory of Promising Practice and case studies

Examples of promising practice in the planning, design, building and provision of different forms of housing with care and support were identified across the sector by:

- Panel of Commissioners, Stakeholder Reference Group and Co-Production Collective.
- Other recommended key stakeholders, who informed the Commission
- A search of industry awards and others forms of recognition

A total of 50 UK and international examples were collated and coded by the type of housing, location, and the areas of excellence. Of these, 42 have been used to create our Directory of Promising Practice and eight have been developed as full case studies in this report. The roadmap draws on this work, and you can view the [Directory of Promising Practice](#).

Appreciative Inquiry

Appreciative Inquiry (AI) pays attention to the best in us, not the worst; to our strengths, not our weaknesses; to possibility thinking, not problem solving. It asks questions like: What is working well? How would you like things to be? How can we work together to make it happen? What can we do together to make it happen more of the time?

Four online workshops were held, with some additional one-to-one interviews. Three of the workshops were with people with lived experience and carers of people with lived experience and the other with providers, including managers and other senior staff. In total, 15 people with lived experience and carers of people with lived experience and eight providers took part in the Appreciative Inquiry.

The AI focused on three key areas:

1) Information, advice and advocacy needed to help navigate the housing with care and support system. 2) Co-production in care planning and service development 3) What do we know about 1 and 2 more specifically in relation to the Black, Asian and minority ethnic (BAME) and LGBTQ+ older populations.

Scoping review of the literature

A number of review activities have been undertaken during the course of the Commission:

- Review of the policy documents, reports and sector changes since the 2014 Commission on Residential Care (CORC) in order to understand which recommendations have or have not been taken forward and any barriers that could be identified
- Review of the COVID-19 related reports within the sector, including the financial impact
- A review of literature in relation to housing with care and support in the past four years
- Specific literature searches and reviews in relation to housing with care and support for the BAME and LGBTQ+ older populations
- Ongoing review of recommended literature identified as important by the Panel of Commissioners, Stakeholder Reference Group and Co-Production Collective

References

Association of Directors of Adult Social Services (ADASS, 2020a) *ADASS Budget Survey 2020: Impact of Covid-19 on budgets*, June 2020. www.adass.org.uk/adass-budget-survey-2020-coronavirus-budgets

Association of Directors of Adult Social Services (ADASS, 2020b) *Adult Social Care – Shaping A Better Future: Nine statements to help shape social care reform*, July 2020. www.adass.org.uk/media/8036/adult-social-care-shaping-a-better-future-nine-statements-220720.pdf

Association of Directors of Adult Social Services (ADASS, 2021) *Adult social care spring survey 2021*. www.adass.org.uk/adass-spring-survey-21

ADASS and TSA (2021) *How can technology be truly integrated into adult social care?* www.tsa-voice.org.uk/adass-tsa-comm

Age UK (2019) *Retirement housing*. Available at: www.ageuk.org.uk/globalassets/age-uk/documents/policy-positions/housing-and-homes/ppp_retirement_housing_england.pdf

Associated Retirement Community Operators (ARCO, 2020) *The Housing-with-Care Task Force*. www.arcouk.org/sites/default/files/Housing%20with%20Care%20Task%20Force%20Overview.pdf

Associated Retirement Community Operators (ARCO, 2021) *The Housing with Care Grey Paper*. www.arcouk.org/sites/default/files/ARCO_Housing%20with%20Care%20Grey%20Paper%202021.pdf

British Property Federation (2020) *Housing and Care for Older People, Defining the Sector*. <https://bpf.org.uk/our-work/research-and-briefings/housing-and-care-for-older-people-defining-the-sector/>

Care Quality Commission (2020) *State of Care 2019/2020*. www.cqc.org.uk/publications/major-report/state-care

Care Quality Commission (2019) *The state of health care and adult social care in England, 2018/19*. www.cqc.org.uk/sites/default/files/20191015b_stateofcare1819_fullreport.pdf

Care Quality Commission (2021) *Enabling innovation and adoption in health and social care – Developing a shared view*. www.cqc.org.uk/publications/themed-work/enabling-innovation-adoption-health-social-care-developing-shared-view

Centre for Ageing Better (2020) *State of Ageing, 2020*. www.ageing-better.org.uk/context-state-ageing-2020

Centre for Ageing Better (2021) *The Good Home Enquiry*. www.ageing-better.org.uk/good-home-inquiry

- Demos (2014) "A vision for care fit for the twenty-first century...": *The Commission on Residential Care*. www.demos.co.uk/files/Demos_CORC_report.pdf?1409673172
- Frontier Economics (2010) *Financial benefits of investment in specialist housing for vulnerable and older people*. www.housinglin.org.uk/_assets/Resources/Housing/Support_materials/Other_reports_and_guidance/Financial_benefits_of_investment_in_specialist_housing_FINAL.pdf
- Health Foundation (2018), *A fork in the road: Next steps for social care funding reform. The costs of social care funding options, public attitudes to them – and the implications for policy reform*, May 2018. www.health.org.uk/publications/a-fork-in-the-road-next-steps-for-social-care-funding-reform
- Health Foundation (2020) *Adult social care and COVID-19: Assessing the policy response in England so far*. www.health.org.uk/publications/reports/adult-social-care-and-covid-19-assessing-the-policy-response-in-england
- Health Foundation (2020) *Spending Review 2020 – Priorities for the NHS, social care and the nation's health*. www.health.org.uk/publications/long-reads/spending-review-2020
- House of Commons Library (2021) *Coronavirus – Adult social care key issues and sources*. <https://commonslibrary.parliament.uk/research-briefings/cbp-9019>
- Housing LIN Strategic Housing for Older People (SHOP) website: www.housinglin.org.uk/Topics/browse/HousingExtraCare/ExtraCareStrategy/SHOP/SHOP_Practice
- Housing LIN and Keepmoat Regeneration (2017) *Demonstrating the Health and Social Cost-Benefits of Lifestyle Housing for Older People*. www.housinglin.org.uk/_assets/Resources/Housing/Support_materials/Reports/HLIN_Keepmoat_Report_FINAL.pdf
- Housing LIN and Southampton City Council (2019) *Identifying the health care system benefits of housing with care*. www.housinglin.org.uk/_assets/Resources/Housing/Support_materials/Reports/HLIN_SouthamptonCC_HwC-Health-Care-System-Benefits_Report.pdf
- Housing LIN and Associated Retirement Community Operators (ARCO, 2020) *Planning for Retirement. How Retirement Communities can help meet the needs of our ageing population*. www.housinglin.org.uk/Topics/type/Planning-for-Retirement-How-retirement-communities-can-help-meet-the-needs-of-an-ageing-population
- Housing LIN and St Monica's Trust (2021) *Retirement Village and Extra Care Housing in England: Operators' Experience during the COVID-19 Pandemic. RE-COV Study*. <https://dunhillmedical.org.uk/news/the-retirement-village-and-extra-care-housing-in-england-operators-experience-during-the-covid-19-pandemic>

Hylton et al. (2001) *A study of the housing, care and support needs of African Caribbean older people living in Chapeltown, Leeds. A report by MHA Care Group in partnership with the Leeds black Elders Association and the Mary Seacole Nurses Association.* <https://lemosandcrane.co.uk/resources/MHA%20Care%20Group%20-%20A%20study%20of%20the%20housing%20care%20and%20support%20needs%20of%20African%20Caribbeans.pdf>

International Longevity Centre (2021) *What we want – Future-proofing retirement housing in England.* <https://ilcuk.org.uk/what-we-want-future-proofing-retirement-housing-in-england>

Just Group (2020) *Care Report 2020.* www.justgroupplc.co.uk/~media/Files/J/JRMS-IR/news-doc/2020/just-care-report-final.pdf

Knight Frank (2020) *2020 UK Care Homes Trading Performance Review.* www.knightfrank.com/research/report-library/care-homes-trading-performance-review-2020-7621.aspx

Lancet (2017) *Is late-life dependency increasing or not? A comparison of the Cognitive Function and Ageing Studies.* [www.thelancet.com/journals/lancet/article/PIIS0140-6736\(17\)31575-1/fulltext](http://www.thelancet.com/journals/lancet/article/PIIS0140-6736(17)31575-1/fulltext)

Mayhew, Rickayzen and Smith (2017) *Does living in a retirement village extend life expectancy? The case of Whiteley Village.* Cass Business School, Faculty of Actuarial Science and Insurance, City, University of London. <https://ilcuk.org.uk/wp-content/uploads/2018/10/ILC-UK-Does-Living-in-a-Retirement-Village-Extend-Life-Expectancy-Web-version.pdf>

Mencap (2018) *Funding supported housing for all: Specialised Supported Housing for people with a learning disability.* www.mencap.org.uk/sites/default/files/2018-04/2018.052%20Housing%20report_FINAL_WEB.pdf

ONS (2018) *National Population Projections 2018-based.* www.ons.gov.uk/peoplepopulationandcommunity/populationandmigration/populationprojections/bulletins/nationalpopulationprojections/2018based

ONS (2021) *Deaths involving COVID-19 in the care sector, England and Wales: deaths registered between week ending 20 March 2020 and week ending 2 April 2021.* www.ons.gov.uk/peoplepopulationandcommunity/birthsdeathsandmarriages/deaths/articles/deathsinvolvingcovid19inthecaresectorenglandandwales/deathsregisteredbetweenweekending20march2020andweekending2april2021

National Audit Office (2021) *The adult social care market in England.* www.nao.org.uk/wp-content/uploads/2021/03/The-adult-social-care-market-in-England.pdf

Public Health England (2020a) *Beyond the Data: Understanding the Impact of COVID-19 on BAME Communities*. https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/892376/COVID_stakeholder_engagement_synthesis_beyond_the_data.pdf

Public Health England (2020b) *COVID-19 deaths of people identified as having learning disabilities: summary*. www.gov.uk/government/publications/covid-19-deaths-of-people-with-learning-disabilities/covid-19-deaths-of-people-identified-as-having-learning-disabilities-summary

Shared Lives Plus (2020) *Shared Lives in England, Annual Report 2019-20*. <https://sharedlivesplus.org.uk/2021/06/01/shared-lives-in-england-2019-2020>

Stirling and Burgess (2021) *Understanding supply, demand and investment in the market for retirement housing communities in England*. Cambridge Centre for Housing and Planning Research. www.cchpr.landecon.cam.ac.uk/files/retirement_housing_pfp_final_0421.pdf

Rhynas et al. (2018) New care home admission following hospitalisation: How do older people, families and professionals make decisions about discharge destination? A case study narrative analysis. *International Journal of Older People Nursing*, 13(3), e12192. <https://doi.org/10.1111/opn.12192>

SCIE (2020) *Priorities for the Comprehensive Spending Review*. www.scie.org.uk/news/mediareleases/comprehensive-spending-review

SCIE (2020) *Beyond COVID: New thinking on the future of adult social care*. www.scie.org.uk/care-providers/coronavirus-covid-19/beyond/adult-social-care

Price Waterhouse Coopers (2018) *Who Cares, Building the Care Workforce for the Future*. www.pwc.co.uk/industries/healthcare/insights/care-workforce-of-the-future.html

Richards M (2006) Uncertain age: The African-Caribbean community has always cared for older relatives, but that tradition is now under threat. *The Guardian* newspaper (Wed 23 Aug 2006) www.theguardian.com/society/2006/aug/23/longtermcare.guardiansocietysupplement

RSA and Accenture (2020) *Reimagining the future of health and social care – How to learn the lessons from the Covid-19 crisis for a next generation health and care system*. www.thersa.org/reports/future-health-social-care

Shakespeare Martineau (2021) *Retirement Housing White Paper*. www.shma.co.uk/our-thoughts/retirement-housing-from-last-resort-to-aspirational-living

Sunmonu Y (2016) 'Should I Put My Elderly Relative In A Care Home?'. *Voice Newspaper* (Tue 01 Jan 2016) <https://archive.voice-online.co.uk/article/should-i-put-my-elderly-relative-care-home>

The King's Fund (2020) *Social Care 360*. www.kingsfund.org.uk/sites/default/files/2020-05/Social%20care%20360%202020%20PDF_0.pdf

The King's Fund (2021) *Social Care 360*. www.kingsfund.org.uk/publications/social-care-360

The King's Fund (2020) *How Covid-19 has magnified some of social care's key problems*. www.kingsfund.org.uk/publications/covid-19-magnified-social-care-problems

Think Local Act Personal (2021) *Direct Payments: Working or Not Working*. www.thinklocalactpersonal.org.uk/Latest/Direct-Payments-working-or-not-working

Tonic, Stonewall Housing and Opening Doors London (2020) *Building Safe Choices 2020*. www.tonichousing.org.uk/bsc-2020-report





social care
institute for excellence



Remarkable
research for
healthy ageing
THE DUNHILL MEDICAL TRUST

About the Social Care Institute for Excellence

The Social Care Institute for Excellence improves the lives of people of all ages by co-producing, sharing, and supporting the use of the best available knowledge and evidence about what works in practice. We are a leading improvement support agency and an independent charity working with organisations that support adults, families and children across the UK. We also work closely with related services such as health care and housing.

We improve the quality of care and support services for adults and children by:

- identifying and sharing knowledge about what works and what's new
- supporting people who plan, commission, deliver and use services to put that knowledge into practice
- informing, influencing and inspiring the direction of future practice and policy.

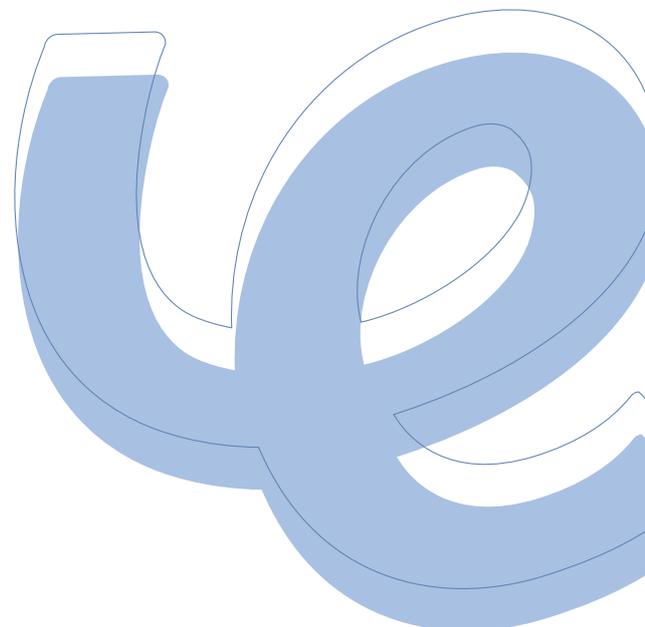
www.scie.org.uk

About the Dunhill Medical Trust

The Dunhill Medical Trust funds remarkable science and the radical social change needed for healthier older age. It supports researchers and communities, systems and services, fundamental science and applied design. It is committed to applying its resources to inspiring and enabling academic researchers (from across the disciplinary range) and health and social care professionals to apply their knowledge and skills to:

- improving the quality of life, functional capacity and well-being for older people now, or
- creating the context for change in the future: preventing, delaying or reducing future health and social care requirements.

www.dunhillmedical.org.uk



Housing Report for North East Lincolnshire

Number of properties

Valuation Office Agency (2021)

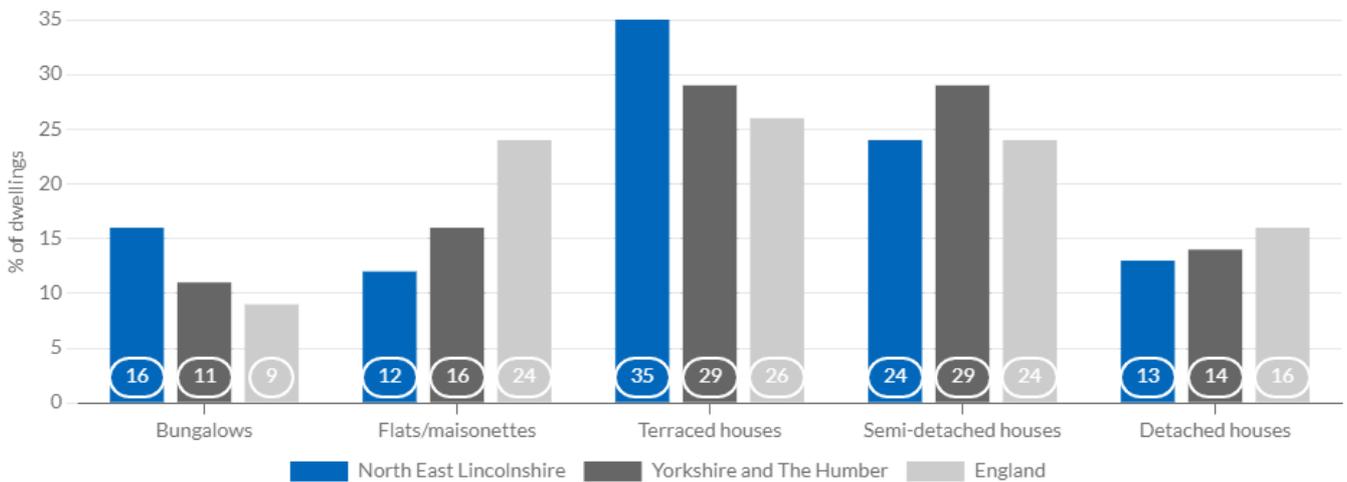
73,920

Information on housing and households allows us to identify areas where people may be at risk of social exclusion, due to the type and condition of their housing or their household structure. This report displays data on the type and tenure of dwellings as well as the condition of housing in North East Lincolnshire.

Dwelling Counts

Dwelling counts are calculated from domestic property data for England and Wales extracted from the Valuation Office Agency's administrative database on 31st March each year. Data on property types have been used to form the following property categories of bungalows, flats/maisonettes, terraced houses, semi-detached houses and detached houses.

Dwelling counts by type (2021)



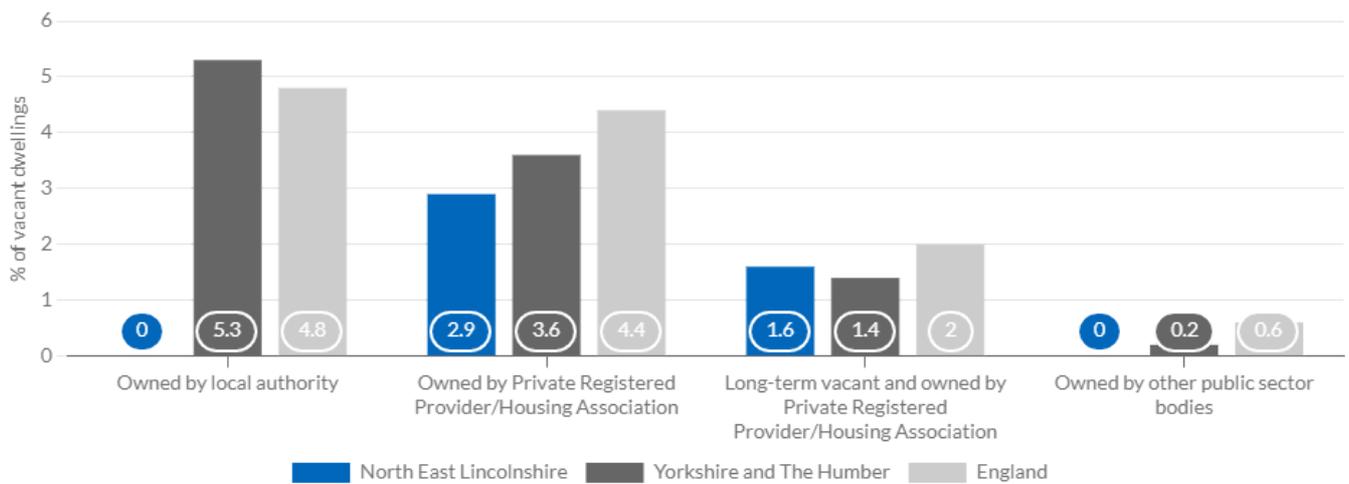
Source: Valuation Office Agency

	North East Lincolnshire Yorkshire and The Humber		England
Number of bungalows	11,650	268,050	2,295,390
Number of bungalows as a % of total properties	16	11	9
Number of flats/maisonettes	8,750	386,410	5,888,410
Number of flats/maisonettes as a % of total properties	12	16	24
Number of terraced houses	25,590	713,790	6,502,770
Number of terraced houses as a % of total properties	35	29	26
Number of semi-detached houses	18,060	721,720	5,900,720
Number of semi-detached houses as a % of total properties	24	29	24
Number of detached houses	9,410	353,140	3,934,150
Number of detached houses as a % of total properties	13	14	16

Date: 2021 Source: Valuation Office Agency

Vacant dwellings are defined as empty properties as classified for council tax purposes and include all empty properties liable for council tax and properties that are empty but receive a council tax exemption.

Vacant dwelling counts by type (2021)

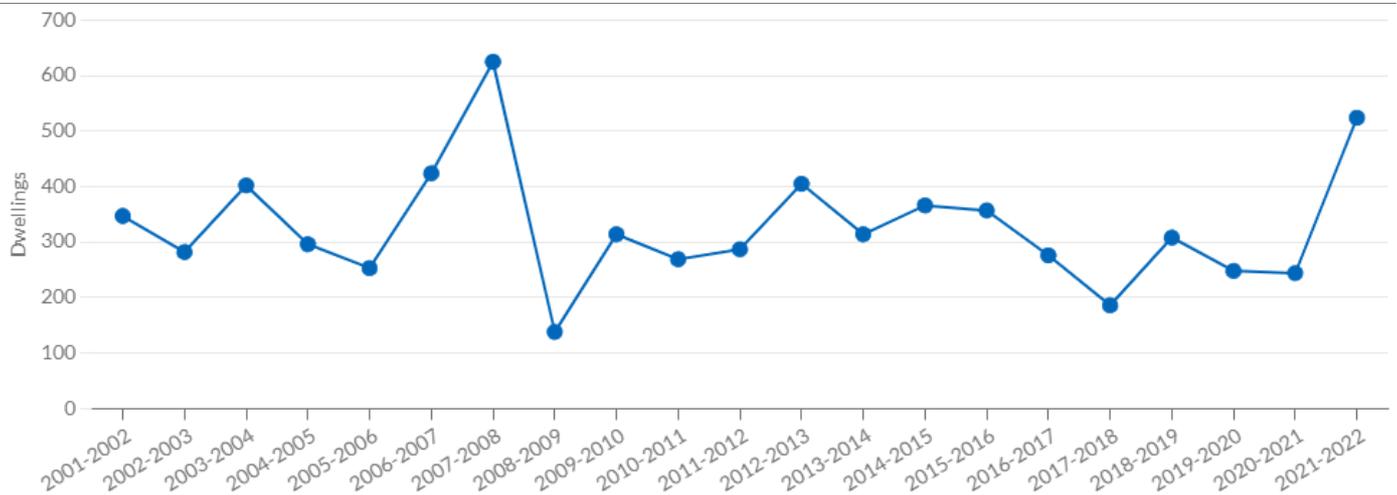


Source: Valuation Office Agency

	North East Lincolnshire	Yorkshire and The Humber	England
Number of long-term vacant dwellings	1,348	27,001	237,340
% of vacant dwellings that are long-term vacant	47.8	37	36.3
Number of local authority vacant dwellings	1	3,839	31,365
% of vacant dwellings owned by the local authority	0	5.3	4.8
Number of Private Registered Provider (Housing Association) vacant dwellings	81	2,590	28,895
% of vacant dwellings that are owned by a Private Registered Provider/Housing Association	2.9	3.6	4.4
Number of long-term Private Registered Provider (Housing Association) vacant dwellings	44	1,045	13,111
% of vacant dwellings that are long-term vacant and owned by a Private Registered Provider/Housing Association	1.6	1.4	2
Number of other public sector vacant dwellings	0	180	3,421
% of vacant dwellings that are owned by other public sector bodies	0	0.2	0.6

The 'net additional dwellings' is the primary and most comprehensive measure of housing supply. The net additional dwellings present estimates of changes in the size of dwelling stock due to new house building completions, conversions, changes of use, demolitions and other changes to the dwelling stock. The net additional dwelling figures are based on local authority estimates of gains and losses of dwellings during each year.

Net additions for North East Lincolnshire

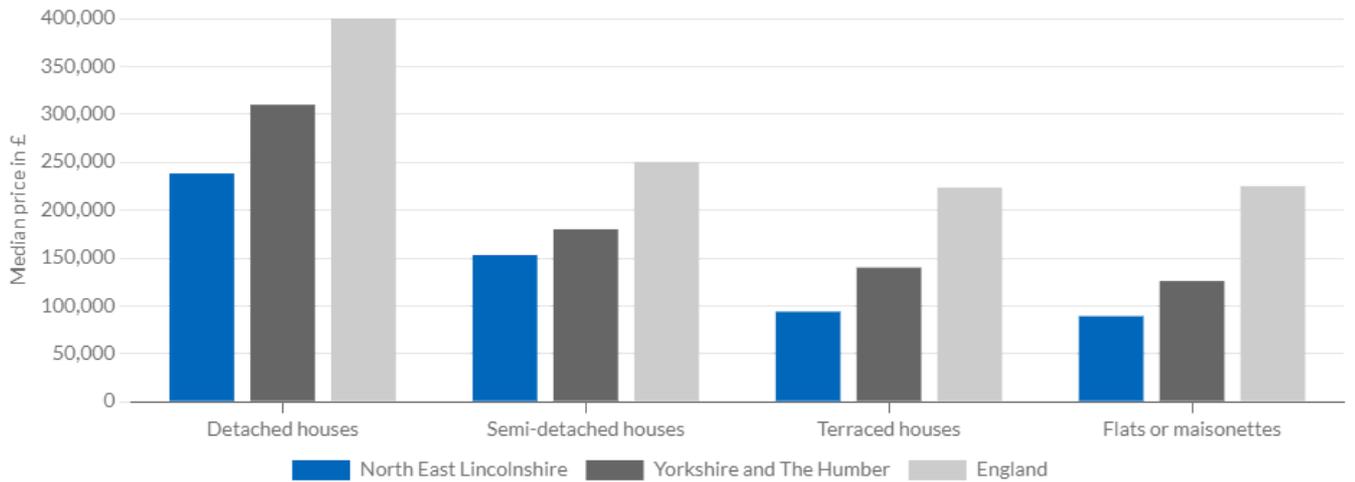


Source: MHCLG

🏠 Residential Property Prices & Sales

House price statistics for small areas (HPSSAs) relate to transactions of residential properties at full market value in England and Wales from 1995, as recorded by HM Land Registry, the body responsible for recording changes in land ownership. HPSSAs provide a uniquely localised view of housing market activity and price, and as such are used by housing policy-makers including central and local government. In particular they are used for assessing housing needs and in developing and monitoring housing policies by local, regional and national government.

Median property price by type (Apr 2021 - Mar 2022)

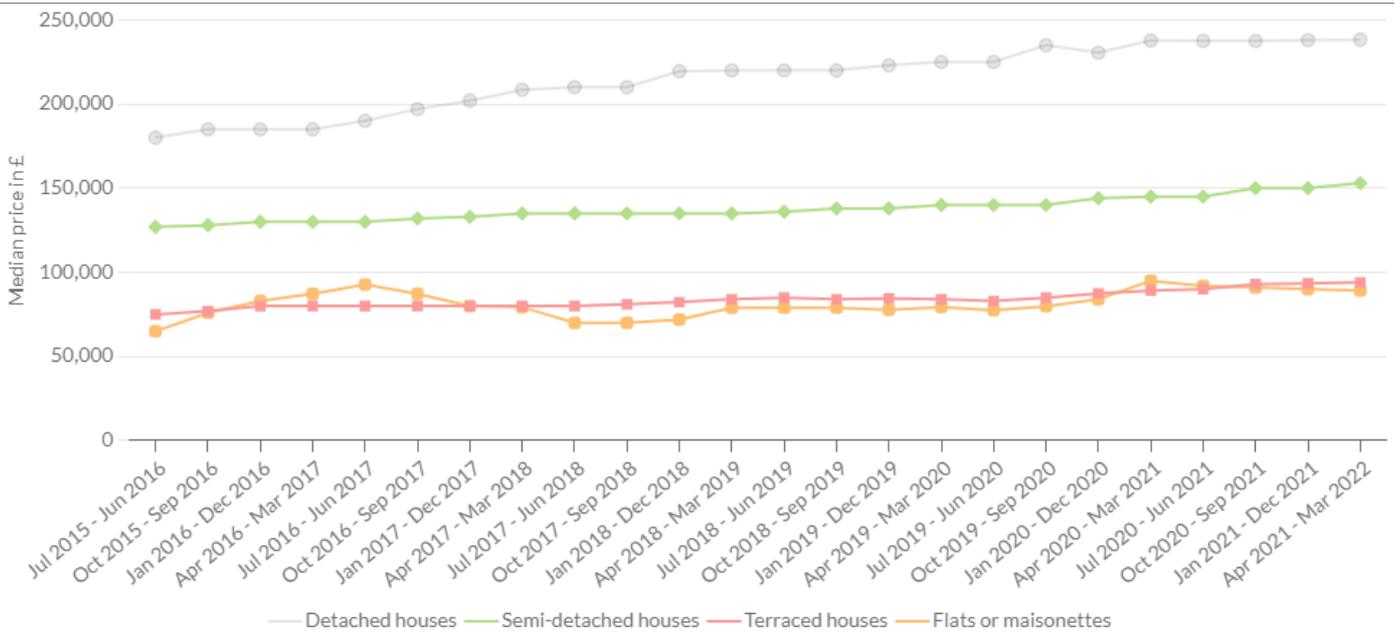


Source: ONS

	North East Lincolnshire	Yorkshire and The Humber	England
Median price paid for all house types	144,000	180,000	270,000
Median price paid for detached houses	238,250	310,000	400,000
Median price paid for semi-detached houses	153,000	180,000	250,000
Median price paid for terraced houses	94,000	140,000	223,500
Median price paid for flats or maisonettes	89,250	126,000	225,000

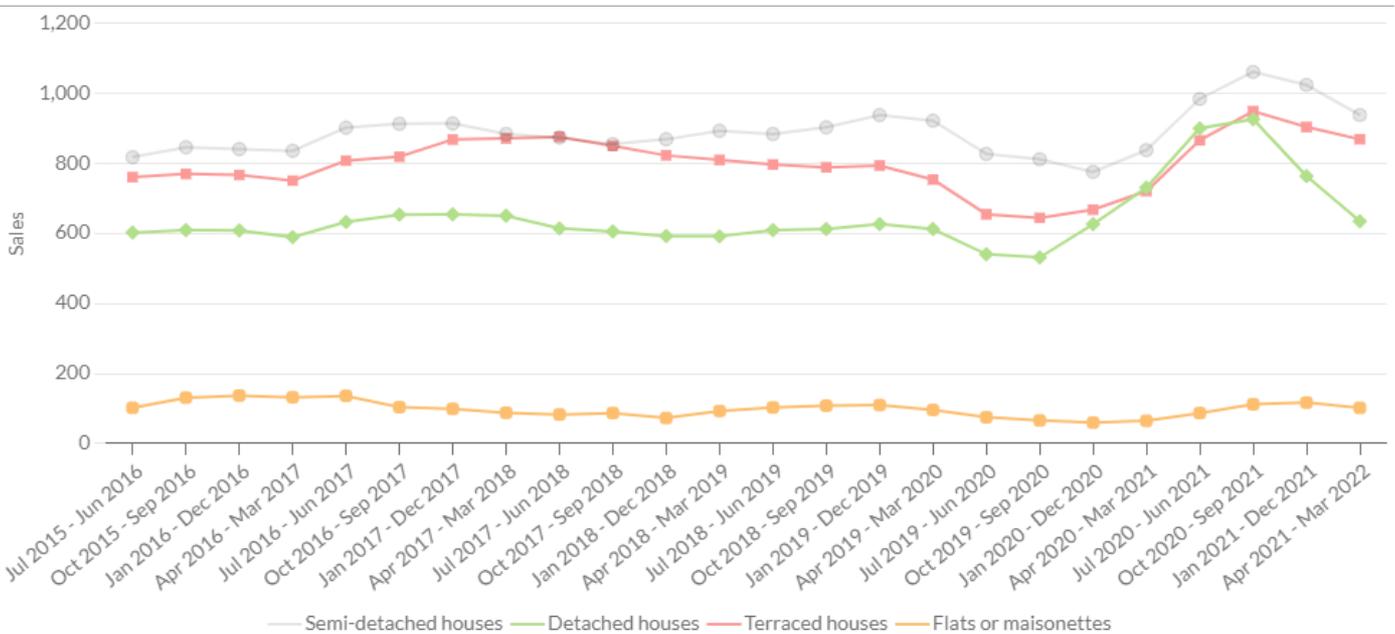
Date: Apr 2021 - Mar 2022 Source: ONS

Median property price by type for North East Lincolnshire



Source: ONS

Residential property sales by type for North East Lincolnshire

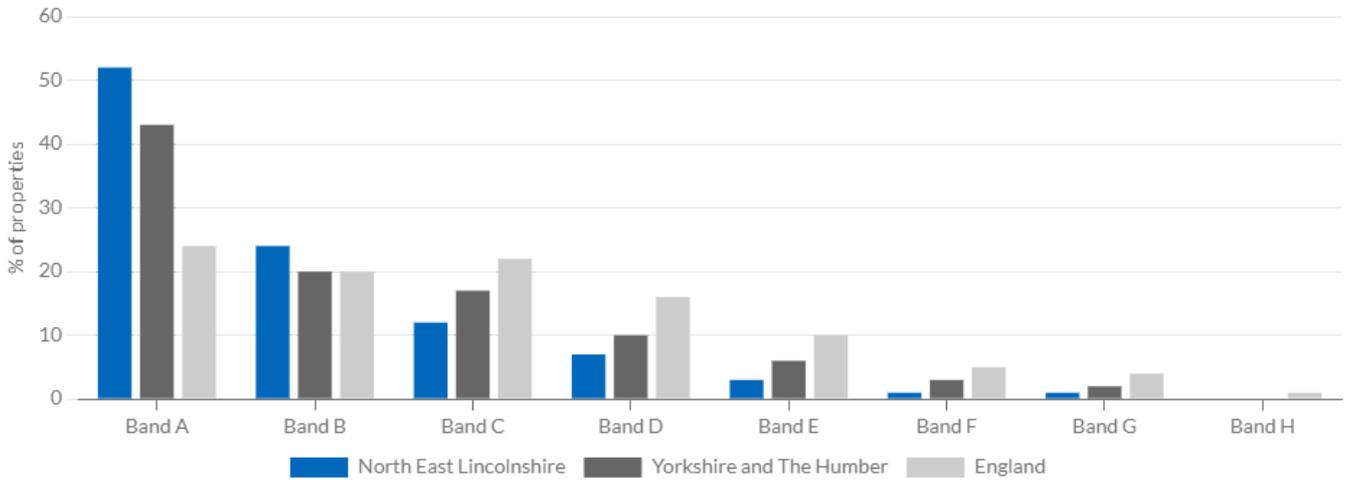


Source: ONS

Council Tax Bands

The section below shows council tax statistics published by the Valuation Office Agency. The VOA is an Executive Agency of HM Revenue and Customs, and has responsibility, amongst other things, for providing Council Tax bands for dwellings in England and Wales and placing each dwelling into one of the valuation bands on the basis of its value.

Properties by council tax band (2021)



Source: ONS

	North East Lincolnshire	Yorkshire and The Humber	England
Properties in council tax band A (counts)	38,430	1,056,590	5,994,410
Properties in council tax band B (counts)	17,780	498,670	4,865,580
Properties in council tax band C (counts)	9,040	413,530	5,436,980
Properties in council tax band D (counts)	5,080	237,750	3,867,800
Properties in council tax band E (counts)	2,210	150,470	2,407,940
Properties in council tax band F (counts)	840	72,030	1,276,030
Properties in council tax band G (counts)	490	40,370	875,370
Properties in council tax band H (counts)	60	3,600	147,540

Date: 2021 Source: ONS

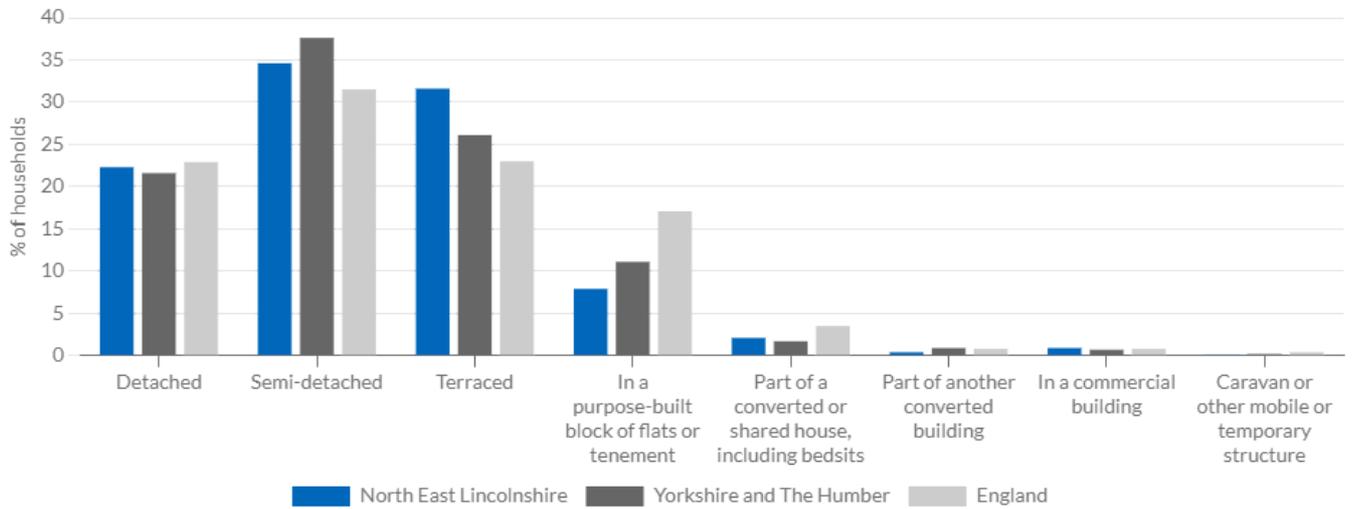
	North East Lincolnshire Yorkshire and The Humber		England
Properties in council tax band A (rates)	52	43	24
Properties in council tax band B (rates)	24	20	20
Properties in council tax band C (rates)	12	17	22
Properties in council tax band D (rates)	7	10	16
Properties in council tax band E (rates)	3	6	10
Properties in council tax band F (rates)	1	3	5
Properties in council tax band G (rates)	1	2	4
Properties in council tax band H (rates)	0	0	1

Date: 2021 Source: ONS

🏠 Type of Accommodation

The section below shows the number and percentage of households classified by different type of building or structure used or available by an individual or household.

Households by accommodation type (2021)



Source: ONS

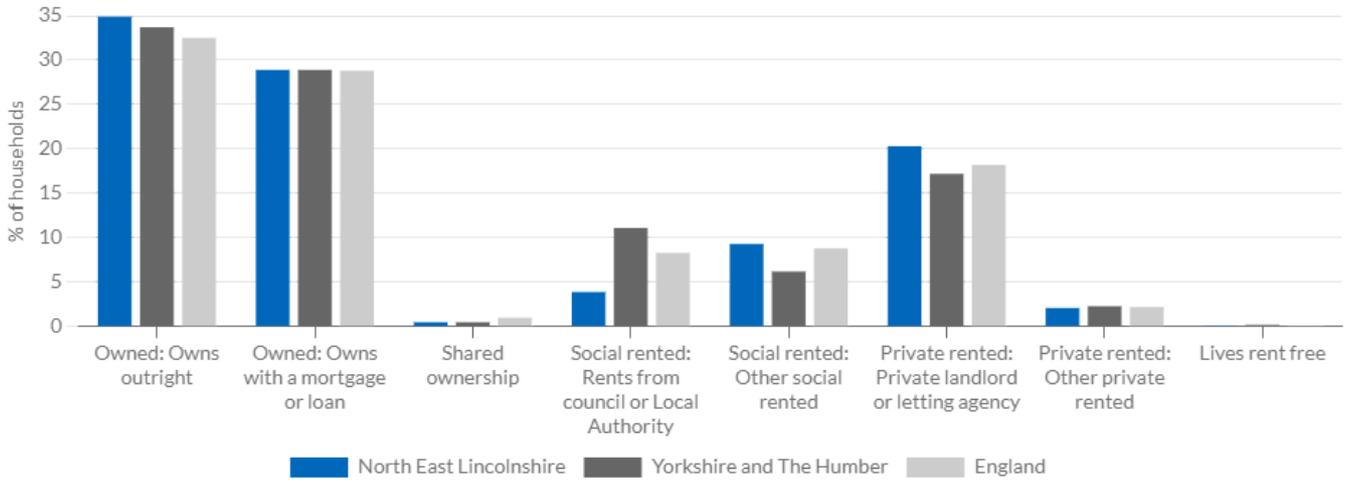
	North East Lincolnshire	Yorkshire and The Humber	England
Detached	15,597	504,504	5,368,859
Detached (%)	22.3	21.6	22.9
Semi-detached	24,186	877,373	7,378,304
Semi-detached (%)	34.6	37.6	31.5
Terraced	22,044	607,775	5,381,432
Terraced (%)	31.6	26.1	23
In a purpose-built block of flats or tenement	5,517	257,824	3,999,771
In a purpose-built block of flats or tenement (%)	7.9	11.1	17.1
Part of a converted or shared house, including bedsits	1,487	39,602	821,153
Part of a converted or shared house, including bedsits (%)	2.1	1.7	3.5
Part of another converted building	287	20,729	188,705
Part of another converted building (%)	0.4	0.9	0.8
In a commercial building	628	17,066	197,967
In a commercial building (%)	0.9	0.7	0.8
A caravan or other mobile or temporary structure	78	5,785	99,894
In a commercial building (%)	0.1	0.2	0.4

Date: 2021 Source: ONS

Tenure

Tenure provides information about whether a household rents or owns the accommodation that it occupies and, if rented, combines this with information about the type of landlord who owns or manages the accommodation.

Ownership and tenancy by type (2021)



Source: ONS

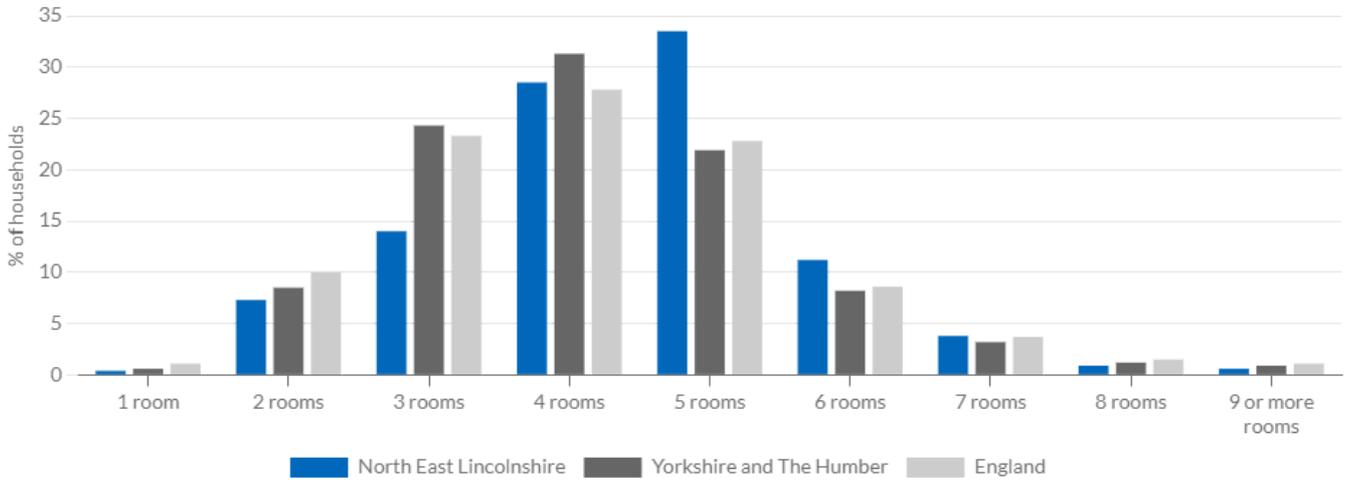
	North East Lincolnshire	Yorkshire and The Humber	England
Owned: Owns outright	24,373	784,891	7,624,693
Owned: Owns outright (%)	34.9	33.7	32.5
Owned: Owns with a mortgage or loan	20,211	673,700	6,744,372
Owned: Owns with a mortgage or loan (%)	28.9	28.9	28.8
Shared ownership	358	12,484	235,951
Shared ownership (%)	0.5	0.5	1
Social rented: Rents from council or Local Authority	2,729	257,848	1,945,152
Social rented: Rents from council or Local Authority (%)	3.9	11.1	8.3
Social rented: Other social rented	6,462	145,165	2,060,511
Social rented: Other social rented (%)	9.3	6.2	8.8
Private rented: Private landlord or letting agency	14,185	399,843	4,273,689
Private rented: Private landlord or letting agency (%)	20.3	17.2	18.2
Private rented: Other private rented	1,459	52,714	521,200
Private rented: Other private rented (%)	2.1	2.3	2.2
Lives rent free	49	4,013	30,517
Lives rent free (%)	0.1	0.2	0.1

Date: 2021 Source: ONS

Number of Rooms

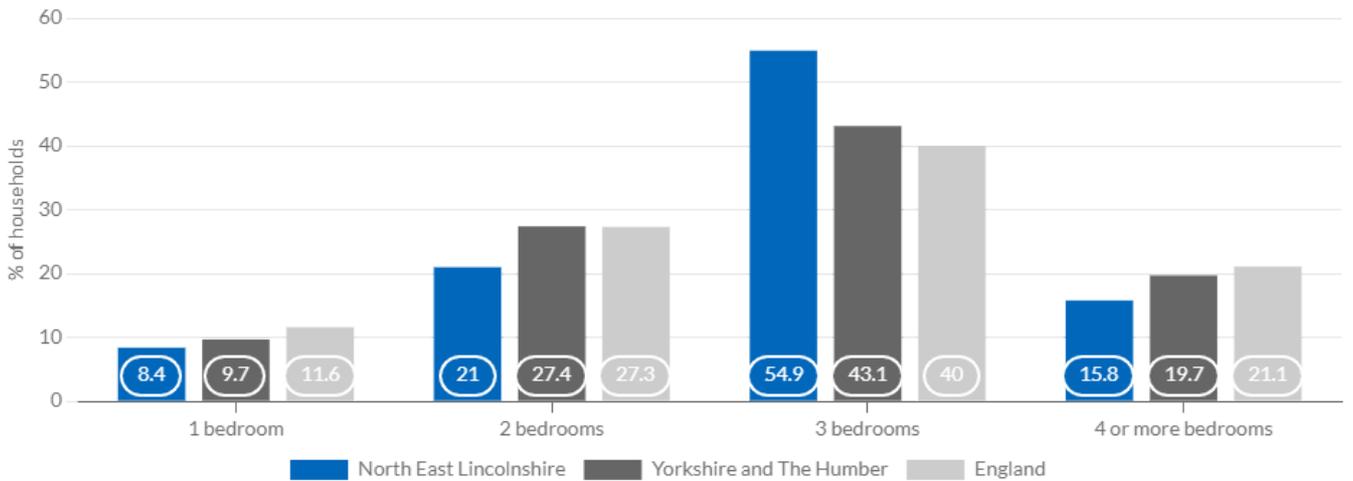
Household size and number of rooms data provides information to help measure overcrowding and under occupancy.

Households by number of rooms (2021)



Source: ONS

Households by number of bedrooms (2021)



Source: ONS

📍 Second Address

This section classifies usual residents by whether they have a second address, where this is and what the purpose of that second address is.

Second address in UK

North East Lincolnshire (2021)

3%

Second address outside UK

North East Lincolnshire (2021)

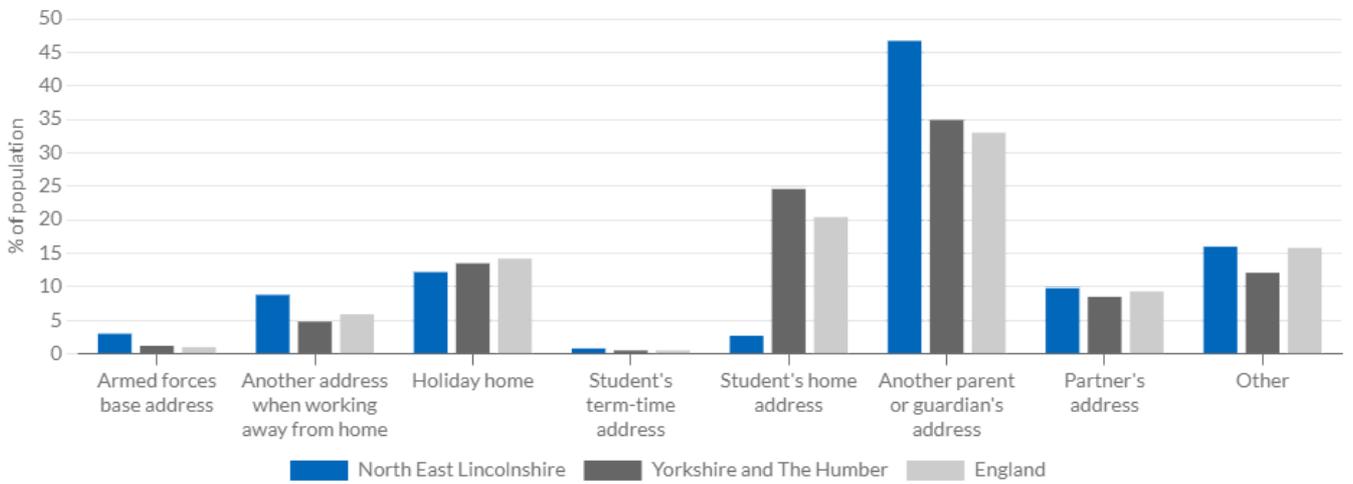
1%

No second address

North East Lincolnshire (2021)

97%

Population with a second address by purpose (2021)



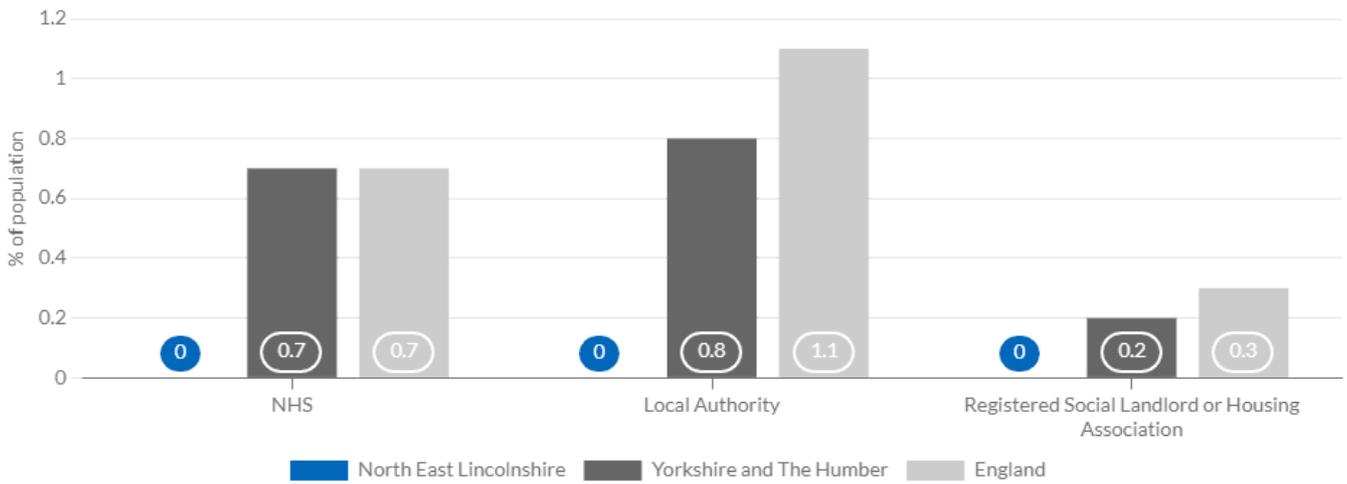
Source: ONS

Communal Establishments

This section examines residents of communal establishments and the type of establishment they reside in.

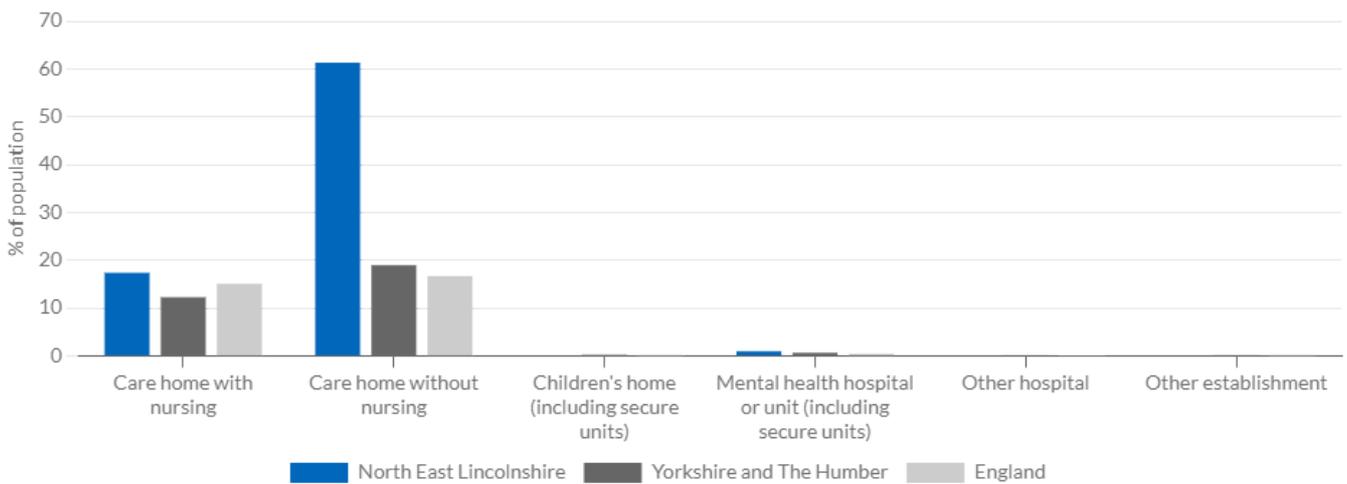
<h3>Male communal residents</h3> <p>North East Lincolnshire (2021)</p> <h1>582</h1>	<h3>Female communal residents</h3> <p>North East Lincolnshire (2021)</p> <h1>877</h1>
-------------------------------------------------------------------------------------	---------------------------------------------------------------------------------------

NHS, local authority or registered social landlord/housing association medical care establishments residents (2021)



Source: ONS

Residents in other medical care establishments (2021)



Source: ONS

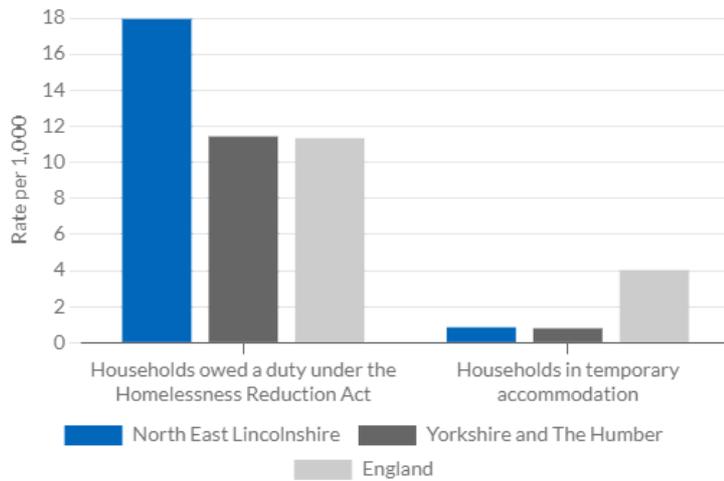
Residents in other types of communal establishment

Defence (%)	0.0	5.1	4.2
Prison service (%)	0.0	7.1	6.2
Approved premises (probation or bail hostel) (%)	0.0	0.1	0.1
Detention centres and other detention (%)	0.0	0.0	0.0
Education (%)	6.2	46.5	45.9
Hotel, guest house, B&B or youth hostel (%)	0.6	1.0	1.4
Hostel or temporary shelter for the homeless (%)	2.5	0.7	1.3
Holiday accommodation (%)	0.0	0.0	0.1
Other travel or temporary accommodation (%)	0.0	0.0	0.1
Religious (%)	0.0	0.2	0.4
Staff or worker accommodation or Other (%)	9.2	2.8	2.3

Date: 2021 Source: ONS

Homelessness

Statutory homelessness (2020/21)



Understanding homelessness and estimating how many people are homeless supports the development of social policies to help some of the most vulnerable people in society. Homelessness affects a wide range of people covering not just people sleeping rough but also those in temporary accommodation, sleeping at friends' houses or sofa surfing, living in unfit dwellings or who are soon to be without a permanent home.

Source: MHCLG

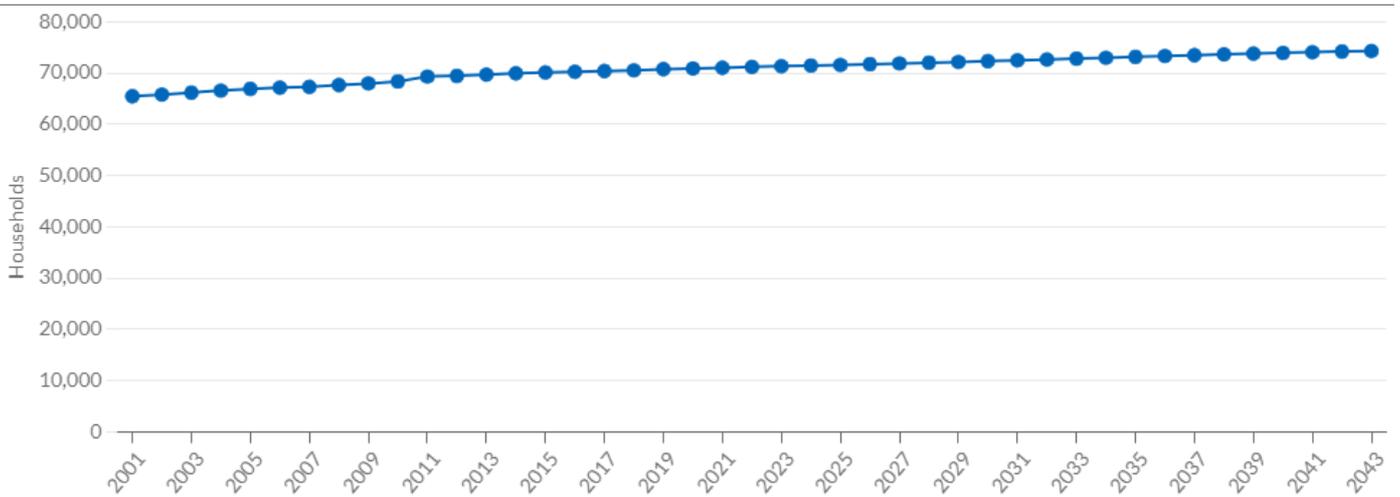
	North East Lincolnshire	Yorkshire and The Humber	England
Households in temporary accommodation - count	60.8	1,867.5	95,400
Households in temporary accommodation - crude rate	0.9	0.8	4
Households owed a duty under the Homelessness Reduction Act Numerator - count	1,275	26,800	268,560
Households owed a duty under the Homelessness Reduction Act - crude rate	17.9	11.4	11.3

Date: 2020/21 Source: MHCLG

Household Projections

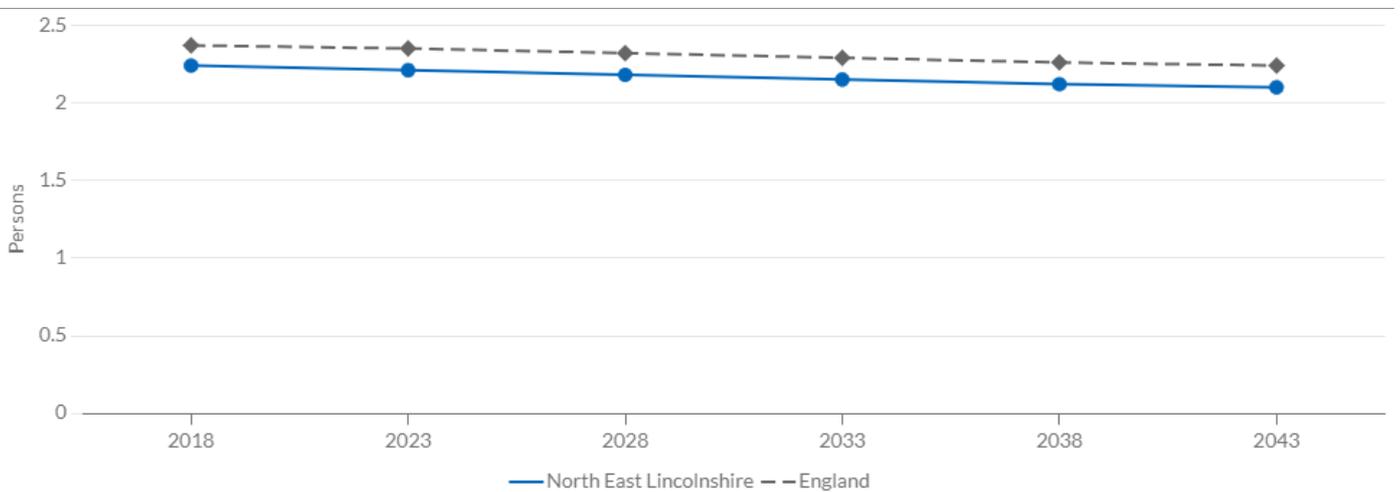
A household is defined as one person living alone, or a group of people (not necessarily related) living at the same address with common housekeeping – that is, sharing either a living room or sitting room or at least one meal a day. The assumptions underlying national household and population projections are based on demographic trends. They are not forecasts as, for example, they do not attempt to predict the impact of future Government policies, changing economic circumstances or other factors that might influence household growth. The projections show the household numbers that would result if the assumptions based in previous demographic trends in the population and rates of household formation were to be realised in practice.

Projected number of households for North East Lincolnshire



Source: ONS

Projected average size of household



Source: ONS

North East Lincolnshire Council Strategic Housing Market Assessment

24 April 2023

LICHFIELDS

65864/01/JG
26112145v2

Contents

1.0	Introduction	4
	Study Scope	5
	Report Structure	6
2.0	Background – Policy Context	8
	Introduction	8
	National Planning Policy Framework	8
	Planning Practice Guidance	9
	Local and Sub-Regional Evidence Base	10
3.0	SHMA Methodology	18
	Approach to defining the overall Local Housing Need	18
	Identification of the type, tenure and size of housing required	18
	Affordable Housing Needs	19
4.0	Defining the Housing Market Area	21
	Previous analyses of HMAs for North East Lincolnshire Borough	22
	Current Position of Adjoining Districts	23
	HMA Analysis	23
	Conclusion on the extent of the HMA	27
5.0	Socio-Economic Context	29
	Demographic Context	29
	Economic Conditions and Trends	34
	Summary	43
6.0	Housing Market Signals	44
	Household Composition	44
	Occupancy Rating	44
	Housing Stock	47
	The Active Market	52
	Affordable Housing	65

	Summary	66
7.0	Local Housing Need	68
	Introduction	68
	Starting Point – Standard Methodology	68
	Consideration of a different figure to the LHN generated by the Standard Method	69
	Demographic Analysis	71
	Future Housing Scenarios	76
	Economic Growth Strategies	89
	Unmet Need from Elsewhere	90
	Previous Delivery Levels	90
	Conclusions on North East Lincolnshire Borough’s LHN	92
8.0	Affordable Housing Needs	94
	Number of Current and Future Households in Need	94
	Affordable Housing Needs Calculation	97
	Estimate of Net Affordable Housing Needs	110
	Affordable Homes for Purchase	112
	Types of Affordable Housing Needed	120
9.0	Sub-Area Housing Dynamics	135
	Top-down assessment	136
	Local Housing Need Assessment – ‘bottom-up’	137
	Local Housing Dynamics	138
	Availability of Land	138
	Sub Area Characteristics	139
	Summary	142
10.0	Type, Tenure and Size of Housing Required	144
	Housing Size and Type	144
	Summary	156
11.0	Needs of Specific Groups	158
	Private Rented Sector	158

Build to Rent	161
Students and Purpose-Built Student Accommodation (PBSA)	163
Households and Families with Children	164
The need for specialist accommodation for Older People	169
Adaptable and Accessible Homes	186
Self-build and custom build	191
Service Families	193
12.0 Conclusions and Recommendations	194
Local Housing Need	194
Affordable Housing Needs	195
Local Housing Dynamics	197
Housing Needs of Specific Groups	197

1.0 Introduction

- 1.1 Lichfields has been appointed by North East Lincolnshire Council [The Council] to undertake a Strategic Housing Market Assessment [SHMA] for the Borough. For the avoidance of doubt references to ‘the Borough’ and North East Lincolnshire are to the totality of the study area set it in Figure 1.1.
- 1.2 The overarching objective of the study is to provide the housing evidence base to support policy development as The Council prepares its new Plan.
- 1.3 The North East Lincolnshire Council Plan published in February 2022, sets out the Council’s priorities and vision for the Borough:
- “To promote the towns within North East Lincolnshire as great places to live, work and stay, by revitalising our town centres, supporting growth of existing businesses and attracting new investment.”*
- 1.4 As required by paragraph 33 of the National Planning Policy Framework [NPPF] published in July 2021, the Council has begun to prepare its Local Plan Review as its Local Plan approaches its 5-year review date. In this context, there is a requirement on the North East Lincolnshire Planning Authority to assess housing need and to plan for appropriate levels of development in line with Guidance and the duty to foster economic and social well-being of local communities.
- 1.5 The SHMA is divided into three inter-related parts – the first identifies the overall housing need for the Borough. The second considers the need for different types of housing and provides policy advice. The third focuses on the aspiration to develop a new town centre living offer in the Borough and assesses the potential for delivering certain housing types as part of wider regeneration efforts in Grimsby (this last element comprises a standalone report which is Appended to this SHMA). The analysis aligns with the Local Plan period of 2022 to 2042 and will provide robust and up-to-date evidence upon which the new Local Plan can be based.
- 1.6 The study has also sought to understand other key economic trends and aspirations for the Borough and to provide growth options to consider in terms of workforce implications and associated impact on housing requirements.

Figure 1.1 North East Lincolnshire Local Authority and Grimsby Town Centre



Source: Lichfields

Study Scope

- 1.7 This SHMA is intended to assist The Council in understanding the economic picture of North East Lincolnshire and the implications of employment growth on workforce and housing requirements.
- 1.8 To this end, the scope of the study involves:

Economic needs:

- 1 Sectoral and employment forecasts and consideration of the future labour supply.
- 2 Identification of any specific locational requirements of relevant sectors of the economy, including new or specialist sectors.

Overall housing needs:

- 3 Confirmation of the extent of the housing market area and any associated policy implications.

- 4 Local Housing Need [LHN] for North East Lincolnshire applying the standard method [SM2] as set out in the Planning Practice Guidance [PPG].
- 5 Assessment of alternative methods to identify housing need that may be necessary to support economic growth.

The need for different types of housing:

- 6 The appropriate mix of market housing types and tenure required.
- 7 The need for affordable housing, including the type and tenure that is required. This includes recommendations regarding the policy merits of increasing the discount to be applied to First Homes beyond the minimum 30% and the consideration of bespoke eligibility criteria as appropriate.
- 8 The demand for self and custom build housing, and opportunities to improve delivery.
- 9 The need for housing for older people, disabled people and people with specialist care needs.
- 10 The likely demand for student accommodation in North East Lincolnshire.

Report Structure

1.9 This SHMA is structured as follows:

- Background Policy Context – sets out the national and local planning policy context along with the economic strategy for North East Lincolnshire.
- A summary of the methodology.
- Defining the Housing Market Area that North East Lincolnshire sits within.

Socio-Economic Context

- Socio-economic conditions, examining macro and micro-economic trends and conditions.
- Area profile and Market Signals Analysis – a detailed assessment of North East Lincolnshire’s demographic characteristics and the housing market more generally.

Local Housing Needs

- The application of the Government’s standard methodology to derive an LHN figure for North East Lincolnshire as a whole. This section includes an assessment of whether exceptional circumstances exist that would justify an alternative approach to be applied.
- An analysis of Subnational Population and Household Projections as well as the projected household formation rates over the local plan period.
- Future housing scenarios based on the trends identified through demographic and economic analysis to provide conclusions on North East Lincolnshire’s Local Housing Need.
- An analysis of the scale of affordable housing need that current exists in North East Lincolnshire.

- Local housing dynamics, examining how the need might best be distributed across the Borough.
- Analysis of the type, tenure and size of housing required in the Borough.
- The needs of specific groups.

Conclusions and Recommendations

- Brings together and summarises the key findings and recommendations.

2.0 Background – Policy Context

Introduction

- 2.1 This study comprises the housing evidence base that will be used to inform The Council’s emerging Local Plan policies and is in accordance with the following policy and economic documents at a national, regional, and local level.

National Planning Policy Framework

- 2.2 The current National Planning Policy Framework [NPPF] was published on 20th July 2021. At the time of writing, it is understood that the Government is planning to consult on a new NPPF ‘Prospectus’ setting out how it intends to change national planning policy later this summer. In the meantime, the 2021 version of the NPPF remains extant. It has a number of stated priorities which comprise a stronger plan-led approach, able to support the provision of new homes, improve affordability and ensure a higher rate of housing delivery. Policies on economic growth remains a key part of the planning balance and the Government retains the aspiration to support growth, innovation and above all, to improve productivity levels.
- 2.3 The NPPF provides a renewed emphasis on strategic planning and a clear recognition that this crosses LPA boundaries, implying that joined up working between authorities is imperative. Notably, strategic plans and policies should provide for development needs that cannot be met within neighbouring areas and should demonstrate this through statements of common ground [SoCG].
- 2.4 The NPPF sets out a need to effectively cooperate, setting out how strategic plan-making authorities should collaborate, again emphasising that this includes considering where development needs cannot be met wholly in one area and could be met elsewhere. Joint working and SoCGs are significant and for a plan to be found sound, cross-boundary strategic matters must be ‘dealt with rather than deferred’. This is a significant addition to national policy, to help ensure strategic needs are planned for now. Importantly, SoCGs should be kept up to date.
- 2.5 The NPPF outlines how LPAs should determine housing needs:
- “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.” [§61]*
- 2.6 LHN is defined in Annex 2 of the NPPF as follows:
- “Local housing need: the number of homes identified as being needed through the application of the standard method set out in national planning guidance (or, in the context of preparing strategic policies only, this may be calculated using a justified alternative approach as provided for in paragraph 61 of the Framework).”*

Planning Practice Guidance

- 2.7 On 6th March 2014 the Government launched the Planning Practice Guidance [PPG] web-based resource.¹ This brought together many areas of English planning guidance into a new format linked to the NPPF. This included replacing the previous Strategic Housing Market Assessment [SHMA] Practice Guidance published in 2007, which has now been cancelled. Although the new PPG is more succinct and provides less detail on the assessment of affordable housing need than the 2007 Guidance, the overall approach remains essentially the same. Following the publication of revisions to the NPPF, the section of the PPG addressing the calculation of objectively assessed housing needs was updated on 24 June 2021. The PPG's more general guidance on Housing and Economic Needs Assessments was last updated on 16th December 2020.
- 2.8 The PPG states that the NPPF expects strategic policy-making authorities to follow the standard method in assessing local housing need. This uses a formula to identify the minimum number of homes expected to be planned for, in a way which addresses projected household growth and historic under-supply². This takes an average of the Sub-National Household Projections [SNHP] over a 10-year period and adjusts them based on the affordability of the area. A cap may be applied which limits the increase, depending on the current status of relevant policies for housing.
- 2.9 The PPG states that:
- “The 2014-based household projections are used within the standard method 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.”³*
- 2.10 The PPG also provides helpful commentary on the following circumstances relevant to the South West part of North East Lincolnshire comprising the Lincolnshire Wolds Area of Outstanding Natural Beauty [AONB], which allows for an alternative approach to the standard methodology for identifying housing need:
- “Where strategic policy-making authorities do not align with local authority boundaries (either individually or in combination), or the data required for the model are not available such as in National Parks and the Broads Authority, where local authority boundaries have changed due to reorganisation within the last 5 years or local authority areas where the samples are too small, an alternative approach will have to be used. Such authorities may continue to identify a housing need figure using a method determined locally, but in doing so will need to consider the best available information on anticipated changes in households as well as local affordability levels.”⁴*
- 2.11 If an authority uses a different method for calculating housing need the PPG sets out how this should be tested at examination:

¹ <http://planningguidance.planningportal.gov.uk/>

² 2a-002-20190220

³ 2a-005-20190220

⁴ 2a-014-20190220

“Where a strategic policy-making authority can show that an alternative approach identifies a need higher than using the standard method, and that it adequately reflects current and future demographic trends and market signals, the approach can be considered sound as it will have exceeded the minimum starting point.”

“Where an alternative approach results in a lower housing need figure than that identified using the standard method, the strategic policy-making authority will need to demonstrate, using robust evidence, that the figure is based on realistic assumptions of demographic growth and that there are exceptional local circumstances that justify deviating from the standard method. This will be tested at examination.”⁵

2.12 The PPG states that for the purposes of decision making *“there is separate guidance on how the standard method for assessing local housing need applies to calculating 5 Year Land Supply and the Housing Delivery Test”⁶.*

2.13 The PPG⁷ states the following:

“Housing requirement figures identified in adopted strategic housing policies should be used for calculating the 5-year housing land supply figure where:

- the plan was adopted in the last 5 years, or*
- the strategic housing policies have been reviewed within the last 5 years and found not to need updating.*

In other circumstances the 5-year housing land supply will be measured against the area’s local housing need calculated using the standard method.”

2.14 On this basis, the starting point for identifying local housing needs for the purposes of decision taking should be the standard methodology.

Build Back Better – Our Plan for Growth (March 2021)

2.15 In March 2021, the Government revealed its plan to tackle the long-term issues facing the UK including inequalities across the union of the UK, supporting the country’s transition to net zero and supporting the Government’s vision for Global Britain. Build Back Better sets out the Government’s spending targets in key areas such as capital spending on infrastructure, Levelling Up Fund, UK Shared Prosperity Fund, Towns Fund and High Street Fund to invest in local areas, as well as investment in skills and further education, investment in innovation, City and Growth Deals and supporting the transition to Net Zero. Its policies are intended to level up the UK and spread the benefits of Brexit nationwide.

Local and Sub-Regional Evidence Base

North East Lincolnshire Local Plan (2018)

2.16 The current Local Plan for North East Lincolnshire was adopted on 22nd March 2018. It sets out the development strategy for the Borough, including strategic policies and site allocations which will guide land uses to the end of the plan-period in 2032.

⁵ 2a-015-20190220

⁶ 2a-016-20190220

⁷ 68-005-20190722

- 2.17 The Plan notes that Policy 3 – settlement hierarchy classifies Grimsby and Cleethorpes as forming the main Urban Area in the east of North East Lincolnshire providing accessibility to key services and amenities and the area that has historically delivered the greatest number of homes. Local Service Centres include the town of Immingham to the North, as well as the ‘Arc Settlements’ of Healing, Humberston, Laceby, New Waltham and Waltham are located across the Borough and offer fewer services but act as key connecting settlements between smaller rural settlements and the Urban Area. Minor Rural Settlements include much smaller towns and villages such as Aylesbury, Beelsby, East and West Ravendale and Wold Newton that offer few services and amenities with relatively poor existing connections to higher level settlements.
- 2.18 The Local Plan notes that the Borough's population is ageing with sharp declines in young people and particular working-age cohorts that may be the result of several deficiencies in the housing offer:
- “The number of young people living in the Borough is reducing and the proportion of older people (age 65 and over) is rising – and is predicted to continue to rise at a faster rate than the rest of the country during the plan period. There have been particularly sharp declines in the number of residents aged 5 to 15 and 30 to 40, which reflects historically weak training and employment opportunities and may also be attributed to shortcomings in the Borough's housing offer.”*
- 2.19 The Plan documents the complex challenges to meeting housing needs that are present across the Borough:
- 1 Population growth due to birth rates remaining higher than mortality rates;
 - 2 Demographic changes leading to smaller average household sizes;
 - 3 Relatively low levels of house building in the 10 years previous to 2016; and
 - 4 The need to replace some of the existing housing stock that falls short of modern expectations.
- 2.20 The Plan states that the number of households in North East Lincolnshire increased by 5.6% in the decade to 2011 compared to a population increase of just 1%. In 2011, 31% of total households comprised single inhabitant households, up from 28% in 2001 and with the percentage of single person households comprised of those below the age of 65 having increased from 14% in 2001 to 18% in 2011. This demonstrates the significant shift in the demographics of the Borough over the period and the increased pressure placed on housing needs.
- 2.21 Despite relatively low and stable house prices in North East Lincolnshire since 2007, there remains an affordability issue, with 61% of North East Lincolnshire’s households currently having a gross household income of less than £30,000 a year. The Plan attributes the sharp decline in housing sales to the global recession of 2008 with the removal of many attractive mortgage products from the market [§6.41-6.43].
- 2.22 The Plan sets out the number of net housing completions from 2004/05 to 2014/15 (see Table 2.1) with the Borough not recording a level of net additional dwellings above 450 dwellings per annum [dpa] and having exceeded 400 dpa only once in 2012/13 – a delivery

rate that sits well below the identified need of 586 dpa set out in the 2013 SHMA.

Table 2.1 North East Lincolnshire Housing Completions (2004/05 – 2014/15)

Year	New build completions	Conversions and change of use completions	Gross Completions	Demolitions and losses	Net completions
2004/2005	180	27	207	5	202
2005/2006	190	39	229	28	201
2006/2007	370	79	449	91	358
2007/2008	303	143	446	104	342
2008/2009	261	62	323	246	77
2009/2010	213	101	314	61	253
2010/2011	315	45	360	154	206
2011/2012	297	49	346	59	287
2012/2013	352	74	426	21	405
2013/2014	311	53	364	50	314
2014/2015	320	51	371	5	366

Source: North East Lincolnshire Local Plan (2018)

2.23 Policy 2: *The Housing Requirement* sets out an objectively assessed housing requirement of at least 9,742 dwellings over the plan period, equating to an annualised requirement of 512 dpa based on the Jobs-led Baseline forecasts:

- 1 At least 397 homes per year should be delivered from 2013/14 to 2017/18;
- 2 At least 488 homes per year should be delivered from 2018/19 to 2022/23;
- 3 At least 649 homes per year should be delivered from 2023/24 to 2027/28; and
- 4 At least 518 homes per year should be delivered from 2028/29 to 2031/32;

2.24 The vision for North East Lincolnshire set out in the Local Plan is as follows:

“By 2032 North East Lincolnshire will be nationally and internationally recognised as a centre for offshore renewables, focusing on operations and maintenance and contributing significantly to the Humber’s ‘Energy Estuary’ status. Growth in key sectors, food, energy, chemicals, ports and logistics, will be matched by a strong tourism and leisure offer. Evident through increased jobs and diversity of skills, the barriers to accessing jobs will have been broken down. This will be facilitated through the establishment of facilities to improve education and skills, and measure implemented to address housing need and affordability, and health and service needs, including countering deprivation issues in specific wards. A platform for sustainable economic growth will have been created, with conditions to capture and sustain more and better jobs in the area well established.”

2.25 The Plan breaks down the vision statement into Place Statements for each of the four main areas across North East Lincolnshire (the Urban Area; the Estuary Zone; the Western and Southern Arc; and the Rural Area).

2.26 Policy 4: *Distribution of Housing Growth* seeks to significantly boost housing supply to meet the existing and future needs of the whole community and allocates housing development across the four main areas such that between 60-65% (an average of 306-332

dpa) of new homes will be constructed in the Urban Area; between 5-10% (26-51 dpa) in and around Immingham; between 30-35% (153-179 dpa) in and on the fringes of the Arc Settlements; and the remaining 1-2% (5-10 dpa) of new homes will be constructed in and around the boundaries of the rural settlements across North East Lincolnshire.⁸

2.27 This proposed distribution of homes is a response to the conflicts present between different local plan objectives, notably:

- 1 The desire for brownfield led regeneration with the need to provide sufficient deliverable housing sites to meet future needs requiring large greenfield development;
- 2 The need to regenerate and redevelop key urban areas in North East Lincolnshire, set against the established flood risk in such areas;
- 3 The need to foster economic growth and development against the extent to which this potentially pressures to designated habitats, flood risk and the ability to provide sustainable transport; and
- 4 The need to reconcile competing housing market pressures with the driver to promote sustainable transport choices.

2.28 Policy 13: *Housing Allocations* sets out how the level of housing need set out in Policy 2 will be delivered across the Borough up to 2032. Key allocations include the proposed 48.9 ha site at the Lane West of Humberston Road for 1,708 dwellings; the 206.70 ha site at the Grimsby West Urban Extension for 3,337 dwellings; and the 22.30 ha site at Land to the East of Stallingborough Road for 660 dwellings (a total of 5,705 dwellings across the three developments account for 58.5% of the established housing need of 9,742).

2.29 Indeed, the sites at the Lane West of Humberston Road and the Grimsby West Urban Extension, along with the proposed site at Scartho Top in Grimsby, represent three key strategic sites set out in Policy 14: *Development of Strategic Housing Sites*. The Plan recognises their criticality to meeting the Borough's established housing need.

2.30 Policy 16: *Provision for Elderly Person's Housing Needs* builds on the evidence established in the 2013 SHMA. A series of focus groups were held in February 2013 to discuss housing issues, needs and preferences to ensure that the eventual housing mix accommodates the growing demographic to the end of the plan period. Key outcomes included the desire to remain living independently as well as to have the option for more specialisation, both underpinned by a forecasted increase of 33% in the number of people aged above 65 living alone from 2012 to 2030.

2.31 Policy 18: *Affordable Housing*, is underpinned by the evidence contained within the Council's 2013 SHMA which identified a net affordable housing need of at least 586 dpa over the next five years in order to clear the existing backlog of households in need and meet future arising household need. Based on this, there is currently a higher concentration of need identified in the urban area, reflecting the existing communities and availability of housing currently in the area.

2.32 The Policy requires the following affordable housing contributions to be made in accordance with the following qualifying thresholds and requirements:

⁸ North East Lincolnshire Local Plan (2018), Table 10.3: Housing – Spatial Distribution.

Table 2.2 Qualifying threshold and requirements for affordable housing

Housing Market Zone	Percentage of housing units required to be affordable housing		Housing unit threshold
	Greenfield	Brownfield	
High	20%	15%	Greater than ten units or which have a combined gross floorspace of more than 1,000 sqm
Medium	10%	10%	
Low	0%	0%	

Source: North East Lincolnshire Local Plan (2018), Table 13.13

- 2.33 In applying these requirements, the Policy states that the council will consider the viability of site development; the extent of housing need in the settlement; and off-site contributions.
- 2.34 Policy 20: *Self-build and custom build homes*, states that the Council will support the development of self-build and custom build homes to help in meeting overall housing need. In addition to 'windfall' development opportunities, landowners promoting the development of large strategic sites, in combination with development partners will be expected to make provision for 1% of homes to be delivered on site by self builders, or through a custom build option. Plots should be made available and offered at competitive rates, to be agreed with the Council. These rates should be fairly related to the particular site and plot costs.

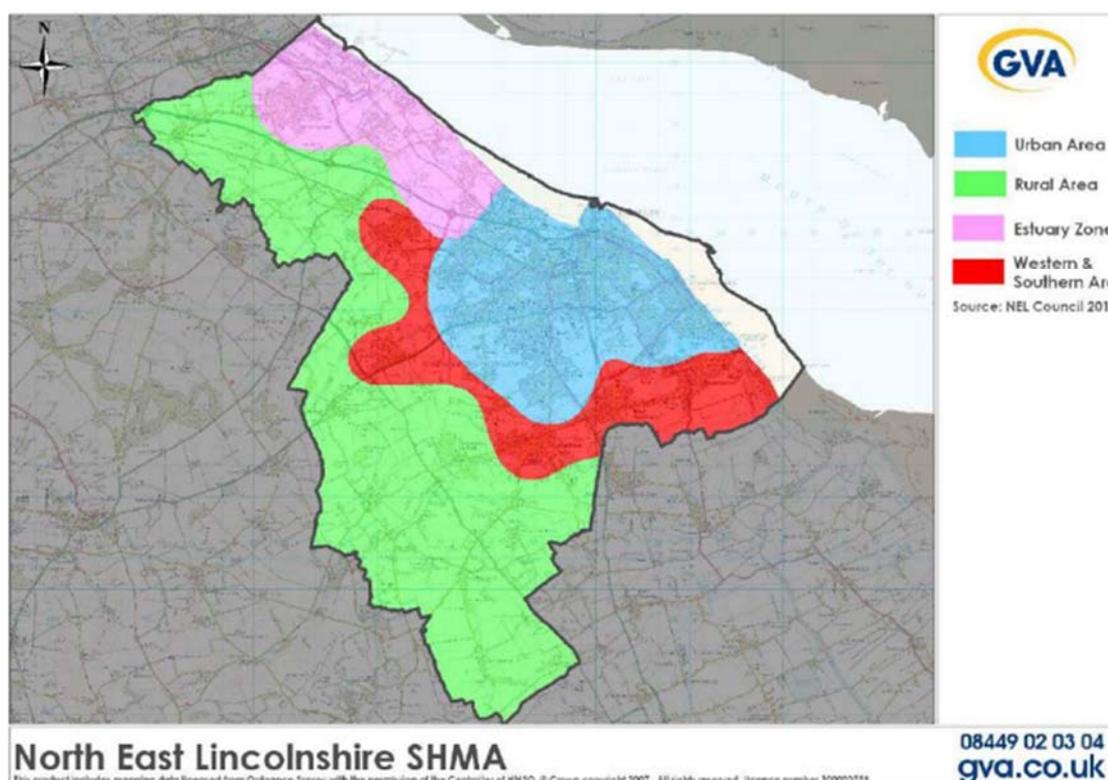
North East Lincolnshire Strategic Housing Market Assessment (2013)

- 2.35 North East Lincolnshire's previous SHMA was published in March 2013. It provides a detailed analysis of the social, economic, housing and demographic situation across the Borough. A key element of the study involved exploring the scale of housing needed and the extent to which additional affordable housing was required. Based on a projected growth of 9,400 households between 2011 and 2030, the SHMA identified a need for 508 dwellings per annum [dpa] 2030. In terms of affordable housing need, the SHMA concluded a need for 586 dpa up to 2018 to clear the existing backlog of households in need and meet future affordable housing need across the Borough.
- 2.36 The SHMA uses 2011 Mid-Year Population Estimates and migration data (both net internal and net international) from the Office for National Statistics [ONS] to illustrate the annual net impact on the population of the Borough. The analysis indicates that with the exception of 2002/03, North East Lincolnshire experienced year-on-year net out-migration to other parts of the UK.
- 2.37 Using 2010 data from the ONS Annual Population Survey, the SHMA identified that North East Lincolnshire is a relatively contained labour market, with the majority of its residents also working in the Borough. The SHMA also demonstrates relatively strong linkages with surrounding Local Authority areas of North Lincolnshire, East Lindsey, West Lindsey and South Kesteven. With regard to larger authorities, North East Lincolnshire also has relatively strong links with Sheffield and Leeds.

2.38 The SHMA sets out four Housing Market Areas [HMAs], or ‘spatial zones’, as follows (see Figure 2.1):

- **Urban Area** – contains the town of Grimsby and Cleethorpes. These settlements will be the focus for new developments.
- **Estuary Zone** – contains the port town of Immingham and valuable land for economic development stretching between the ports of Immingham and Grimsby.
- **Western and Southern Arc** – contains several smaller settlements that have grown to become service settlements for the borough and offer a range of key services and amenities.
- **Rural Area** – this area is characterised by its high landscape quality and a collection of small villages and hamlets.

Figure 2.1 Local Market Area Geographies (‘Spatial Zones’) in the 2013 SHMA



Source: North East Lincolnshire Strategic Housing Market Assessment (2013), Figure 4.7.

2.39 The SHMA sets out the average residential transaction prices for the period of February 2012 to September 2012 split by dwelling type and spatial zone. Data indicates that the Rural Area of the Borough attracts the highest transaction values at £201,074 despite accounting for just 3% of total transaction volumes over the same period. On the other hand, average property prices in the Urban Area are the lowest of any spatial zone at just £100,803 but accounted for as much as 76% of total property transactions over the period.

2.40 The affordability variance between the Rural and Urban Areas is also reflected in lower quartile house prices over the same period with prices of £124,475 and £65,000, respectively. However, unlike average house prices, analysis of lower quartile prices also

indicates that the lower quartile property prices across the Western and Southern Arc closely reflect prices across the Rural Area at £124,998.

North East Lincolnshire Strategic Housing Land Availability Assessment (2016)

- 2.41 The Strategic Housing Land Availability Assessment [SHLAA] for North East Lincolnshire was produced by the Council in 2016 and provides a technical assessment of sites and broad locations considered suitable for housing to meet the need for housing over the Local Plan period.
- 2.42 In a review of the housing requirement for the Borough, the SHLAA concluded that the need of 508 dpa set out in the 2013 SHMA did not take sufficient account of local circumstances in North East Lincolnshire, which includes the future opportunity for significant growth linked to the renewable energy industry, and the potential for large-scale industrial developments on the South Humber Bank.
- 2.43 Consequently, the Council commissioned further work with the Economic Futures report establishing three scenarios for jobs growth in the area:
- 1 'Baseline Growth' scenario;
 - 2 'Medium Growth' scenario; and
 - 3 'High Growth' scenario
- 2.44 In the period to 2032, a total of 4,430, 8,800, and 14,200 potential additional jobs were projected under the three respective scenarios. Of the three scenarios, the SHLAA considers the 'medium growth' scenario to be the most likely to occur and therefore the scenario utilising the medium employment-led growth figure represents North East Lincolnshire's objectively assessed need for housing.
- 2.45 Table 2.3 demonstrates the net additional dwellings required for each of the employment-led growth scenarios with a total identified requirement of 13,339 dwellings, or an annualised figure of **702 dpa** over the plan period under the 'medium growth' scenario. With 1,037 net housing completions within this plan period to 31 March 2016, there is a residual need for 12,303 dwellings to be delivered over the remaining Plan period.

Table 2.3 Net Additional dwellings required per year (Employment-led growth scenarios)

	2013/14 - 2017/18	2018/19 - 2022/23	2023/24 - 2027/28	2028/29 - 2031/32	Total Requirement	Annualised
Baseline Scenario	397	488	649	518	9,742	512
Medium Growth (Scenario 1)	505	657	857	811	13,339	702
High Growth (Scenario 2)	690	941	1,173	978	17,932	944
Regional Econometric Model (REM)	843	510	705	674	12,986	683

Source: North East Lincolnshire Strategic Housing Land Availability Assessment (2016) Table 2.3

- 2.46 The North East Lincolnshire SHLAA initially considered 373 sites identified by the Council, informed by previous studies as a part of a 'call for sites' exercise. Some 33 sites were

subsequently removed from the study for a variety of reasons. The SHLAA considered that the remaining 350 assessed housing sites could potentially yield around **14,111 dwellings**. Of this theoretical dwelling yield:

- 3,471 dwellings could come forward for development in years 1 to 5;
- 6,441 dwellings could come forward for development in years 6 to 10;
- 3,757 dwellings could come forward for development in years 11 to 15; and,
- 442 dwellings could come forward for development in year 16 of the assessment period.

3.0 SHMA Methodology

Approach to defining the overall Local Housing Need

- 3.1 As set out in more detail in Section 10.0, this study has applied the Government’s standard method to derive an overall local housing need for the Borough. This uses the 2014-based Sub-National Household Projections [SNHP] for 2022-2042, plus a market signals uplift based on the most recent (2022) workplace-based affordability ratio data for the Borough.
- 3.2 The Government is clear that the figure derived by the LHN target is intended to be a minimum figure, with the PPG setting out that there will be circumstances when a higher figure than that generated by the Standard Methodology [SM2] might be considered. This is because SM2 does not attempt to predict the impact that future government policies, changing economic circumstances or other factors might have on demographic behaviour which includes whether growth strategies are in place; where strategic infrastructure improvements are in place; or where there is unmet need from neighbouring authorities. We are also advised to consider previous delivery levels and recent assessments of need.
- 3.3 These issues have been tested by Lichfields in Section 7.0 of this report to come to a view on the LHN for the Borough.

Identification of the type, tenure and size of housing required

- 3.4 Paragraph 61 of the NPPF states that:
- “...the size, type and tenure of housing needed for different groups in the community should be assessed and reflected in planning policies (including, but not limited to, those who require affordable housing, families with children, older people, students, people with disabilities, service families, travellers, people who rent their homes and people wishing to commission or build their own homes).”*
- 3.5 The PPG sets out guidance on how plan-making authorities should identify and plan for the housing needs of particular groups of people. It states that:
- “This may well exceed, or be proportionally high in relation to, the overall housing need figure calculated using the standard method because the needs of particular groups will often be calculated having consideration to the whole population of an area as a baseline as opposed to the projected new households which form the baseline for the standard method.*
- Strategic policy-making authorities will need to consider the extent to which the identified needs of specific groups can be addressed in the area, taking into account:*
- *the overall level of need identified using the standard method (and whether the evidence suggests that a higher level of need ought to be considered);*
 - *the extent to which the overall housing need can be translated into a housing requirement figure for the plan period; and*

- *the anticipated deliverability of different forms of provision, having regard to viability.*⁹

3.6 This element of the work identifies the type, tenure and size of housing required. The demographic modelling outlined above has been used as the starting point to quantify need by neighbourhood. This has then been broken down by the following categories as required by the NPPF:

- Private rented sector;
- self-build and custom building;
- family housing;
- housing for older people;
- housing for people with disabilities/mental health;
- student housing;
- service families; and,
- affordable housing.

3.7 The revised PPG states that plan-making authorities will need to count housing provided for older people against their housing requirement¹⁰. For the purposes of this study however, the needs of individuals living in communal (Use Class C2) accommodation, such as elderly residents living in Care Homes and students living in halls of residence, have been assessed separately.

Affordable Housing Needs

3.8 Lichfields has developed a methodology to enable a tenure split between intermediate, social rent, affordable rent and First Homes to be identified. The approach adopted by Lichfields examines the interaction between housing costs and income. An analysis has been undertaken of the ability of households with insufficient income to afford access to market housing, and to afford different types of affordable housing.

3.9 This element of the SHMA draws upon a wide range of existing sources of data to identify affordable housing needs, relating to:

- The local housing market;
- Market signals, including house prices and affordability issues;
- The existing stock of affordable housing;
- Anticipated future changes in the affordable housing stock; and,
- Current and anticipated future levels of need for affordable housing.

3.10 The affordable housing target has been broken down by tenure, size, and type. Lichfields also considered the affordable rent model and the ability of households across the Borough to pay up to 80% market rents, as well as the need for intermediate housing and First Homes.

⁹ 67-001020190722

¹⁰ 63-016a-20190626

3.11 The PPG also requires a calculation to be made of the total annual need for affordable housing, as follows:

“The total need for affordable housing will need to be converted into annual flows by calculating the total net need (subtract total available stock from total gross need) and converting total net need into an annual flow based on the plan period.

*The total affordable housing need can 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 figures included in the plan** may need to be considered where it could help deliver the required number of affordable homes.”¹¹ [Lichfields’ emphasis]*

¹¹ PPG: ID: 67-008-20190722

4.0 Defining the Housing Market Area

- 4.1 This section provides a broad overview of the Borough and its likely position within a wider Housing Market Area [HMA]. The following provides an up-to-date analysis of the extent of the HMA in accordance with the guidance contained within the PPG, using the 2011 Census data on migration and commuting levels.
- 4.2 Whilst the standard methodology for assessing local housing need assumes that each local authority administrative area forms its own HMA, identifying the extent of the HMA using the approach set out in this chapter is an important step in understanding the dynamics of the local housing market which will help inform and underpin the housing policies to be adopted in the local plan.
- 4.3 The methodology adopted for this study follows the PPG approach on defining HMAs within and across local authority areas¹².
- 4.4 Regarding HMAs, the PPG states that this is a geographical area defined by household demand and preferences for all types of housing, reflecting the key functional linkages between places where people live and work. These can be broadly defined by analysing:
- *“The relationship between housing demand and supply across different locations, using house prices and rates of change in house prices. This should identify areas which have clearly different price levels compared to surrounding areas.*
 - *Migration flow and housing search patterns. This can help identify the extent to which people move house within an area, in particular where a relatively high proportion of short household moves are contained, (due to connections to families, jobs, and schools).*
 - *Contextual data such as travel to work areas, retail and school catchment areas. These can provide information about the areas within which people move without changing other aspects of their lives (e.g., work or service use).”*
- 4.5 The Localism Act 2011 includes the statutory duty to cooperate on strategic planning for cross-boundary issues, and this is a requirement reiterated in the NPPF in terms of addressing issues including housing figures and job growth.
- 4.6 HMAs are inherently difficult to define. They are a geographic representation of people’s choices and preferences on the location of their home, accounting for where they want to live and work. They can be defined at varying geographical scales from the national scale to sub-regional scale, down to local and settlement specific scales. HMAs are also not definitive. As well as a spatial hierarchy of different markets and sub-markets, they will inevitably overlap.
- 4.7 Previously, the ‘*Identifying sub-regional housing market areas*’ advice note (March 2007) produced by the Government recommended that a measure of migration flow patterns can identify the geographical relationships of where people move house within an area with a 70% containment rate of migratory activity typically representing an HMA.

¹² 61-018-20190315

4.8 In particular:

“The typical threshold for self-containment is around 70 per cent of all movers in a given time period. This threshold applies to both the supply side (70 per cent of all those moving out of a dwelling move within that same area) and the demand side (70 per cent of all those moving into a dwelling have moved from that same area). Some areas maybe relatively more or less self-contained, and it may be desirable to explore different thresholds.”

4.9 This level of self-containment was also recommended in the first iteration of the PPG (from March 2014).

4.10 However, the PPG was revised in September 2018, removing the reference to 70% and instead stating that migration flow and housing search patterns can:

“...help identify the extent to which people move house within an area, in particular where a relatively high proportion of short household moves are contained.”¹³ [Lichfields emphasis]

4.11 This arguably introduces an element of ambiguity in terms of what comprises a ‘relatively high proportion’ which suggests this may be up to the discretion of policy makers. Migration flows and calculation of self-containment percentages within and between local authorities have been used by Lichfields to assist in defining the HMA.

Previous analyses of HMAs for North East Lincolnshire Borough

North East Lincolnshire SHMA (2013)

4.12 The SHMA examined the strategic market geography that North East Lincolnshire sits within. It determined the extent of the HMA based on 2001 Census commuting data with updated 2008 data from the Labour Force Survey, the latest available at the time. The SHMA concluded that although the Borough was relatively self-contained, migratory patterns suggested that it formed part of a wider strategic market area that included the adjacent districts of North Lincolnshire, East Lindsey and West Lindsey:

“Analysis of travel to work data from the 2001 Census further demonstrates the relatively contained nature of travel-to-work movements for North East Lincolnshire within the borough, whilst also demonstrating the wider commuting patterns into North Lincolnshire, West Lindsay, East Lindsay and, to a lesser degree, to authorities on the northern bank of the Humber Estuary. Updated travel to work data released by the ONS in 2008 continues to support these geographies of analysis, however consideration of the 2011 Census travel to work data will need to be taken when this data is released by the ONS in autumn 2013.

The analysis of migration reinforced these strategic market area with strong flows evidenced between North Lincolnshire, East Lindsey and West Lindsey. These three authorities, on the basis of functional market geography linkages, should be considered as

¹³ ID: 61-018-20190315

representing a core housing market area geography with this being used to define the scope of future duty-to-cooperate discussions and joint working” [paragraphs 9.3 and 9.4].

- 4.13 The SHMA indicates the high level of containment within North East Lincolnshire with just under 90% of residents also working within the Borough based on Census 2001 data. Furthermore, data from the 2008 Labour Force Survey indicates only a minor decline to around 85%. Of the surrounding Boroughs, North Lincolnshire provides the highest level of employment of North East Lincolnshire’s residents although this figure stood at around 4% according to Census 2001 data. This figure increased marginally to around 7% when analysing the 2008 Labour Force Survey data.
- 4.14 It should be noted that even at the time of the SHMA’s release in 2013, much of the data underpinning its HMA analysis was already 12 years old, and, at the time of writing is now more than 20 years out of date (in 2023).

Current Position of Adjoining Districts

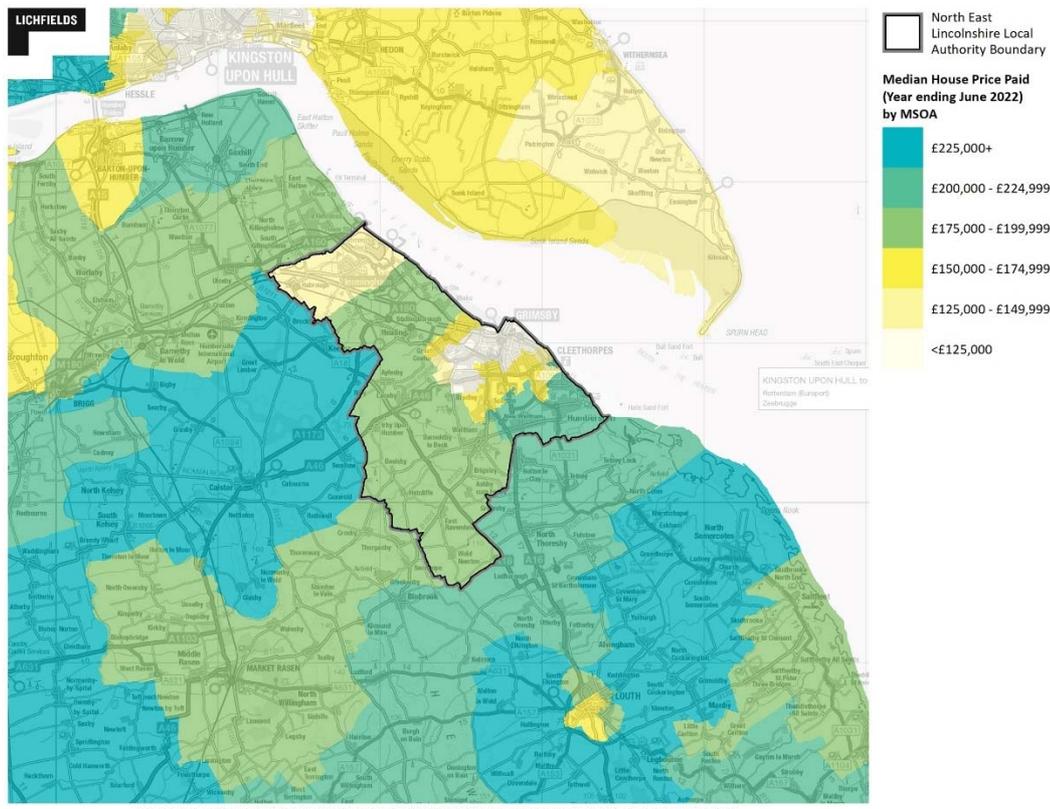
- 4.15 Discussions have taken place with neighbouring authorities as part of this SHMA. Both East Lindsey and North Lincolnshire confirmed that they consider there to be no significant cross boundary issues with North East Lincolnshire and that they consider the district to be relatively self-contained from a housing perspective. Their housing needs can be met without requiring any assistance from North East Lincolnshire. We contacted West Lindsey and they have yet to respond at the time of writing.

HMA Analysis

Housing Demand and Supply

- 4.16 Figure 4.1 shows median house prices across North East Lincolnshire Borough and its neighbouring local authorities. The median house price for North East Lincolnshire overall was £143,500 in the year to June 2022, compared to a much higher median price of £179,950 across the wider Yorkshire and The Humber region. This is also well below the higher prices of neighbouring North Lincolnshire (£160,000), East Lindsey (£199,950) and West Lindsey (£205,000).
- 4.17 Median house prices within the Borough generally increase as one moves further away from the main Urban Area of Grimsby/Cleethorpes. Although median house prices to the north (between £125,000 to £149,999) are above those in the urban centre (less than £125,000), the difference in house prices is far greater across the Medium Lower Layer Output Area [MSOA] that covers the Borough’s rural zone to the south, with median house prices between £175,000 to £199,999.

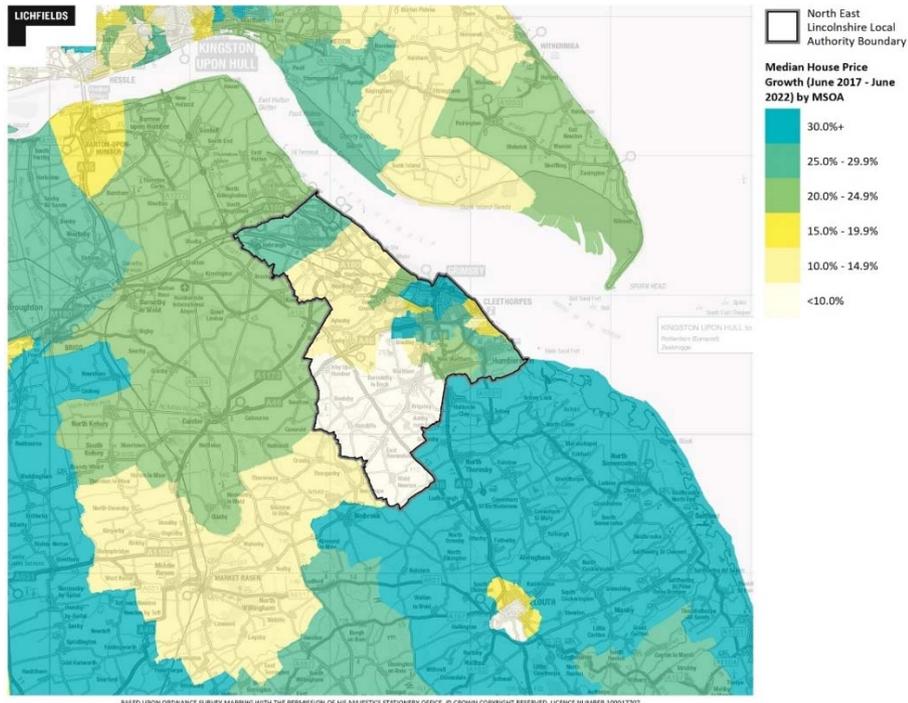
Figure 4.1 Median House Price Paid (2022)



Source: Median house price by middle layer super output area: HPSSA dataset 2

- 4.18 Figure 4.2 illustrates the percentage growth in median house prices by MSOA from 2017 to 2022. The highest rates of growth in house prices have tended to be concentrated in areas where house prices are the lowest, particularly in and around Grimsby.
- 4.19 Median house prices in North East Lincolnshire increased by around £16,500 or 13.0% in the five years from June 2017 to June 2022, a much lower increase than seen in North Lincolnshire (+£30,000 / 23.1%), East Lindsey (+£44,950 / 29.0%) and West Lindsey (+£42,050 / 25.8%).

Figure 4.2 Change in Median House Prices in North East Lincolnshire (2017 – 2022)



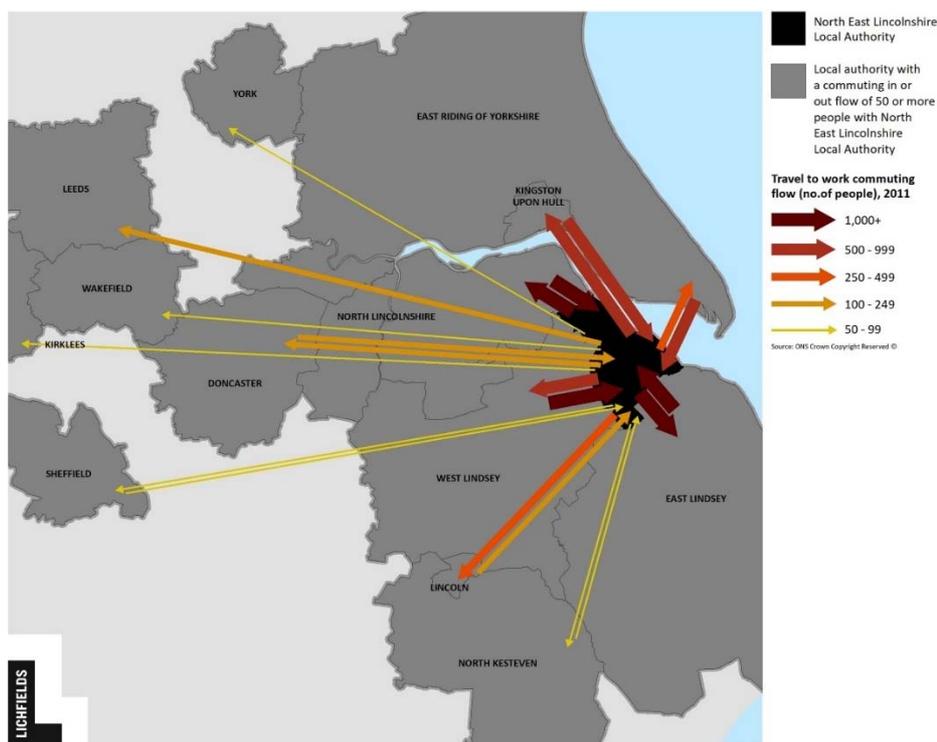
Source: Median house price by middle layer super output area: HPSSA dataset 2

Commuting Patterns

4.20

Figure 4.3 indicates that there is a relatively low level of inter-dependency between North East Lincolnshire and neighbouring authorities in terms of commuting patterns. The Borough has a resident workforce population of 71,144, of whom 11,620 commute in to work from other areas. This means that 84% of the Borough’s residents also work in the Borough. Similarly, the Borough has a workplace population of 71,899, of whom 11,267 people commute out to other authorities for work. This means that 83% of people who work in North East Lincolnshire also live in the Borough. These are very high levels of self-containment, particularly relative to the typical 66.6% to 75% thresholds for defining distinct travel-to-work areas.

Figure 4.3 North East Lincolnshire Commuting Flows



Source: Census (2011): WU01UK

Migration Flows and Housing Search Patterns

- 4.21 In July 2014, origin/destination data on migration was released for the 2011 Census at local authority level. At the time of writing (spring 2023) this remains the most up-to-date information as the 2021 Census has yet to release the equivalent multi-variate migration statistics.
- 4.22 Patterns of migration are a function of a range of housing market factors combined with household circumstances. Key factors that influence migration patterns and the geography of housing markets include affordability (which itself is influenced by a range of factors), and accessibility, particularly related to place of work and ease of commuting.
- 4.23 Table 4.1 presents the migration flows between North East Lincolnshire and other local authorities using data from the 2011 Census. The analysis indicates that the level of self-containment of migratory movements in the Borough is high with demand-side self-containment totalling 81.1% of all those moving into a dwelling in North East Lincolnshire moving from within the Borough and supply-side self-containment totalling 78.5% of all those moving out of a dwelling in the Borough also moving from within it.
- 4.24 These figures exceed the 70% self-containment rate suggested by the Practice Guidance as being necessary to justify a self-contained HMA.

Table 4.1 Inward and outward migration flows between North East Lincolnshire and neighbouring authorities

District of Origin/Destination	Residents moving into North East Lincolnshire		Residents moving out of North East Lincolnshire	
	Count	Percentage	Count	Percentage
Moves within North East Lincolnshire	14,048	81.1%	14,048	78.5%
East Lindsey	451	2.6%	371	2.1%
North Lincolnshire	440	2.5%	510	2.9%
West Lindsey	269	1.6%	235	1.3%
Kingston upon Hull, City of	164	0.9%	203	1.1%
Doncaster	111	0.6%	139	0.8%
Sheffield	76	0.4%	135	0.8%
Lincoln	68	0.4%	139	0.8%
East Riding of Yorkshire	64	0.4%	86	0.5%
Leeds	63	0.4%	121	0.7%
Other districts	1,570	9.1%	1,901	10.6%
Total moves in/out	3,276		3,840	
All moves in/out/within	21,164			

Source: Census (2011)

- 4.25 Furthermore, as previously noted, the 2018 PPG iteration states that when defining the HMA, there should be a particular focus “*where a relatively high proportion of short household moves are contained*”. If we therefore constrain the analysis only to moves within North East Lincolnshire and those to the immediate adjoining authorities, the Borough has a very high self-containment rate of 92.4% for in-migration, and 92.6% for out-migration.

Conclusion on the extent of the HMA

- 4.26 The assessment of the extent of the HMA demonstrates that the Borough has a strong level of self-containment in terms of local housing market dynamics, as well as commuting and migration patterns.
- 4.27 The PPG previously defined a HMA as a geography in which:
“a relatively high proportion of short household moves are self-contained.”
- 4.28 As such, and based on a strict interpretation of the PPG, the Census 2011 data, and analysis of migratory patterns amongst other indicators, it has been shown that **self-containment in North East Lincolnshire is sufficiently high for the Borough to be considered a single HMA for the purpose of considering housing needs in the context of the Local Plan.**
- 4.29 Therefore, it is considered both reasonable and pragmatic to take the administrative boundaries of the Borough as being a ‘best fit’ HMA for planning purposes.

Unmet Needs of Adjoining Districts

- 4.30 The Localism Act sets out that the duty to co-operate applies to activities which can ‘reasonably be considered to prepare the way’ for a development plan or local development document. This is reaffirmed by the NPPF, which sets out:
- Local planning authorities and county councils (in two-tier areas) are under a duty to cooperate with each other, and with other prescribed bodies, on strategic matters that cross administrative boundaries.*
- 4.31 Regarding the duty to cooperate, it is relevant to note that the Levelling Up and Regeneration Bill [LURB] was introduced by Michael Gove on 11th May 2022. At the time of writing, the bill completed its second reading in the House of Lords on 17th January 2023. Amongst a raft of important changes proposed to the current planning process, the Government wishes to repeal the current Duty to Cooperate, the legal obligation introduced via the Localism Act 2011 that requires cooperation between LPAs regarding plan-making.
- 4.32 This will instead be replaced by a ‘requirement to assist’ with certain plan making. The Government has clarified that despite the abolition of the Duty to Co-operate, there will be a continued need for engagement between the plan-making authorities and relevant bodies when planning development to enable delivery of infrastructure at a local or strategic level. New powers are proposed that would allow for at least two LPAs to produce a joint spatial strategy.
- 4.33 Whilst there remains a requirement on specific bodies (prescribed public bodies) to assist in the plan making process (if requested by the plan making authority), cross boundary issues are likely to remain a challenge in particular the ability to assist in accommodating growth from a neighbouring authority.
- 4.34 **NELC Officers have confirmed that following discussions with their counterparts in adjoining districts across Lincolnshire, there is no unmet housing need from adjoining areas that should be met in North East Lincolnshire. We understand from officers that there is an agreement in place that the relevant authorities are all meeting their own needs within their own boundaries as set out in the corresponding Duty to Co-operate statements.**

5.0 Socio-Economic Context

5.1 This section provides evidence at a national, regional, and local level to provide context for the housing market analysis, exploring the demographic context as well as trends in the housing market.

Demographic Context

5.2 Understanding the demographic context of an area is critical to understand the foundations for a robust objective assessment of housing need. Up-to-date demographic evidence, informed by the 2021 Census and other nationally consistent data sources such as the Annual Population Survey [APS] and ONS MYE, provides an understanding of:

- How North East Lincolnshire’s population has evolved in the past;
- How the key components of change (notably births, deaths, and migration) have influenced this; and
- How they are likely to continue shaping population and household change in the future.

Population and Household Change

5.3 Census data presented in Table 5.1 illustrates that the population of North East Lincolnshire decreased by 1,008 or 0.6% from 2001 to 2021. This is a significantly lower rate of change with the population of the Yorkshire and Humber region increasing 10.4% and the population of England and Wales increasing by 14.3%.

Table 5.1 Population and Household change in North East Lincolnshire 2001 – 2021

	2001	2011	2021	2001-2021 Change	2001-2021 % Change
Population	157,974	159,616	156,966	-1,008	-0.6%
Households	66,054	69,707	69,800	3,746	5.7%

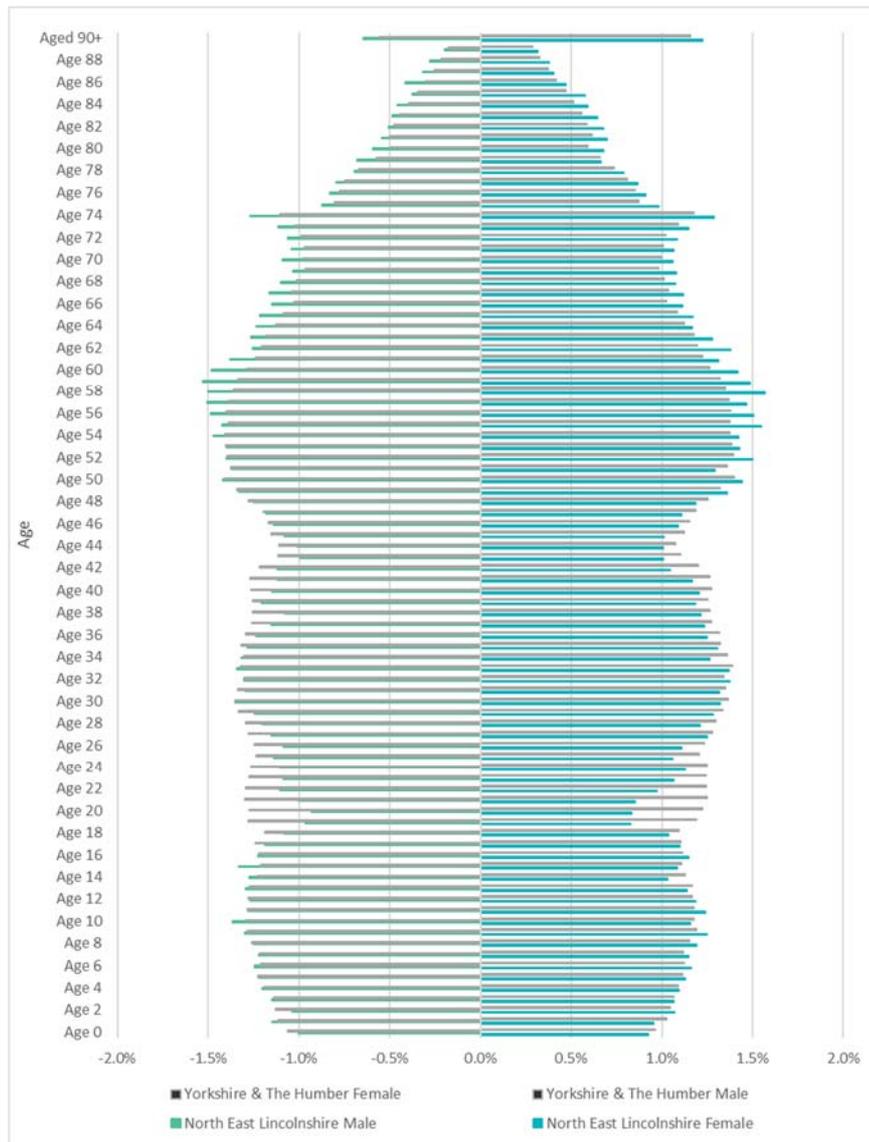
Source: Census 2001, 2011, 2021

5.4 The number of young residents (those aged 0 – 19 years old) fell 16.3% or by 6,998 people over the period compared to a regional increase of 0.8% and a national increase of 5.4%. Similarly, the number of working age residents (those aged 20-64 years old) also declined by 0.8% or 735 people compared to a significant increase across Yorkshire and The Humber (9.1%) and England and Wales (13.4%). The change in the number of older residents in North East Lincolnshire is relatively more comparable to the regional and national benchmarks with an increase of 25.8% or 6,725 people compared to growth of 30.3% across Yorkshire and The Humber and 33.1% across England and Wales.

5.5 Census data also demonstrate the change in the number of households across North East Lincolnshire and the comparator areas. The number of households across the Borough increased from 66,054 in 2001 to 69,800 in 2021 – an increase of 5.67%. This rate of growth is well below the rate of household growth across Yorkshire and the Humber (12.9%) and England and Wales (14.4%). Furthermore, much of the household growth across North East Lincolnshire took place in the decade to 2011 (5.53%) with the household growth over the subsequent decade comprising just 0.13%.

5.6 Figure 5.1 uses the latest 2021 Census to compare the population of North East Lincolnshire with the wider region. The share of young people across the two comparator areas, specifically those below the age of 15, broadly aligns however when comparing those who are slightly older (18 to 30 and those aged 36 to 44), North East Lincolnshire has a smaller share. On the other hand, assessing the relative share of the resident population over the age of 55 identifies a general over representation of senior residents in North East Lincolnshire compared to the regional average.

Figure 5.1 Population structure of North East Lincolnshire, 2021



Source: 2021 Census

Population Change by Spatial Zone

5.7 Census data captures the population at LSOA level allowing for a more granular assessment of population change from 2011 and across the Spatial-Zones set out the adopted Local Plan. Table 5.2 indicates that the populations of both the Urban and Rural Areas have declined across the intercensal period. The resident population of the Urban Area fell by

3.9% (-4,705 residents) whilst the (much smaller) resident population of the Rural Area fell by 2.5% (-180 people). The population of the Estuary Zone has largely stagnated, increasing by just 0.25% (-21 people), whilst there has been a relatively large increase in the resident population of the Western and Southern Arc, which has seen its population increasing by 9.5% (+2,213 people) over the past decade.

Table 5.2 Population change by Spatial-Zone in North East Lincolnshire (2011-2021)

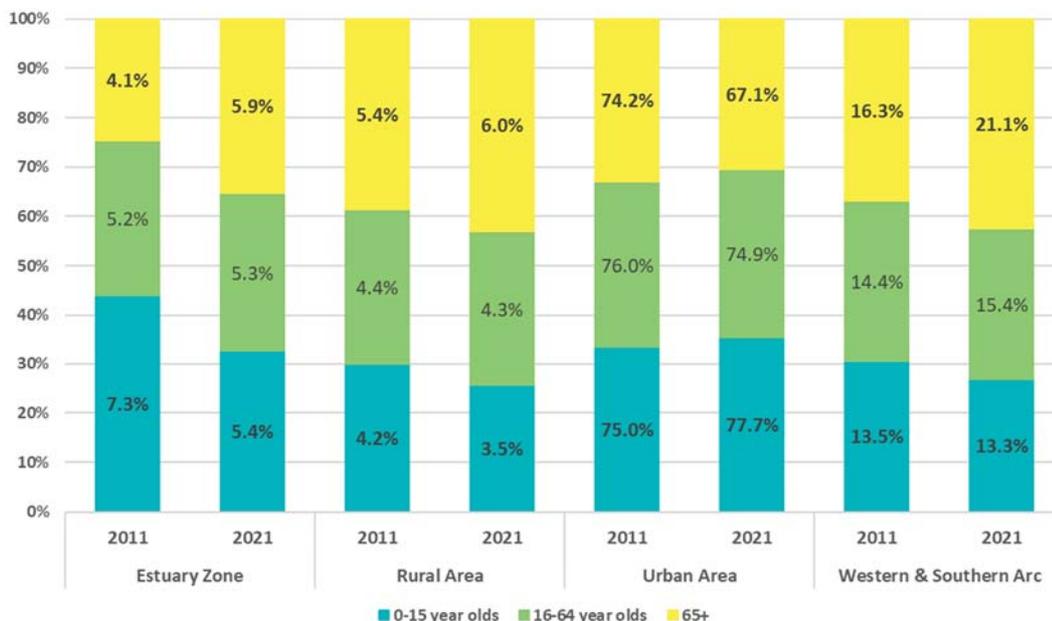
	2011		2021		Population Change (%)
	Total Residents	Share (%)	Total Residents	Share (%)	
Estuary Zone	8,566	5.4%	8,585	5.5%	0.2%
Rural Area	7,291	4.6%	7,112	4.5%	-2.5%
Urban Area	120,529	75.5%	115,824	73.8%	-3.9%
Western and Southern Arc	23,230	14.6%	25,451	16.2%	9.6%
Total	159,616		156,972		-1.7%

Source: Census 2011; 2021

- 5.8 Following the selected release of some of the Census 2021 multivariate datasets that allow for the combination of different demographic variables, further analysis can detail the change in key age cohorts across the North East Lincolnshire's Spatial-Zones.
- 5.9 Figure 5.2 illustrates the change in the age cohorts across each Spatial-Zone in North East Lincolnshire. The data illustrates that the proportion of children (defined as those younger than 16 years old) in the Estuary Zone fell from 7.3% (2,193 people) in 2011 to 5.5% (1,601 people) in 2021. This trend was also observed across the Rural Area, with the number of children falling from 4.2% of all residents (1,275 people) to 3.5% (1,042 people); and across the Western and Southern Arc, with the share falling from 13.5% (4,085 people) to 13.3% (3,924 people). On the other hand, the share of young residents living in the Urban Area increased from 75.0% (22,686 people) in 2011 to 77.7% (22,881 people) in 2021.
- 5.10 The share of working-age residents (those aged between 16 and 64 years old) largely stagnated across both the Estuary Zone – increasing from 5.2% (5,226 people) of the Borough-wide total, to 5.3% (5,059 people) – and across the Rural Area, with the share of working residents living here falling from 4.4% (4,484 people) to 4.3% (4,114 people) over the period. Conversely, the data highlights a relatively greater rate of change across the Urban Area, with the share of working-age residents falling from 76.0% (76,850 people) to 74.9% (70,909 people) whilst across the Western and Southern Arc, the working age share of the population increased marginally from 14.4% (14,530 people) in 2011 to 15.4% (14,588 people) in 2021.
- 5.11 The data indicates that there has been a much greater level of change in the proportion of the elderly population (those aged 65 and over) living in each of the Spatial-Zones. The share of elderly residents increased in the Estuary Zone from 4.1% (1,147 people) to 5.9% (1,927 people) ten years later. This age cohort also increased strongly across the Rural Area, from 5.4% (1,532 people) to 6.0% (1,955 people). For the Western and Southern Arc, the increase was from 16.3% (4,615 people) to 21.1% (6,931 people). The Urban Area was the only Spatial-Zone that experienced a marked decrease in the share of elderly residents (as a percentage of the Borough-wide total, although the actual number of elderly residents did

still increase), with the sub-area’s share of the total Borough-wide elderly population falling from 74.2% (20,993 people) to 67.1% (22,012 people).

Figure 5.2 Population Change by age cohort by Spatial-Zone in North East Lincolnshire (2011 -2021)



Source: Census 2021 (TS007 – Age by Single Year)

Household Change by Spatial-Zone

5.12 Table 5.3 demonstrates the change in households across North East Lincolnshire’s spatial zones. It indicates that the overall number of households has increased slightly, from 69,707 in 2011 to 69,172 in 2021 – an increase of 0.2% over the period. However, this figure masks significant variations across the Borough’s spatial zones with a significant increase of 8.7% to a total of 3,079 households in 2021 in the Rural Area. Similarly, the number of households in the Western and Southern Arc increased by 7.6% to a total of 11,181 by 2021.

5.13 Conversely, the number of households in the Urban Area fell 1.5% from 52,655 in 2011 to 51,873 in 2021 whilst the Estuary Zone saw the largest reduction in households, falling 3.5% from 3,826 to 3,694 over the period.

Table 5.3 Change in the number of total households (2011 – 2021)

	2011		2021		Change
	Number of Households	Share (%)	Number of Households	Share (%)	%
Urban Area	52,655	75.5%	51,873	74.3%	-1.5%
Estuary Zone	3,826	5.5%	3,694	5.3%	-3.5%
Western and Southern Arc	10,393	14.9%	11,181	16.0%	+7.6%
Rural Area	2,833	4.1%	3,079	4.4%	+8.7%
Total	69,707	100.0%	69,827	100.0%	+0.2%

Source: Census 2011; Census 2021.

- 5.14 The significant increase in the population of over 65s is also reflected in the change in the composition of households across the Borough. Table 5.4 indicates that the total number of households where the principal resident was over the age of 65 years old increased by 20.2%, from 15,488 in 2011 to 18,609 in 2021. The change in older households increased significantly across all four spatial zones. Older households in the Urban Area increased by 18.9% (from 10,854 to 12,906), and in the Western and Southern Arc by 20.0% (3,051 to 3,660). The increase in older households living in both the Rural Area and the Estuary Zone was even greater, by 29.0% (from 752 to 970) and 29.1% (from 831 to 1,073) respectively.

Table 5.4 Number of households over the age of 65 (2011 – 2021)

	2011		2021		Change (%)
	Number of Households over 65	Share (%)	Number of Households over 65	Share (%)	
Urban Area	10,854	70.1%	12,906	69.4%	18.9%
Estuary Zone	831	5.4%	1,073	5.8%	29.1%
Western and Southern Arc	3,051	19.7%	3,660	19.7%	20.0%
Rural Area	752	4.9%	970	5.2%	29.0%
Total	15,488		18,609		20.2%

Source: Census 2011; 2021

Natural Change

- 5.15 Natural change, i.e. the difference between births and deaths, actually increased in the Borough between 2011 and 2021, by a total of 3,604 from 2002 to 2020. However, North East Lincolnshire's population still declined by 267 residents due to net out-migration.¹⁴

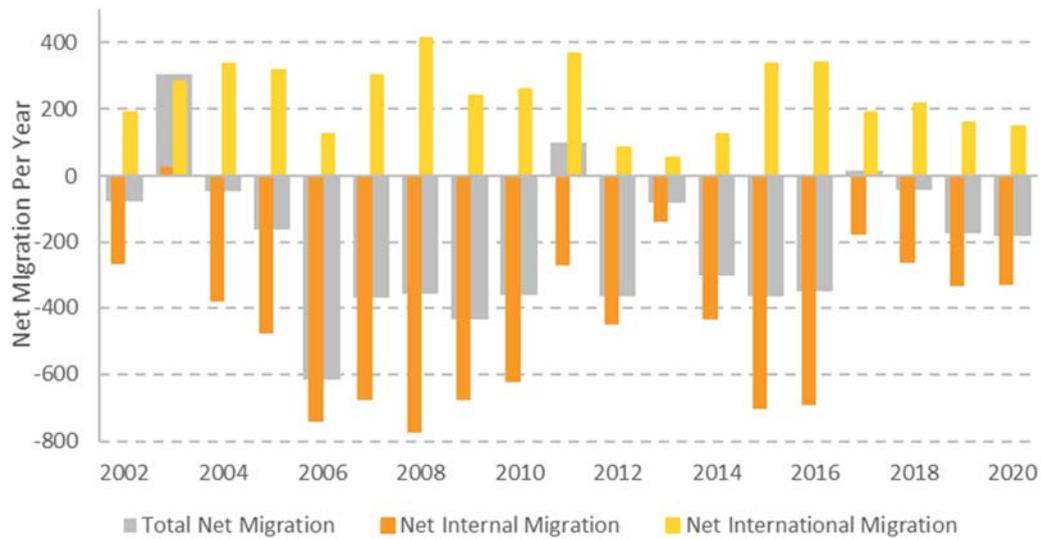
Migration

- 5.16 As illustrated in Figure 5.3, net migration¹⁵ has been consistently outward-moving over the period 2002 to 2020. This is entirely driven by net internal migration which has been consistently negative over this time period, whilst the numbers of immigrants invariably exceeds the number of North East Lincolnshire residents moving abroad. Net internal migration was particularly low from 2006 to 2010 averaging -696 over the period.
- 5.17 Net international migration was positive in every year over the period and remained relatively consistent from 2002 to 2011, averaging +282 per annum before falling significantly to an average of just 87 per annum from 2012 to 2014. Post-2014, the average increased to +230 per annum.

¹⁴ ONS (2023): Mid-Year estimates: components of UK population change, 2002 - 2020

¹⁵ international migration comprises people moving into the country from abroad; cross-border migration (which for the purposes of this analysis has been included in the internal migration figures) represents residents moving to/from North East Lincolnshire from other countries within the UK (i.e. Scotland, Northern Ireland or Wales), whilst internal migration represents residents moving to/from North East Lincolnshire from elsewhere in England.

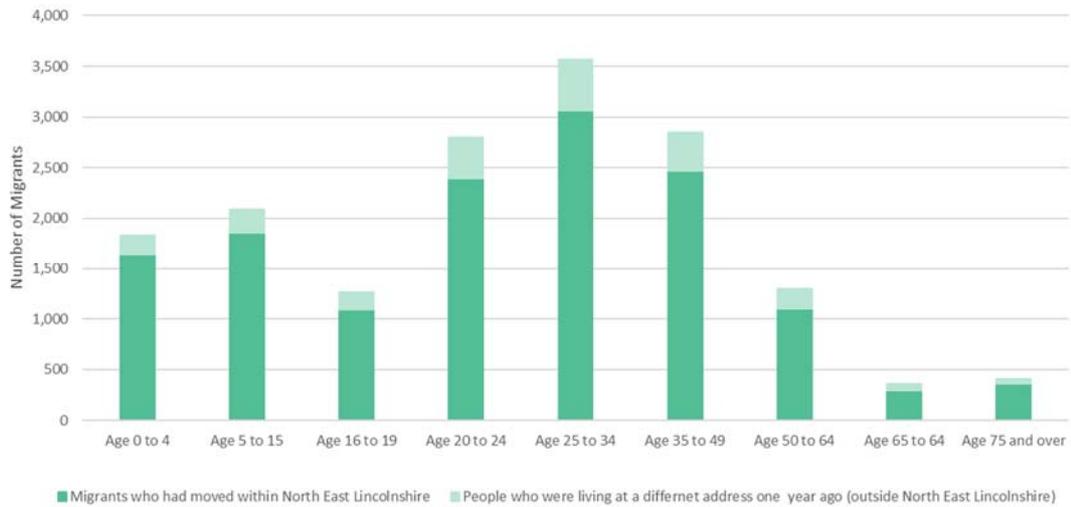
Figure 5.3 Net Internal and International Migration for North East Lincolnshire, 2002 – 2020



Source: ONS Migration Estimates – Revised Mid-Year Estimates

5.18 Figure 5.4 provides a breakdown of the age of internal migrants. It indicates that the majority of migrants moving into and within North East Lincolnshire were of working age. People aged 25-34 were the largest age group to move into (+499) and within (+3,066) the Borough, followed by residents aged 20-24 and 35 to 43.

Figure 5.4 Age Structure of Internal Migrants



Source: Census 2011: UKMIG001 – Migration by sex by age

Economic Conditions and Trends

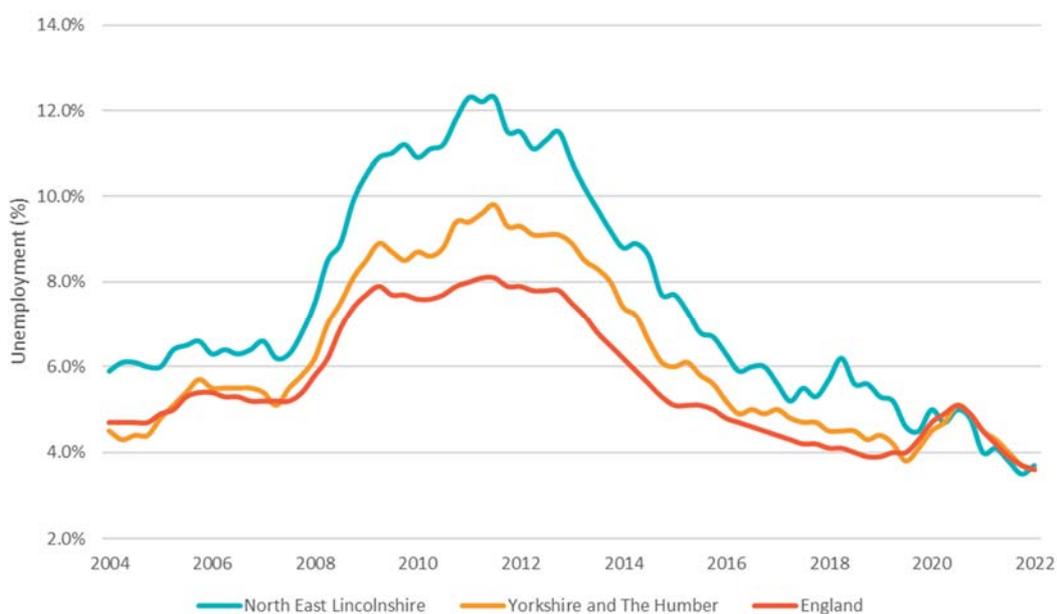
Labour Market Indicators

5.19 In the year to September 2022, 75.6% of North East Lincolnshire’s population aged 16-64 were economically active, meaning they were in or actively seeking employment. This is a lower level of economic activity than experienced across Yorkshire and The Humber (77.4%) and England (78.5%) over the same period.

5.20 Figure 5.5 shows the rate of unemployment in North East Lincolnshire, Yorkshire and The Humber and England between 2004 and 2022. The most recent data (January 2021 - December 2022) indicates that 2,700, or 3.7%, of North East Lincolnshire’s residents of working age were unemployed, which is comparable to the regional and national rates of 3.6% and 3.6% respectively.

5.21 Unemployment has fallen relatively consistently from 6.2% in the year to March 2019 to 3.7% in the year to December 2022. Furthermore, despite an initial disparity in the year to March 2019 compared to regional (4.2%) and national (4.0%) rates, in the year to December 2022 Borough unemployment (3.7%) fell largely in line with that across Yorkshire and The Humber (3.6%) and England (3.6%). This overturns the historic trend of North East Lincolnshire having much higher rates of unemployment than elsewhere (particularly in the immediate aftermath of the recession of 2009/10).

Figure 5.5 Unemployment rate (2004 – 2022)



Source: ONS (2022): Model-based estimates of unemployment

5.22 Figure 5.6 shows the rate of benefit claimants amongst residents aged 16 – 64 in North East Lincolnshire, Yorkshire and The Humber and England. As with the unemployment rate, the number of claimants in North East Lincolnshire has historically been above the regional and national rates. Again, the series clearly shows the impact of Covid-19, with the number of claimants rising from 4,345 (4.6%) in March 2020, to a peak of 7,175 (7.5%) in July 2020.

5.23 This peak was considerably higher than the regional and national rates of 6.6% and 6.4% respectively, although it has since fallen to 3,825 people (4.0%) by October 2022.

Figure 5.6 Claimants as a proportion of residents Aged 16 -64 (2004 – 2022)



Source: ONS (2023): Claimant count by sex and age

5.24 As shown in Table 5.5, North East Lincolnshire had a median resident-based gross annual income (including people who live in North East Lincolnshire but do not necessarily work there) of £29,241 in 2022, which was lower than the Yorkshire and The Humber median of £33,208 and England’s median of £30,501. Similarly, the workplace-based median income in North East Lincolnshire (i.e. people who work in North East Lincolnshire but do not necessarily live there) was £27,969, lower than the respective regional and national median incomes of £33,197 and £30,000. That workplace-based incomes are lower in North East Lincolnshire reflects fact that the Borough is a net exporter of labour, with residents working in higher-paid jobs elsewhere then bringing that income back home with them.

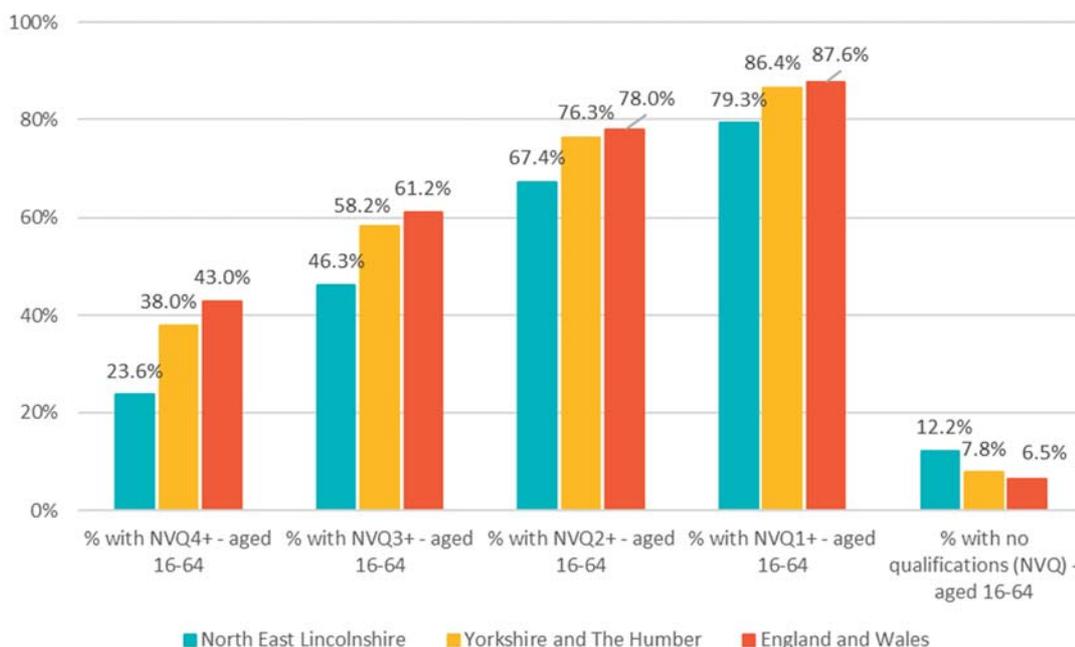
Table 5.5 Median gross annual resident and workplace based income (2022)

	Resident analysis	Workplace analysis
North East Lincolnshire	£29,241	£27,969
Yorkshire and The Humber	£33,208	£33,197
England	£30,501	£30,000

Source: ONS (2022): Annual Survey of Hours and Earnings

5.25 Figure 5.7 shows the share of the Borough’s population aged 16 -64 with Non-Vocational Qualifications [NVQs]. Overall, the Borough is relatively poorly educated compared to the Yorkshire and The Humber region and England. 12.2% of North East Lincolnshire’s residents have no qualifications, compared to 7.8% regionally and 6.4% nationally. The Borough also has a lower share of residents with at least levels one, two, three and four and above NVQs than the regional and national rates.

Figure 5.7 Qualification attainment for 16-64 year olds (2021)



Source: ONS (2022): Annual Population Survey

Business Demography and Enterprise

5.26 In 2022 there was a total of 4,795 enterprises in North East Lincolnshire, which has grown by 840 (+21.4%) since 2012. This is a considerably lower rate of growth than across Yorkshire and The Humber region (28.8%) and nationally (30.3%) over the same period.

5.27 The business mix across the Borough is heavily skewed towards micro businesses (those with 0-9 total employees) comprising 87.3% of total number of businesses. 10.7% of business are small enterprises (those employing between 10 – 49 employees) compared to 9.5% regionally and 8.5% nationally. The share of medium enterprises (50-249 employees) accounts for 1.6% of total businesses, comparable to the regional (1.7%) and national (1.5%) shares. The share of large firms in North East Lincolnshire is comparable across all comparator areas at 0.4%.

Table 5.6 Share of enterprises by size (2022)

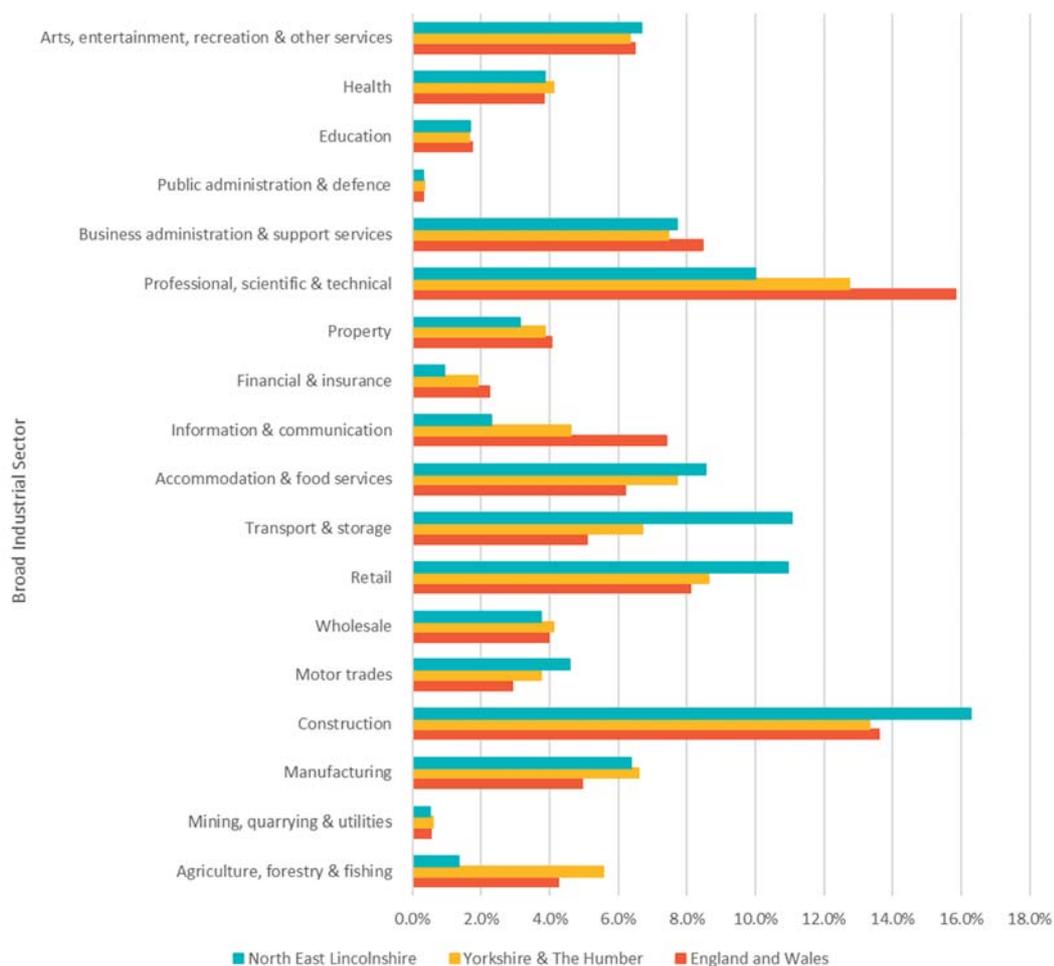
	North East Lincolnshire	Yorkshire and The Humber	England and Wales
Micro (0 to 9)	87.3%	88.4%	89.6%
Small (10 to 49)	10.7%	9.5%	8.5%
Medium-sized (50 to 249)	1.6%	1.7%	1.5%
Large (250+)	0.4%	0.4%	0.4%

Source: ONS (2023): UK Business Counts – enterprises by industry and employment size band

5.28 Figure 5.8 shows the share of enterprises in North East Lincolnshire, Yorkshire and The Humber Region and England broken down by broad industrial sector. The highest share of enterprises is within the Construction sector, at 16.3% (780) of all enterprises in North East Lincolnshire. This is followed by the Transport and Storage sector comprising 11.1% (530) and the Retail sector comprising 10.9% (525) of all businesses. Relative to the comparator

areas, North East Lincolnshire has a high representation of Construction, Transport and Storage, and Retail enterprises and an under-representation of businesses in the Agriculture, Information and Communication, and Professional, Scientific and Technical sectors.

Figure 5.8 Share of enterprises by Broad Industrial Sector (2022)



Source: ONS (2022): UK Business Counts – enterprises by industry and employment size band

Employment

5.29

Table 5.7 demonstrates that employment levels in North East Lincolnshire stood at around 69,400 people in 2021, having increased by around 2,400 or 3.6% over the previous decade. In comparison, Yorkshire and The Humber and England and Wales experienced employment growth 11.7% and 15.3% respectively over the same period.

Table 5.7 Employment by comparator region, 2011 – 2021

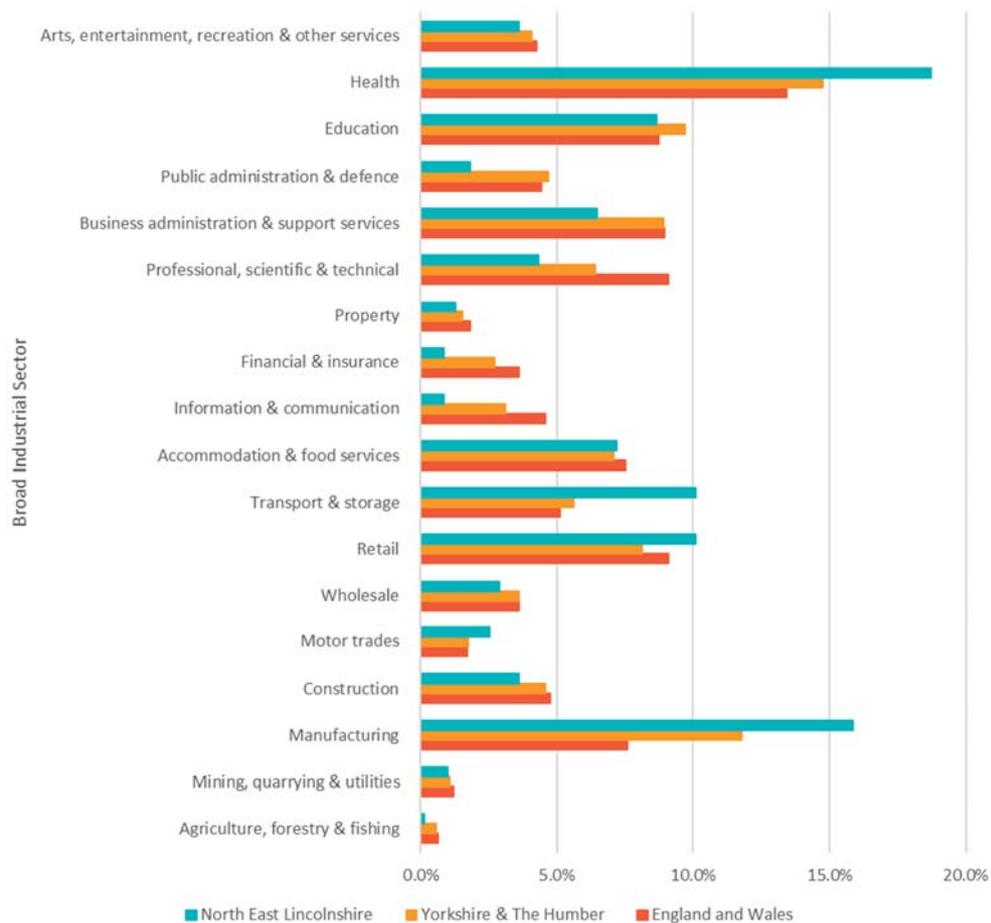
	2011 Employment	2021 Employment	Change	% Change
North East Lincolnshire	67,000	69,400	+2,400	+3.6%
Yorkshire and The Humber	2,184,000	2,440,000	+256,000	+11.7%
England and Wales	24,244,000	27,859,000	+3,615,000	+14.9%

Source: ONS (2022): Business Register and Employment Survey 2021 (numbers may not sum exactly due to rounding)

5.30 North East Lincolnshire had a job density of 0.82 jobs per person in 2021¹⁶. This is a rate slightly above the regional density of 0.81; however, it remains below the national rate of 0.87.

5.31 Figure 5.9 illustrates the share of employees by broad industrial sector in North East Lincolnshire and the comparator areas. Despite the health sector comprising only 3.9% of all businesses in North East Lincolnshire, the sector employs 18.7% of workers – a higher rate than across the region (14.8%) and nationally (13.4%). The Borough’s manufacturing sector is another key source of employment, employing 15.9% of all workers, compared to 11.8% across Yorkshire and The Humber and 7.6% across England and Wales. On the other hand, although Construction sector companies comprise 16.3% of all businesses in North East Lincolnshire, the sector employs only 3.6% of the Borough’s workers, suggesting that many of the companies within the sector are likely to be micro and small enterprises.

Figure 5.9 Share of employees by broad industrial sector (2022)



Source: ONS (2022): Business Register and Employment Survey (2021)

Location Quotient Analysis

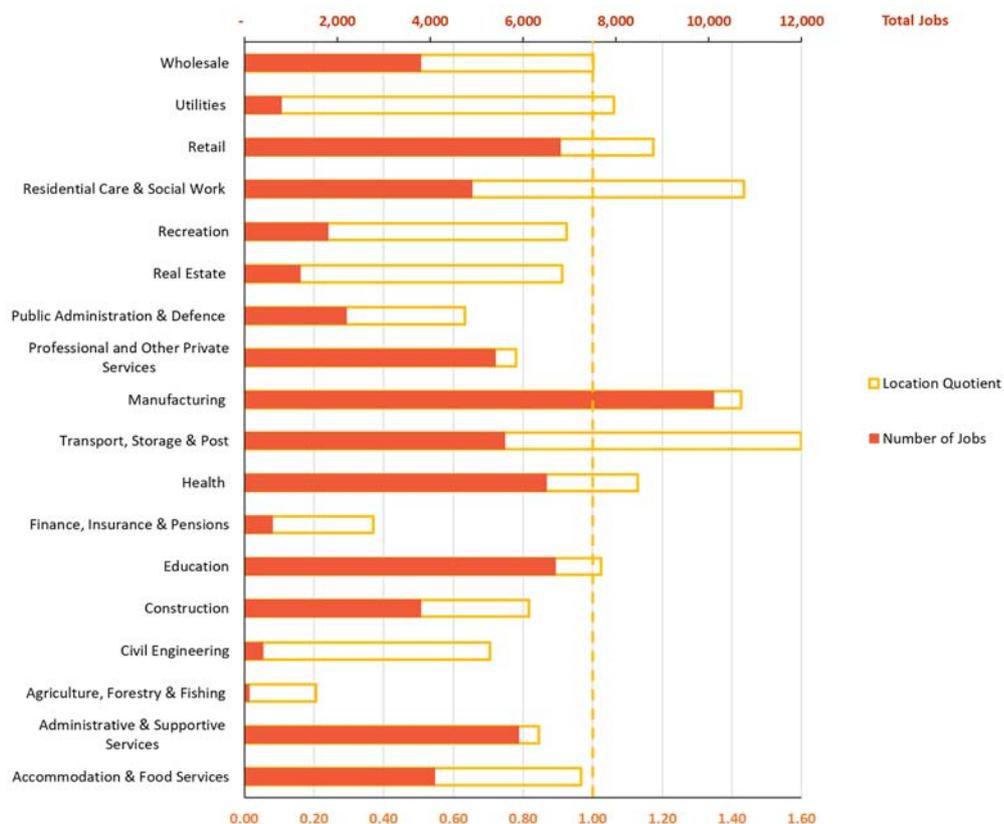
5.32 Whilst recent Government policy has focused on spatial-led growth, there is an increasing need for a shift towards sector-based growth models. To identify the full economic

¹⁶ ONS (2023): Job Density 2021, defined as the number of jobs in an area divided by the resident population aged 16-64.

potential of North East Lincolnshire, it is important to revisit which industrial sectors are best placed to drive future growth. This is informed by an understanding of which sectors are under or over-represented in terms of local employment and their recent growth performance.

5.33 Figure 5.10 assesses the Borough’s current sectoral strengths using location quotients, which measure the proportion of employment in an industry at the Borough level relative to the regional average.

Figure 5.10 Location Quotient Analysis, 2022



Source: Experian December 2022 / Lichfields analysis

5.34 In the graph, the location quotients are shown using a yellow outline. A value above 1.0 (shown as a dashed yellow line in the diagram below) denotes a higher local representation of a sector compared to the Yorkshire and The Humber average, whilst anything below 1.0 signifies an under-representation. The further the yellow outline is from 1.0, the greater the extent of any over or under-representation. In addition, the red bars show the absolute level of employment within North East Lincolnshire accounted for by each sector.

5.35 The strength of North East Lincolnshire’s Transport, Storage and Post sector is clear, with the sector having the highest location quotients of 1.60, meaning the Borough has 60% more employment in this sector than would be expected relative to the regional average, employing 5,600 workers. The Borough also has higher than expected representation in a number of sectors including Manufacturing (1.43), Residential Care and Hospitality (1.43) and Retail (1.20). Meanwhile, under-represented sectors include Agriculture, Forestry and

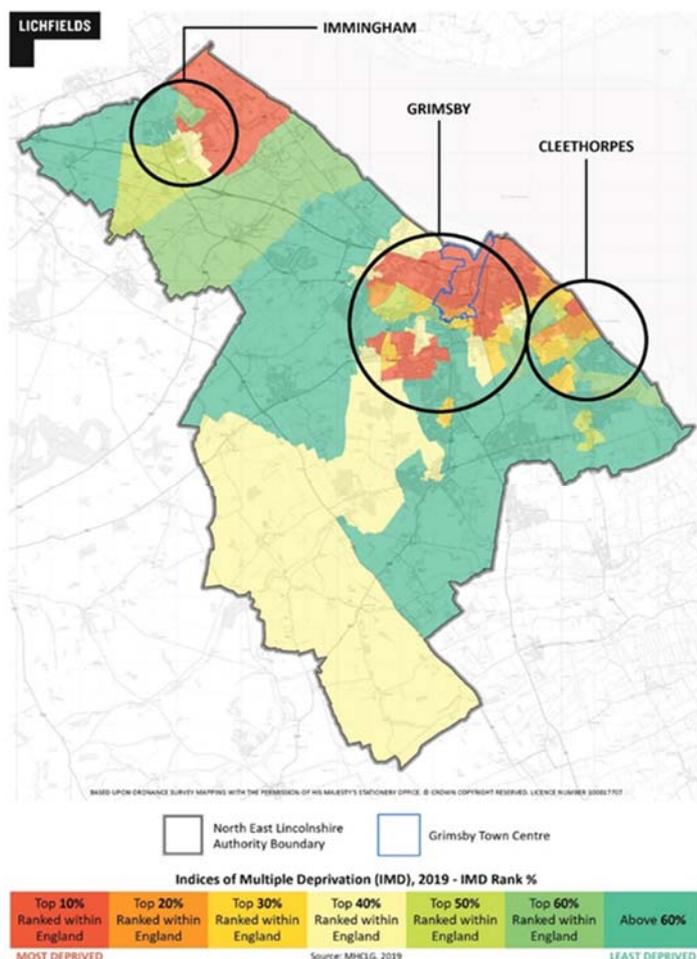
Fishing (0.21), Finance, Insurance and Pensions (0.37) and Public Administration and Defence (0.63).

Deprivation

- 5.36 Deprivation at a local level is measured by the Indices of Multiple Deprivation [IMD], which uses several datasets to rank areas across seven sub-domains of deprivation that range from access to health services to income levels¹⁷. These categories are combined to produce an overall deprivation rank for each local authority in England. The IMD 2019 identifies that out of all 317 local authorities in England, North East Lincolnshire is ranked as being the 66th most deprived (based on ‘rank of average rank’). It therefore ranks amongst the 21% most deprived authorities nationally.
- 5.37 Figure 5.11 illustrates deprivation across North East Lincolnshire by Lower-Layer Super Output Area [LSOA] and a high level of variance across the Borough is apparent.
- 5.38 Much of the Borough’s deprivation is centred in the urban areas of Grimsby, Cleethorpes and Immingham. Indeed, most of Grimsby’s Town Centre boundary is contained within LSOA E01013221, an area that is within the 10% most deprived LSOAs in England. The small portion of the town centre to the south is contained within LSOA E01013187 and is ranked within the 20% most deprived. Furthermore, many of the surrounding LSOAs to the east and west that comprise the urban area are also heavily deprived.
- 5.39 The town of Cleethorpes, is also relatively deprived when compared to the rest of the Borough, with several of the northern LSOAs in the town ranked within the 20% most deprived in England. The level of deprivation in Immingham is focussed within LSOAs E01013174 and E01013177 covering the northern and eastern sections of the town which are within the 10% most deprived. Away from these urban areas into the Western and Southern arc settlements and particularly the surrounding rural areas, the levels of deprivation falls significantly and affluence rises.

¹⁷ Ministry of Housing, Communities and Local Government (DLUHC), Indices of Multiple Deprivation (2019)

Figure 5.11 Deprivation of North East Lincolnshire, 2019



Source: DLUHC (2023): Index of Multiple Deprivation 2019

Deprivation by Spatial-Zone

5.40 Table 5.8 illustrates that as many as 63.8% (15) of all LSOAs comprising the Urban Area are within the 30% most deprived LSOAs in England for overall deprivation. The Estuary Zone, although notably lower than that of the Urban Area, has 33.3% (2) of its LSOAs within the 30% most deprived LSOAs in England. These figures stand in stark contrast to that of the Rural Area and Western and Southern Arc where no LSOAs across either Spatial-Zones are within the 30% most deprived in England.

Table 5.8 Share of LSOAs by Spatial-Zone within the first, second and third deprivation decile (2019)

	Number of Comprising LSOAs	LSOAs in the 10% Decile	LSOAs in the 20% Decile	LSOAs in the 30% Decile	Total share of LSOAs in top 30% Decile
Urban Area	80	37.5%	10.0%	16.3%	63.8%
Estuary Zone	6	33.3%	0.0%	0.0%	33.3%
Western and Southern Arc	15	0.0%	0.0%	0.0%	0.0%
Rural Area	5	0.0%	0.0%	0.0%	0.0%

Source: DLUHC (2020): Indices of Multiple Deprivation by LSOA (2019)

Summary

- 5.41 Overall, North East Lincolnshire performs poorly across a number of economic indicators. Economic activity in the Borough is below both the regional and national rates, whilst both unemployment and the number of benefit claimants are slightly above the comparator regions. Deprivation is concentrated in the urban centres of Grimsby and Cleethorpes, and to a lesser degree, Immingham compared to relatively low levels of deprivation across the outlying rural areas.
- 5.42 Resident- and, in particular, workplace-based incomes in the Borough are below the regional and national average, suggesting that higher-paying job offers may be more accessible outside of the Borough.

6.0 Housing Market Signals

- 6.1 This section provides evidence at a national, regional and local level to provide context for the housing market analysis, exploring the demographic context as well as trends in the housing market including house **holding**, occupancy rates and a range of market signals.

Household Composition

- 6.2 As shown in Table 6.1, at the time of 2011 Census, the total number of households increased by just 119, or 0.2% up to 2021 however this figure masks significant changes within the composition of these households. In 2021, the most common type of households in North East Lincolnshire were single occupant households below the age of 65 (18.2%), followed by couple households with no children (18.1%) and couples with dependent children (16.4%).
- 6.3 There was relatively significant growth in the number of couple households over the age of 65, with the number increasing by 14.6% or from 6,092 (an 8.7% share) to 6,979 (a 10.0% share) over the intercensal period. Similarly, the number and share of lone parents with non-dependent children increased by 12.2%, or from 2,337 (a 3.4% share) to 2,622 (a 3.8% share).

Table 6.1 Change in Household Composition in North East Lincolnshire Borough (2011 – 2021)

Household Composition	2011		2021		Change in %
	Number	%	Number	%	
Single 65+	9,190	13.2%	10,030	14.4%	+9.1%
Single <65	12,603	18.1%	12,688	18.2%	+0.7%
Couple 65+	6,092	8.7%	6,979	10.0%	+14.6%
Couple, no children	12,603	18.1%	12,649	18.1%	+0.4%
Couple, dependent children	12,393	17.8%	11,454	16.4%	-7.6%
Couple, non-dep. Children	4,413	6.3%	4,344	6.2%	-1.6%
Lone parent, dep. Children	6,071	8.7%	6,016	8.6%	-0.9%
Lone parent, non dep. Children	2,337	3.4%	2,622	3.8%	+12.2%
Other, no dep. Children and Students	2,587	3.7%	1,702	2.4%	-34.2%
Other, dep. Children	1,418	2.0%	1,342	1.9%	-5.4%
All Occupied Household Spaces	69,707	100.0%	69,826	100.0%	+0.2%

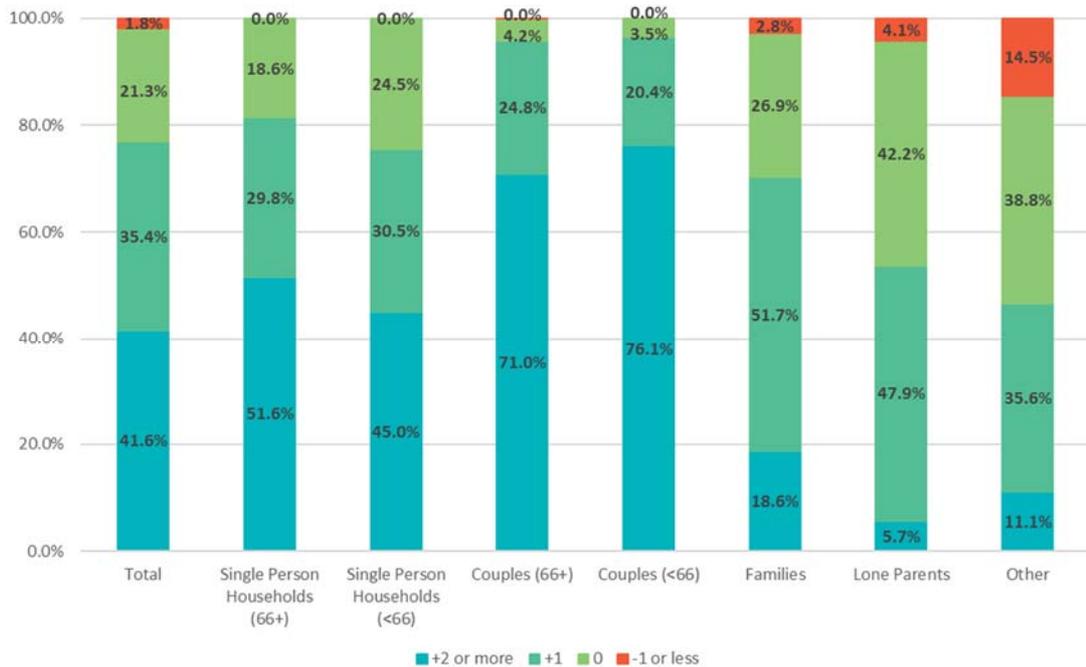
Source: Census 2011 (DC1301EW); Census 2021 (TS003)

Occupancy Rating

- 6.4 In a perfectly functioning ‘ideal’ market, the housing stock would be used most efficiently to ensure that households which under-occupy housing do not block larger households from accessing larger homes, leading to overcrowding. At present in the Borough there is a co-existence of small households living in large homes (the same pattern as seen nationally), and large families living in small homes. This demonstrates why net growth in the number of smaller households (i.e., single and couple households) does not necessarily translate into a need for smaller housing units, unless (for example) there are specific measures targeted at encouraging downsizing and movement within the market.

- 6.5 Figure 6.1 elaborates this point by illustrating which household types are experiencing over-occupation most commonly across North East Lincolnshire. At the Borough level, up to 41.6% (29,019) of households under-occupy homes with at least two more bedrooms than is considered necessary for their household size and a further 35.4% (24,686) of households have one more bedroom than necessary. On the other hand, just 21.3% (14,870) of households live in a property that is considered suitable for their current household size. This not only highlights the significant levels of under-occupancy across the Borough but also provides a baseline from which to draw comparisons between various household compositions.
- 6.6 There is a significant level of under-occupancy among single person households at 76.9% for those over 66 and rising to 81.4% for those below the age of 66. On the other hand, fewer than one in five (18.6%) single person households over 66 and fewer than one in four (24.5%) below the age of 66 appropriately occupy homes.
- 6.7 Regarding couples, the level of under-occupancy increases very significantly with as many as 95.8% of couples aged 66 and above and 96.5% below 66 under-occupying homes. This may be partly explained by the likelihood of many younger couples intending to start a family and therefore ensuring they occupy a house that meets their future, rather than present, needs. On the other hand, that couples over the age of 66 occupy a significant share of 3-bedroom properties may reflect a reluctance to downsize after their children have moved out.
- 6.8 To a lesser extent, families are also likely to under-occupy homes in North East Lincolnshire, with 70.4% of households living in a property with at least one bedroom more than is strictly necessary. As with couples, many families may occupy a larger house with the possibility of having another child or to work from home and subsequently convert the extra bedroom space into a home office or workspace.
- 6.9 Therefore, it is reasonable to infer that in general on the open market, households typically do not strictly occupy housing in line with their 'needs', or their household size. This is because households are free (within their financial means) to buy or rent property in line with what they want, rather than what they might be considered to 'need'. Households may wish to have additional space generally or for a specific purpose, e.g., for working from home. Growing families may also live-in housing with a view to having more children, or older couples may live in the family home even once adult children have left (often referred to as 'empty-nesting').

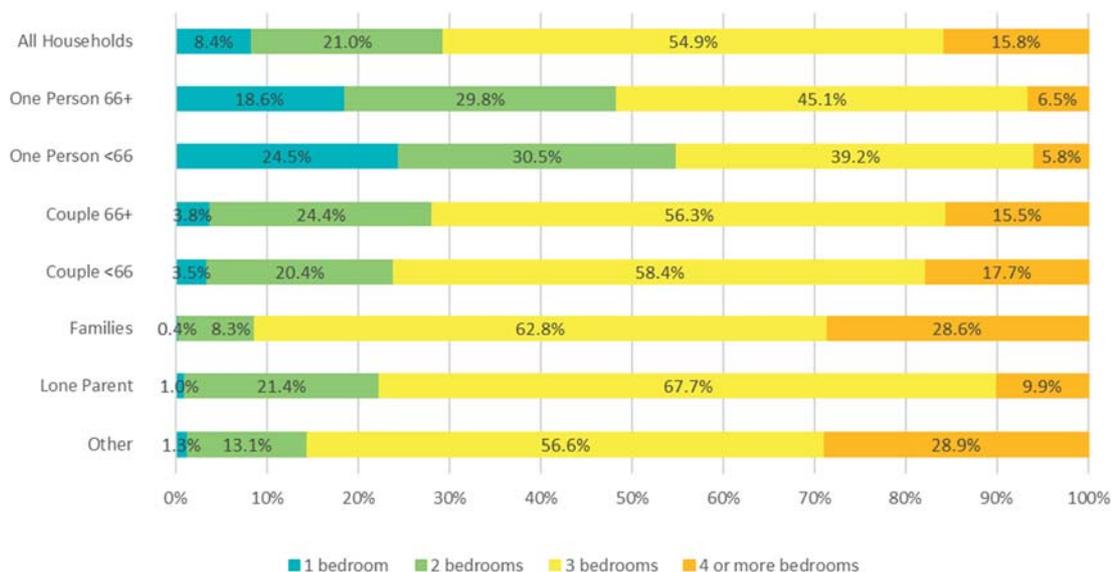
Figure 6.1 Occupancy Rating by Household Composition



Source: Census (2021): RM059 – Occupancy rating (bedrooms) by household composition

- 6.10 Figure 6.2 shows how different household types in the Borough occupy housing (as per Census 2021). There are a total of 69,826 properties across North East Lincolnshire with 3-bedroom properties comprising the majority of the dwelling stock at 54.9% of all dwellings (38,324 properties). A further 21.0% (14,647 properties) of stock relates to 2-bedroom properties, 15.8% (11,004 properties), whilst just 8.4% (5,851 properties) of homes contain a single bedroom. This breakdown provides a useful baseline from which to analyse the level of variance across different household types in North East Lincolnshire.
- 6.11 Except for single person households, 3-bedroom properties are the most common across all household types. For single person households over the age of 66, properties with three or more bedrooms comprise 51.6% (5,177 properties) of all homes. Furthermore, properties with three or more bedrooms comprise 45.0% (5,715 properties) of homes occupied by single person households below the age of 66, which reflects the high levels of under-occupancy identified in Figure 6.1.
- 6.12 Couples in North East Lincolnshire are most likely to live in 3-bedroom properties with 58.4% of homes occupied by couples below the age of 66 containing three bedrooms and 56.3% for couples above the age of 66. The share of homes with three or more bedrooms occupied by lone-parent households is also particularly high at 77.6% (6,704 properties). This may, in-part, reflect the possibility of a family breakup or the loss of a parent as well as the fact that older children are more likely to want their own bedroom.
- 6.13 As might be expected, family households in North East Lincolnshire comprise the largest share of properties with three or more bedrooms at 91.3% (14,7800 properties).

Figure 6.2 Number of Bedrooms by Household type – North East Lincolnshire Borough (All Households)



Source: Census (2011): DC1402EW – Household Composition by Number of Bedrooms

6.14 Households with dependent children primarily live in larger homes, with 85.3% of families living in 3 or 4-bedroom properties. However, when juxtaposed with the under-occupancy highlighted above, a not insignificant share of families over-occupy smaller 1 or 2-bedroom properties (14.7%). This suggests that there could be some overcrowding in certain parts of North East Lincolnshire’s housing market. Other types of households include student households and families with non-dependent children, which explains why these types of households occupy a higher proportion of large housing.

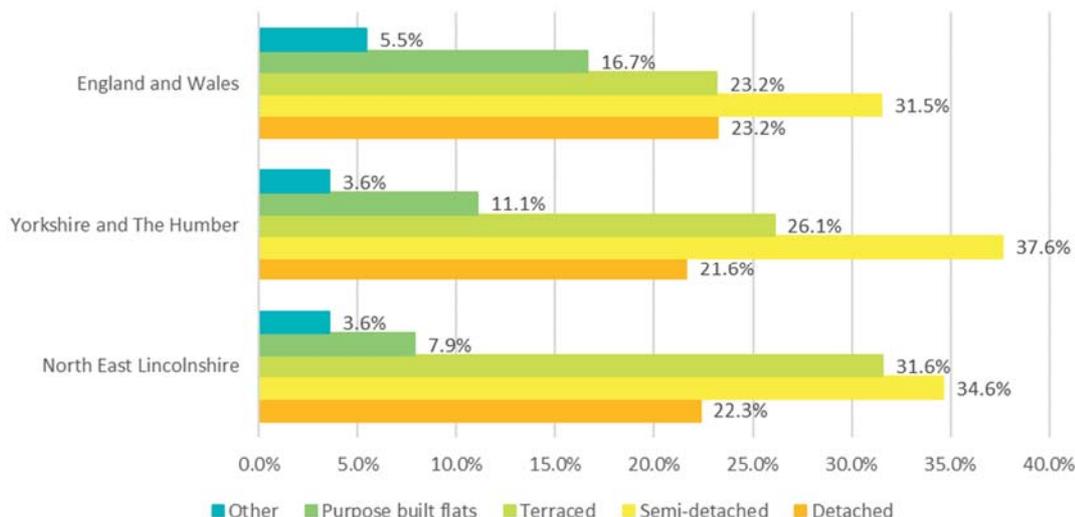
Housing Stock

Existing Dwelling Stock, by Type

6.15 Figure 6.3 provides a breakdown by type of the housing stock in North East Lincolnshire and the comparator areas. The number of purpose-built flats or tenements comprise 7.9% of North East Lincolnshire’s housing stock – a lower rate when compared to the regional (11.1%) and national (16.7%) levels. The Borough has a higher share of terraced properties at 31.6% compared to 26.1% across Yorkshire and The Humber and 23.2% across England and Wales.

6.16 Semi-detached dwellings comprise the single largest share of North East Lincolnshire’s total housing stock, at 34.6% - a share below the 37.6% across Yorkshire and The Humber but above the 31.5% across England and Wales. Conversely, the share of detached dwellings across the Borough (22.3%) is slightly above the share across Yorkshire and The Humber (21.6%) but below England and Wales (23.2%).

Figure 6.3 Accommodation by type in North East Lincolnshire and comparator regions (2021)



Source: ONS (2022): Census 2021: TS044 – Accommodation Type

Size of Accommodation

6.17 Table 6.2 provides a breakdown of the number of bedrooms by properties in North East Lincolnshire, across Yorkshire and The Humber and across England and Wales. More than half of the Borough’s properties comprise of 3-bedrooms (54.9%) compared to 43.1% across the region and just 40.4% across England and Wales. The shares of both 1-bedroom (8.4%) and 2-bedroom (1.0%) dwellings in North East Lincolnshire are smaller than across Yorkshire and The Humber (9.7% and 27.4% respectively) and across England and Wales (11.4% and 27.1% respectively).

Table 6.2 Share of bedrooms in North East Lincolnshire and comparator regions (2021)

	North East Lincolnshire	Yorkshire and The Humber	England and Wales
1 Bedroom	8.4%	9.7%	11.4%
2 Bedrooms	21.0%	27.4%	27.1%
3 Bedrooms	54.9%	43.1%	40.4%
4 or more Bedrooms	15.8%	19.7%	21.1%

Source: Census 2021: TS050 – Number of bedrooms

Tenure Profile

6.18 Figure 6.4 illustrates the tenure profile for North East Lincolnshire and the comparator regions and several notable observations can be made. 24,373 or 34.9% of properties in the Borough were owned outright – this is a higher share than across Yorkshire and The Humber (33.7%) and across England and Wales (32.8%). The share of private rented accommodation is also relatively high at 15,644 or 22.4%, which is a higher rate than across Yorkshire and The Humber (19.4%) and England and Wales (20.3%).

6.19 On the other hand, the share of social rented accommodation is notably lower in North East Lincolnshire at 9,191 or 13.2% compared to 17.3% across Yorkshire and The Humber and

17.1% nationally.

Figure 6.4 Tenure profile of North East Lincolnshire and comparator areas (2021)



Source: ONS (2022): Census 2021: TS054 – Tenure

6.20 Furthermore, the number of properties owned outright in North East Lincolnshire increased by 2,876 or 13.4% from 2011 and is below the increase across Yorkshire and The Humber (15.2%) but slightly above the increase across observed England and Wales (12.9%). The increase in private renting is even more significant, with the number of renters in North East Lincolnshire increasing by 3,017 or 23.9% over the period, although this rate remains below the rate observed across Yorkshire and The Humber (28.0%) and England and Wales (28.8%).

6.21 The number of socially rented properties in North East Lincolnshire fell significantly by 900 or 8.9% from 2011 to 2021. This change is in stark contrast to the stagnation across Yorkshire and The Humber (0.1% increase) and the moderate increase across England and Wales (2.7%) over the same period.

Tenure Profile by Spatial-Zone

6.22 Table 6.5 presents clear differences in the tenure profile across the Borough’s four spatial zones. Firstly, there is a disproportionately high level of homeownership in the Western and Southern Arc with 48% of households owning their homes outright and a further 36% owning their home with a mortgage or loan. Similar trends are also reflected across the Rural Area, with 48% of residents owning their homes outright and a further 35% owning with a mortgage and loan. On the other hand, the level of homeownership in the Estuary Zone and Urban Area, whilst mostly in line with the regional and national comparators highlighted in Figure 6.4, is lower, with outright homeownership and ownership with a mortgage or loan in the Estuary Zone comprising 35% and 27% respectively and 31% and 27% in the Urban Area respectively.

6.23 A further notable observation relates to the significant variance in the level of private and social renters across the four spatial zones. Private and social renting comprises just 10% and 5% of tenures in the Western and Southern Arc and 12% and 4% in the Rural Area

respectively – well below that of the Borough, regional and national averages. On the other hand, the level of private and social renting is significantly higher in the Estuary Zone at 17% and 20% and in the Urban Area and 26% and 15% respectively.

Figure 6.5 Tenure profile by Spatial-Zone across North East Lincolnshire (2021)



Source: ONS (2022): Census 2021: TS054 – Tenure

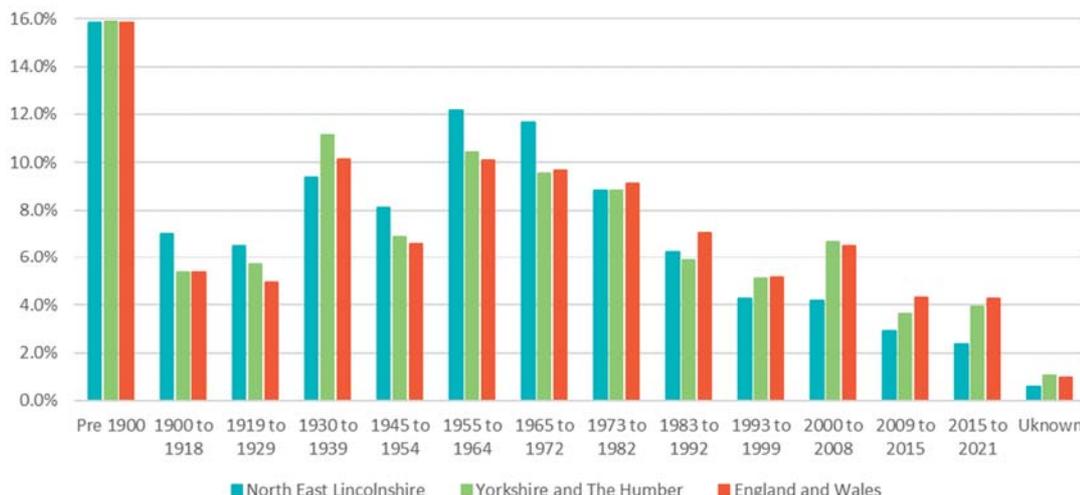
Note figures may not sum exactly due to the very small number of households living rent-free and in shared ownership

Stock Age and Condition

6.24 Figure 6.6 illustrates the latest Council Tax data from the Valuation Office Agency [VOA]. It indicates that 15.8% of the Borough’s housing stock was built pre-1900, which is closely comparable to the shares across Yorkshire and The Humber (15.9%) and England and Wales (15.8%). The share of properties built from the beginning of the 20th Century up to the Second World War, at 22.9%, is slightly higher than the stock across England and Wales at 20.4%, and is more comparable to the share across Yorkshire and The Humber (22.2%). There was a particular peak in housebuilding in the Borough from the mid-1950s to the early 1970s.

6.25 More than half of the Borough’s housing stock (51.3%) was built in the post-war period up to 1999, which is slightly higher than that across Yorkshire and The Humber (46.7%) and England and Wales (47.7%). The shares of properties built from 2000 onwards begins to diverge, with comparatively few homes built in North East Lincolnshire (9.4%) compared to across Yorkshire and The Humber (14.2%) and across England and Wales (15.1%).

Figure 6.6 Share of properties in North East Lincolnshire and comparator areas by property build period (pre 1900-2021).

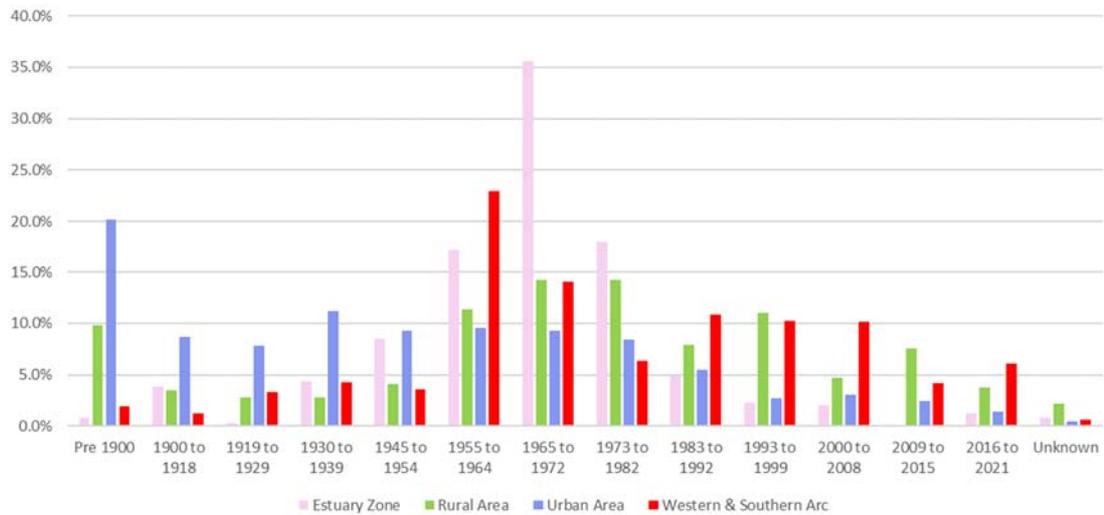


Source: Valuation Office Agency (2021): Table CTSOP4.0

Age of Stock across Spatial-Zones

- 6.26 Figure 6.7 allows us to draw several observations when analysing the age distribution of North East Lincolnshire’s housing stock by Spatial-Zone. There is a significant amount of variance, with (for example) the housing stock in the Urban Area being considerably older with 20.2% of properties built prior to 1900 and as many as 47.9% build before the Second World War. This compares to 44.8% of properties built in the post-war period to 1999 and just 6.9% built post-2000.
- 6.27 In the Rural Area, properties built prior to 1900 comprise just 9.8% of total stock across the Spatial-Zone. This figure rises to 19.0% when including properties built prior to the Second World War before increasing significantly to 81.7% when including those built up to 1999. Properties built in the Rural Area post-2000 comprise 16.1% of the total stock.
- 6.28 In stark contrast to the Urban Area, and to a lesser extent the Rural Area, the share of properties built in the Estuary Zone prior to 1900 comprise just 0.8% of the total stock and furthermore rises to just 9.3% when accounting for properties built up to the start of the Second World War. 86.6% of properties were built in the post-war period up to 1999 with a further 3.4% post-2000.
- 6.29 The age distribution of properties in the Western and Southern Arc follows a similar trend to that observed across the Estuary Zone, with just 2.0% of properties built prior to 1900 and 8.9% from 1901 to 1939. 68.1% of properties were built from 1954 to 1999 with up to 20.5% built after 2000.
- 6.30 In summary, much of the stock in the Urban Area comprises significantly smaller and older properties with a general reverse of this trend observable as one moves away from the Urban Area and into the Western and Southern Arc and Rural Areas to the South and West, as well as the Estuary Zone to the North.

Figure 6.7 Share of properties in North East Lincolnshire’s Spatial-Zones by property build period (pre 1900 – 2021)



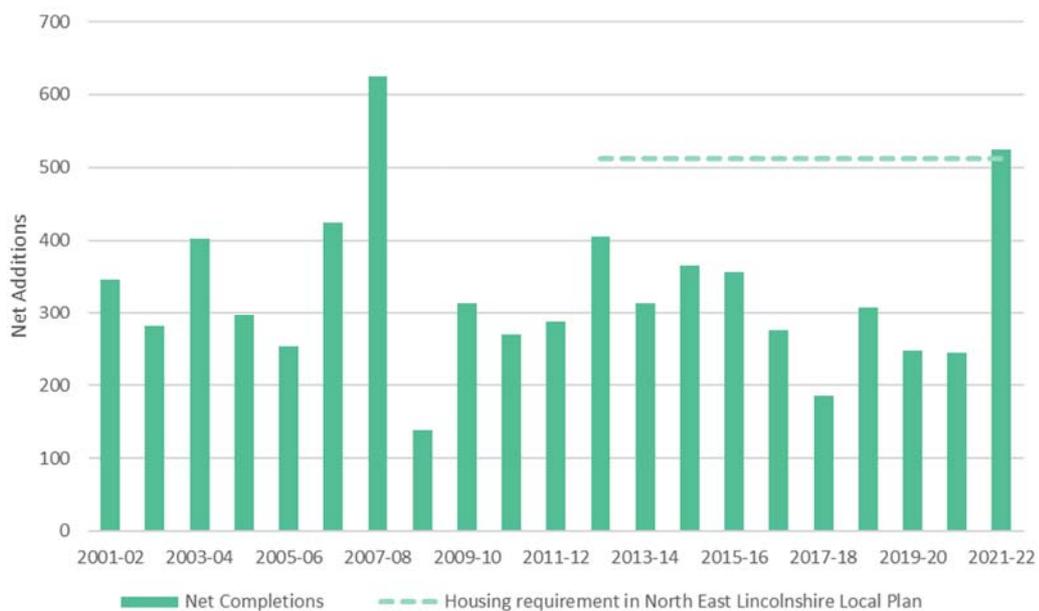
Source: Valuation Office Agency (2021) Table CTSOP 4.1

The Active Market

Changes in Stock

6.31 Net housing completions in the Borough fluctuated significantly between 2001/02 and 2021/22. The average number of net completions over this period was 327 dpa, which equates to 189 dpa below the housing requirement of 512 dpa between 2013 to 2022 as set out the Borough’s adopted Local Plan (2018).

Figure 6.8 Net Dwelling Completions in North East Lincolnshire 2001/02 – 2020/21



Source: DLUHC Live Table 122 / North East Lincolnshire Council

6.32 Net housing completions peaked just before the 2009 recession at around 625 dpa, but subsequently sharply decreased to a low of just 138 dpa in the following year 2008/09.

Delivery has fluctuated since, but increased to a peak of 524 dwellings in 2021/22, the most recent reporting year. It is understood that net delivery in recent years has been significantly suppressed by the estate renovation programmes of the Borough's largest Registered provider, the Lincolnshire Housing Partnership which manages nearly 12,500 affordable rental and shared ownership homes across Lincolnshire. They undertook a comprehensive property rationalisation process between 2017/18 and 2021/22 including the removal of 180 units at the Freeman Street flats over 4 years. However, the actual level of demolitions has been significantly higher than this, with some 966 properties demolished or otherwise lost to alternative uses between 2013/14 and 2021/22.

Table 6.3 Net Dwelling Completions in North East Lincolnshire, 2001/02 to 2020/21

Year	Number of Dwellings	Year	Number of Dwellings
2001-02	347	2012-13	405
2002-03	282	2013-14	314
2003-04	402	2014-15	366
2004-05	296	2015-16	357
2005-06	253	2016-17	276
2006-07	424	2017-18	186
2007-08	625	2018-19	308
2008-09	138	2019-20	248
2009-10	314	2020-21	244
2010-11	269	2021-22	524
2011-12	287	Average per annum	327

Source: DLUHC LT122

Transactions and Prices in the Private Market

- 6.33 Pre-recession, dwelling sales across the Borough typically totalled between 3,425 and 4,424 transactions per annum, representing between 4.9% to 6.5% of the dwelling stock (Figure 6.9). Transactions declined sharply in 2008 as a result of the recession, reaching a low of just 1,691 transactions in 2009. The number of transactions remained below 2,000 until 2014 and have since fluctuated between 2,000 and 2,500 transactions per annum. The exception was 2021 where transactions increased slightly to 2,806 but subsequently fell to 2,491 the following year.

Figure 6.9 Property Sales and Stock Turnover, 2002-2022

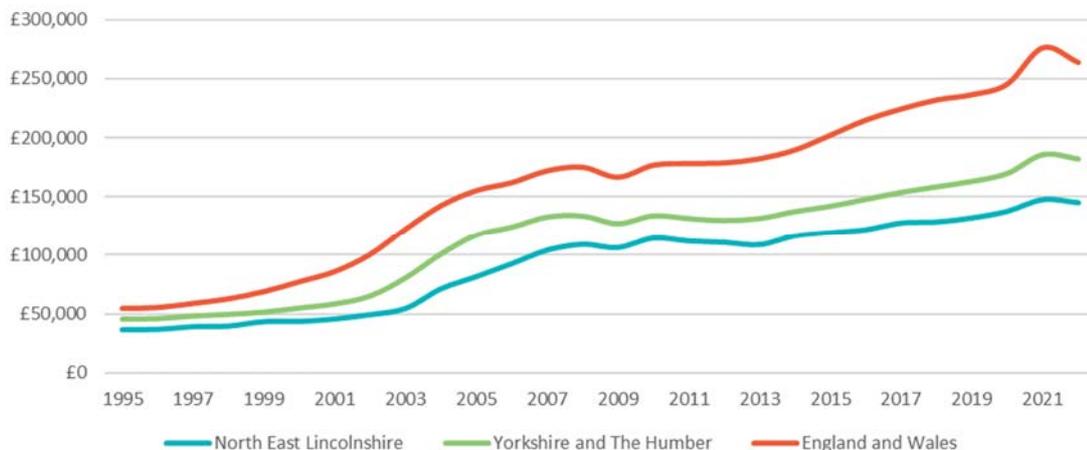


Source: ONS HPSSA Dataset 6 Residential Property sales for administrative geographies and DLUHC Live Table 125: Dwelling Stock Estimates by Local Authority District (2021)

Median, Mean, Lower and Upper Quartile House Prices

- 6.34 House prices increased between 1996 and 2022 in the Borough, with a particularly steep increase between 2001 and 2005. This trend was closely mirrored across Yorkshire and England and Wales. The median house price in the Borough from 1995 to 2000, remained slightly below that across Yorkshire and The Humber at an average of 81.8% of regional house prices. Median house prices in North East Lincolnshire were, on average, 64.1% of the median house price across England and Wales over the period.
- 6.35 The disparity grew significantly post-2001 with the greatest variance in 2003 at 68.2% of median house prices across Yorkshire and The Humber and just 44.9% of the median house price across England and Wales. In the last five years, the median house price across the Borough has been an average of 80.3% of the that across Yorkshire and The Humber and 55.2% of that across England and Wales.
- 6.36 Analysing the change in median house prices for North East Lincolnshire and indeed prices across Yorkshire and The Humber and England and Wales, it is evident that there have been some clear impacts on the housing market which correlate with the recession. Figure 6.10 illustrates that the median house price in the Borough followed the pattern seen across the region and the nation as a whole.

Figure 6.10 Median House Prices, y/e September 1996 to y/e September 2022

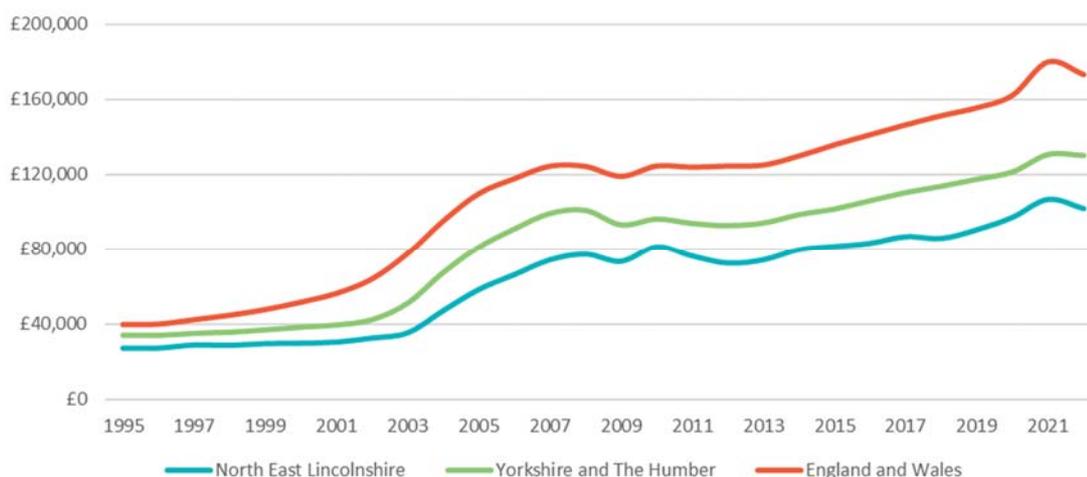


Source: Source: HPSSA Dataset 9. Median house price for national and subnational geographies, quarterly rolling year

6.37 Figure 6.11 illustrates that in the period 1996 to 2001, the Lower Quartile [LQ] house price in North East Lincolnshire was broadly comparable to that of Yorkshire and The Humber and England and Wales. Post-2001, the gap between the Borough and the region, and particularly the national figure, has begun to grow and continues to diverge as LQ house prices continue to grow at a faster rate regionally and nationally than across the Borough.

6.38 There was an increase in LQ house prices in North East Lincolnshire year-on-year from 1995 to 2008 before a period of stagnation from 2009 to 2013. LQ house prices then began to rise steadily from 2014 to 2022, although they did fall marginally from £107,000 in 2021 to £100,000 in 2022.

Figure 6.11 Lower Quartile House Prices, y/e September 1996 to y/e September 2022



Source: Source: Source: HPSSA Dataset 15. Lower Quartile house price for national and subnational geographies, quarterly rolling year

6.39 Table 6.4 presents median and LQ house prices in the Borough, across Yorkshire and The Humber and England and Wales from 2022. For each house type (which includes both existing properties on the resale market and new build properties), the median and LQ prices for the Borough are lower than those across Yorkshire and The Humber and

nationally. As would be expected, median and LQ prices are highest for detached properties in the Borough at £250,000 and £200,000 respectively. The median price of semi-detached properties was approximately 64% of the price of detached properties (£157,000 compared to £243,000), whilst the LQ price of semi-detached dwellings stood at approximately 69% of LQ detached properties (£138,000 compared to £200,000).

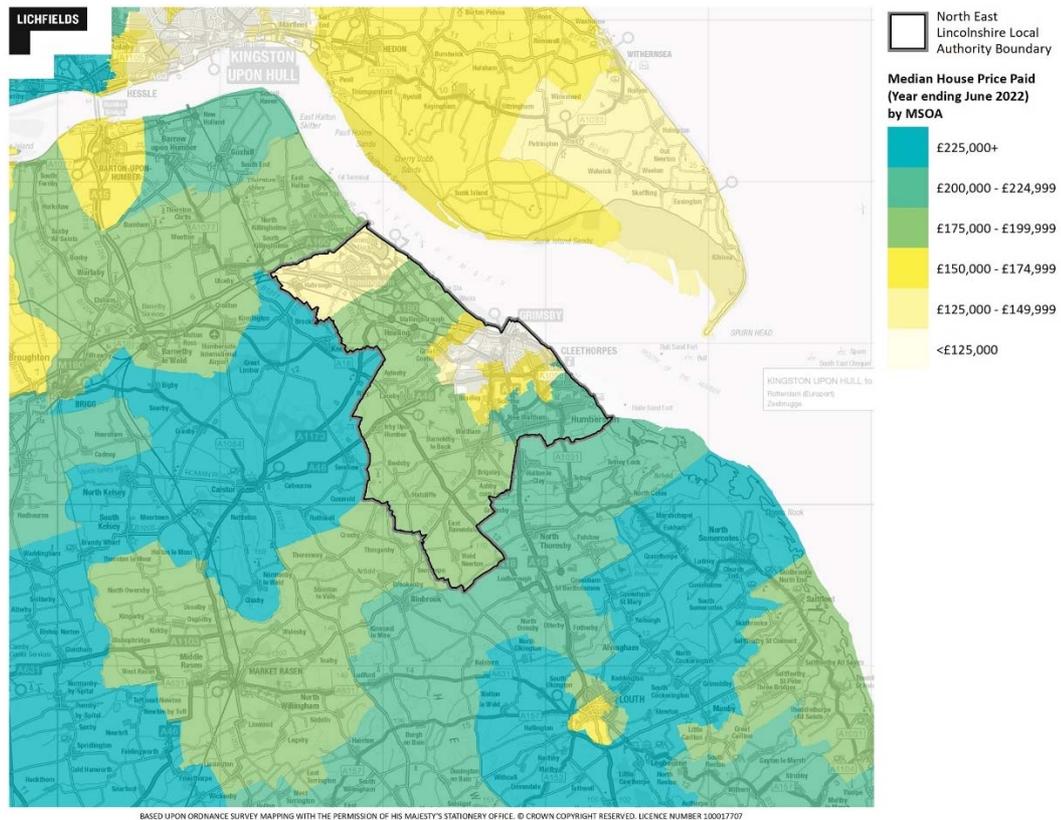
Table 6.4 Median and Lower Quartile House Prices by House Type (y/e September 2022)

	Median			Lower Quartile		
	North East Lincolnshire	Yorkshire and The Humber	England and Wales	North East Lincolnshire	Yorkshire and The Humber	England and Wales
Detached	£250,000	£325,000	£417,000	£200,000	£250,000	£303,500
Semi-Detached	£160,000	£185,000	£253,000	£138,000	£147,500	£181,950
Terraced	£95,000	£140,000	£219,000	£78,000	£106,500	£140,000
Flats/Maisonettes	£86,000	£129,000	£218,000	£58,000	£93,000	£140,000
All Properties	£147,500	£185,000	£270,000	£100,000	£130,000	£175,000

Source: HPSSA Dataset 9 and Dataset 15

- 6.40 For both North East Lincolnshire and Yorkshire and The Humber, the median and LQ price paid for terraced properties is greater than that for flats or maisonettes, whereas nationally, the median and lower quartile price for flats is largely equivalent to that for terraced properties, indicating the (often) higher cost of flats in cities.
- 6.41 Figure 6.12 illustrates the distribution of median house prices by LSOA across the Borough. Median house prices are lowest in Grimsby Town Centre and highest in the rural part of the Borough to the south west. LSOA E01013138 covers the north eastern part of Grimsby Town Centre and has the lowest median house prices in the Borough at just £53,000. LSOA E01013152 East of Cleethorpes has the highest median house prices at £316,500.

Figure 6.12 Median House Price Paid in North East Lincolnshire (2022)

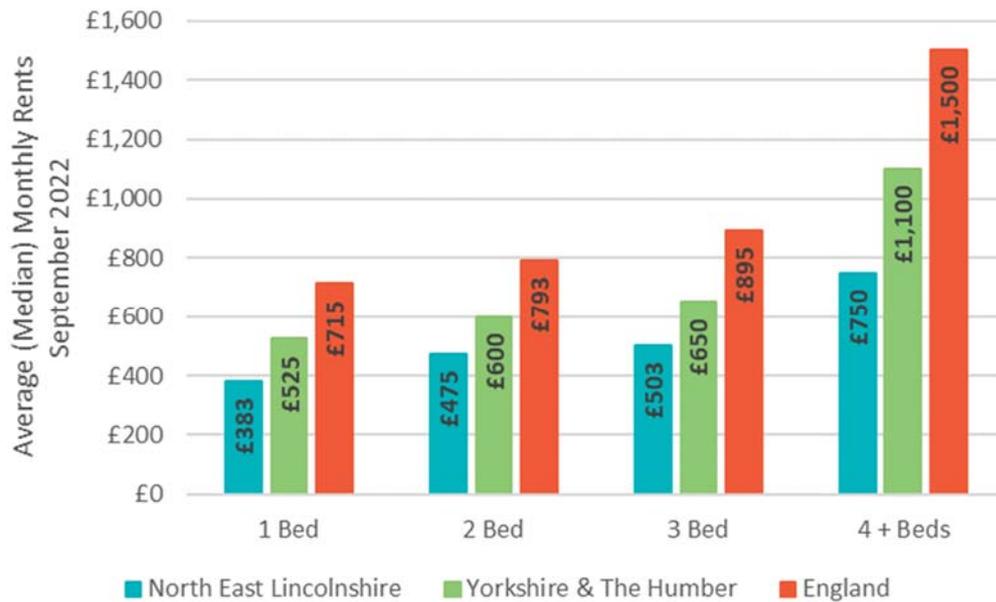


Source: HPSA Dataset 46. Median Price Paid for residential properties by LSOA

Rental Levels

- 6.42 High and increasing rents in an area can often be seen as a signal of stress in the housing market. Median rents in the Borough in September 2022 were £475 per month, with median rents ranging from £383 per month for a 1 bed property, to £750 per month for a 4+ bed house (Figure 6.13). Median rents across Yorkshire were higher ranging from an average of £525 for 1-bed properties to £1,100 for 4+ bed properties. Rental levels are even greater across England an average of £715 for a 1-bed property to £1,500 for a 4-bed property.
- 6.43 Rents across North East Lincolnshire, as a percentage of rents across Yorkshire and The Humber and England are lower with rental rates for 1-bed properties just 73.0% of those across Yorkshire and The Humber and 53.6% of those across England. Furthermore, this trend is also reflected across 2-bed properties (79.2% and 59.9% respectively), across 3-bed properties (77.4% and 56.2%), and across 4+ bed properties (68.2% and 50.0%).

Figure 6.13 Median Monthly Rental Prices in North East Lincolnshire, Yorkshire and The Humber and England (y/e September 2022)

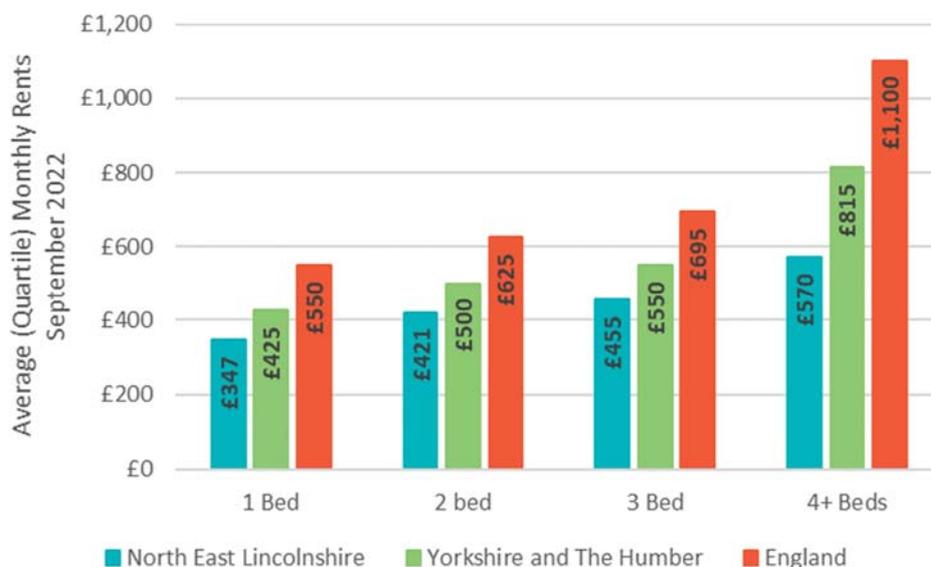


Source: Source: ONS (2022) Private Rental Market Statistics

6.44

Similarly, average lower quartile rents were £425 in North East Lincolnshire compared to £498 across Yorkshire and The Humber and £610 across England. Figure 6.14 illustrates that lower quartile rental rates range from £347 for 1-bed properties and up to £570 for 4+ bed properties in North East Lincolnshire; both remain below the regional and national comparators. Average lower quartile monthly rents were higher across Yorkshire and The Humber, ranging from £425 for a 1-bed property to £815 for a 4+ bedroom property. Rents are also higher across England, with rents ranging from £550, for 1-bed properties up to £1,100 for 4+ bed properties.

Figure 6.14 Lower Quartile Monthly Rental Prices in North East Lincolnshire, Yorkshire and The Humber and England (y/e september 2022)



Source: ONS (2022) Private Rental Market Statistics

Affordability Ratios

- 6.45 The former SHMA Practice Guidance (2007) defines affordability as a "measure of whether housing may be afforded by certain groups of households" (Annex G). A household can be considered able to afford to buy a home if it costs 3.5 times the gross household income for a single earner household or 2.9 times the gross household income for dual-income households. Where possible, allowance should be made for access to capital that could be used towards the cost of home ownership (page 42).
- 6.46 The PPG's standard methodology for calculating local housing needs incorporates the most recent median workplace-based affordability ratios as an uplift to the average annual household growth. This is a helpful measure of identifying areas where the market is under stress, as affordability involves comparing costs against a households' ability to pay, with the higher the ratio, the more unaffordable a home is in that locality.
- 6.47 As shown in Figure 6.15, the ratio of median house price to median residence-based earnings in the Borough was 5.04 in 2022. This means that when set against the median gross annual earnings of people living in North East Lincolnshire of £29,241, median house prices were £147,374 – 5.04 times higher. To set this into context, the Bank of England imposes a loan to income flow limit which restricts the number of mortgages that lenders can grant to borrowers at ratios of at or greater than 4.5 times the borrower's salary; hence it is unusual for a lender to consider a higher loan-to-income ratio than 4.5, and certainly not 5.04.
- 6.48 To be able to afford a median house price in North East Lincolnshire, residents would therefore need to be earning at least £32,750 to qualify at maximum for the loan-to-income ratio of 4.5. Median incomes in North East Lincolnshire would need to increase by around 12.0%, demonstrating the extent to which home ownership is an unaffordable aim for many.

6.49 Even so, an Affordability Ratio of 5.04 for the Borough is lower than the median affordability ratio for England, which was 8.16 in 2022. The LQ affordability ratio has remained closely in-line with that of the median, from 2002 to 2022 increasing from 2.53 to 4.57 over the period. The increase in LQ affordability ratios in North East Lincolnshire indicate that even lower price houses may be unaffordable to those with an income lower than the Borough average.

6.50 LQ gross annual earnings for residents of £21,869, set against the lower quartile house price of £100,000, equates to a ratio of 4.57. Again, to be able to borrow (assuming no deposit), the full amount of £100,000 at a loan-to-income ratio of 4.5, borrowers would need to earn £22,09 annually – annual salaries would need to increase by 1.6%.

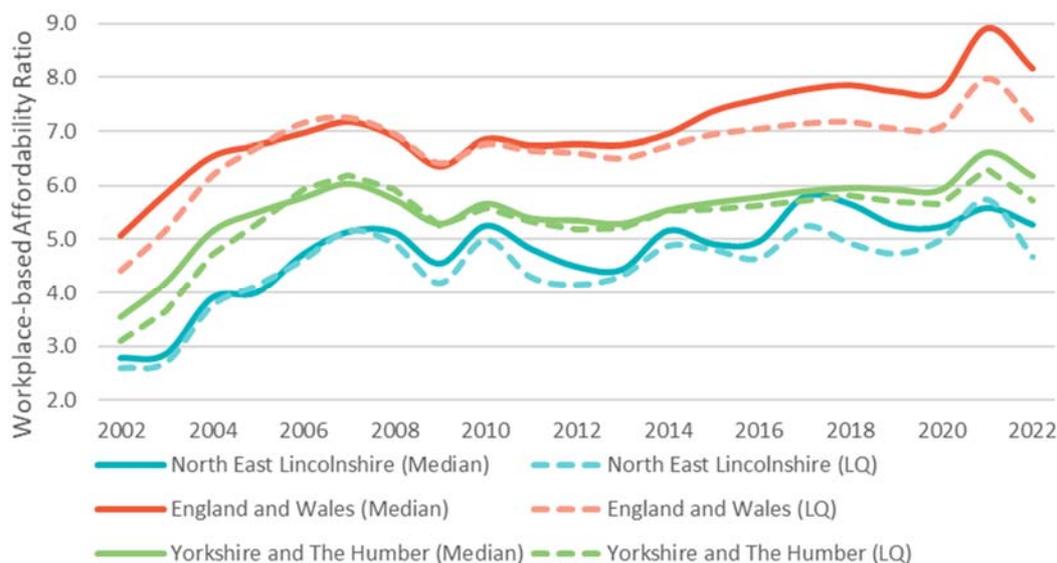
Figure 6.15 Residence-based Median/Lower Quartile Affordability Ratios for North East Lincolnshire and England and Wales (2022)



Source: ONS (2023): Ratio of House Prices to residence-based earnings (lower quartile and median)

6.51 Workplace-based affordability ratios are similar in the Borough to residence-based ratios. In 2022, the ratio of median house price to median workplace-based earnings was 5.27 and the LQ ratio was 4.67 (Figure 6.16). This presents a similar picture to that of residence-based affordability ratios where median and LQ ratios are largely in line with one another, within the Borough. This compares to a median affordability ratio for England of 8.16 and an LQ ratio of 7.19. This again indicates that even lower-priced houses may be unaffordable to those on lower incomes working in North East Lincolnshire. This is the same for both people living and working in the Borough.

Figure 6.16 Workplace-based Median/Lower Quartile Affordability Ratio for North East Lincolnshire and England and Wales (2022)



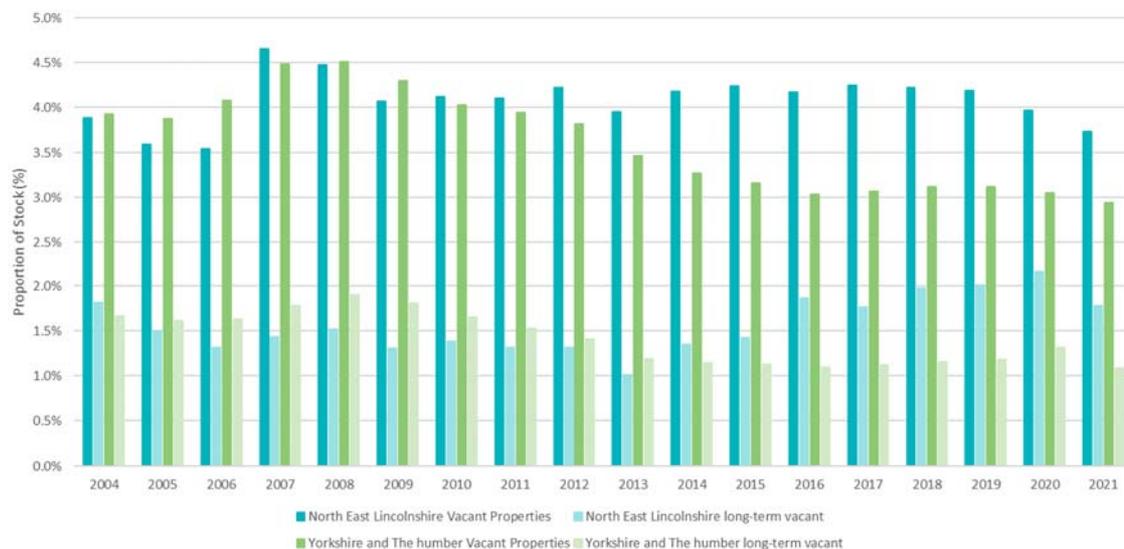
Source: ONS (2023): Ratio of House Prices to workplace-based earnings (lower quartile and median)

Vacancy Rates

- 6.52 As of 3rd October 2021, the Government¹⁸ recorded a total of 2,819 vacant dwellings in the Borough. Of these, 1,348 were classified as ‘long term’ vacant properties (properties vacant for longer than six months). Homes become vacant for many reasons, including natural churn in the market (e.g., a void between tenancies or short-term vacancies as people move home). However, long term vacancies may indicate either structural weaknesses in the housing market (e.g., low demand) or may be reflective of problems with the stock of housing (e.g. condition or type).
- 6.53 Across the Borough, overall vacancy rates remained between 3.5% and 4.7% from 2004 to 2021. The overall vacancy rate has been relatively stable over the period at 3.9% in 2004 to 3.6% in 2021. Notably, the lowest vacancy rate was 3.5% in 2006 whilst the highest vacancy rate of 4.7% was recorded just the following year in 2007. Since 2019, the vacancy rate has steadily declined from 4.2% to 3.6% in 2021.

¹⁸ Calculation of Council Tax Base for Formula Grant Purposes, October 2021

Figure 6.17 Total and Long-Term Vacancy Rates in North East Lincolnshire and Yorkshire and The Humber

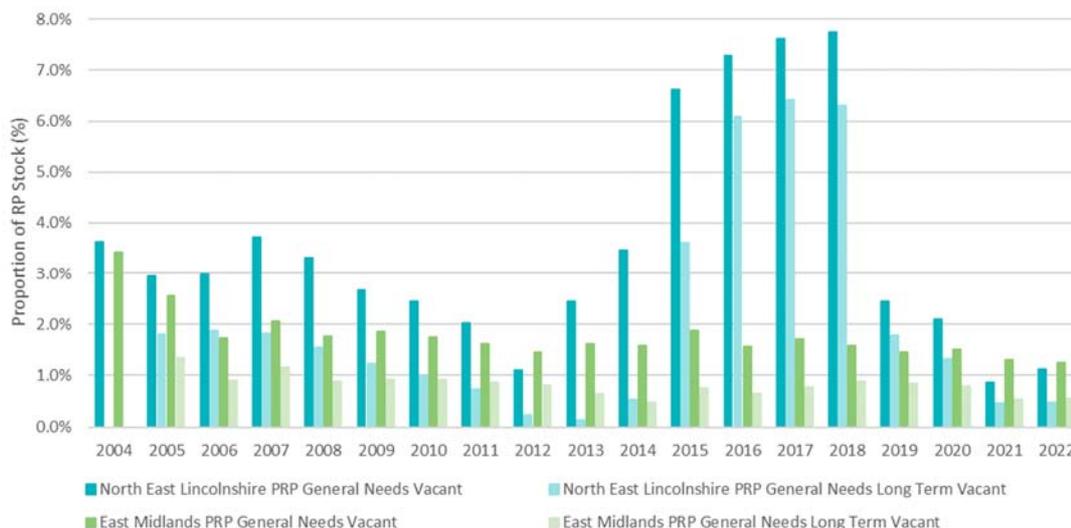


Source: DLUHC Live Table 615 Vacant dwellings by local authority district and DLUHC Live Table 125: Dwelling Stock estimates by local authority district

6.54 Long term vacancy rates in the Borough have also stayed relatively constant, between 1.3% and 1.8% between 2004 and 2012. From 2013, the long-term vacancy rate has steadily increased from 1.0% to 2.2% in 2020 before decreasing slightly to 1.8% in 2021.

6.55 Figure 6.18 illustrates the number of vacant social housing in the Borough between 2004 and 2022. In 2022, the amount of vacant Registered Provider dwellings as a proportion of stock was 1.2%, whilst the long-term vacancy rate was just 0.48%. Whilst a certain level of voids is normal and allow for transfers and works to properties, the former SHMA guidance (page 48) noted that a social housing vacancy rate in excess of 3% (and properties which are vacant for considerable periods of time), should be counted as surplus stock. Therefore, a figure almost two thirds lower than this is very low.

Figure 6.18 Vacant Registered Provider Dwellings in North East Lincolnshire and Yorkshire and The Humber 2004 - 2020



Source: DLUHC Live Table 615: Vacant dwellings by Local Authority district and DLUHC Live Table 115: Dwelling Stock: RRP Stock by district

6.56 In terms of the difference in tenure on vacant homes, Government data for the Borough shows that 107 Registered Provider properties were vacant in 2022, with 46 of those comprising long-term vacancies.

Overcrowding and Homelessness

6.57 Indicators on overcrowding, sharing households and homelessness can demonstrate unmet need for housing within an area. The previous 2014 version of the PPG stated that indicators on:

“...overcrowding, concealed and sharing households, homelessness and the number in temporary accommodation demonstrate unmet need for housing. Longer term increases in the number of such household may be a signal to consider increasing planning housing numbers...”¹⁹

6.58 Whilst this section has now been removed from the latest iteration of the PPG, overcrowding and homelessness nevertheless represents an important housing market indicator.

6.59 The Census measures overcrowding based on a standard formula; this measures the relationships between members of a household (as well as the number of people in that household) to determine the number of rooms they require. A rating of -1 or less indicates a household has at least one room fewer than required, +1 or more indicates a household has one or more rooms than needed. At the national level, affordability issues in recent years, as well as a shortfall in housing supply, have meant that people are either willing to accept sub-optimal living conditions (e.g., living in a smaller home to manage costs) or are forced into accepting such housing outcomes (e.g. are priced out of the market and have to share with friends/family).

¹⁹ §2a-019-20140306

- 6.60 Table 6.5 illustrates that overcrowding against the occupancy rating in the Borough is not considered to be severe, with just 1.8% of households living in a dwelling that is too small for their household size and composition. This figure is far below that of Yorkshire and The Humber where 3.0% of households are considered overcrowded and more than half of the rate across England and Wales (4.3%). Furthermore, the situation has improved over time in North East Lincolnshire with overcrowded households decreasing against the national average.

Table 6.5 Overcrowding: Household Room Occupancy Rating

	2011			2021		
	Total Households	-1 room occupancy or less	-1 room occupancy or less (%)	Total Households	-1 room occupancy or less	-1 room occupancy or less (%)
North East Lincolnshire	69,707	1,740	2.5%	69,826	1,249	1.8%
Yorkshire and The Humber	2,224,059	79,184	3.6%	2,330,658	69,251	3.0%
England and Wales	23,366,044	1,062,644	4.5%	24,783,199	1,054,423	4.3%

Source: Census 2011 (LC4108EW) / Census 2021 (TS052)

- 6.61 The Census also recorded the number of concealed families i.e., where there is more than one family present in a household. Nationally, this rose significantly between 2001 and 2011, at least in part due to the impact of recession on younger households' ability to afford their own homes. This meant that many younger people, including families, remained in the family home for longer than might have been expected in the past, through choice (to save money) or through necessity.
- 6.62 At the time of the 2011 Census (the 2021 data being unavailable at the time of writing), 1.8% of all families in England and Wales were concealed; this represented 289,295 families. This is a rise compared to 2001, when 1.2% of families were identified as being 'concealed'. In North East Lincolnshire, there were 527 concealed families at the time of 2011 Census, representing 1.1% of all families. 393 of these 527 households had a family reference person under the age of 50. The Borough has a smaller proportion of concealed families than Yorkshire and The Humber (1.7%) and the national average (1.8%) (see Table 6.6).

Table 6.6 Concealed families in North East Lincolnshire, Yorkshire and The Humber and England and Wales 2001 – 2011

	2001		2011		Change in number of concealed families	% Change in number of concealed families
	No.	%	No.	%		
North East Lincolnshire	356	0.8%	527	1.1%	+ 171	48.0%
Yorkshire and The Humber	15,887	1.1%	25,410	1.7%	+ 9,523	59.9%
England and Wales	169,765	1.2%	289,295	1.8%	+ 119,530	70.4%

Source: Census 2001; Census 2011 (LC1110EW)

- 6.63 The levels of overcrowding and concealed households in the Borough are therefore relatively modest when compared with the regional and national levels. The growth in the number of concealed families in North East Lincolnshire (+48.0%) has remained below the growth across Yorkshire and The Humber region (59.9%) and well below the level of change experienced across England and Wales (70.4%).
- 6.64 The level of overcrowded households may also reflect the cultural preferences of some households who chose to live with multiple generations and extended family members through choice rather than necessity. The level of overcrowding and number of concealed households is not so significant that we can conclude that there is severe market pressure, but it nevertheless highlights a degree of inadequacy in the housing market.
- 6.65 Levels of overcrowding are therefore stable in the Borough and have fallen at a faster rate than across other parts of the region and nationally. In this regard, the level of overcrowding in the Borough has improved between 2001 and 2011, from 2.5% to 1.8%. The national rate was 4.3% in 2011, notably higher than that of North East Lincolnshire.

Affordable Housing

- 6.66 The supply of new affordable dwellings provided in North East Lincolnshire has fluctuated in line with market factors in recent years. Table 6.7 demonstrates that the provision of social rent dwellings was relatively strong from 2012 to 2015, averaging 48 dpa and peaking at 69 units in 2013/14, before falling drastically to average just 7 dpa between 2015 and 2020. Over the past couple of years, provision of social rented dwellings has increased to 30 dpa.
- 6.67 In terms of affordable rent dwellings, provision remained relatively low with an average of just 9 dpa from 2012 to 2020. Provision increased very significantly over the past two years with an average of 67 dpa delivered from April 2020 to March 2022. The DLUHC data show that there has been just 3 units delivered for intermediate rent over the past ten years.

Table 6.7 Affordable Housing Delivery in North East Lincolnshire

Type of affordable housing delivered	Social Rent	Affordable Rent	Intermediate	Total
2012-13	32	0	0	32
2013-14	69	10	0	79
2014-15	42	3	3	48
2015-16	0	11	0	11
2016-17	0	5	0	5
2017-18	6	17	0	23
2018-19	31	8	0	39
2019-20	0	18	0	18
2020-21	32	60	0	92
2021-22	28	74	0	102
Total	240	206	3	449

Source: DLUHC Live Tables 1006 to 1009: Affordable Housing Supply Statistics 2021-22

- 6.68 As set out in further detail in Section 8.0 of this report, there were 4,780 households on the Housing Register as of January 2023. According to North East Lincolnshire Council

Officers, of this total, 190 are identified as being in ‘urgent priority’, 281 as ‘high priority’, 380 as ‘medium priority’ and the remaining 3,929 as ‘low priority’. The share of those on the Housing Register who are a single adult (26.0%), a lone parent (28.2%) or an older couple (25.3%) are relatively similar whilst younger couples with children (9.4%) and without (11.1%) comprises a relatively smaller share of the breakdown by household.

- 6.69 The Housing Register data also demonstrates that one-bedroom homes are in greatest demand with 2,457 (51.4%) of all registrants seeking one. The need for two-bedroom homes comprises 1,370 (or 28.7%) of all registrants whilst the need for three-bedroom properties comprises 728, or 15.2% of all registrants. The remaining 225 (4.7%) registrants have a need for properties with 4+ bedrooms.

Summary

- 6.70 From this analysis of housing market signals, the following points are of note:
- Overcrowding is not severe in North East Lincolnshire, with only 1.8% of households occupying a property too small for their requirements. Furthermore, this level of overcrowding is below both the regional (3.0%) and national (4.3%) average. The proportion of concealed families is lower than the regional and national levels.
 - The Borough has a disproportionately high proportion of terraced properties, and comparatively few flats. There is a disproportionately high level of homeownership in the Western and Southern Arc with 48% of households owning their homes outright and a further 36% owning their home with a mortgage or loan.
 - A disproportionately high proportion of the Borough's housing stock was built after WWII up until the 1970s. The housing stock in the Urban Area being considerably older with 20.2% of properties built prior to 1900 and as much as 47.9% built before the Second World War. Both the Western and Southern Arc and the Rural Areas have the highest percentages of modern stock dating from the 2000s. Comparatively little housing has been built in North East Lincolnshire since the late 1990s given the size of the population.
 - Over the past 11 years, the Borough has delivered 327 dpa net, which is considerably below the 512 dpa Local Plan target. However, the net figure has been seriously suppressed in recent years due to the 966 properties that were demolished or otherwise lost to the housing stock since 2103/14.
 - Property sales have recovered slightly from their 2008-09 low of 1,691, reaching 2,806 in 2021. However, property sales remain well below the average number of property transactions achieved pre-recession (3,967).
 - The median house price in the Borough was £145,000 in 2021, below the regional (£182,483) and the national average (£263,667). Median house prices have increased since 1995, were relatively stable between 2007 and 2014, as a result of the recession. LQ house prices followed the same pattern over time. In 2022, the LQ house price in North East Lincolnshire was £100,000, below the regional (£130,000) and national (£173,333) prices.
 - Private rents in North East Lincolnshire range from £383 per calendar month [pcm] for a 1-bedroom property to £750 pcm for a 4+ bedroom property. These values were

below that of those across Yorkshire and The Humber with median rents in the Borough just 77.9% of those across Yorkshire and The Humber. Median rents in the Borough were 59.4% of national median rents.

- Median affordability ratios (both residence and workplace-based) have generally increased over time, indicating worsening affordability. To afford a median house price, residents of North East Lincolnshire would need to earn £32,749 at the maximum loan-to-income ratio of 4.5, a figure 12% higher than the actual median earnings. Indeed, since 2006, the median house price has dipped marginally below the 4.5 loan-to-income ratio only twice - in 2009 (4.48) and 2013 (4.43). LQ ratios are very close to the 4.5 loan-to-income ratio indicating that any resident earning below the borough average would exceed the ratio and still face significant affordability pressures.
- Total vacancy rates are generally stable and have decreased slightly since 2019, from 4.2% to 3.6% in 2021. Long-term vacancy rates remained relatively constant up to 2012 before steadily increasing from 2013 (1.0%) to 2020 (2.2%). There is a much lower level of total vacancy within affordable tenures at just 1.12% in 2022, whilst the long-term vacancy rate was just 0.48%.
- Affordable housing delivery has averaged 45 dpa over the past decade, virtually all of which relates to either social rented or, more recently, affordable rented properties. Just 3 shared ownership properties have come forward in that time.

7.0 Local Housing Need

Introduction

- 7.1 The NPPF supports the Government's objective of significantly boosting the supply of homes by ensuring that a sufficient amount and variety of land can come forward where it is needed; meeting the needs of groups with specific housing requirements; and ensuring that land with planning permission is developed without unnecessary delay [§60]. It states that to determine the minimum number of homes needed in an area, strategic policies should be informed by a Local Housing Need [LHN] assessment, conducted using the standard method as set out in the PPG, unless exceptional circumstances justify an alternative approach which also reflects current and future demographic trends and market signals.
- 7.2 This section reports the findings of this analysis for the Borough.

Starting Point – Standard Methodology

- 7.3 In August 2020 the Government undertook consultation on changes to the standard method which looked to incorporate more recent household projections (2018-based SNHP) and remove the cap that limits the level of local housing needs. The Government's "Response to the local housing need proposals in 'changes to the current planning system'"²⁰, published in December 2020, confirmed that the Government would not be proceeding with the proposed changes to the standard method; instead proceeding with a reformed standard method which reflects their commitment to levelling up and enables regeneration and renewal of urban areas.
- 7.4 Regarding the calculation of housing need, the NPPF states 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"* [§61].
- 7.5 At present, the standard methodology would result in a local housing need figure of **203 dpa** for North East Lincolnshire Borough (considerably below the current Local Plan figure of 512 dpa). This has been generated as follows:
- 7.6 As North East Lincolnshire's Local Plan is less than 5-years old, its LHN is based on the 2014-based household projections for the ten-year period 2023-2033. This equates to household growth of 188 per annum (74,342 households in 2033 minus 72,462 households in 2023 equates to 1,880 households, or 188 per year over ten years).
- 7.7 The affordability uplift equates to 7.94%, based on a high (above 4) workplace-based affordability ratio of 5.27 in 2022, calculated as follows:
- Median local workplace-based affordability ratio²¹ (2022) = 5.27

²⁰ <https://www.gov.uk/government/consultations/changes-to-the-current-planning-system/outcome/government-response-to-the-local-housing-need-proposals-in-changes-to-the-current-planning-system>

²¹ ONS (2023): Ratio of median house price to median gross annual workplace-based earnings by local authority district, England and Wales, 1997 to 2022

- deduct 4 = 1.27
- divide by 4 = 0.32
- multiply by 0.25 = 0.0794 (or 7.94%).

7.8 Applying the 7.94% uplift to household growth of 188 per annum equates to 203 dpa.

7.9 In terms of whether a cap should be applied, North East Lincolnshire’s adopted Local Plan figure is 512 dpa which equates to 9,742 dwellings over the period 2013 – 2022 (Policy 2). The Plan was adopted in March 2018 and therefore at the time of writing (February 2023) it is just under 5 years old. Even so, The PPG states that where relevant strategic policies were adopted more than 5 years previous, the LHN figure is capped at 40% above whichever is the higher of:

- the projected household growth for the area over the 10-year period identified in step 1 (i.e., 188 x 140% = 263 dpa); or,
- the average annual housing requirement figure set out in the most recently adopted strategic policies (i.e., 512 x 140% = 717 dpa).

7.10 As the capped figures in the examples above are greater than the minimum annual LHN figure, this does not limit the increase to the Borough’s minimum annual housing need figure which should remain 203 dpa.

7.11 **The starting point for assessing local housing need in North East Lincolnshire is therefore 203 dpa. This is used as the minimum LHN starting point for the remainder of this SHMA.**

Consideration of a different figure to the LHN generated by the Standard Method

7.12 The NPPF states that the standard methodology is the default approach for calculating local housing need unless there are “*exceptional circumstances*” which could justify an alternative approach which also reflects current and future demographic trends and market signals [paragraph 61].

7.13 The Government is clear that the figure derived by the LHN target is intended to be a minimum figure, with justifications to go below this relating to environmental or policy constraints rather than issues over the reliability of the SNHP:

“Local housing need does not represent a mandatory target – it is simply a starting point for planning, and local authorities may either choose to plan in excess of this or to conclude that they are not able to meet all housing need within their boundaries, for example due to constraints such as protected designations and Green Belt, or whether that need is better met elsewhere. This means there is flexibility for local authorities to manage movements in local housing need locally.”²²

7.14 The PPG states that once a strategic policy-making authority has established a housing need figure, it will need to consider the extent to which it can be met, which presumably factors in the aforementioned policy considerations. These are therefore outside the scope of a SHMA and are for the Council to consider as part of its plan-making process.

7.15 However, the PPG also sets out that there will be circumstances when a higher figure than that generated by the standard method might be considered. This is because the standard

²² DLUHC (October 2018): *Technical consultation on updates to national planning policy and guidance*, page 13

method does not attempt to predict the impact that future government policies, changing economic circumstances or other factors might have on demographic behaviour.

7.16 Circumstances which might justify an uplift include where²³:

- *“growth strategies for the area that are likely to be deliverable, for example where funding is in place to promote and facilitate additional growth (e.g. Housing Deals);*
- *strategic infrastructure improvements that are likely to drive an increase in the homes needed locally; or*
- *an authority agreeing to take on unmet need from neighbouring authorities, as set out in a statement of common ground.*

There may, occasionally, also 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 are encouraged to make as much use as possible of previously developed or brownfield land, and therefore cities and urban centres, not only those subject to the cities and urban centres uplift may strive to plan for more homes. 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.”

7.17 In particular, the latest version of the NPPF is quite clear that when planning for housing and employment land, the approach should be an integrated one:

“Planning policies should (inter alia):

c) seek to address potential barriers to investment, such as inadequate infrastructure, services or housing, or a poor environment” [paragraph 82 c]

7.18 This is re-iterated later in the document:

“To provide the social, recreational and cultural facilities and services the community needs, planning policies and decisions should (inter alia):

e) ensure an integrated approach to considering the location of housing, economic uses and community facilities and services.” [paragraph 93 e]

7.19 The PPG also provides guidance on how the housing needs of particular groups relate to the overall housing need calculated using the standard method:

“The [housing need of particular groups of people] may well exceed, or be proportionally high in relation to, the overall housing need figure calculated using the standard method. This is because the needs of particular groups will often be calculated having consideration to the whole population of an area as a baseline as opposed to the projected new households which form the baseline for the standard method.

Strategic policy-making authorities will need to consider the extent to which the needs of specific groups can be addressed in the area, taking into account:

- *the overall level of need identified using the standard method (and whether the evidence suggests that a higher level of need ought to be considered);*

²³ PPG Reference ID: 2a-010-20201216

- *the extent to which the overall housing need can be translated into a housing requirement figure for the plan period; and,*
- *the anticipated deliverability of different forms of provision, having regard to viability*²⁴.

7.20 The household projections that form the baseline of the standard method are inclusive of all households including travellers.

7.21 The PPG goes on to give additional guidance as to how the needs should be met in the future for older people, disabled people and planning policy for traveller sites. The PPG²⁵ states that for rural areas:

“The nature of rural housing needs can be reflected in the spatial strategy set out in relevant policies, including in the requirement figures for any designated rural areas. A wide range of settlements can play a role in delivering sustainable development in rural areas, so blanket policies restricting housing development in some types of settlement will need to be supported by robust evidence of their appropriateness.”

7.22 For the purposes of this study however, the needs of individuals living in communal C2 accommodation, such as elderly residents living in Care Homes and students living in halls of residence, have been assessed separately.

7.23 Finally, the PPG also requires a calculation to be made of the total annual need for affordable housing, as detailed above.

7.24 The remainder of this chapter addresses each of the aforementioned elements in order to assess whether exceptional circumstances exist to justify uplifting the 203 dpa LHN figure generated by the standard method.

Demographic Analysis

Population Projections

7.25 The SNPP estimates the population of all local authorities in England for a 25-year period and are based on the assumption that demographic trends (births, deaths and in/out migration) that were experienced during the preceding 5/6-year period will continue into the future.

7.26 The 2018-based SNPP are the most up-to-date population projections. Published in March 2020, these update the equivalent 2016-based projections. However, as mentioned previously, the 2014-based SNPP is used to inform the demographic starting point for the assessment of LHN in alignment with the NPPF’s aim to significantly boost the supply of homes²⁶ and the aim of delivering 300,000 new homes by the mid-2020s.

7.27 The 2014-based SNPP suggests that the population of North East Lincolnshire will increase by 2,443 people over the period 2022 to 2039 (+1.5%), equivalent to 141 persons per annum. This is a much stronger level of growth than projected by the 2018-based SNPP, which projects a decline of 1,308 people or -0.8% over the same period, equal to a loss of 77 people per annum. This contrasts with the regional and national pictures, with the

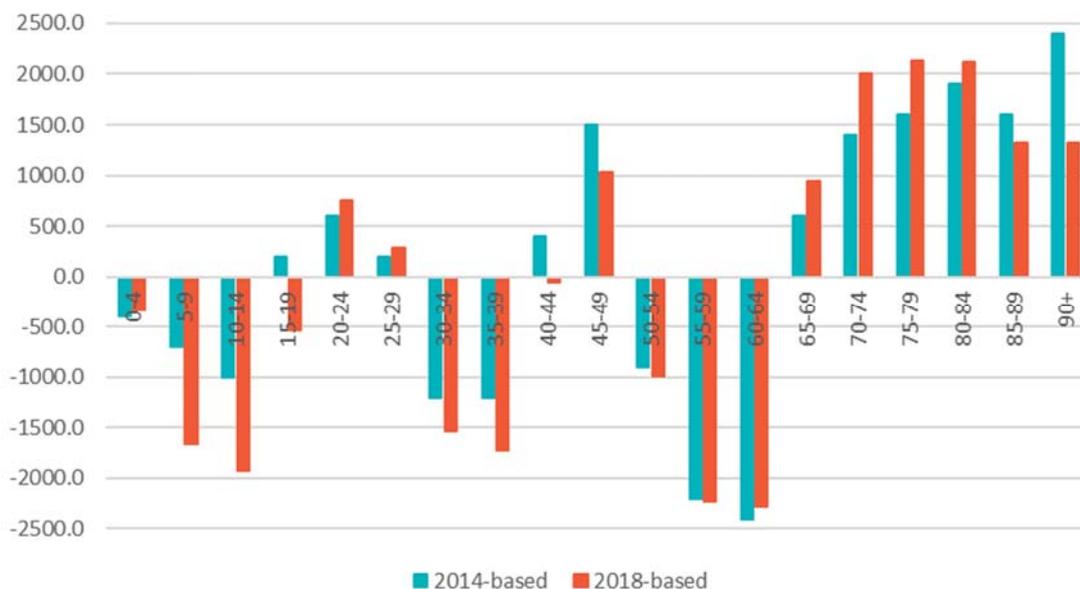
²⁴ PPG: ID: 67-001-20190722

²⁵ PPG: ID: 67-009-20190722

²⁶ NPPF (2021) paragraph 60

populations of Yorkshire and the Humber and England expected to grow by 4.7% and 6.3% respectively according to the 2018-based projections.

Figure 7.1 Population change in North East Lincolnshire by age cohort, 2022 - 2039



Source: 2014-based SNPP, 2018-based SNPP

7.28

Figure 7.1 illustrates that across the individual age cohorts there is:

- A greater decline in 5–19 year olds and 30-39 year olds in the 2018-based SNPP than is projected by the 2014-based SNPP;
- Lower positive growth in those aged 40-49 in the 2018-based SNPP compared to the 2014-based projections;
- Similar declines in the number of residents aged 50–64 for both projections;
- Higher growth of older age groups between 70 and 84 in the 2018-based SNPP projections compared to the 2014-based SNPP; and,
- Lower growth in those aged 90 and above in the 2018-based projections versus the 2014-based.

7.29

The general message emerging from both sets of projections is that, with the exception of 45-49 year olds and to a lesser extent, 15-29 year olds, future population growth in North East Lincolnshire will be almost entirely driven by retirees, and particularly those aged 70 and above. In stark contrast, the number of residents in their 50s and early 60s is projected to decline significantly over the next 20 years or so. For example, according to the 2014-based SNPP, the number of residents aged between 50 and 64 is projected to decline by around 5,500. Similarly, the number of residents aged 20-39 is projected to decline by c.2,400. Unchecked, this could have a serious negative impact on the local economy due to a declining labour force unless measures are implemented to increase the employment rate. In contrast, the number of older residents over 65 is projected to increase by c.9,500 over the next 17 years (2022 – 2039).

7.30

In terms of the determinants of change, the 2014-based SNPP envisages that the population change in the Borough over the Local Plan period will be driven by net international

migration, in the order of c.1,900 people over the period 2022-2039. In contrast, internal migration is expected to be broadly neutral over the projection period, with c.75,600 people moving to/from the Borough from other locations across the UK. Natural change is also expected to be positive over the period as a result of a greater number of births compared to deaths across the Borough.

Household Projections

7.31 As a consequence of the downward revisions to the population projections highlighted above, this has had a knock-on effect to the 2018-based Sub-National Household Projections [SNHP]. This was a consequence of two main factors:

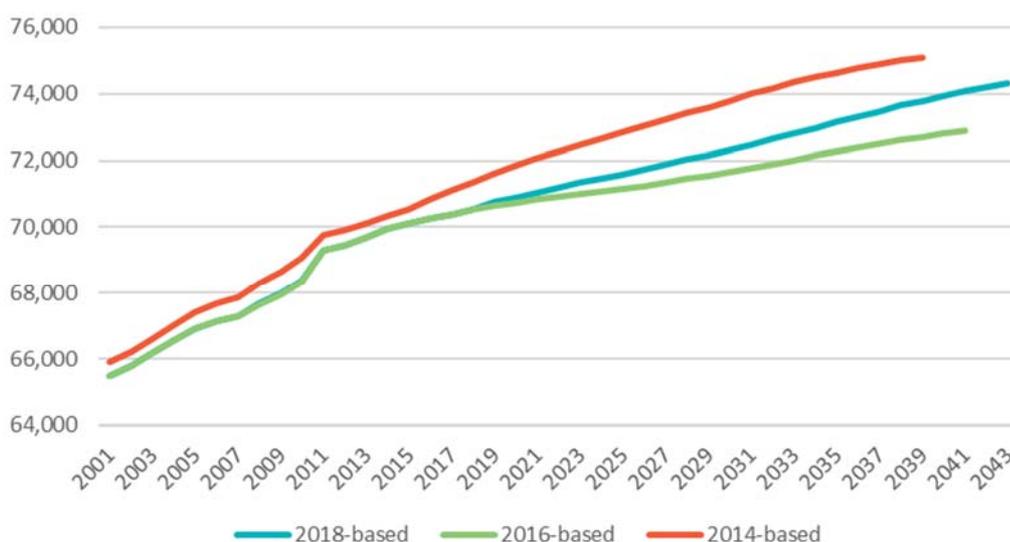
- 1 The revised 2018-based population projections upon which the SNHP are based; and,
- 2 The changes to the methodology underpinning the 2018-based SNHP.

7.32 The 2018-based SNHP are the second set to be produced by the ONS. The methodology underpinning the projections continues (in line with the 2016-based projections) to assess household trends on a shorter time period, i.e. back to 2001 compared to previous projections which utilised a longer trend back to 1971. This change in methodology implied a much sharper decline in formation rates in the shorter term.

7.33 Over the 25-year period 2022 – 2039 (when the projections end) the 2014-based projections projects an average household growth of **165 households per annum [hpa]** in North East Lincolnshire compared to the **153 hpa** for the 2018-based SNHP. The rate of growth projected by the 2014-based projections is therefore stronger than the 2018-based SNHP for the Borough. The 2016-based projections meanwhile show a much weaker level of growth at just 110 hpa.

7.34 The 2014-based projections suggest that by 2039 there will be around 75,100 households in the Borough, c.1,300 more than is projected in the 2018-based SNHP.

Figure 7.2 Household Growth Projections for North East Lincolnshire

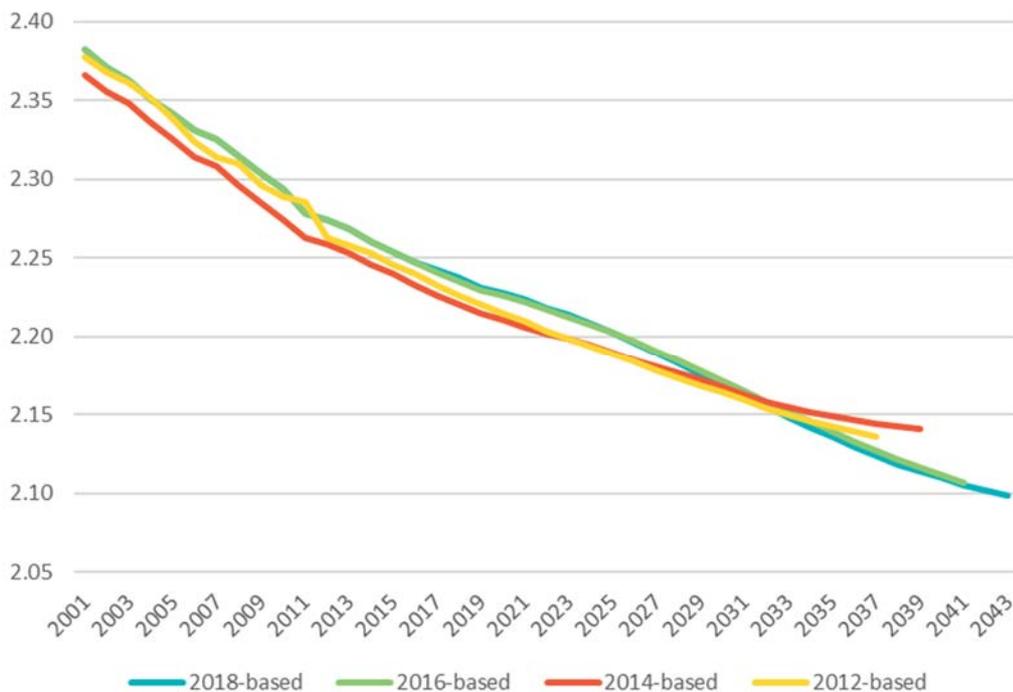


Source: DLUHC 2014 and ONS 2016 / 2018 Household Projections

Household Formation Rates

7.35 Figure 7.3 illustrates how the average household size in North East Lincolnshire has declined historically, as well as the difference between the 2014- and 2012-based projections and the later projections. Whilst all four projections agree that there has been a steady decline in average household size since the turn of the century, the 2018-based projections suggest that the average household size will decline at the fastest rate to just 2.10 by 2042, whilst the 2014-based SNHP suggest that it will equate to 2.14 by 2039, when the 2018-based projects a smaller household size of 2.12.

Figure 7.3 Historic and Projected Average Household Size in North East Lincolnshire

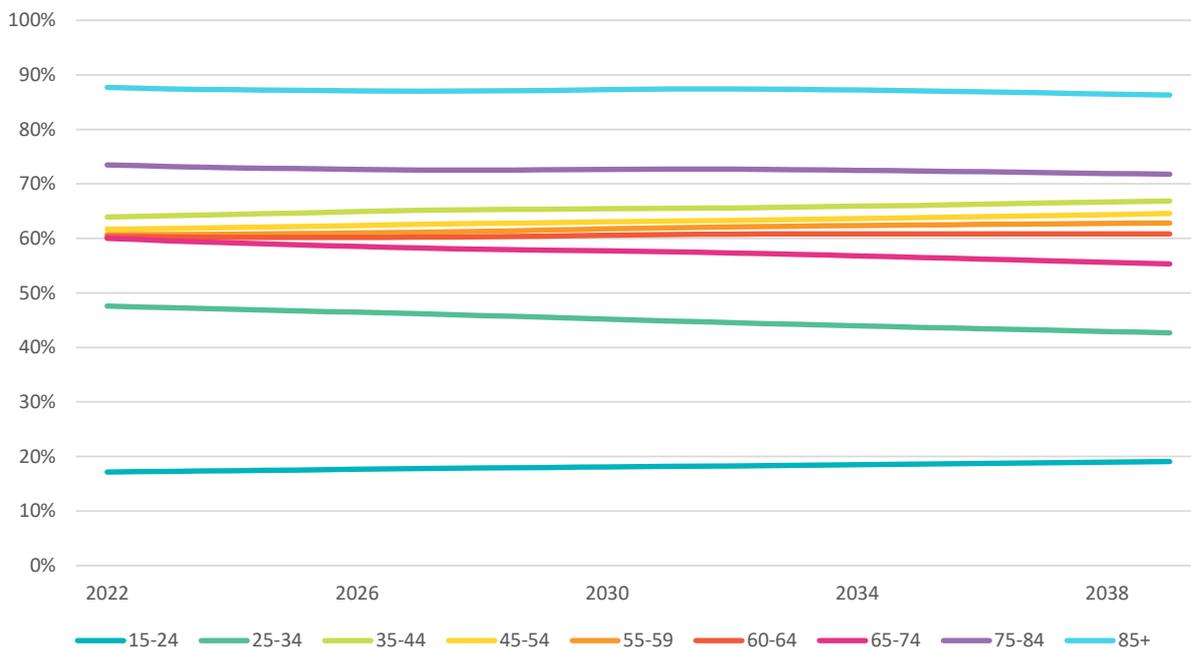


Source: DLUHC 2012 / 2014 and ONS 2016 / 2018 Household Projections

7.36 In order to assess how many homes will actually be required in the Borough over the Local Plan period (2022 to 2042), it is important to consider the extent to which household formation rates might be expected to increase in the future. For example, the SNHP also ‘bakes in’ current constrained levels of household formation due to the current affordability crisis (which particularly impacts on the ability of younger residents to move onto the property ladder).

7.37 The 2014-based SNHP anticipates significantly different levels of change in headship rates across the various age cohorts, as set out in Figure 7.4.

Figure 7.4 Change in headship range by age cohort – 2014-based SNHP



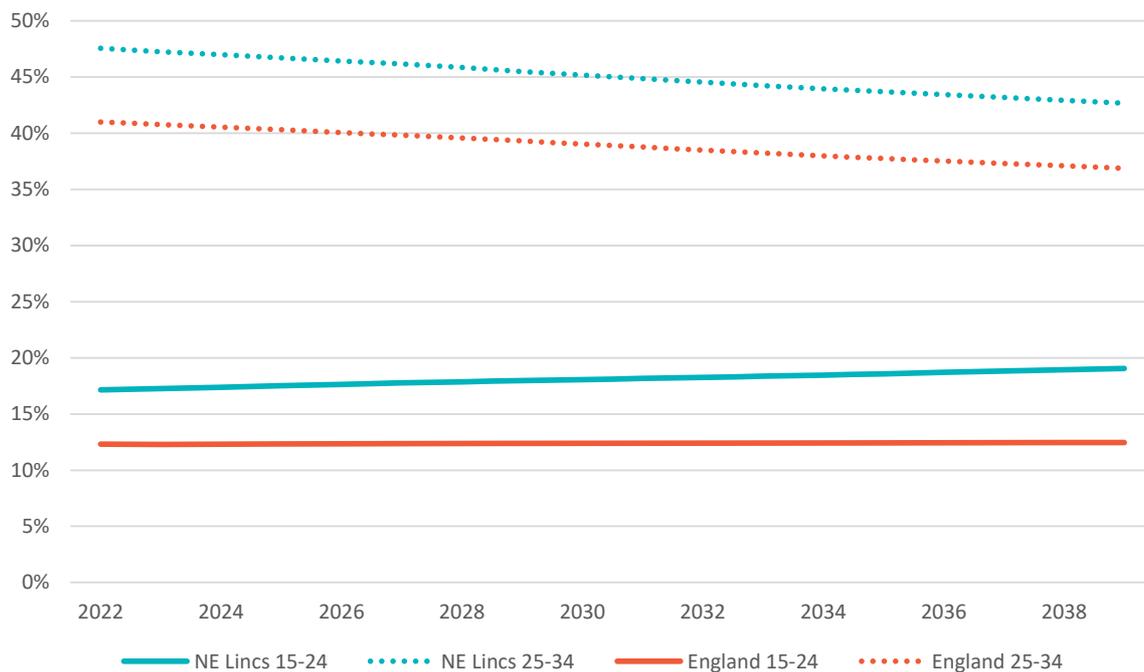
Source: DLUHC 2014-based SNHP for North East Lincolnshire Borough

7.38 The various household formation rates by age cohort reflect the fact that few people aged between 15 and 24 are likely to be able to establish their own households, whilst the 25 to 34 age cohort is similarly (and increasingly) likely to face pressures in establishing households. The projection suggests that headship rates amongst 25-34 year olds are likely to decrease significantly over the plan period. By contrast, the headship rate is likely to grow amongst people aged 35-64, and to remain high but gradually decline amongst those over 65 (noting that these figures do not include those that live within institutions such as nursing homes).

7.39 Figure 7.5 shows the headship rates for the age groups 15 to 24 years and 25 to 34 years for both North East Lincolnshire and England. It is apparent that the headship rates are significantly higher in the Borough than the national average for both 15-24 year olds and 25-34 year olds. Furthermore, the headship rate amongst the youngest age cohort is actually seeing an increasing level of household formation compared to a stagnant rate of change nationally.

7.40 In this particular instance therefore, it is not considered appropriate to model a partial catch-up rate [PCU] for younger households in North East Lincolnshire Borough.

Figure 7.5 Headship Rates for 15 to 34 year olds for North East Lincolnshire and England



Source: 2014-based SNHP/Lichfields Analysis

Future Housing Scenarios

- 7.41 Based on the trends identified through the demographic and economic assessment of the Borough, a number of scenarios have been considered to test whether any adjustment is required which deviates from the locally assessed need identified by the standard method.
- 7.42 The scenarios demonstrate the extent to which the population of the Borough could change over the Plan period and how this change would be translated into households, dwellings, numbers of economically active residents and the number of jobs that might be supported by the local population.
- 7.43 The number of households is translated into dwelling needs through the application of an assumption about the proportion of vacant properties/second homes that are currently recorded in the Borough.
- 7.44 Lichfields has modelled each of these scenarios using industry standard PopGroup demographic modelling software. The detailed assumptions utilised in the modelling can be found in Appendix 1.

Sensitivities – Assumptions and Approach

- 7.45 The following sensitivities have been considered. The starting point remains the baseline standard methodology scenario (A), with various data variables and assumptions applied for each of the subsequent scenarios for the Local Plan period 2022 to 2042 as follows:
 - **Scenario A: Standard Method** – based on the Government’s LHN methodology as of March 2023 (203 dpa), using the 2014-based SNHP;
 - **Scenario B: 2014-based SNPP** – a scenario utilising the 2014-based SNPP and headship rates from the Department for Levelling Up, Housing and Communities [DLUHC] 2014-based SNHP, extended to 2042;

- **Scenario C: 2014-based SNPP 2021 Census adjust** – a scenario applying the same assumptions as Scenario B but utilising the latest 2021 Census data for the Borough to adjust the starting point to the latest population position;
- **Scenario D: 2018-based SNPP** – a scenario utilising the 2018-based SNPP and headship rates from the 2018-based SNHP;
 - Scenario Da: 2018-based SNPP high international migration variant;
 - Scenario Db: 2018-based SNPP low international migration variant;
 - Scenario Dc: 2018-based SNPP alternative internal migration variant;
 - Scenario Dd: 2018-based SNPP 10 year migration variant;
- **Scenario E: 2018-based SNPP 2021 Census adjust** – a scenario applying the same assumptions as Scenario D but utilising the latest 2021 Census data for the Borough to adjust the starting point to the latest population position;
- **Scenario F: Experian Baseline December 2022** – this considers the implications of achieving the net job growth set out in the Experian baseline forecasts (c. 2,600 net workforce jobs over the period 2022 to 2042);
- **Scenario G: Experian Policy On** – this considers the implications of achieving the higher level of net job growth to support the Council’s economic objectives and key infrastructure projects (c. 4,560 net workforce jobs over the period 2022 to 2042);
- **Scenario H: Local Plan Housing Target** – based on the current North East Lincolnshire Borough-wide housing target of 512 dpa as set out in the adopted Local Plan (2018).

7.46 It should be noted that the 2014-based projections project forward over a 25-year period to 2039, therefore for the purposes of modelling it is assumed a pro rata change for three years to 2042.

Modelling Results

7.47 The scenarios use components of population change (births, deaths and migration) to project how the future population, household composition and consequent need for housing will support future employment growth. The headline results for each scenario are outlined below.

Scenario A: SM2 203 dpa

7.48 As of March 2023, the Standard Methodology figure for North East Lincolnshire Borough equates to 203 dpa. According to the 2014-based SNPP, this would equate to a net change of 4,276 residents, 3,878 households but a loss of 109 jobs over the 20 years 2022-2042.

Table 7.1 Summary of the demographic outcomes - Scenario A: SM2 203 dpa

2022-2042	Total Growth 2022-2042	Annual
Population change	4,276	214
<i>Of which natural change</i>	1,150	57
<i>Of which net migration</i>	3,126	156
Labour force growth	904	45
Job growth	-109	-5
Households	3,878	194
Dwellings	4,060	203

Source: Lichfields using PopGroup

Scenario B: 2014 SNPP Baseline

7.49 The standard method is based on the 2014-based SNPP, extended to 2042. This results in a household growth of 165 hpa over the next 20 years to 2042. Taking in a suitable allowance for vacant and second homes (based on Council Tax data), this translates into a need for 172 dpa (below the 203 dpa generated by the SM2 due to the absence of an affordability uplift even though the demographic data which underpins Scenarios A and B is the same).

7.50 The summary of the demographic outputs for Scenario B are shown in Table 7.2.

Table 7.2 Summary of the demographic outcomes - Scenario B: 2014-based SNPP Baseline

2022-2042	Total Growth 2022-2042	Annual
Population change	2,887	144
<i>Of which natural change</i>	340	17
<i>Of which net migration</i>	2,547	127
Labour force growth	355	18
Job growth	-640	-32
Households	3,295	165
Dwellings	3,449	172

Source: Lichfields using PopGroup

Scenario C: 2014-based SNPP, 2021 Census adjusted

7.51 As set out above, the latest 2021 Census data suggests that the population of North East Lincolnshire has actually declined in recent years, from 159,616 residents recorded in the 2011 Census, down to 156,966 ten years later – a fall of 1.66%, or -2,650 residents. This is in stark contrast to the rapid increase to 161,002 residents forecast in the 2014-based SNPP by 2021.

7.52 Having pegged the population back to the 2021 Census, but applying the migration rates, mortality rates and fertility rates from the 2014-based SNPP, the rate of growth remains similar albeit from a much lower base. This results in a modest change in the overall household growth and dwelling requirement under this scenario, increasing slightly to 185 dpa. A summary of the demographic outcomes under Scenario C are shown in Table 7.3.

Table 7.3 Summary of demographics outcomes - Scenario C: 2014-based SNPP Rebased to 2021 Census

2022-2042	Total Growth 2022-2042	Annual
Population change	2,309	115
<i>Of which natural change</i>	380	19
<i>Of which net migration</i>	1,928	96
Labour force growth	-964	-48
Job growth	-1,900	-95
Households	3,533	177
Dwellings	3,698	185

Source: Lichfields using PopGroup

Scenario D: 2018-based SNPP Baseline

7.53

The 2018-based SNPP are the most up-to-date population projections published in March 2020. When using the 2018-based SNPP, the projected housing need over the period 2022 – 2042 is lower, at 158 dpa, due to negative population growth projected over this period when compared to the +2,887 projected by the 2014-based SNPP. This results in a requirement for just 158 dpa. A summary of the 2018-based SNPP outcomes is set out in Table 7.4.

Table 7.4 Summary of outcomes - Scenario D: 2018-based SNPP

2022-2042	Total Growth 2022-2042	Annual
Population change	-1,238	-62
<i>Of which natural change</i>	-8,064	-403
<i>Of which net migration</i>	6,826	341
Labour force growth	-1,451	-73
Job growth	-2,377	-119
Households	3,009	150
Dwellings	3,150	158

Source: Lichfields using PopGroup

Scenario Da-d: 2018-based SNPP Variants

7.54

ONS has provided a set of variant projections to the principal projection (Scenario D above) which models the implications of higher or lower assumptions about the trajectories of fertility, mortality and migration. According to ONS, these provide an indication of uncertainty and sensitivity to alternative assumptions and should not be considered upper or lower limits of future demographic behaviour²⁷.

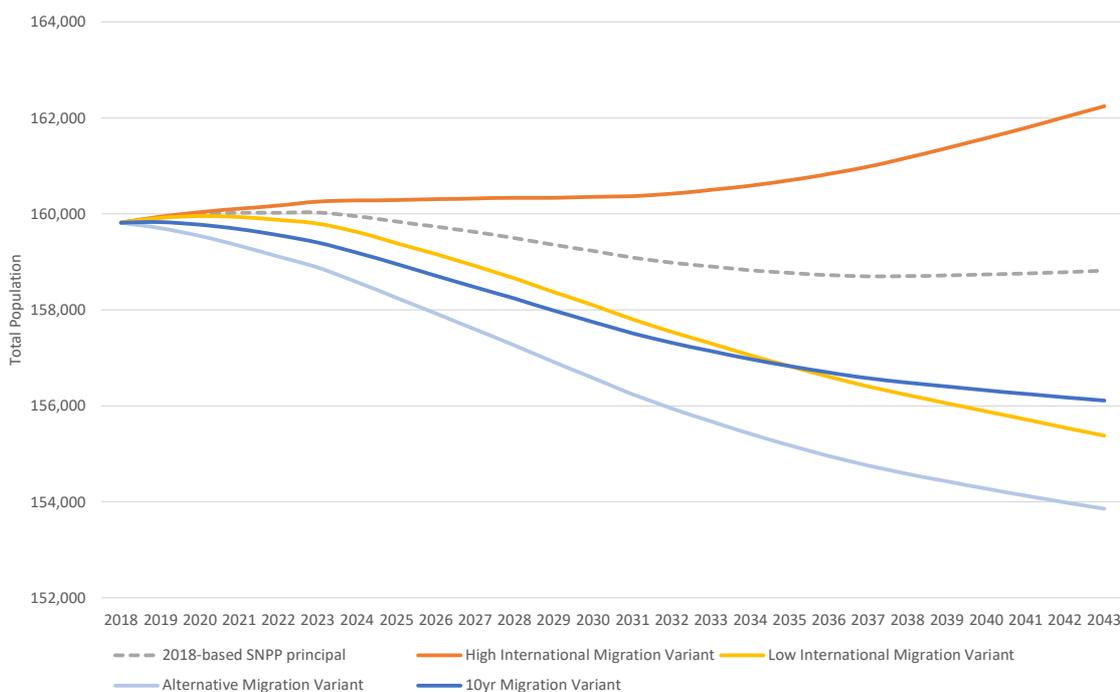
²⁷<https://www.ons.gov.uk/peoplepopulationandcommunity/populationandmigration/populationprojections/methodologies/variantnationalpopulationprojectionsfortheukandsubnationalpopulationprojectionsandhouseholdprojectionsforenglanduserguide>

7.55 The variant projections enable us to explore a range of possibilities and the effects of changing the underlying assumptions on population and household projections at national and local levels. The 2018-based SNPP included variants for the first time in one single release and featured four different levels of migration:

- a a high international migration variant: assume higher levels of net international migration to England as a whole, but the proportional distribution at local authority level remains the same;
- b a low international migration variant: as above, but with the assumption that lower levels of net international migration to England as a whole are experienced. the result is that all areas see correspondingly lower population totals, with areas that have high levels of international migration in the principal projection (especially parts of London) seeing the greatest difference;
- c an alternative internal migration variant: this uses five years of data for internal migration (instead of two years in the principal projection); two using the new method (based on the new Higher Education Leavers Methodology) and three using the old method.
- d a 10-year migration variant: this works on the basis that all migration trends (internal, cross-border and international) are based on 10 years of data.

7.56 The resultant population projections are illustrated in Figure 7.6 below. They indicate that the principal projection sits towards the middle of the range, with the high international migration scenario projection a significant upturn in the local population of 1,842 between 2022 and 2042, in stark contrast with a prolonged fall for each of the other three variant scenarios, from -3,381 (10-year migration), to -4,323 (low international) and -5,121 (alternative migration variant).

Figure 7.6 Variant population projections showing a range of future demographic scenarios for NE Lincolnshire, 2018-2043



Source: Lichfields

- 7.57 When modelled in PopGroup, the variant scenarios suggest that the dwelling requirement could range from a low of just 90 dpa under the Low International migration scenario, to a high of 225 dpa under the High International scenario as set out in Table 7.4. All project a loss of jobs over the 20-year Plan period.

Table 7.5 Summary of outcomes - Scenarios Da-Dd: 2018-based SNPP variants

2022-2042	Da High International		Db Low International		Dc Alternative		Dd 10 year	
	Total	Annual	Total	Annual	Total	Annual	Total	Annual
Population change	1,842	92	-4,323	-216	-5,121	-256	-3,381	-169
<i>Of which natural change</i>	-7,500	-375	-8,629	-431	-7,608	-380	-6,281	-314
<i>Of which net migration</i>	9,342	467	4,306	215	2,487	124	2,900	145
Labour force growth	288	14	-3,192	-160	-2,737	-137	-1,459	-73
Job growth	-696	-35	-4,060	-203	-3,618	-181	-2,387	-119
Households	4,299	215	1,717	86	1,437	72	1,922	96
Dwellings	4,501	225	1,797	90	1,505	75	2,013	101

Source: Lichfields using PopGroup

Scenario E: 2018-based SNPP Baseline, 2021 Census adjusted

- 7.58 As set out above, the latest 2021 Census data suggests that the population of North East Lincolnshire has actually declined in recent years, from 159,616 residents recorded in the 2011 Census, down to 156,966 ten years later. This is in stark contrast to the increase to 160,023 residents forecast in the 2018-based SNPP by 2021.
- 7.59 Having pegged the population back to the 2021 Census, but applying the migration rates, mortality rates and fertility rates from the 2018-based SNPP, the rate of growth remains similar albeit from a much lower base. This results in a modest change in the overall household growth and dwelling requirement under this scenario, increasing to 161 dpa. A summary of the outcomes is set out in Table 7.6.

Table 7.6 Summary of outcomes - Scenario E: 2018-based SNPP Rebased to 2021 Census

2022-2042	Total Growth 2022-2042	Annual
Population change	-578	-29
<i>Of which natural change</i>	-7,779	-389
<i>Of which net migration</i>	7,201	360
Labour force growth	-2,243	-112
Job growth	-3,137	-157
Households	3,067	153
Dwellings	3,210	161

Source: Lichfields using PopGroup

Future Jobs-led Change

- 7.60 Chapter 6 of the NPPF focuses on the need for planning policies and decisions to create conditions to help support economic growth.
- 7.61 Paragraph 82(c) states that planning policies should:

*“seek to address potential barriers to investment, such as inadequate infrastructure, services **or housing**, or a poor environment” [Lichfields’ emphasis]*

7.62 Ensuring a sufficient supply of homes within easy access employment opportunities represents a central facet of an efficiently functioning economy and can help to minimise housing market pressures. Achieving employment growth needs to be supported by an adequate supply of suitable housing.

Assumptions used in the Modelling

7.63 To determine the scale of housing required to support a given level of jobs growth, some assumptions must be made about future economic activity, unemployment and commuting. These assumptions have been modelled as follows:

- **Unemployment** – model-based estimates for unemployment for North East Lincolnshire have been obtained from NOMIS. This shows that the Borough’s unemployment rate averaged 3.8% in 2021, which is significantly lower than levels seen in recent years. Given the uncertainties facing the economy at the time of writing, this has been gradually changed to the 5-year average of 5% and held constant thereafter.
- **Economic Activity Rates** – these rates are applied to the overall population (by sex and each five-year age cohort) to determine how many people are active in the labour market (‘active’ being either in employment or unemployed and available for work). To project economic activity rates, the modelling uses labour market participation rates published by the Office for Budget Responsibility [OBR] in July 2018. These provide long-term projections at the national level by sex and age, and the trends can be applied to local authority areas to provide local projections.
- **Labour Force Ratio** – this comprises the ratio of the number of residents who are economically active in an area to the number of jobs in that area. It therefore implicitly captures both commuting patterns and ‘double-jobbing’ (where one person may occupy more than one job). Applying the economic activity rates to the base population in 2022 gives an estimate of the total labour force as at 2022, less unemployed workers. This is then compared with the total number of jobs (as given by Experian in its December 2022 projection) to create the labour force ratio (of 0.981) which is held constant across the period.
- **Other assumptions** – inputs related to births, deaths, migration and household formation are the same as those applied in the demographic scenarios i.e. are taken from the 2018-based SNPP/SNHP given that this appears to have a closer relationship with the actual observed change to the local resident population in the 2021 Census than its predecessor (the 2014-based SNPP). The modelling constrains/inflates migration to a level, which taking account of the profile of migrants moving in and out (plus natural change), produces a labour force sufficient to support forecast job growth, taking account of the ratio of labour to jobs.

Scenario F: Experian Baseline December 2022

7.64 This scenario considers a net workforce jobs growth of 2,600 over the plan period in line with the Experian baseline December 2022 projections. Table 7.7 summarises those sectors expected to experience the largest absolute increases or decreases in employment for North East Lincolnshire over the Plan period. Experian project a growth equal 2,600 net jobs between 2022 and 2042, driven by Education (+900); Health (+1,500); Land Transport, Storage and Post (+900); Professional Services (+900); and Residential Care and Social Work (+600). Job losses are predominantly concentrated in three sectors: Manufacturing,

which is projected to fall by 2,100 jobs over the next 20 years due to ongoing structural changes in the economy; Retail, which is forecast to lose 600 jobs; and Wholesale (-400 jobs).

Table 7.7 Job Change across North East Lincolnshire (2022 to 2042)

Sector	2022	2042	Difference
Accommodation and Food Services	4,200	4,200	0
Admin and Supportive Services	5,900	6,400	+500
Agriculture, Forestry and Fishing	100	200	+100
Air and Water Transport	0	0	0
Computing and Information Services	0	0	0
Construction	4,200	4,200	0
Education	6,700	7,600	+900
Extraction and Mining	0	0	0
Finance	600	600	0
Fuel Refining	0	0	0
Health	6,500	8,000	+1,500
Insurance and Pensions	0	0	0
Land Transport, Storage and Post	5,700	6,600	+900
Manufacturing	10,400	8,300	-2,100
Media Activities	0	0	0
Other Private Services	1,300	1,200	-100
Professional Services	4,000	4,900	+900
Public Administration and Defence	2,300	2,200	-100
Real Estate	1,100	1,400	+300
Recreation	1,800	2,000	+200
Residential Care and Social Work	5,000	5,600	+600
Retail	6,900	6,300	-600
Telecoms	0	0	0
Utilities	800	800	0
Wholesale	3,900	3,500	-400
TOTAL	71,400	74,000	+2,600

Source: Experian (December 2022)

7.65 Due to the declining number of residents of working age living in the Borough, there has to be a disproportionate increase in the number of migrants moving into North East Lincolnshire if we are to meet the Experian job forecasts. In order to support this level of job growth between 2022 and 2042, a very substantial increase in population of 11,114 would be required, equal to +7,920 households and 8,292 dwellings (or 415 dpa).

7.66 A summary of the Experian baseline December 2022 economic scenario is set out in Table 7.8:

Table 7.8 Summary of outcomes - Scenario F: Experian Baseline

2022-2042	Total Growth 2022-2042	Annual
Population change	11,114	556
<i>Of which natural change</i>	-6,590	-330
<i>Of which net migration</i>	17,705	885
Labour force growth	3,686	184
Job growth	2,600	130
Households	7,920	396
Dwellings	8,292	415

Source: Lichfields using PopGroup

Scenario G: Experian Policy On Jobs Growth

- 7.67 An alternative job-based estimate of future needs was compiled to understand the potential for job growth in North East Lincolnshire Borough should various infrastructure projects and investment schemes come forward as planned over the coming years. Specifically, this involved discussions with NELC Officers regarding the scale and types of jobs that the Freeport proposals, and new industries coming to the district (such as renewables, hydrogen generation, carbon capture), are likely to support and how this can align with housing requirements.
- 7.68 Data sources included the Council's Economic Strategy, which identifies 7 priority sectors for future growth, and also the Investment and Regeneration programmes currently underway such as Grimsby's Town Centre Masterplan, the Freeport Zone, the Town Deal, SHIP, and other infrastructure investment works.
- 7.69 Officers identified the following projects, and the potential level of net additional jobs (over and above the Experian baseline) that they are likely to generate on a permanent basis over the period 2022 to 2042 (excluding temporary construction jobs):
- **Humber Zero:** Part of the Zero Carbon Humber vision involving Hydrogen production. This is on target to start construction in 2023 and will look to remove up to 8 million tonnes of CO₂ annually by 2030 from the Immingham industrial cluster. It is a collaboration between the Phillips 66 Limited Humber Refinery and the nearby VPI Immingham combined heat and power plant²⁸: **+200 jobs** (excluding 2,500 temporary construction jobs);
 - **Humber H2ub:** This project includes plans for a low-carbon hydrogen production facility using gas reformation technology with carbon capture and storage [CCS], with a capacity of up to 720 megawatts. The hydrogen produced could be used to decarbonise industry, transport and power throughout the Humber region²⁹: **+150 jobs**;
 - **Gigastack:** Part of the Zero carbon Humber vision involving wind energy / Hydrogen production. Once built, Gigastack will support the decarbonisation of the Humber region, the UK's largest industrial cluster, and support the UK's offshore wind and electrolyser supply chain competitiveness. Gigastack will also lay the groundwork for

²⁸ [Project on course to start build in 2023 - Humber Zero](#)

²⁹ [Uniper and Shell award contracts on the Humber H2ub project](#)

future expansion in the Humber region and will catalyse the renewable hydrogen sector by providing a blueprint for scalable electrolyser technology in the UK³⁰: **+180 jobs**;

- **Immingham Green Energy Terminal Hydrogen production:** This project would see ammonia imported for port-centric hydrogen production, with carbon also shipped in for storage. Located on the eastern wing of Port of Immingham, the proposed development includes a new jetty with up to two berths and the infrastructure to handle bulk liquids as well as two substantial production sites³¹: **+1,000 jobs**;
- **RWE Grimsby Wind Farm Hub operations and maintenance:** The new ‘Grimsby Hub’ facility will expand the existing Triton Knoll Offshore Wind Farm base and will be the home for RWE’s specialist team for major component exchanges and offshore repairs³²: **+60 jobs**;
- **Ørsted Wind Energy:** Ørsted has directly invested or enabled investment of £9.5 billion (Westermest Rough, Race Bank, Hornsea 1 and Hornsea 2) in infrastructure and assets within proximity of the Humber region and its coast. Over the next decade, further investments will add another £14 billion in this region³³: **+250 jobs**;
- **Hornsea Wind Energy:** With a capacity of 2,852 MW, Hornsea 3 is intended to produce enough low-cost, clean, renewable electricity to power 3.2 million UK homes, making a significant contribution to the UK Government’s ambition of having 50 GW offshore wind in operation by 2030 as part of the British Energy Security Strategy³⁴: **+120 jobs**.
- **TOTAL: +1,960 jobs**

7.70 In addition to these specific projects, the area will benefit from the Humber Freeport status across all four Humber local authority areas, including at the South Humber Industrial Investment Project (SHIIP) site between Grimsby and Immingham.

“It should bring a huge economic boost to the region, with up to 7,000 jobs forecast as major manufacturing is attracted by key incentives. This includes a “unique approach” on planning, infrastructure, cheaper customs, favourable tariffs and lower taxes”³⁵.

7.71 As part of the Humber zone bid, significant seed capital resources have been set aside to ensure its successful delivery including additional infrastructure funding, whilst carbon capture and green energy projects will link with and sustain existing industries to support their low carbon drive.

7.72 In addition, Grimsby was a trailblazer for the Government’s Town Fund initiative, having signed the Greater Grimsby Town Deal in 2018. The Towns Fund is designed to see targeted investment into areas that will help to get towns around the country back onto a ‘level playing field’ – providing a springboard for private investment and growth.

³⁰ [Gigastack - Demonstrating renewable hydrogen for a net zero future - About](#)

³¹ [First images of how Immingham Green Energy Terminal could look as public consultation begins - Business Live \(business-live.co.uk\)](#)

³² [RWE invests in new Grimsby Hub operations and maintenance base](#)

³³ [Ørsted-economic-impact-in-humber---may-2022---v9.ashx \(azureedge.net\)](#)

³⁴ [Hornsea Three CfD \(orsted.co.uk\)](#)

³⁵ <https://www.nelincs.gov.uk/multi-million-pound-landmark-boost-for-north-east-lincolnshire/>

- 7.73 In March 2021 Government announced a funding offer to Grimsby of £20.9 million of Towns Fund to deliver 6 projects set out in the TIP, with the expectation that this funding will deliver transformational economic, social and cultural benefits for the town³⁶.
- 7.74 The six projects approved for funding were taken from an overarching Grimsby Town Centre Masterplan and will take an in-depth look at what is required to reshape the town centre and considers the work already taking place at St James' Square and Garth Lane³⁷. This is linked to housing funding and includes the next phase of development of Garth Lane, which will see the creation of a major new waterfront residential community.
- 7.75 A conservative approach has been taken, excluding temporary construction jobs, and avoiding likely crossover where possible by moving towards the lower end of the estimated job range for each project. Working on the presumption that these are therefore net additional to the 2,600 net job growth baseline projected by Experian, this results in a net increase of 4,560 jobs over the 20 years to 2042. In order to support this higher level of jobs growth between 2022 and 2042, 10,150 dwellings (507 dpa) would be required.
- 7.76 A summary of the outputs for this scenario is set out in Table 7.9:

Table 7.9 Summary of outcomes - Scenario G: Experian Policy On Job Growth

2022-2042	Total Growth 2022-2042	Annual
Population change	15,231	762
<i>Of which natural change</i>	-6,009	-300
<i>Of which net migration</i>	21,241	1062
Labour force growth	5,712	286
Job growth	4,560	228
Households	9,695	485
Dwellings	10,150	507

Source: Lichfields using PopGroup

Scenario H: Existing Local Plan Target (512 dpa)

- 7.77 The scenario considers the demographic and economic implications of maintaining the current Local Plan housing target as set out in the adopted Local Plan (2018) for North East Lincolnshire. In this regard, keeping a housing target of 512 dpa would require a very high level of population growth equal to 15,514 over the next 20 years. This would also sustain a net job growth of 4,755, above even the Policy On level of job growth modelled above. A summary of this scenario is set out in Table 7.10:

³⁶ <https://www.nelincs.gov.uk/business-and-investment/town-deal/#:~:text=In%20March%202021%20Government%20announced,cultural%20benefits%20for%20the%20town.>

³⁷ <https://www.nelincs.gov.uk/multi-million-pound-landmark-boost-for-north-east-lincolnshire/>

Table 7.10 Summary of outcomes - Scenario H: Existing Local Plan Housing Target (512 dpa)

2022-2042	Total Growth 2022-2042	Annual
Population change	15,514	776
<i>Of which natural change</i>	-6,086	-304
<i>Of which net migration</i>	21,600	1,080
Labour force growth	5,913	296
Job growth	4,755	238
Households	9,781	489
Dwellings	10,240	512

Source: Lichfields using PopGroup

Scenario I: Past Housing Delivery Rates (313 dpa)

7.78

NE Lincolnshire has delivered 2,817 homes (net) at an average of **313 dpa over the current Plan period 2013/14 to 2021/22**, significantly below the requirement set by the adopted Local Plan of 3,937 units over that same time period. This figure has been modelled in PopGroup to understand the demographic and economic implications of maintaining this current level of net delivery. In this regard, keeping a housing delivery figure in line with previous levels would require a more modest level of population growth equal to 6,388 over the next 20 years. This would also sustain a net job growth of just 274, well below the Experian baseline level (+2,600) modelled above. A summary of this scenario is set out in Table 7.10:

Table 7.11 Summary of outcomes - Scenario I: Past Housing Delivery Rates (313 dpa)

2022-2042	Total Growth 2022-2042	Annual
Population change	6,388	319
<i>Of which natural change</i>	-7,046	-352
<i>Of which net migration</i>	13,434	672
Labour force growth	1,282	64
Job growth	274	14
Households	5,980	299
Dwellings	6,260	313

Source: Lichfields using PopGroup

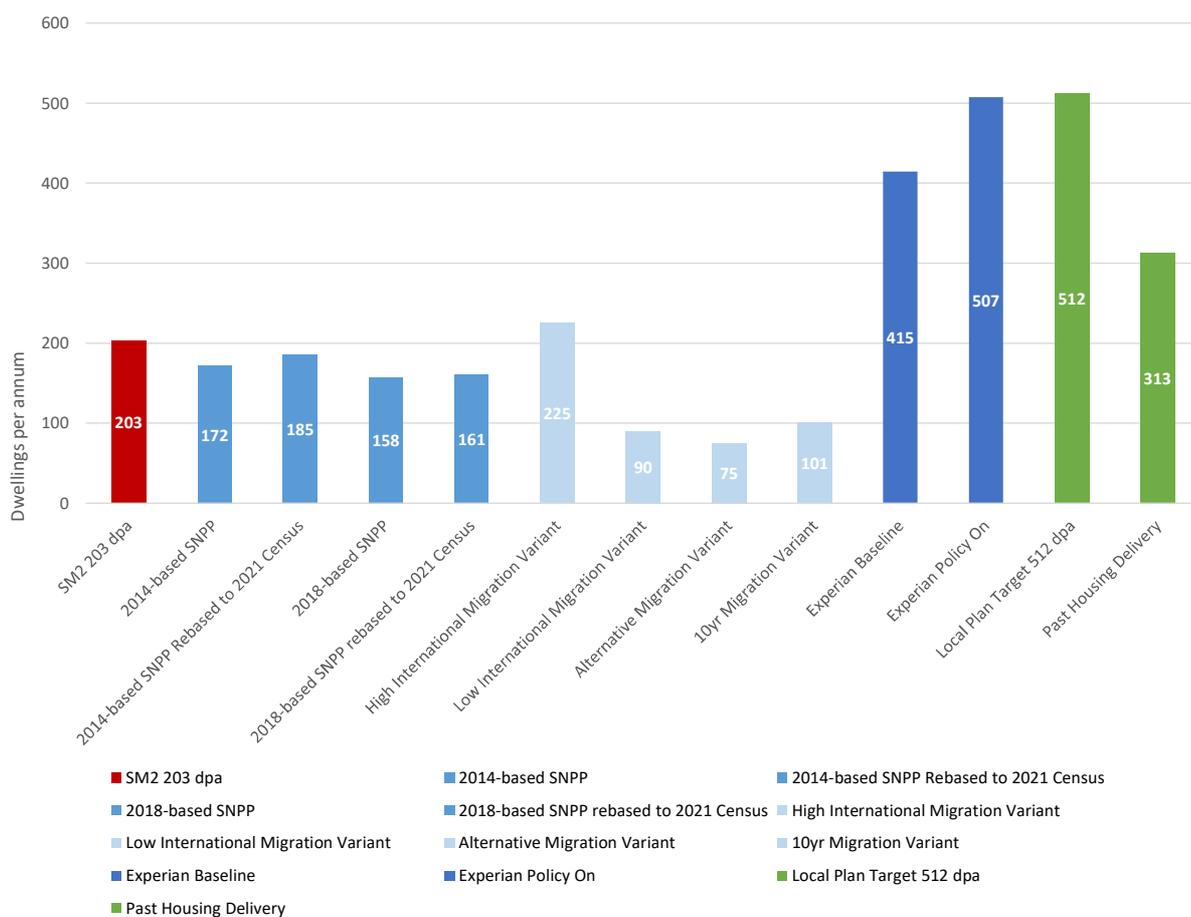
Modelling Summary

7.79

A summary of the scenarios assessed are presented in Figure 7.7. Compared to the SM2 minimum starting point of 203 dpa, extending the 2014-based SNPP for the Borough to 2042 (and including a very modest allowance for vacant/second homes) reduces housing need significantly to 172 dpa, rising slightly to 185 dpa if an adjustment is made for the 2021 Census. When considering the 2018-based SNPP for the Borough to 2042 the housing need falls to 158 dpa (and 161 dpa factoring in the latest Census data). This is because the 2018-based SNPP projects a much weaker level of population growth than the 2014-based equivalents. All the demographic projections are lower than the level of net additional dwellings that have been delivered in recent years (313 dpa), including the 2018-based SNPP High International migration variant.

7.80 An assessment of the likely future scale of job growth in the Borough has been made using the latest Experian baseline jobs forecasts together with a Policy On Jobs growth scenario that factors in likely renewable energy projects and other key investment schemes in the Borough. The Experian December 2022 Scenario (F) forecasts an increase in jobs of 2,600 over the plan period, which would result in need for 415 dpa. However, the Experian Policy On Growth Scenario (G) projects a much greater level of job growth equal to +4,560 jobs over the 20-year plan period. This would require 507 dpa to sustain this level of employment growth, which is only slightly below the current Local Plan housing target of 512 dpa.

Figure 7.7 Summary of Housing Need Scenarios for North East Lincolnshire Borough, 2022-2042



Source: Lichfields

Emerging Housing Need

7.81 As set out in the PPG, a local assessment of housing need should be based on the standard method formula to identify the minimum number of homes. However, DLUHC recognises that there will be circumstances where it will be appropriate to consider whether actual housing need is higher than the standard method indicates.

7.82 As summarised in detail above, the standard method figure of 203 dpa is only the minimum starting point and should not be taken forward without question. The LHN may require adjusting due to:

- 1 Growth strategies for the area that are likely to be deliverable;

- 2 Strategic infrastructure improvements that are likely to drive an increase in the homes needed locally;
- 3 Where previous housing delivery in an area is significantly greater than the outcome from the standard method; and,
- 4 Where recently produced SHMAs suggested a significantly higher levels of need.

Economic Growth Strategies

7.83 The NPPF at paragraph 82(c) states that planning policies should “*seek to address potential barriers to investment, such as inadequate infrastructure, services or housing, or a poor environment*”. This retains the link between integrating economic growth and housing need. There is a clear risk that where the labour force supply is less than the projected job growth, this could result in unsustainable commuting patterns and reduce the resilience of local businesses, resulting in a barrier to investment. This sub-section explores whether, in light of likely future job growth, there is likely to be a knock-on increase in the housing need for the Borough (above that indicated by the demographic-led generated by the standard methodology).

7.84 The challenge of meeting employment needs is clearly given great importance, and the NPPF highlights this by stating that “*significant weight should be placed on the need to support economic growth and productivity*” [para 81]. Ensuring a sufficient supply of homes within easy access of employment opportunities represents a central facet of an efficiently functioning economy and can help to minimise housing market pressures and unsustainable levels of commuting (and therefore congestion and carbon emissions). If the objective of employment growth is to be realised, then it will generally need to be supported by an adequate supply of suitable housing.

7.85 NELC’s Local Plan (adopted 2018) seeks to achieve sustainable growth that maximises the potential of economic activity in key sectors. Business as usual is not appropriate as there is a clear need for change. The vision within the adopted Local Plan sets out the aspiration for the Borough, identifying that:

“By 2032 North East Lincolnshire will be nationally and internationally recognised as a centre for offshore renewables, focusing on operations and maintenance and contributing significantly to the Humber’s ‘Energy Estuary’ status. Growth in key sectors, food, energy, chemicals, ports and logistics, will be matched by a strong tourism and leisure offer. Evident through increased jobs and diversity of skills, the barriers to accessing jobs will have been broken down. This will be facilitated through the establishment of facilities to improve education and skills, and measure implemented to address housing need and affordability, and health and service needs, including countering deprivation issues in specific wards. A platform for sustainable economic growth will have been created, with conditions to capture and sustain more and better jobs in the area well established.” [page 69]

7.86 This is reinforced by Strategic Objective 1 which seeks to meet development needs and facilitate economic development by supporting population growth, retaining working age population and providing for a generally ageing population. Critical success factors will be for the Borough to have delivered a minimum of 8,800 new jobs and at least 9,742 new homes between 2013/14 and 2031/2032 (19 years). The housing requirement set out in Policy 2 is stepped as follows:

- a 2013/14 to 2017/18 - 397 dpa;

- b 2018/19 to 2022/23 - 488 dpa;
- c 2023/24 to 2027/28 - 649 dpa;
- d 2028/29 to 2031/32 - 518 dpa.

- 7.87 Neither the ambitious employment or housing targets are currently on track to be achieved. According to Experian, between 2013 and 2022, the number of workforce jobs based in North East Lincolnshire actually declined by 180 jobs, whilst over the past 9 years average housing delivery has averaged 314 dpa (net)³⁸.
- 7.88 In this context, it is an important part of responding to both the NPPF and the PPG that the Local Plan should consider the extent to which the standard method estimate of LHN is consistent with the economic success of the Borough and the wider area. In particular, this will need to consider whether 'actual housing need' should be higher in response to the economic opportunities of the area.
- 7.89 As set out above, the modelling indicates that an LHN in line with the Standard Method figure of 203 dpa for North East Lincolnshire could result in a net loss of 109 jobs over the next 20 years, which is well below the level of growth projected by the Experian December 2022 (+2,600 jobs) and Policy On (+4,560) job growth forecasts. On the basis that NELC decides to pursue a higher level of job growth and the additional employment land that this could require, then the SM2 figure of 203 dpa would fall far short of being sufficient to support economic growth in line with either current forecasts, investment opportunities or the current objectives of the adopted Local Plan (2018).
- 7.90 Therefore, should NELC seek to pursue a higher level of jobs growth more in line with the Policy On jobs growth forecast of +4,560 and the employment land allocations this could sustain, then an uplift well beyond the minimum LHN as assessed through the standard methodology would be required, **potentially up to 507 dpa**. This could involve a strategy to support economic growth which seeks to ensure the labour force does not act on a drag on future economic potential.

Unmet Need from Elsewhere

- 7.91 As set out in Section 4.0, Officers have confirmed that there is no unmet housing need from adjoining areas that should be met in North East Lincolnshire. There is an agreement in place that they are all meeting their own needs in their own boundaries as set out in the corresponding Duty to Co-operate statements.

Previous Delivery Levels

- 7.92 Reviewing the Borough's past rate of net housing delivery against the 2018 Local Plan's stepped housing requirements of 397 dpa from 2013/14 to 2017/18 and 488 dpa from 2018/19 to 2022/23, highlights that NE Lincolnshire has only delivered 2,817 homes (net) at an average of **313 dpa**, significantly below the requirement set by the adopted Local Plan of 3,937 units over that same time period. This figure is modelled as one of the scenarios above.
- 7.93 However, if the 123 key workers flats are included for the year 2018/19, this would increase the annual average rate to **327 dpa**. Furthermore, the net completions figures have been significantly depressed by the recent actions of Lincolnshire Housing Partnership. This

³⁸ DLUHC (2023): Table 122 - Net additional dwellings1 by local authority district, England 2001-02 to 2021-22

Registered Provider, which oversaw the stock transfer of North East Lincolnshire's council housing stock in 2005 and which manages nearly 12,500 affordable rental and shared ownership homes across Lincolnshire, undertook a comprehensive property rationalisation process between 2017/18 and 2021/22. The Local Plan made an allowance for the removal of 180 units at the Freeman Street flats over 4 years, but the actual level of demolitions has been significantly higher than this. The actual level of gross completions has averaged 420 dpa.

- 7.94 This rationalisation of the social housing stock, and specifically the removal of a considerable number of hard to let properties in the Borough, has helped to significantly reduce the vacancy rates in the Borough, with 793 vacant social housing units in 2018 falling to just 107 by 2022 as a result.

Table 7.12 Net Housing Delivery for North East Lincolnshire against Local Plan Targets

	Gross Completions	Demolitions and Losses	LHP Losses**	Net Completions	Local Plan Requirement	Difference
2013/14	364	50		314	397	-83
2014/15	381	15		366	397	-31
2015/16	376	19		357	397	-40
2016/17	311	45		266	397	-121
2017/18	289	99		190	397	-211
2018/19	451	98	45	308*	488	-180
2019/20	435	142	45	248	488	-240
2020/21	494	205	45	244	488	-244
2021/22	682	113	45	524	488	+36
Total	3,783	786	180	2,817	3,937	-1,120

Source: NELC Officers / NE Lincolnshire Local Plan, Adopted 2018: Policy 2

*431 accounting for key workers flats

**45 per annum accounts for Freeman Street flats

2017/18-2021/22 comprises the period of Lincolnshire Housing Partnership's property rationalisation programme

- 7.95 The Housing Delivery Test results, published in February 2022, shows a somewhat brighter picture as presented in Table 7.13. It highlights that NEL has delivered a greater number of homes than required by the projections, over delivering by 351 homes over the identified target, equal to 161%, with no punitive measures required as a result in its Local Plan. This was also the case in the two preceding HDT years.

Table 7.13 North East Lincolnshire Housing Delivery Test 2021 Results

	2018-19	2019-20	2020-21	Total
Number of homes required	689	645	571	1,905
Number of homes delivered	893	865	923	2,681
Housing Delivery Test Measurements	130% (+204)	134% (+220)	161% (+351)	141% (+776)
Housing Delivery Test Consequence	None	None	None	None

Source: DLUHC (February 2022): Housing Delivery Test 2021 Measurement

- 7.96 As the net housing delivery of 313 dpa is significantly greater than the 203 dpa suggested by the standard methodology, this has been modelled in PopGroup as Scenario I, and reported above.

- 7.97 It indicates that 313 dpa would result in a modest level of population growth equal to 6,388 over the next 20 years. This would sustain a net job growth of just 274, well below the

Experian baseline level (+2,600) modelled, but above the most optimistic demographic scenario. Therefore, although the local economy would be stabilised and indeed see some growth, it is questionable as to whether this level of housing need would be sufficient to align fully with the Council's economic growth objectives.

Conclusions on North East Lincolnshire Borough's LHN

- 7.98 The LHN for North East Lincolnshire Borough, as calculated using the Government's standard method, is 203 dpa. The PPG sets out that there is an expectation that the standard method will be used and that any other method will be accepted in exceptional circumstances only.
- 7.99 However, the standard method generates a minimum annual housing need figure. It does not produce a housing target, which is for NELC to identify and robustly justify in its Local Plan. This SHMA has provided an overview of the evidence needed for the Council to determine whether it would be appropriate for it to deviate from the 203 dpa LHN figure.
- 7.100 This deviation can generate a higher figure, but in exceptional circumstances, it may be appropriate to target a lower housing requirement. The PPG states where an alternative approach results in a lower housing need figure than that identified using the standard method, the strategic policy-making authority will need to demonstrate, using robust evidence, that the figure is based on realistic assumptions of demographic growth and that there are exceptional local circumstances that justify deviating from the standard method.
- 7.101 This SHMA has considered whether the 2014-based SNPP, and more recent 2021 Census data, are robust for the Borough. The 2014-based projections represent a reasonable assessment of likely future growth in the context of past trends and likely future change. Household formation rates are significantly higher amongst younger age cohorts for the Borough than the national average between 2022 and 2039 and therefore the usage of PCU rates to account for suppressed household formation amongst young households is not appropriate in this particular instance.
- 7.102 However, it is important to stress that recent population growth has been much lower than forecast. The 2021 Census reported 156,966 residents living in North East Lincolnshire, whilst the 2014-based SNPP had projected that by this date there would be 161,002 residents in the Borough, whilst the 2018-based SNPP was not far behind at 160,023.
- 7.103 The 2018-based SNHP suggests that household growth may well be lower than the 2014-based SNHP indicates, whilst under all but one of the adjusted demographic scenarios (the 2018-based SNPP High International Migration variant being the exception), the level of housing growth generated by the PopGroup modelling does not exceed the SM2 figure of 203 dpa.
- 7.104 The general message emerging from both sets of projections is that future population growth in North East Lincolnshire will be almost entirely driven by retirees, and particularly those aged 70 and above. In stark contrast, the number of residents in their 50s and early 60s is projected to decline significantly over the next 20 years or so. For example, according to the 2014-based SNPP, the number of residents aged between 50 and 64 is projected to decline by around 5,500. Similarly, the number of residents aged 20-39 is projected to decline by c.2,400. Unchecked, this could have a serious negative impact on the local economy due to a declining labour force unless measures are implemented to increase the employment rate. In contrast, the number of older residents over 65 is projected to increase by c.9,500 over the next 17 years (2022 – 2039). Going above and

beyond the SM2 figure of 203 dpa will be essential if North East Lincolnshire is to grasp the economic growth opportunities presented.

- 7.105 Similarly, although the past net housing delivery rate of 313 dpa would result in a level of population growth well in excess of even the most optimistic demographic scenario, it would only result in a relatively modest uplift in the level of job growth over the next 20 years (+274). Therefore, although the local economy would be stabilised and indeed see some growth, it is questionable as to whether this level of housing need would be sufficient to align fully with the Council's economic growth objectives.
- 7.106 In terms of alignment with the economic growth scenarios, two main projections were modelled, using the latest Experian baseline job growth projections (+2,600 jobs 2022-2042) and a Policy On job growth scenario factoring a number of key regeneration projects programmed in for the Borough, which would raise the net job growth to 4,560. Both jobs growth forecasts are comfortably in excess of the employment levels that could be sustained by the much weaker demographic projections, including the SM2 target of 203 dpa (which would still lead to a loss of jobs of around -109 over the next 20 years).
- 7.107 **Given the strong regeneration and economic growth objectives being pursued by NELC, this would suggest that the LHN generated by the Government's standard methodology may not be appropriate for North East Lincolnshire moving forward.**
- 7.108 If NELC does decide to pursue a higher level of economic growth and allocates sufficient employment land to support this, in line with the Policy On Scenario for example, then it should therefore consider increasing the housing target accordingly. The Experian baseline job growth target would equate to a housing need of 415 dpa, more than double the SM2 figure. An even higher figure of 507 dpa could be justified based on a Policy On level of job growth.
- 7.109 Furthermore, the PPG suggests an increase in the total housing figures included in a Local Plan may need to be considered by NELC where it could help deliver the required number of affordable homes. It is for NELC to consider the evidence contained in this SHMA when identifying a housing requirement which would support the strategy underpinning the emerging plan and whether an uplift beyond the standard method is appropriate. An analysis of the Borough's affordable housing need and its implications for the LHN are set out in detail in Section 8.0.

8.0 Affordable Housing Needs

Number of Current and Future Households in Need

- 8.1 In the 2021 Budget, the Government committed to investing a further £11.5 billion in the Affordable Homes Programme to build up to 180,000 new affordable homes across England over the five years from 2021 to 2026. The five-year programme will also help more people into homeownership and help those most at risk of homelessness. The programme is intended to unlock a further £38 billion in public and private investment in affordable housing. Nearly £7.5 billion will be delivered outside London by Homes England. This is over £2 billion more than the amount given under the previous Affordable Homes Programme. It is clear the Government is taking the issue of affordability seriously and is seeking to boost delivery of affordable homes.
- 8.2 Against this context, North East Lincolnshire Council's 2017/18 Annual Monitoring Report [AMR] (June 2019) reported that 52 affordable dwellings had been completed which included 37 for rent, 13 for shared ownership and 2 discount market sales. This completions figure is largely in line with the 47 affordable dwellings completed during the previous monitoring year.³⁹

Table 8.1 North East Lincolnshire Affordable Housing Completions to 2021/22

	Affordable Housing Completions	Net additional dwellings	% Affordable
2002-03	6	282	2%
2003-04	6	402	1%
2004-05	16	296	5%
2005-06	81	253	32%
2006-07	80	424	19%
2007-08	1	625	0%
2008-09	77	138	56%
2009-10	155	314	49%
2010-11	173	269	64%
2011-12	126	287	44%
2012-13	84	405	21%
2013-14	107	314	34%
2014-15	63	366	17%
2015-16	15	357	4%
2016-17	5	276	2%
2017-18	26	186	14%
2018-19	51	308	17%
2019-20	18	248	7%
2020-21	93	244	38%
2021-22	111	524	21%
20-Year Total	1,294	6,517	20%

Source: DLUHC (November 2022): Table 1011C - Affordable housing supply statistics (AHS) 2021-22

³⁹ North East Lincolnshire Council (2019): Annual Monitoring Report 2017/2018

- 8.3 Over the past 20 years, data from DLUCH suggests that 1,294 affordable homes have been completed in North East Lincolnshire out of 6,517 net additional dwellings, which averages 65 affordable dpa, or around 20% of the total homes delivered. As can be seen in Table 8.1, affordable housing delivery peaked in 2010/11 at 173 affordable homes, which comprised 64% of all homes delivered in that year. Since then, the total number of affordable dwellings delivered has fallen to virtually nothing in 2016/17, although it has started to pick up again recently and reached 111 dpa for the most recent monitoring year in 2021/22, the highest rate of delivery for a decade.
- 8.4 Over the past 20 years, the bulk of delivery has been for social rent, comprising 709, or 55%, of all affordable dwellings over that time period. This is followed by affordable home ownership (330 units, or 26%); Affordable rent (206 units / 16%); Shared Ownership (37 units / 3%); and Intermediate rent (12 units / 1%). The amount of shared ownership is particularly low, given that nationwide in 2021/22, almost a third of all social housing that was delivered comprised this form of tenure (for that year, North East Lincolnshire delivered just 9 shared ownership dwellings, or 8% of its total affordable housing completions).

Overarching Approach

- 8.5 Within this section, a calculation of affordable housing need, in line with the revised PPG on affordable housing needs assessment⁴⁰, has been undertaken for the Borough to inform the assessment of the scale of housing need as well as arriving at an estimate of future housing need.
- 8.6 The first stage analyses affordable housing needs based on households unable to afford private market rents as per the PPG. We also set out an assessment of the further potential demand for intermediate housing, based on households which can afford to rent in the local market but are unable to access home ownership in the market, and where ownership is their aspiration. This adopts a simplified version of the methodology set out above based on net change/need.
- 8.7 This is a relatively new requirement set out in the PPG, which states that as part of the calculation needed to understand the current unmet gross need for affordable housing, this should include:
- “the number of households from of other tenures in need and those that cannot afford their own homes, either to rent, or to own, where that is their aspiration.”*⁴¹
- 8.8 Therefore, households who, in theory, can afford to rent privately but have an aspiration to own their property, can be assumed to be in need. This element has been calculated separately in the analysis below.

⁴⁰ Reference ID 2a-018-20190220 to 2a-024-20190220

⁴¹ Reference ID:2a-020-20190220

8.9 The over-arching approach is set out in Figure 8.1:

Figure 8.1 Net Housing Need Methodology



Source: Lichfields

Background

8.10 Affordable housing is defined within Annex 2 to the NPPF as:

“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 for essential local workers); and which complies with one or more of the following definitions:

- *Affordable housing for rent;*
- *Starter homes;*
- *Discounted market sales housing; and,*
- *Other affordable routes to home ownership, which is housing provided for sale that provides a route to ownership for those who could not achieve home ownership through the market. It includes shared ownership, relevant equity loans, other low cost homes for sales (at a price equivalent to at least 20% below local market value) and rent to buy (which includes a period of intermediate rent)”.*

8.11 With regards to the incorporation of affordable housing needs into the total housing figures included in Local Plans, the PPG⁴² sets out the following:

“The total need for affordable housing will need to be converted into annual flows by calculating the total net need (subtract total available stock from total gross need) and converting total net need into an annual flow based on the plan period.

The total affordable housing need can 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 figures included in the plan may need to be considered where it could help deliver the required number of affordable homes”.

8.12 The PPG therefore requires that LPAs consider how and whether affordable housing needs can be met. This is in the context that paragraph 63 of the NPPF requires LPAs to specify the type of affordable housing required where a need is identified.

⁴² Reference ID:2a-024-20190220

Affordable Housing Needs Calculation

Lower Quartile House Prices

- 8.13 HM Land Registry 'Price Paid' data indicates that LQ house prices for the year ending September 2022 averaged £100,000 in North East Lincolnshire. This is well below the equivalent median figure for the Borough, which was significantly higher at £143,500.
- 8.14 Having analysed HMRC price paid data at sub-area level, it is apparent that there are comparatively few house sales in the more sparsely populated Rural Area. For this reason, and to maximise the robustness of the assessment, we have analysed all sales over the past 5 years in the Borough, by sub-area, and then standardised this back to the Borough-wide rate to reflect the fact that house prices tend to be higher than the Borough-wide average in the Estuary Zone, the Western and Southern Arc and particularly the Rural Areas, and significantly below the Borough-wide average in the Urban Area of Grimsby and Cleethorpes. Given that this latter zone contains the majority of North East Lincolnshire's residents, it exerts a disproportionate weight on the overall level of house prices.
- 8.15 By way of comparison, the average LQ house price for England was £175,000⁴³ in the year to September 2022, indicating that in general, the Borough's overall house prices are lower than the national level (although those in the Western and Southern Arc and the Rural Area are higher). The comparable figure for Yorkshire and The Humber was £130,000, significantly higher than that of the Borough-wide level. Median house prices nationwide are £270,000, well above all of the sub-areas.

Table 8.2 House Prices in North East Lincolnshire (2022)

	Lower Quartile	Median
North East Lincolnshire	£100,000	£143,500
Urban Area	£88,470	£129,970
Estuary Zone	£126,010	£151,720
Western and Southern Arc	£190,780	£200,000
Rural Area	£229,640	£254,640

Source: HM Land Registry 'Price Paid' data for yr/ending September 2022 (HPSSA Datasets 9 and 15)

Lower Quartile Rents

- 8.16 The ONS publishes private rental market statistics by local authority. This shows that the lower quartile cost across all types of housing for the period 1 October 2021 to 30 September 2022 was **£425 per month** in North East Lincolnshire (**equivalent to £5,100 per annum**)⁴⁴.
- 8.17 Data on rents at a sub-district level is not available in any publicly available datasets. A search for properties available to rent in the Borough as of March 2023 showed that 291 properties were available, with LQ and median rents summarised in Table 8.3:

⁴³ ONS (2023): HPSSA Dataset 15. Lower quartile price paid for administrative geographies, data for the year to September 2022.

⁴⁴ ONS (December 2022): Private Rental Market Statistics Summary – Table 2.7

Table 8.3 Private Rental Prices in North East Lincolnshire Borough per calendar month (March 2023)

	Number of Rental Properties	LQ Rents	Median Rents	LQ Rents as a % of Borough Total
Urban Area	152	£495	£575	99.0%
Estuary Zone	72	£519	£590	103.8%
Western and Southern Arc	61	£695	£785	139.0%
Rural Area	6	£583	£885	116.8%
North East Lincolnshire	291	£500	£600	100.0%

Source: Lichfields search of property websites, March 2023

- 8.18 It indicates that LQ private sector rents were particularly high in the Western and Southern Arc at £695 per calendar month [pcm], or 139% of the Borough-wide total. Similarly, LQ rents in the Rural Area were 117% of the Borough-wide total. There is a notable drop in LQ private sector rents in the Estuary Zone (£519) and the Urban Area (£495).
- 8.19 For the purposes of this sub-area assessment, we have applied the sub-area LQ rents pegged to the ONS LQ Borough-wide rental level of £425 per month (which is derived from the VOA PRS lower quartile renting costs 2021/22 for comparative purposes).

Income Profiles

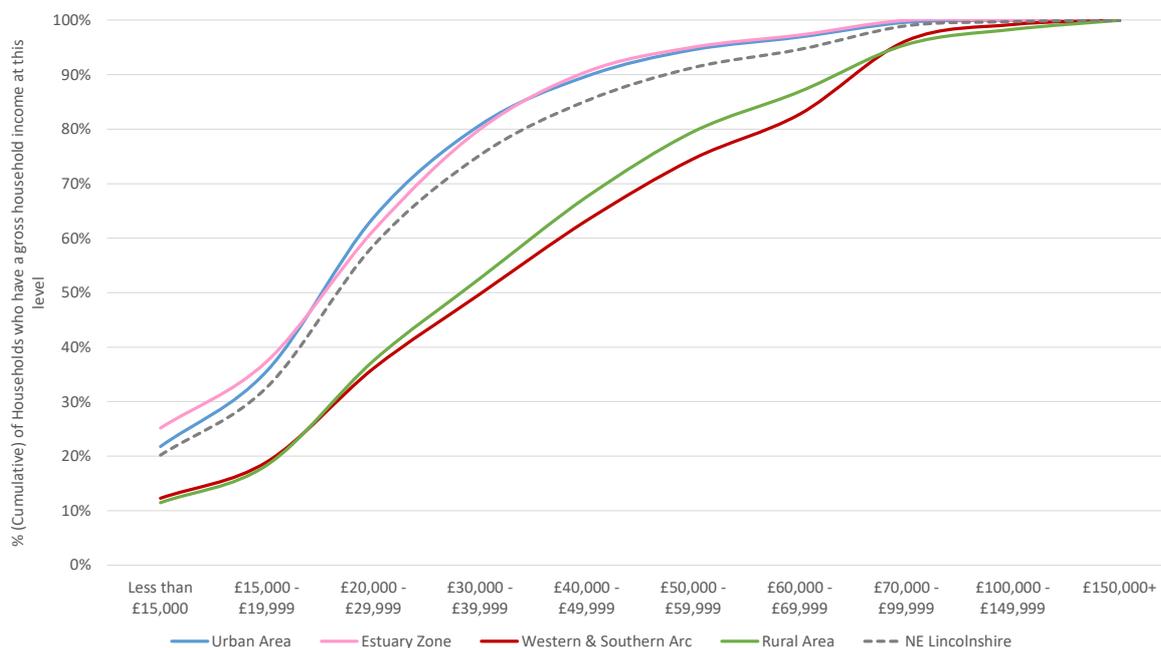
- 8.20 To understand how affordable (or unaffordable) local housing is to local residents, the analysis requires an understanding of local household incomes. The average (median) household income in North East Lincolnshire is £26,667, with the lower quartile income falling to £16,938, as shown in Table 8.4. Incomes are generally below the Borough-wide average in the Urban Area and Estuary Zone, and above average (sometimes considerably so) across the Rural Area and Western and Southern Arc. The distribution of household incomes for North East Lincolnshire and its component sub-areas are illustrated in Figure 8.2.

Table 8.4 Comparison of average incomes – North East Lincolnshire (2023)

	LQ Incomes	Median Incomes
Urban Area	£16,170	£25,105
Estuary Zone	£14,911	£25,247
Western and Southern Arc	£23,511	£40,155
Rural Area	£23,467	£38,265
North East Lincolnshire	£16,938	£26,667

Source: Experian (2023)

Figure 8.2 Household income profile – North East Lincolnshire and Sub-Areas (2021)



Source: Experian (2021)

Affordability

- 8.21 A key stage of the assessment involves an affordability test. Information in respect of local house prices, market rents and household income levels has informed the test which estimates the ability of households to afford LQ market housing. The affordability test has been calculated by identifying the costs of entry level (lower quartile) market housing, the cost of which have been obtained from the Land Registry and private rental costs obtained from the ONS as set out above.
- 8.22 Drawing upon the review of current house prices and private rental values, lower quartile prices for a house (£100,000 price paid for a Lower Quartile dwelling – all property types – in North East Lincolnshire (2022) and a rental property (£5,100 per annum) have been used as an indicator of the entry price to market housing. Such houses are available within the Borough and these values are relatively typical of smaller properties on the market, ideal for newly-forming households seeking to move into a first property.
- 8.23 To understand what income would be required to sustain ownership or occupation of such properties, it is necessary to consider how much households can afford to spend on their housing. The former SHMA Guidance from 2007 (superseded by the NPPF and PPG but still containing useful context where the PPG is silent) sets out that a household can be considered able to afford to buy a home if it costs 3.5-times the gross household income for a single earner or 2.9-times the gross household income for a dual-income household. However, the PPG does not prescribe exactly how affordability calculations should be undertaken other than to say that access to lower quartile (entry level) market housing is the relevant barometer.

- 8.24 The household income data utilised for North East Lincolnshire does not differentiate between single earners and dual earners, whilst the former SHMA Guidance is now over 15 years old and the loan to income mortgage ratios do not reflect current lending practices.
- 8.25 In 2014 the Bank of England’s Financial Policy Committee said that it would only allow 15% percent of new mortgages to be at multiples higher than 4.5 times a borrower’s income, in effect 4.5-times as a maximum. There are therefore 15% of cases where this can be exceeded; for example, Halifax will allow couples with a combined income of £50,000 to £75,000 to borrow 5-times their income at up to 75% LTV.⁴⁵ More generally, income multipliers of between 4 and 4.5-times a borrower’s income are fairly standard in the industry.
- 8.26 Lichfields has complemented this with evidence from the Council of Mortgage Lenders⁴⁶, which identified that in Q3 2018, average loan-to-value ratio for first time buyers in England was 85%, whilst according to the English Housing Survey [EHS], the median deposit for first time buyers was also around 15.5% in 2021/22. Although there may be difficulties in newly forming households in being able to secure a 15% deposit, there are options available as well as traditional sources of deposits such as parents.
- 8.27 **For the purposes of this assessment, we have assumed that households can borrow between 4 and 4.5x their annual income when buying housing, with a 15% deposit secured.**
- 8.28 In respect of renting, there is no official, or definitive, threshold for how much a household can spend on rent before it is unaffordable. The former SHMA Guidance (2007) set out that a household can be considered able to afford renting on the private market in cases where the rent payable was up to 25% of their gross household income.
- 8.29 However, there is more up to date evidence which suggests that the proportion of gross household income spend on rent may be higher than 25%.
- 8.30 For example, data released more recently estimates that nationally, private renters spent 31% of their income on rent (inclusive of housing support), higher than the proportion spent by social renters (27%) and higher than mortgagors paid for their mortgage (18%). There is a wide range across the country, from a low of 26% in Yorkshire and The Humber, to a high of 35% in Greater London and the South East⁴⁷.
- 8.31 For the purposes of this assessment, we have assumed that households in the private rented sector in North East Lincolnshire can reasonably be expected to spend **between 25% and 31% of their annual income on rent.**
- 8.32 These affordability criteria have been applied to the identified rental costs to arrive at an income threshold to support ownership/occupation of entry level market housing. Under both scenarios, households require considerably lower incomes to rent privately in North East Lincolnshire (in every sub-area) than for them to buy a property on the open market.

⁴⁵ <https://www.which.co.uk/news/2021/11/how-much-can-you-borrow-when-taking-out-a-mortgage/>

⁴⁶ [Median loan to value ratio for first time buyers - data.gov.uk](https://www.data.gov.uk/dataset/median-loan-to-value-ratio-for-first-time-buyers)

⁴⁷ DLUHC English Housing Survey 2019/20 – Private Rented Sector, Annex Table 2.7: Proportion of income spent on rent

Table 8.5 Income Thresholds for Entry Level Market Housing in North East Lincolnshire

	Market	Product	Cost	Basis	Income Threshold
North East Lincolnshire	Private Buy	LQ House Prices	£100,000	4 x income and 15% deposit	£21,250
				4.5 x income and 15% deposit	£18,889
	Private Rent	LQ Rental Prices	£5,100 per annum	25% income	£20,400
				32% income	£16,452
Urban Area	Private Buy	LQ House Prices	£88,382	4 x income and 15% deposit	£18,781
				4.5 x income and 15% deposit	£16,694
	Private Rent	LQ Rental Prices	£5,049 per annum	25% income	£20,196
				32% income	£16,287
Estuary Zone	Private Buy	LQ House Prices	£125,879	4 x income and 15% deposit	£26,749
				4.5 x income and 15% deposit	£23,777
	Private Rent	LQ Rental Prices	£5,291 per annum	25% income	£21,165
				32% income	£17,069
Western and Southern Arc	Private Buy	LQ House Prices	£190,588	4 x income and 15% deposit	£40,500
				4.5 x income and 15% deposit	£36,000
	Private Rent	LQ Rental Prices	£7,089 per annum	25% income	£28,356
				32% income	£22,868
Rural Area	Private Buy	LQ House Prices	£229,412	4 x income and 15% deposit	£48,750
				4.5 x income and 15% deposit	£43,333
	Private Rent	LQ Rental Prices	£5,954 per annum	25% income	£23,817
				32% income	£19,207

Source: SHMA Guidance, CML, English Housing Survey, HM Land Registry, ONS and Lichfields analysis

8.33 The income distribution of newly forming households is different from total households, reflecting their lesser incomes compared to the average.⁴⁸ This means that a greater proportion of newly-forming households are unable to access market housing than households overall. The PPG, however, sets out clearly that the affordability of housing for newly-forming households must be considered foremost, as it is these households that will most likely fall into housing need if their housing requirements are not met in the market.

Stage 1: Current Housing Need

8.34 The first stage of the assessment considers current affordable housing need, also referred to as the 'backlog' (those needs which exist, and are unmet, now). The PPG is clear that an

⁴⁸ English Housing Survey 2015-16: housing costs and affordability – Annex Table 2.1: Mean and median income, 2015-16. HRP aged 16-34 have an average weekly income of £718 per week compared to £780 per week for all households, meaning younger newly forming households earn 92% of the 'all households' amount.

estimate should be made of the number of households who lack their own housing or who cannot afford to meet their housing needs, in the open market. The PPG⁴⁹ provides an indication of the types of housing that should be considered unsuitable which are set out below:

- The number of homeless households;
- The number of those in priority need who are currently housed in temporary accommodation;
- The number of households in over-crowded housing;
- The number of concealed households;
- The number of existing affordable housing tenants in need (i.e., householders currently housed in unsuitable dwellings); and,
- The number of households from other tenures in need and those that cannot afford their own homes, either to rent, or to own, where that is their aspiration.

8.35 Although potentially not including all households in need of housing, the housing waiting list is the starting point for estimating what the need and demand for affordable housing is. If all households on the waiting list and in priority need were accommodated, it would be reasonable to assume that all demand for affordable housing would be met, even if there remain households in need which are not reflected in the housing waiting list.

8.36 Therefore, it is considered that the components of affordable housing need including those in need and within a reasonable preference group for affordable housing (e.g. homeless households and overcrowded households), currently concealed households and other groups in need, are represented by those identified on the waiting list as a best-case proxy.

8.1 According to NELC there are 4,780 households on the Housing Register as of February 2023. Of this total, a very substantial 3,929 are identified as being 'low priority' for housing, leaving the remaining 851 as being classified as being in priority need of social housing. This is summarised in Table 8.6. Further information provided by the Council suggests that around two thirds of all applications are for households wishing to live in the Grimsby/Cleethorpes Urban Area, followed by 26% in the Western and Southern Arc; 6% in the Rural Area and the remaining 4% in the Estuary Zone of Immingham.

Table 8.6 Number of Households on the Housing Register in Bands 1-4 in North East Lincolnshire (February 2023)

	Urban Area	Estuary Zone	Western and Southern Arc	Rural Area	TOTAL
Band 1 (Urgent Priority)					190
Band 2 (High Priority)					281
Band 3 (Medium Priority)					380
Band 4 (Low Priority)					3,929
TOTAL	65%	4%	26%	6%	4,780
Band 1-3 TOTAL*					851

Source: NELC (February 2023). *Note: when applicants complete the social housing application form, they can tick as many or as few areas as they want. Some will tick all areas regardless and others don't tick any. Therefore, there will be some overlap between the areas with some households willing to live in, for example, the Urban Area and/or the Western and Southern Arc.

⁴⁹ ID 2a-020-20190220

- 8.2 According to Council Housing Officers, of these 851 households, 291 were already living in social housing in the Borough and would represent transfers seeking to move to alternative social housing. This leaves **560** households in priority need who are not already living in social housing. When applied to the stated preferences in Table 8.6, this would suggest that 363 are in the Urban Area and just 20 in the Estuary Zone.

Table 8.7 Step 1.4: Current Backlog of Housing Need in North East Lincolnshire Borough

Component	Urban Area	Estuary Zone	Western and Southern Arc	Rural Area	TOTAL
Net Estimate of Current Housing Need (Backlog)	363	20	145	31	560

Source: Households in priority bandings not already living in social housing – NELC Housing Officers

- 8.3 The figures only include those people who have applied for and are eligible for social or affordable rent housing in accordance with NELC's Housing Allocation Policy. The figures do not include households in housing need and who are seeking and eligible for intermediate affordable housing tenures (e.g. shared ownership) [NELC Officers to confirm].
- 8.4 Households in unsuitable housing already living in affordable housing have therefore been excluded from the calculation at Step 1.4. Although these households do have a housing need, this could be addressed via a transfer within affordable housing (e.g. by transferring an overcrowded household living in social rented to a larger social rented house). This transfer would result in their existing home becoming available for someone else in need. Thus, these households do not contribute to the net requirement for affordable housing and in turn when these households move, this does not contribute to net supply.
- 8.5 Although existing households in need already occupying affordable housing are excluded from the affordable housing calculation, it is noted that they do still have a requirement for the right type of affordable housing to become available to meet their needs. If an appropriate unit does not become available (e.g. due to shortage of supply of a specific type or size of unit) then these households will remain in need, despite not contributing to a net need requirement. New affordable housing provision provides the opportunity to focus on the size/type of provision to balance affordable housing mix, as explained in Section 10.0.
- 8.6 As a sensitivity test, we have also modelled the number of homeless, overcrowded, and concealed households in North East Lincolnshire. The results are summarised in Table 8.8 and suggest that the current backlog could be higher than the Housing Waiting List suggests, at around 560 households. However, there is considerable potential for double counting, whilst much of the Census data upon which this approach relies is becoming rather dated until the full multi-variate data from the 2021 Census is released. For these reasons it is considered that it is reasonable to work on the basis of a backlog need of 560 households, based on the latest Housing Waiting List.

Table 8.8 Step 1.4: Current Backlog of Housing Need in North East Lincolnshire Borough

	Number		Source/Notes
Homeless Households	277		DLUHC Statutory Homeless Live Tables – Local Authority data July to September 2022
Households in temporary accommodation	123		
Overcrowded households	<i>Owned</i>	627 (157)	Census 2011 (LC4108EW) – households with an occupancy rating of -1 or less by tenure in the local area. For overcrowded owner-occupiers, 75% are assumed to be able to meet their needs once equity taken into account, based on Lichfields' affordability modelling above.
	<i>Private</i>	636	
	<i>Social</i>	477 (0)	
Existing affordable housing tenants in affordable need	-291		NELC Housing Register – Households in Priority Need who are already living in social housing (February 2023)
Concealed Households	393		Census 2011 (LC1110EW) – concealed households in the local area (age 50 and under)
Total	1,295 (excluding those already living in social housing)		

Stage 2: Future Need Steps 2.1 to 2.3

- 8.7 Future housing need is split into two components. The PPG⁵⁰ sets out that projections of affordable housing need will firstly have to reflect new household formation and the proportion of these newly forming households unable to buy or rent in the market area, and secondly an estimate of the number of existing households falling into need:

“This process will need to identify the minimum household income required to access lower quartile (entry level) market housing (strategic policy-making authorities can use current costs in this process, but may wish to factor in anticipated changes in house prices and wages). It can then assess what proportion of newly-forming households will be unable to access market housing”.

This could be either through purchasing a dwelling or renting privately, although as we have set out below, households require a considerably higher income to buy, than to rent privately under all scenarios, in all sub-areas of North East Lincolnshire. For the purposes of this affordable/social rented analysis therefore, we have focused on those newly forming households unable to rent, with the separate calculation on intermediate housing to purchase analysed in a subsequent section.

New Household Formation (Step 2.1)

- 8.8 The PPG⁵¹ recommends that gross household formation should be used as the measure of newly forming households, as opposed to net household growth which takes into account household dissolution. This is required to ensure that household dissolution is not double-counted in the calculation, once as a net loss of households and potentially again as a re-let of the house they may have occupied. However, gross household formation is typically much higher than net rates and may represent an overestimate of the number of households seeking new housing in each year within the Borough. This is limited to

⁵⁰ 2a-021-20190220

⁵¹ 2a-021-20190220

households forming who are under the age of 45, which is consistent with the former 2007 SHMA Guidance (Annex B) which notes that after 45 years of age, household formation rates ‘plateau’⁵².

- 8.9 For the purposes of considering future newly forming households, the DLUHC 2014-based SNHP have been used in line with the standard methodology. This demographic data generates a housing requirement of 172 dpa, which is a net figure, and a 1,134 hpa figure gross⁵³.
- 8.10 This output of future housing need should be treated with caution. Such gross estimates may include people that form several different households over the period at different stages of their life, but does not account for their previous household no longer existing (i.e. two single person households becoming a couple and moving in together).

Table 8.9 Gross newly-forming households North East Lincolnshire Borough over 20 years

	No. newly forming households annually (gross)
North East Lincolnshire Borough	1,134

Source: DLUHC 2014 based SNHP and Lichfields analysis

Those unable to rent or buy (Step 2.2)

- 8.11 This stage of the assessment involves an affordability test. Information in respect of local house prices, market rents and household income levels has informed the test which estimates the ability of households to afford lower quartile market housing. The affordability test has been calculated by identifying the costs of entry level (lower quartile) market housing, the costs of which have been obtained from the Land Registry, as well as private rental costs obtained from the VOA⁵⁴.
- 8.12 As set out above, drawing upon the review of current house prices and private rental values, lower quartile prices for a house (price paid by local authority year ending September 2022 and equal to £100,000) and a rental property (£425 per month) have been used as an indicator of the entry price to market housing. Such houses are available within the Borough and such values are relatively typical of smaller properties on the market, ideal for newly forming households seeking to move into a first property.
- 8.13 The income distribution of newly forming households is different from total households, reflecting their lesser incomes compared to the average⁵⁵. This means that a greater proportion of newly forming households are unable to access market housing than households overall. The PPG, however, sets out clearly that the affordability of housing for newly forming households must be considered foremost, as it is these households that will most likely fall into housing need if their housing requirements are not met in the market.

⁵² This is supported by the EHS data for 2020/21 (*Annex Table 1.8: Demographic and economic characteristics, recent first time buyers, 2020-21*), which indicates that 92.9% of First Time Buyers are aged between 16 and 44, with 63% aged between 25 and 34.

⁵³ We note that SHMAs undertaken by certain other housing consultants prefer to apply average gross household formation rates based on applying national rate to total households over the period, using data from the English Housing Survey. If such an approach were to be applied here, then using the 3-year average national gross household formation rate of 1.439% from the EHS 2016/17-2018/19 and applying it to the 20-year 2014-based SNHP for North East Lincolnshire Borough would generate a gross annual household formation of 1,204 hpa, which is not dissimilar to the 1,134 hpa recorded above.

⁵⁴ VOA (December 2022): Private Rental Market Statistics between 1 October 2021 and 30 September 2022

⁵⁵ English Housing Survey 2015 to 2016: housing costs and affordability - Annex Table 2.1: Mean and median income, 2015-16. HRP aged 16-34 have an average weekly income of £718 per week compared to £780 per week for all households, meaning younger newly forming households earn 92% of the ‘all households’ amount.

- 8.14 The percentage of both existing and newly forming households unable to afford to buy/rent is set out below and equates to 38.3% for newly forming households, falling to 27.4% of all the Borough's households if a 31% gross income threshold is modelled rather than 25%⁵⁶.
- 8.15 In addition, Step 2.3 uses secondary data for the number of households who move house each year (based on past trends) to estimate the number of existing households falling into need annually. Using data for the number of people actually moving (from the Land Registry and CORE data) provides a good indicator of need, as it shows actual moves; whereas the Housing Register only provides an indication of intentions to move.
- 8.16 Existing households falling into need is therefore based upon an analysis of recent trends of movements from the private sector into the social sector as a proxy for existing households falling into need. These figures were averaged from CORE data over the past 5 years.
- 8.17 In summary, the components of the future affordable housing need for the Borough are set out in Table 8.10.

Table 8.10 Future Affordable Housing Needs for North East Lincolnshire Borough

Component	North East Lincolnshire Borough		Source/Calculation
	25% Income Threshold	31% Income Threshold	
Newly forming households (Gross per annum)	1,134		2014-based SNHP
% unable to rent or buy in the private market	38.3%	27.4%	Lichfields' Affordability Modelling
Newly forming households unable to afford market housing (per annum)	434	310	Newly forming households (Gross per annum) x % unable to rent or buy in the private market
Existing households falling into need (annual average)	310		CORE 2016/17 to 2020/21.
Estimate of Future Housing Need (p.a.)	744	620	Newly forming households unable to afford market housing (per annum) + Existing households falling into need (annual average)

Source: DLUHC 2014-based Household Projections, CORE Data and Lichfields analysis

- 8.18 Sub-Area data is provided in Table 8.11. As the number of newly forming households and existing households falling into need is only available at a Borough-wide level, it has been assumed that these will be split proportionately in line with the current number of households living in each sub-area (as recorded in the newly-available 2021 Census). It should be noted that for the Urban Area only, it is marginally more affordable to buy an LQ house than to rent an LQ property, based on a 4x income multiple / 25% annual income spent on rent only.

⁵⁶ Note: As has been well publicised the country is in the midst of a 'cost of living' crisis. These figures are a point in time estimate and are reflective of what people can currently afford to borrow, although clearly the adverse economic headwinds and soaring utilities bills may make such levels unaffordable. As such, despite the analysis including sensitivity testing to help future-proof the analysis, this should be monitored by the Council and adjustments made as necessary going forward.

Table 8.11 Future Affordable Housing Needs by Sub-Area

Component	North East Lincolnshire Borough		Urban Area		Estuary Zone		Western and Southern Arc		Rural Area	
	25%	31%	25%*	31%	25%	31%	25%	31%	25%	31%
% of North East Lincolnshire's Households living in sub-area	100%		74.3%		5.3%		16.0%		4.4%	
Newly forming households (Gross per annum)	1,134		842		60		182		50	
% unable to rent or buy in the private market	38.3%	27.4%	36.8%	29.3%	44.6%	33.9%	37.2%	27.3%	29.6%	20.0%
Newly forming households unable to afford market housing (per annum) *	434	310	321	234	28	19	70	47	15	10
Existing households falling into need (annual average) **	310		201		11		80		17	
Estimate of Future Housing Need (p.a.)	744	620	522	435	39	30	150	127	33	27

Source: DLUHC 2014-based Household Projections, 2021 Census TS003 - Household composition, DLUHC Local Authority Live Table, CORE Data and Lichfields analysis

*Balanced to sum. †Note: for the Urban Area only it is more affordable to afford a lower quartile house than a lower quartile rental property, at 4-times income multiples/25% of annual income spent on rent.

**Sub-areas estimated on a proportionate basis using the Housing Register split.

- 8.19 These outputs of future affordable housing need should be treated with caution. Utilising gross estimates of household formation may include people that form several different households over the period at different stages of their life but does not account for their previous household no longer existing.

Stage 3: Affordable Housing Supply steps 3.1 to 3.8

- 8.20 This Section estimates the existing and forthcoming stock of affordable housing as per the PPG. This stage examines housing stock that can accommodate households in housing need. The information is required to calculate net affordable housing requirements. The model considers both current affordable housing stock (including how much of this is available) as well as the level of future annual new supply.

Current Affordable Housing Stock (Steps 3.1 to 3.5)

- 8.21 The PPG⁵⁷ sets out the current components of housing stock used to accommodate current households in affordable housing need as well as future supply:
- the number of affordable dwellings that are going to be vacated by current occupiers that are fit for use by other households in need;
 - Suitable surplus stock (vacant properties);
 - the committed supply of new net affordable homes at the point of the assessment (number and size); and,
 - Identifying units to be taken out of management (demolition or replacement).

⁵⁷ 2a-022-20190220

- 8.22 The PPG states that the first three components are to be added together, and the number of social housing units to be taken out of management deducted, to equate to the total affordable housing stock that is available.

Affordable Dwellings occupied by Households in Need (Step 3.1)

- 8.23 The purpose of Step 3.1 is to identify the number of affordable dwellings which become available but are occupied by households in housing need. Thus, this step considers transfers within the affordable housing stock. The movement of these households (within affordable housing) will have a nil effect overall in terms of housing need. These households have already been netted off at Stage 1 of the calculation and the figure for this step is therefore zero.

Surplus Stock (Step 3.2)

- 8.24 A certain level of voids is normal and allow for transfers and works to properties. The former SHMA Guidance (page 48) noted that a social housing vacancy rate in excess of 3% (and properties which are vacant for considerable periods of time), should be counted as surplus stock.
- 8.25 An analysis has been undertaken utilising vacancy level data. This indicates a social housing vacancy level of 1.2% in 2022⁵⁸, with just 107 vacant RP properties, down from 793 just four years before. This is predominantly attributable to the estate remodelling and demolitions of Lincolnshire Housing Partnership which undertook a comprehensive property rationalisation process between 2017/18 and 2021/22. Therefore, as the current vacancy rate is well below the 3% rate recommended by the former SHMA guidance, a surplus stock rate of zero has been included within the model.

Committed Supply of New Affordable Housing (Step 3.3)

- 8.26 The former SHMA Guidance states that this step of the model should utilise information about new social rented and intermediate affordable dwellings which are committed at the point of assessment. The Local Authority Housing Statistics [LAHS] data no longer shows the number of planned and proposed affordable units. However, data on committed supply of affordable housing has been provided by NELC (Table 8.12) and suggests that potentially, there is little affordable housing currently in the development pipeline equal to around 100 across the Borough as a whole (73 for affordable rent, with the remaining 27 for shared ownership).
- 8.27 This primarily relates to the Toll Bar Phase 2 site on Land at Louth Road, New Waltham (DM/1240/21/FUL), in the Western and Southern Arc area, of which 11 of the units are likely to come forward as First Homes and the remaining 34 as affordable homes for rent (working on the basis of a 20% affordable housing provision on site). Other sites include:
- Brocklesby Avenue, Immingham: 4 shared ownership properties (on site);
 - Millennium Park, Humberston: 19 units for affordable rent plus 3 for shared ownership (on site);
 - Blyth Way, Laceby: 10 units for affordable rent plus 5 for shared ownership (on site);
 - The Green, Waltham: 4 units for shared ownership (completed 2022/23);

⁵⁸ DLUHC Data: Table 100 (2022) and Table 615 (2023)

- A further £74,000 affordable housing contribution has been agreed as part of the s106 for the approved 'Land at Caspian Crescent Scartho Top' (DM/0647/21/FUL).

Table 8.12: Total Supply of New Affordable Units to Rent

	NE Lincolnshire Borough	Urban Area	Estuary Zone	Western and Southern Arc	Rural Area
Supply of New Affordable Housing to Rent 2022/23	73	0	0	73	0

Source: Local Authority Information provided by NELC Officers in March 2023

Units to be taken out of Management (Step 3.4)

- 8.28 The former SHMA Guidance states that this stage should “*estimate the numbers of social rented or intermediate affordable housing units that will be taken out of management.*” This includes properties which are planned to be demolished or redeveloped (with a net loss of stock).
- 8.29 Discussions with the Lincolnshire Housing Partnership, which instigated a comprehensive property rationalisation process in North East Lincolnshire between 2017/18 and 2021/22, indicated that a further 10 units are planned to be taken out of management at the time of writing (all of which are located in the Grimsby/Cleethorpes Urban Area). Hence a figure of **10** has been incorporated into the model.

Total Affordable Housing Stock Available (Step 3.5)

- 8.30 Table 8.13 sets out these current components of supply in North East Lincolnshire as at March 2023.

Table 8.13: Current Supply of Affordable Housing in North East Lincolnshire Borough

Component	#	Source
Step 3.1 (Affordable Dwellings Occupied by households in need)	None – already netted off at Stage 1 (Step 1.4 – 228 units)	Housing Register February 2023
PLUS Step 3.2 (Surplus Stock) – Vacant but available for letting	0	NELC as at March 2023
PLUS Step 3.3 (Committed Supply of New Affordable Housing to Rent)	73	NELC / LHP as at March 2023
MINUS Step 3.4 (Units to be taken out of management) – Vacant but not available for letting	10	LHP as of March 2023
EQUALS Step 3.5 Current Supply of Affordable Housing	63	

Source: NELC 2023

Future Affordable Housing Supply (Steps 3.6 to 3.7)

- 8.31 The final part of the calculation relates to an analysis of the level of likely future affordable housing supply coming forward, which considers future annual supply of social housing re-lets (net), calculated based on past trends (generally the average number of re-lets over the previous three years should be taken as the predicted annual levels). This only includes those re-lets that would lead to a net gain in the stock, hence it excludes first lets, internal transfers and tenancy renewals.

- 8.32 Social re-lets data has been obtained from 5 years-worth of CORE data (for 2016/17 to 2020/21). The data obtained for this component is set out in Table 8.14. The four sub-area figures have been calculated on the basis on the size of the existing social housing stock in each sub-area, based on 2021 Census data.

Table 8.14: Future Annual Supply of Social Re-lets

	Social re-lets
2016/17	491
2017/18	469
2018/19	527
2019/20	486
2020/21	737
Average	542

Source: 2016/17 -2020/21 CORE Data

- 8.33 It should be noted that CORE does not capture any information about the location to which the previous occupant moved, only their tenure. Therefore, “*Relet – tenant moved to other social housing provider*” could mean in the same district (i.e. North East Lincolnshire) or anywhere else in the country. In the Table above it has been assumed that all relets that have arisen due to the tenant moving to another social housing provider or internal transfers have been internal to North East Lincolnshire.
- 8.34 As a sensitivity test, we have also modelled the number of social re-lets if it is assumed that all of the transfers resulted in the household in question moving to another provider outside of the district. If this was the case (which is very unlikely), then the future annual supply of social re-lets would **increase from 542 to 593**. This has been modelled as a sensitivity at the end of this section albeit with the strong caveat that it is highly unlikely that every internal relet will involve a household moving out of the Borough.

Estimate of Net Affordable Housing Needs

- 8.35 Bringing the above elements together the analysis can calculate net affordable housing need. This is done on an annual basis over the whole plan period, and as such it will be necessary to convert the backlog of need into an annual quota based upon the period which this backlog will be addressed. It is a point for any Local Plan’s housing trajectory to set out how and when the backlog of affordable housing need will be delivered in the plan period. However, for the purposes of an LHN calculation, an average figure over NELC’s 20-year plan period will still match the total affordable housing need over the plan period (even if this is addressed fully in the first 5 years).
- 8.36 Table 8.15 sets out the calculation of net annual affordable housing need.

Table 8.15 North East Lincolnshire Borough's Affordable Housing Need Calculation

		NE Lincolnshire		Urban Area		Estuary Zone		Western and Southern Arc		Rural Area	
Stage and step in calculation	Notes	25% income	31% income	25% ⁺	31%	25%	31%	25%	31%	25%	31%
Stage 1: Current Need (Gross)											
1.1-1.3 Current Need (including Backlog)	Housing Register February 2023	560		363		20		145		31	
Stage 2: Future Need											
2.1 New household formation (gross p.a.)	ONS 2014 SNHP	1,134		842		60		182		50	
2.2 Proportion of new households unable to buy or rent in the market	Unable to afford LQ rents	38.3%	27.4%	36.8 %	29.3 %	44.6%	33.9 %	37.2 %	27.3 %	29.6 %	20.0 %
2.3 Existing households falling into need	3-year average to 2020 CORE data	310		201		11		80		17	
2.4 Total newly arising housing need (gross p.a.)	(2.1 x 2.2) +2.3	744	620	522	435	39	30	150	127	33	27
Stage 3. Affordable Housing Supply											
Current Supply											
3.1 Affordable dwellings occupied by households in need	Housing Register December 2021	0 (291 units already deducted)		0		0		0		0	
3.2 Surplus stock (Vacant but available for letting)	DLUHC Tables 100 and 615	0		0		0		0		0	
3.3 Committed supply of affordable housing for rent	(NELC data return 2023)	73		0		0		73		0	
3.4 Units to be taken out of management (Vacant but not available for letting)	(LHP as at 2023)	10		10		0		0		0	
3.5 Total affordable housing stock available	3.1+3.2+3.3-3.4	63		10		0		73		0	
Future Supply											
3.6 Annual supply of social re-lets (net)	5-year average from 2016/17 to 2020/21 CORE data	542		456		43		35		9	
3.8 Annual supply of affordable housing		542		456		43		35		9	
Net Annual Affordable Housing Need	1.3 – 3.5 (annualised over 5 years)+2.4-(3.1+3.2+3.4)-3.8	302	177	141	54	0	-8	130	107	30	25

Source: NELC, Local Authority Live Tables, CORE Data, Housing Register and Lichfields analysis.

*Note: for the Urban Area only it is more affordable to afford a lower quartile house than a lower quartile rental property, at 4-times income multiples/25% of annual income spent on rent.

8.37

This illustrates that net annual need based on current data over the period 2022 to 2042 amounts to **between 177 and 302 homes for affordable/social rent** (depending on the income multiplier used). This reflects gross household formation and therefore does not account for household dissolutions, with the implication that needs are likely to be 'worst case' under this approach as it could include some double counting. It also assumes

that the **backlog need will be addressed in full in the first 5 years of the Plan**. Strongest levels of affordable housing rental need are identified for Urban Area and the Western and Southern Arc, and the lowest in the Rural Area and particularly the Estuary Zone.

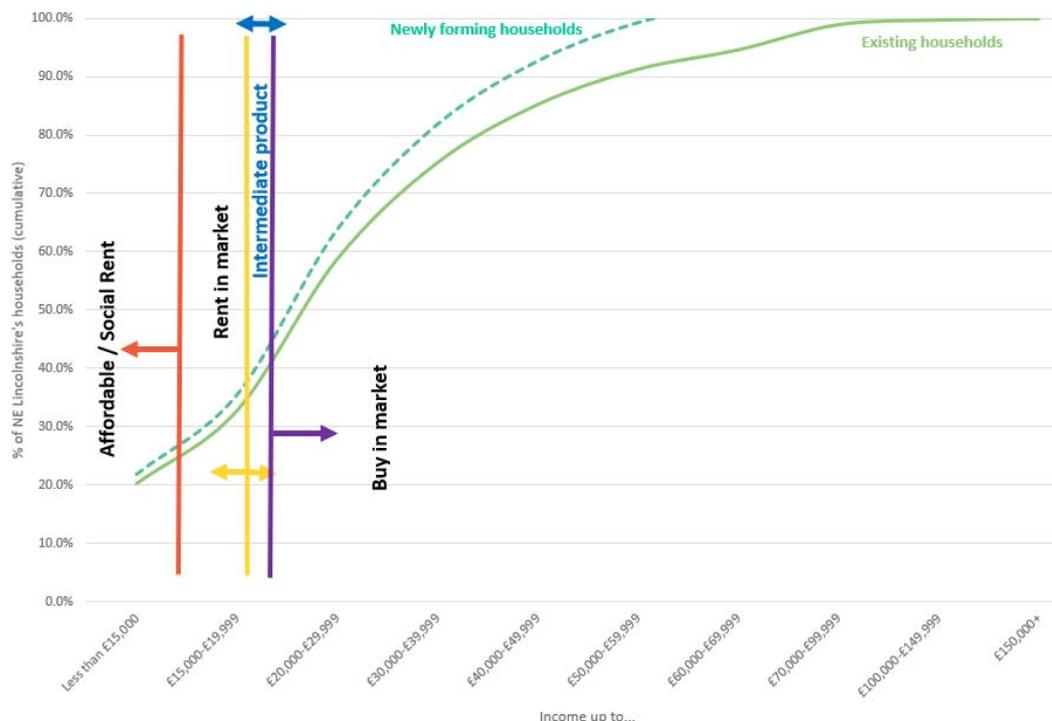
- 8.38 If the annual supply of social re-lets is increased substantially to take into account the uncertainty regarding internal transfers, then the annual requirement could fall still further, to **between 127 and 251 dpa**; however, as set out above, this sensitivity test is questionable as it is highly probable that a very significant proportion of the households in question will transfer to another social housing provider based in North East Lincolnshire Borough, rather than moving further afield (as typically the distance moved is much lower for social housing tenants than in the private sector).
- 8.39 This compares to the 586 dpa affordable requirement identified in the 2013 North East Lincolnshire SHMA. The latest figures are lower, primarily because at the time of the 2013 SHMA, there were 2,820 households on the Housing Register in Bands 1-3, of which only 430 were current occupiers of social housing (transfers) who could be removed from the calculation. As a consequence, and with an allowance for 30 homeless households, the total current housing need (gross) in the 2013 SHMA was a huge 2,420 households, or 484 per annum (assuming that the backlog was removed over a 5-year period).
- 8.40 In comparison, the latest Housing Register data (as of February 2023) suggests that ‘only’ 851 households are recorded in in Bands 1-3 for North East Lincolnshire, of whom 291 are transfers. Therefore, the gross existing housing need is 560 homes, or 112 dpa over 5 years. This is 372 dpa lower than in the 2013 SHMA.

Affordable Homes for Purchase

- 8.41 The previous 2013 SHMA only assessed the need for intermediate housing based on households which could not afford to rent in the open market. It effectively assumed that all households which can afford to rent in the market do not represent a need for any form of affordable housing. However, the latest version of the PPG states that the affordable housing need assessment should include an estimate of those that cannot afford their own home to rent or to own their home where that is their aspiration⁵⁹. This introduces a new concept whereby the need figure must include an indication of the number of households who can currently afford to rent privately, but who nevertheless aspire to own their own home (which could include intermediate affordable home ownership products and First Homes).
- 8.42 We therefore need to also consider households which want to move towards ownership tenures, but may be unable to, even if their needs are currently being met in the private rented sector. These households’ needs would be met through affordable home ownership products, including shared ownership and other types (e.g. discount market). Being a current tenant of the private rented sector does not exclude a household from being able to apply for shared ownership, as long as they are a first-time buyer or cannot afford to buy a home now (if they used to own a home).
- 8.43 In the case of assessing needs of affordable homes for purchase, it is therefore necessary to capture households who can afford to rent in the market but are unable to afford to buy. This is because those unable to afford renting are captured in the assessment of affordable rented need, whilst those able to buy in the market without assistance are unlikely to be eligible for forms of affordable housing for purchase (except for First Homes).

⁵⁹ PPG ID: 2a-020-20190220

Figure 8.3 Income Distribution and Product Affordability in North East Lincolnshire Borough



Source: Experian (2023). Figures are calculated on the basis of 4x income multiples for home ownership and 25% of gross annual earnings for rentals.

- 8.44 To calculate this, and as set out above, we have obtained household income data for North East Lincolnshire from Experian and adjusted this based on data from the English Housing Survey, which shows younger/newly forming households have a slightly lower than average income⁶⁰. We have assumed that households which cannot afford more than 80% of market rents need affordable rented or social rented housing and that households which can afford market rents and private home ownership represent the potential market for intermediate products such as shared ownership.
- 8.45 This results in a household income distribution for North East Lincolnshire as shown in Figure 8.3.
- 8.46 This indicates that, based on 4x income multiples for home ownership and 25% of gross annual earnings for rentals:
- 27.0% of newly forming North East Lincolnshire households have income levels below the threshold likely to afford affordable rent (and 27.3% cannot afford social rent);
 - 38.3% of newly forming North East Lincolnshire households cannot afford to rent privately; and,
 - 40.7% of newly forming North East Lincolnshire households cannot afford to buy a property on the open market.
- 8.47 For the local area, the potential additional demand for intermediate housing is therefore very narrow and ranges from households with an income of between £20,400 (the income needed to access lower quartile market rents @25%) and £21,250 (the income needed to

⁶⁰ English Housing Survey (2015/16) Housing costs and affordability – Annex Table 2.1: Mean and median income by age of Household Reference Person (HRP). Households with HRP age 16-34 have average weekly income of £718 per week compared to £780 for all households; therefore younger/newly forming households earn 92% of the overall average

buy at lower quartile prices @4x income multiplier). Any household earning in this range can afford to rent privately but cannot afford to buy in the open market (assuming a 15% deposit). This range would widen to between £16,452 and £18,889 if the sensitivity thresholds of 31% income threshold for renting and 4.5x income multiplier for purchase are applied for dual earners.

- 8.48 The households in this range represent the further potential demand for intermediate housing in North East Lincolnshire. Based on this income distribution for single earners, an estimated 2.2% of all existing households in the local area can afford market rents but are unable to buy, rising to 2.4% for newly forming households, as shown in Table 8.16. This rises to 6.1% if a higher income multiplier is used for existing households, and 6.7% for newly forming households. This represents a substantial portion of the local population that are unable to purchase their own home. As indicated in the Table, the gap is particularly wide in the Rural Areas (which has very high LQ house prices in particular), and much narrower in the Urban Area (due to the town having lower house prices, but higher rental prices, than the Borough-wide average, which actually leads to a reversal at the lower end of the multiples range, whereby renting a property is less affordable than buying a house). It reflects the fact that it is relatively affordable to buy a property in the Borough (in a national context at least).

Table 8.16: Percentage of households able to afford private rents but unable to buy

	Income multiples	North East Lincolnshire	Urban Area	Estuary Zone	Western and Southern Arc	Rural Area
All households	4x / 25%	2.2%	-3.9%	13.4%	17.2%	40.0%
	4.5x / 31%	6.1%	1.1%	16.3%	20.4%	40.3%
Newly Forming Households	4x / 25%	2.4%	-4.3%	14.6%	18.0%	41.5%
	4.5x / 32%	6.7%	1.2%	17.6%	21.3%	43.2%

Source: Lichfields analysis of Experian/VOA/ONS data

- 8.49 This means that affordable home ownership options are needed for private rented households which cited affordability as a main reason for them not expecting to buy (i.e. those who would expect to buy if they could afford to do so). This assessment should therefore be regarded as a minimum, because if any private renters who do expect to buy need (or expect that) an affordable home ownership option will be available when they plan to buy, the demand for affordable ownership products will be higher.
- 8.50 Having established the percentage of households falling in this 'gap', we need to understand how many households this is likely to represent over the course of the 20-year Plan period. For the purposes of this assessment, we have projected household growth using the 2014-based SNHP (as these underpin the Borough's LHN based on the Government's standard methodology).
- 8.51 The assessment of need has been restricted to under 45s on the basis that this the age most newly forming households form⁶¹ (and older households may have equity as well as income, which would affect their eligibility for affordable home ownership products). However, it is entirely possible that households over the age of 44 would be eligible for (and be interested in purchasing) discounted market housing. Whilst occupants of the scheme would be subject to income and local connection criteria, there is no proposal to specifically restrict

⁶¹ The English Housing Survey for 2020/21 indicates that 92.9% of First Time Buyers are aged 44 and under. Source: English Housing Survey, full household sample, Annex Table 1.8: Demographic and economic characteristics, recent first-time buyers, 2020-21

occupants based solely on age, thus households over the age of 44 could potentially add additional demand on top of that identified in this analysis.

- 8.52 With the above caveat, and when applied to the household growth in the 2014-based SNHP, this could suggest that there will be an annual pool averaging **587 households over the period 2022-2042** who can afford to rent but not buy privately (based on the 4x/25% income multipliers; the figure would rise to 1,640 households per annum if the higher multiples in Table 8.16 are applied).
- 8.53 The Borough currently has some supply of shared ownership housing which is likely to be catering to the needs of some households which would otherwise be in the private rented sector (and cannot afford to buy in the open market). The 2021 Census indicates that there were **358** shared ownership homes across North East Lincolnshire Borough, of which 259 were located in the Urban Area; 8 in the Estuary Zone, 82 in the Western and Southern Arc, and 9 in the Rural Area.
- 8.54 Considering that 358 households in the local area already live in shared ownership housing, the remaining households which can afford rents but unable to afford open market purchase (and are assumed to be currently living in private rented housing) reduces the annual pool from 587 households over 20 years, to **229** households.
- 8.55 Of course, not every household within the private rented sector will need (or will want) to move into home ownership each year. Some households may not want to move into ownership due to not having a secure enough job, not wanting to be in debt, the cost of repairs and maintenance, not wanting the commitment/preferring the flexibility of renting and liking their current accommodation.
- 8.56 The EHS (2019/20) found that nationally, 59.5% of private renters expect to buy at some point in the future and 40.5% do not. Amongst those who do not expect to buy, 68.2% cited affordability. Based on this, we can estimate the number of households which may be expected to buy if the affordability barrier were removed. This would be:
- 1 The percentage of households in a group who would be expected to buy anyway (59.5%); plus; and,
 - 2 The percentage of households which currently do not expect to buy, mainly due to affordability reasons (40.5% x 68.2%).
- 8.57 Having established the percentage of households in North East Lincolnshire which would be expected (at any time) to buy if an affordable home ownership option were made available to them, we then need to determine how many actually buy in a given period. The EHS found that of private renters who did expect to buy, 26.74% expected to do so within two years; this would equate to 13.4% per annum⁶². Applying this to the total number of households (by type) which would expect to buy if an affordable home were available gives an estimate of the potential demand each year for affordable housing for purchase from first time buyers⁶³. This is shown in Table 8.17 and equates to **11.6%**.

⁶² Source: English Housing Survey 2019/20 Annex Table 1.20: Buying expectations, social and private renters, 2019-20. Refers to privately renting households

⁶³ Note: in Year 1 of the assessment, all households in a given group which can afford to rent but not to buy are included as potential FTBs. In subsequent years these households are removed, so the 'pool' of potential FTBs gradually decreases to take into account those who have already bought.

Table 8.17: Estimate of households who would buy (in the next year) if affordable home available

	Percentage	Source
a. Percentage of households expecting to buy (at any point in the future)	59.5%	English Housing Survey 2019/20 Annex Table 1.20: Buying expectations, social and private renters, 2019-20
b. Percentage of households not expecting to buy	40.5%	(100% - a)
c. Percentage of private renters not expecting to buy citing affordability as main reason	68.2%	English Housing Survey 2019/20 Annex Table 3.17: Perceived barriers to buying a home, by tenure, 2019-20
d. Total percentage expected to buy if affordable home provided	87.1%	(a + [b * c])
e. Of those expecting to buy, percent expecting to buy within 2 years	26.74%	English Housing Survey 2019/20 Annex Table 1.20: Buying expectations, social and private renters, 2019-20. Refers to privately renting households
f. Equivalent per annum	13.4%	(e / 2)
g. Total – expected to buy in next year	11.6%	(d * f)

Source: Lichfields' analysis based on English Housing Survey data

- 8.58 As a sensitivity test, we have modelled the implications of excluding people who WERE already expecting to buy anyway (59.5% of all households in the Table above) and only including people who were not expecting to buy due to affordability problems. The inherent assumption here being that those people who were expecting to buy may well have assumed that they would be able to do so in the market. This would reduce the percent expected to buy in the next year from 11.6% to **3.69%**.
- 8.59 Conversely, it is noted that the EHS presents national data on expectations in relation to home ownership. It therefore does not reflect the more severe affordability pressures in areas such as the Rural Area. Hence, the use of this national data represents a conservative approach, and it is likely that there may be a higher proportion of people locally that would like to buy but are not expecting to do so due to affordability issues in certain parts of the Borough and therefore a larger pool of potential buyers may exist at a localised level.
- 8.60 The approach used below to assess the potential demand for intermediate housing from households currently in the private rented sector does not include separate calculations of backlog, future need and supply. All elements are wrapped up in a single calculation by using all households as the basis for need (thus implicitly including backlog) and by using net household change (thus removing the need to separately calculate gross need and future supply).
- 8.61 This calculation of need is shown in Table 8.18. This analysis suggests an annualised demand for **10 affordable homes for purchase** from existing and future households in North East Lincolnshire. Split by sub-area (with the 2014-based SNHP split based on the 2020 MYE), this indicates that need is greatest in the Western and Southern Arc, followed by the Rural Area with a negative need in the Estuary Zone.

Table 8.18: Estimate of existing and future demand for intermediate housing: North East Lincolnshire and Zones

	North East Lincolnshire Total	Urban Area	Estuary Zone	Western and Southern Arc	Rural Area
(a) Annual Average households aged under 45	24,478	18,184	1,295	3,920	1,079
(b) Percentage who can afford LQ market rent but are unable to purchase (@ 4x income / 25% annual income)	2.4%	-4.3%	14.6%	18.0%	41.5%
(c) Number of households who can afford LQ market rent but are unable to purchase (a * b)	587	-782	189	706	448
(d) Supply (current shared ownership units)	358	259	8	82	9
(e) 'Pool' of potential demand (net) (c-d)	229	-1,041	181	624	439
(f) Percentage of households living in PRS expecting to buy in the next year if affordable homes are available	11.65%				
Potential gross need for affordable housing to purchase, annual average (e * f). After year 1, the assessment reduces the 'pool' of households which are potential buyers to account for the fact that some are assumed to have moved into affordable homes for purchase the previous year.	10	-47	8	28	20
Potential gross need for affordable housing to purchase, annual average (e * f), balanced and excluding Urban Area	10	-	1	5	4

Source: Lichfields' analysis

- 8.62 If the income ratio increases to 4.5x income and a 31% of annual income being spent on rent, then paradoxically the level of intermediate housing need increases, as the gap between people's ability to rent a lower quartile property or to buy one actually widens. As a result, the potential gross annual need under this test increases from just 10 to **58** as set out in Table 8.18.

Table 8.19: Estimate of existing and future demand for intermediate housing: North East Lincolnshire – SENSITIVITY

	North East Lincolnshire Total	Urban Area	Estuary Zone	Western and Southern Arc	Rural Area
(a) Annual Average households aged under 45	24,478	18,184	1,295	3,920	1,079
(b) Percentage who can afford LQ market rent but are unable to purchase (@ 4.5x income / 31% annual income)	6.7%	1.2%	17.6%	21.3%	43.2%
(c) Number of households who can afford LQ market rent but are unable to purchase (a * b)	1,640	218	228	835	466
(d) Supply (current shared ownership units)	358	259	8	82	9
(e) 'Pool' of potential demand (net) (c-d)	1,282	-41	220	753	457
(f) Percentage of households living in PRS expecting to buy in the next year if affordable homes are available	11.65%				
Potential gross need for affordable housing to purchase, annual average (e * f). After year 1, the assessment reduces the 'pool' of households which are potential buyers to account for the fact that some are assumed to have moved into affordable homes for purchase the previous year.	58	-2	10	34	21
Potential gross need for affordable housing to purchase, annual average (e * f), balanced and excluding Urban Area	58	0	9	30	18

Source: Lichfields' analysis

- 8.63 As with the affordable rent calculation, the PPG notes 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. Assessing the total affordable housing supply requires identifying:
- the number of affordable dwellings that are going to be vacated by current occupiers that are fit for use by other households in need;
 - suitable surplus stock (vacant properties); and,
 - the committed supply of new net affordable homes at the point of the assessment (number and size).
- 8.64 As noted above, the current number of shared ownership units that could be occupied by households in need has already been netted off the need in the Table above. As regards vacant properties, the overall proportion of vacant dwellings in the overall social housing stock is very small in North East Lincolnshire, at just 1.2% and therefore given the demand for intermediate housing it is considered highly unlikely that there would be sufficient vacant intermediate housing (over 3% of the overall stock) to warrant a further adjustment to the requirement.
- 8.65 Regarding the committed supply of new affordable homes, data on committed supply of affordable housing has been provided by NELC (Table 8.20) and suggests that potentially, there is a limited amount of affordable housing currently in the development pipeline equal to around 11 across the Borough as a whole, the vast majority of which are likely to come forward in the Western and Southern Arc. Having reviewed these permissions, 11 relate to First Homes at the Toll Bar (Phase 2) development site off Louth Road, New Waltham (in the Western and Southern Arc area), with a further 4 shared ownership properties to be delivered at Brockelsby Avenue, Immingham (in the Estuary Zone); 3 units at Millennium

Park, Humberston (the Arc area); 5 units at Blyth Way, Laceby; and 4 units at The Green, Waltham.

Table 8.20: Total Supply of New Affordable Units to Rent

	North East Lincolnshire	Urban Area	Estuary Zone	Western and Southern Arc	Rural Area
Supply of New Affordable Housing to Rent (Committed Supply) 2022/23	27	0	4	23	0

Source: Local Authority Information provided by NELC Officers in 2023

- 8.66 Going forward, social re-lets data has been obtained from 10 years-worth of CORE data (for 2009/10 to 2018/19) given the relatively low level of re-sales. The data obtained for this component is set out in Table 8.14. As can be seen, there has been an average of 13 intermediate re-sales annually since 2009/10.

Table 8.21: Re-Sales of Intermediate Housing

	Intermediate Housing
2009/10	4
2010/11	8
2011/12	22
2012/13	23
2013/14	21
2014/15	25
2015/16	7
2016/17	9
2017/18	2
2018/19	12
Average	13

Source: CORE Data

- 8.67 These shared ownership homes are likely to meet some of the need for entry-level homes suitable for newly forming households. Netting off the 11 existing affordable housing to buy supply in the immediate pipeline from the 2022 intermediate need, and assuming that there will be a churn of **13** intermediate dwellings per annum thereafter, the net requirement for intermediate housing equates to **-4 dpa**. This breaks down to -9 dpa in the Urban Area; 1 dpa in the Estuary Zone; 1 dpa in the Western and Southern Arc and 3 dpa in the Rural Area⁶⁴.
- 8.68 If this supply is netted off in the higher income ratios test set out in Table 8.19, then the net requirement for intermediate housing increases to **44 dpa** due to the increasing gap between people's ability to afford private rent and market purchase. This breaks down to -9 dpa in the Urban Area; 8 dpa in the Estuary Zone; 26 dpa in the Western and Southern Arc and 18 dpa in the Rural Area.
- 8.69 Table 8.22 sets out the overall calculation of North East Lincolnshire's net annual affordable housing need, combining the need for social/affordable rented properties with affordable home ownership. Overall, it indicates that there is an affordable housing need in the order of **298 dpa** based on 4x / 25% income multipliers, falling to **221 dpa** based on

⁶⁴ For the intermediate re-sales, the four sub-area supply figures have been calculated on the basis on the supply of the existing social housing stock in each sub-area, based on 2021 Census data.

4.5x / 31% income multipliers. There is a higher level of need in the Western and Southern Arc settlements and the Grimsby/Cleethorpes Urban Area, with the former having a particularly strong need for affordable properties available to rent.

Table 8.22 North East Lincolnshire Borough Affordable Housing Need Calculation – To Rent and Purchase

Stage and step in calculation	North East Lincolnshire		Urban Area		Estuary Zone		Western and Southern Arc		Rural Area	
	25% income	31% income	25%	31%	25%	31%	25%	31%	25%	31%
Net Annual Affordable Housing Need for Rent	302	177	141	54	0	-8	130	107	30	25
Net Annual Affordable Housing Need for Sale	-4	44	-9	-9	1	8	1	26	3	18
Overall Net Annual Affordable Housing Need	298	221	132	45	1	0	131	133	33	43

Source: NELC, Local Authority Live Tables, CORE Data and Lichfields analysis. Sums may not add due to rounding errors.

Types of Affordable Housing Needed

- 8.70 The purpose of this section of the report is to establish the relative need between social rent, affordable rent and forms of affordable home ownership as set out in the NPPF within the overall affordable housing need figure. This exercise has examined the interaction between housing costs and household income. First Homes are also now included in the definition and are considered in further detail below.
- 8.71 The income required for each of the alternative tenure options, and the assumptions underpinning these figures, is set out in Table 8.23 and discussed in further detail below.

Table 8.23: Annual Rents and Costs

	Cost Assumption	Price Assumptions	Affordability Requirements	Income Required
LQ Private Purchase	£100,000	HM Land Registry Existing LQ Price Paid 15% deposit on sales value	4-times income / 4.5-times income	£21,250/ £18,889
Lower Quartile Rental	£5,100 per annum	LQ Market Price 2023	25% / 31% of Income	£20,400/ £16,452
Social Rent	£4,104 per annum	CORE data 2020/21	25% / 31% of Income	£16,415 / £13,238
Affordable Rent	£4,080 per annum	80% of LQ rent	25% / 31% of Income	£16,320 / £13,161
Shared ownership (25% Share)	£142,500	LQ Shared ownership properties currently on the market in the vicinity of NE Lincs (as of April 2023). Deposit of at least 10% of the share value.	4-times income / 4.5-times income for equity. 25% / 31% of Income for rent	£20,972 / £17,574
Shared ownership (50% Share)	£142,500	Monthly mortgage costs @ 4.24% over 25 years. Rental Costs per Month @2.75% of retained equity. Service Charge @£25 per month.		£25,069 / £21,538

First Homes (30% discount)	£179,998, discounted to £125,999	LQ Newly built Market Price HPSSA dataset 16 yr/e Mar 2021 15.1% deposit on sales value.	4-times income / 4.5-times income	£26,743 / £23,772
----------------------------	----------------------------------	---------------------------------------------------------------------------------------------	-----------------------------------	--------------------------

Source: CORE 2020/21, VOA and Lichfields' analysis

Social and Affordable Rent Housing

- 8.72 Whilst the need for social and affordable rents have been assessed separately, in reality these needs should be combined for the purposes of considering tenure mix. New housing is currently rarely built to be occupied at traditional social rented levels; homes currently let at social rent levels tend to be legacies of historic local authority housing stock. New housing stock which is rented at below-market rent levels tends to be provided as affordable rented housing (i.e. up to 80% of market rents), provided as part of mixed market-affordable developments, with local housing allowance making up any difference in cost which a household cannot afford.
- 8.73 The key modelling assumptions were as follows:
- Social Rent** – CORE Social Housing lettings (PRP owned) – Rents and charges 2020/21. Average weekly rent by dwelling in North East Lincolnshire Borough is £78.92, including service charges, or £4,104 per annum.
 - Affordable Housing for Rent** – This is defined in the NPPF Annex 2 as “rent is set in accordance with the Government’s rent policy for Social Rent or Affordable Rent, or is at least 20% below market rents”. Average LQ market rents in the Borough are £425 per month, or £5,100 per annum⁶⁵, 80% of this means affordable rent can be no more than £4,080 per annum.
- 8.74 Based on these assumptions, and as summarised in Table 8.24, the need for affordable rented housing can be taken as the need for both affordable and social rented housing and represents around 80% of the overall affordable housing need based on the higher 31% income multiplier. At the lower income multiplier, there is virtually no requirement at all for affordable housing for sale, with 100% of the need relating to social rented properties. The mid-point of these figures is 90%.

Table 8.24 North East Lincolnshire Borough Affordable Housing Need Calculation – To Rent and Purchase

Stage and step in calculation	25% / 4x Single Earner Income multiplier		31% / 4.5 Dual Income multiplier	
	N	%	N	%
Net Annual Affordable Housing Need for Rent	302	100%	177	80%
Net Annual Affordable Housing Need for Sale	-4	0%	44	20%
Overall Net Annual Affordable Housing Need	298	100%	221	100%

Source: NE Lincolnshire Borough Local Authority Live Tables, CORE Data and Lichfields analysis. Sums may not add due to rounding errors.

Rent to Buy

- 8.75 Rent to Buy is a government-designed scheme that allows working households to rent a home at Intermediate Rent (usually with an 80% discount on market rents) with the

⁶⁵ ONS Private Rental Market Statistics Summary of monthly rents recorded between 1 April 2021 to 31 March 2022 by administrative area for England.

intention of providing them with the opportunity to save for a deposit over time to purchase their first home. To be eligible for Rent to Buy tenants must be first time buyers having not previously owned their own home. An exception to this is where an applicant is looking to return to home ownership following a relationship breakdown. There are no local or other prioritisation criteria to be applied to the Rent to Buy product, other than on rural exception site.

- 8.76 Ordinarily, the homes will be let at an Intermediate Rent for a minimum of five years during which it is expected that tenants will save for the deposit to purchase their home. After the initial five-year letting period, the Registered Provider may continue offering the property as Rent to Buy; sell the home on an outright basis with the tenant being given the right of first refusal; or retain and convert the home as rented housing on either an affordable or market rent basis. A tenant can also purchase their property within the five years rental period but at the discretion of the provider. A purchase under Shared Ownership is permitted as it remains as affordable housing. Tenants must meet all the shared ownership eligibility, affordability and sustainability requirements.⁶⁶
- 8.77 The initial affordability of the product is therefore akin to affordable rent, although after the 5-year rental period there is clear cross-over with the shared ownership product assessed below.

Shared Ownership and Other Intermediate Housing

- 8.78 Intermediate housing (including shared ownership) is defined in Annex 2 of the July 2021 version of the NPPF as “housing provided for sale that provides a route to ownership for those who could not achieve home ownership through the market.” It includes shared ownership, relevant equity loans, other low-cost homes for sale (at a price equivalent to at least 20% below local market value) and rent to buy (which includes a period of intermediate rent). This is less detailed than the previous definition of Intermediate housing in the 2012 version of the NPPF, which defined it as follows:
- “Intermediate housing is homes for sale and rent provided at a cost above social rent, but below market levels subject to the criteria in the Affordable Housing definition above. These can include shared equity (shared ownership and equity loans), other low-cost homes for sale and intermediate rent, but not affordable rented housing.”*
- 8.79 On the basis of the earlier definition, this type of housing must be more expensive than social rent (established to be £4,104 per annum) and not include affordable rent. As per the above affordable needs calculation, the average market rent is £5,100 per annum and any household that cannot afford this is in housing need. Although it is plausible that some people in affordable housing need could afford both affordable rent and intermediate housing, there is a clear gap between housing costing more than £4,104 and £5,100 which could be filled by more intermediate properties.
- 8.80 We have cross checked this against the cost of share-to-buy properties currently available in and around North East Lincolnshire Borough. To understand the current average cost of shared ownership properties in the area, the listings from www.sharedtobuy.com has been obtained. At the time of writing (April 2023) there were no shared ownership properties for sale in the Borough, hence our search was extended to 30 miles away from the main Urban area of Grimsby/Cleethorpes. This search resulted in 16 shared ownership properties being identified as available of which three were in nearby Scunthorpe and ten in the East Riding of Yorkshire. Prices ranged £142,500 from £279,950 for a 2-bed house /

⁶⁶ [2. Rent to Buy - Capital Funding Guide - Guidance - GOV.UK \(www.gov.uk\)](https://www.gov.uk/guidance/rent-to-buy-capital-funding-guide)

bungalow in Scunthorpe, to £266,000 for a 3-bed house in Beverley, East Riding of Yorkshire:

Table 8.25: Properties advertised within 30 miles of Grimsby/Cleethorpes Urban Area

Address	Size	Description	Full Price	Share Percentage	Deposit	Website's Monthly cost calculator
108 Turnstone Drive, Scunthorpe, North Lincolnshire DN16 3GX	2 bedroom house	Shared ownership (New Build)	£142,500	50%	At least 5% of share value (£3,563 min)	@50%, purchase price £71,250 £3,563 Min Deposit. Mortgage calculated using a rate of 4.24% over 25 years (£366). Rent = 2.75% of remaining equity (£163). Service charge = £50. Total monthly cost = £579
110 Turnstone Drive, Scunthorpe, North Lincolnshire DN16 3GX	2 bedroom house	Shared ownership (New Build)	£142,500	50%	At least 5% of share value (£3,563 min)	@50%, purchase price £71,250 £3,563 Min Deposit. Mortgage calculated using a rate of 4.24% over 25 years (£366). Rent = 2.75% of remaining equity (£163). Service charge = £50. Total monthly cost = £579
150 Turnstone Drive, Scunthorpe, North Lincolnshire DN16 3GX	2 bedroom house	Shared ownership (New Build)	£142,500	50%	At least 5% of share value (£3,563 min)	@50%, purchase price £142,500, £3,563 Min Deposit. Mortgage calculated using a rate of 4.24% over 25 years (£366). Rent = 2.75% of remaining equity (£163). Service charge = £50. Total monthly cost = £579
67 Queensway, Sturton by Stow, West Lindsey LN1 2AD	2 bedroom bungalow	Shared ownership (New Build)	£175,000	25%	At least 10% of share value (£4,375 min)	@25%, purchase price £43,750 £4,375 Min Deposit. Mortgage calculated using a rate of 4.24% over 25 years (£213). Rent = 2.75% of remaining equity (£301). Service charge = £10. Total monthly cost = £524
69 Queensway, Sturton by Stow, West Lindsey LN1 2AD	2 bedroom house	Shared ownership (New Build)	£175,000	25%	At least 10% of share value (£4,375 min)	@25%, purchase price £43,750, £4,375 Min Deposit. Mortgage calculated using a rate of 4.24% over 25 years (£213). Rent = 2.75% of remaining equity (£301). Service charge = £10. Total monthly cost = £524
49 Milson Close, Coningsby, East Lindsey LN4 4TT	3 bedroom house	Shared ownership (Resale)	£185,000	50%	At least 10% of share value (£9,250 min)	@50%, purchase price £92,500, £9,250 Min Deposit. Mortgage calculated using a rate of 4.24% over 25 years (£451). Rent = 2.75% of remaining equity (£199). Service charge = £22. Total monthly cost = £672
Woodall Gate, Howden, East Riding DN14 7WB	4 bedroom house	Shared ownership (New Build)	£260,000	40%	At least 5% of share value (£5,200 min)	@40%, purchase price £104,000, £5,200 Min Deposit. Mortgage calculated using a rate of 4.24% over 25 years (£535). Rent = 2.75% of remaining equity (£358). Service charge = £20. Total monthly cost = £913
Hesslewood Park, Jenny Brough Lane, Hessle, East Riding HU13 0FE	3 bedroom house	Shared ownership (New Build)	£238,000	50%	At least 5% of share value (£5,950 min)	@50%, purchase price £119,000, £5,950 Min Deposit. Mortgage calculated using a rate of 4.24% over 25 years (£612). Rent = 2.75% of remaining equity (£273). Service charge = £45. Total monthly cost = £930

Address	Size	Description	Full Price	Share Percentage	Deposit	Website's Monthly cost calculator
21 Banks Drive, Hessele, East Riding HU13 0SZ	3 bedroom house	Shared ownership (New Build)	£225,000	50%	At least 5% of share value (£5,625 min)	@50%, purchase price £112,500, £5,625 Min Deposit. Mortgage calculated using a rate of 4.24% over 25 years (£578). Rent = 2.75% of remaining equity (£258). Service charge = £50. Total monthly cost = £886
Honeysuckle Close, Kirk Ella, Willerby, East Riding HU10 7FN	3 bedroom house	Shared ownership (Resale)	£225,000	55%	At least 5% of share value (£6,188 min)	@55%, purchase price £123,750 £6,188 Min Deposit. Mortgage calculated using a rate of 4.24% over 25 years (£636). Rent = 2.75% of remaining equity (£265). Service charge = £0. Total monthly cost = £901
Queens Court, Voase Way, Beverley, East Riding HU17 8FF	3 bedroom house	Shared ownership (New Build)	£266,000	50%	At least 5% of share value (£6,650 min)	@50%, purchase price £133,000 £6,650 Min Deposit. Mortgage calculated using a rate of 4.24% over 25 years (£684). Rent = 2.75% of remaining equity (£305). Service charge = £45. Total monthly cost = £1,034
Minster View, Voase Way, Beverley, East Riding HU17 8FF	3 bedroom house	Shared ownership (New Build)	£265,000	50%	At least 5% of share value (£6,625 min)	@50%, purchase price £132,500 £6,625 Min Deposit. Mortgage calculated using a rate of 4.24% over 25 years (£681). Rent = 2.75% of remaining equity (£304). Service charge = £45. Total monthly cost = £1,030
Plot 34 Main Street, Leconfield, East Riding HU17 7NQ	2 bedroom bungalow	Shared ownership (New Build)	£200,000	50%	At least 5% of share value (£5,000 min)	@50%, purchase price £100,000 £5,000 Min Deposit. Mortgage calculated using a rate of 4.24% over 25 years (£514). Rent = 2.75% of remaining equity (£229). Service charge = £12. Total monthly cost = £755
Plot 36 Main Street, Leconfield, East Riding HU17 7NQ	2 bedroom bungalow	Shared ownership (New Build)	£200,000	40%	At least 5% of share value (£4,000 min)	@40%, purchase price £80,000 £4,000 Min Deposit. Mortgage calculated using a rate of 4.24% over 25 years (£411). Rent = 2.75% of remaining equity (£275). Service charge = £12. Total monthly cost = £698
Plot 37 Main Street, Leconfield, East Riding HU17 7NQ	2 bedroom bungalow	Shared ownership (New Build)	£200,000	25%	At least 5% of share value (£2,500 min)	@25%, purchase price £50,000 £2,500 Min Deposit. Mortgage calculated using a rate of 4.24% over 25 years (£257). Rent = 2.75% of remaining equity (£344). Service charge = £12. Total monthly cost = £613
Plot 38 Main Street, Leconfield, East Riding HU17 7NQ	2 bedroom bungalow	Shared ownership (New Build)	£200,000	35%	At least 5% of share value (£3,500 min)	@35%, purchase price £70,000 £3,500 Min Deposit. Mortgage calculated using a rate of 4.24% over 25 years (£360). Rent = 2.75% of remaining equity (£298). Service charge = £12. Total monthly cost = £670

Source: www.shareto-buy.com/properties (April 2023)

8.81

The most affordable properties relate to the two 2-bed bungalows available on the Queensway development at Sturton by Stow, West Lindsay. These are currently available for a total annual cost of £6,288, due to the low share percentage of 25%. This annual

payment sits above the social/affordable rent (£4,104/£4,080) and the LQ rental prices (£5,100), but below the LQ market purchase, which suggests that it is reasonable that smaller shared ownership properties could meet the needs of some who fall between affordable rent and average LQ market sales, albeit there may be some overlap between those who can afford affordable rent and a cheaper shared ownership property.

- 8.82 **Table 8.24 identified that up to 20% of the overall affordable housing need was for intermediate housing for sale.** This was despite the fact that the costs of purchasing a shared ownership property, even with a 25% share rather than 50% share, required an income of at least £17,574 based on a 31% income multiplier, which is in excess of the £16,452 annual household income (again based on the 31% income multiplier) that it was estimated to be required to rent privately in North East Lincolnshire.
- 8.83 However, intermediate housing is not only a way of helping to meet affordable housing needs; it can be an effective way of helping households who are able afford rents but are not able to buy move out of the private rented sector and onto the housing ladder (for example, where shared ownership schemes offer ‘staircasing’ whereby households can progressively purchase more and more shares in their home, up to 100%). This aligns with the PPG’s requirement that affordable housing need assessments should include an estimate of those households that cannot afford their own home to rent or to own their home ‘*where that is their aspiration*’.
- 8.84 The gap between the cost of renting and buying in North East Lincolnshire is modest, but still significant for low earners. To afford entry level market rents using 25% of income, a household income of £20,400 is required (as previously established, falling to £16,452 if a higher proportion of income - 31% - is allowed for). However, to afford to buy an existing entry level home (lower-quartile), at £100,000 (assuming a 15% deposit and that a household can borrow up to 4 x its income) requires a housing income of £21,250 (as shown in Table 8.26, falling to £18,889 if a 4.5x income multiple is used).

Table 8.26 Gap between cost of renting and buying in the market

Measure	Cost	Income required @ 4 x income / 25%	Income required @ 4.5 x income / 31%
Lower Quartile Market Rent	£5,100 (p.a.)	£20,400	£16,452
Shared ownership (25% Share)	£142,500 (£3,563 deposit @10%, £32,063 mortgage, rental costs of £245 per month plus £25 monthly service charge)	£20,972	£17,574
Shared ownership (50% Share)	£142,500 (£7,125 deposit @10%, £64,125 mortgage, rental costs of £163 per month plus £25 monthly service charge)	£25,069	£21,538
Lower Quartile House Price	£100,000 (£15,000 deposit, £85,000 mortgage)	£21,250	£18,889

Source: Lichfields based on VOA/ONS

- 8.85 This means any household with an income between £16,415 and £21,250 is theoretically ineligible for affordable housing to rent but is unable to buy, meaning the only options for these households is renting in the market, or some form of intermediate home ownership product. In this context intermediate housing could be a way of addressing demand from

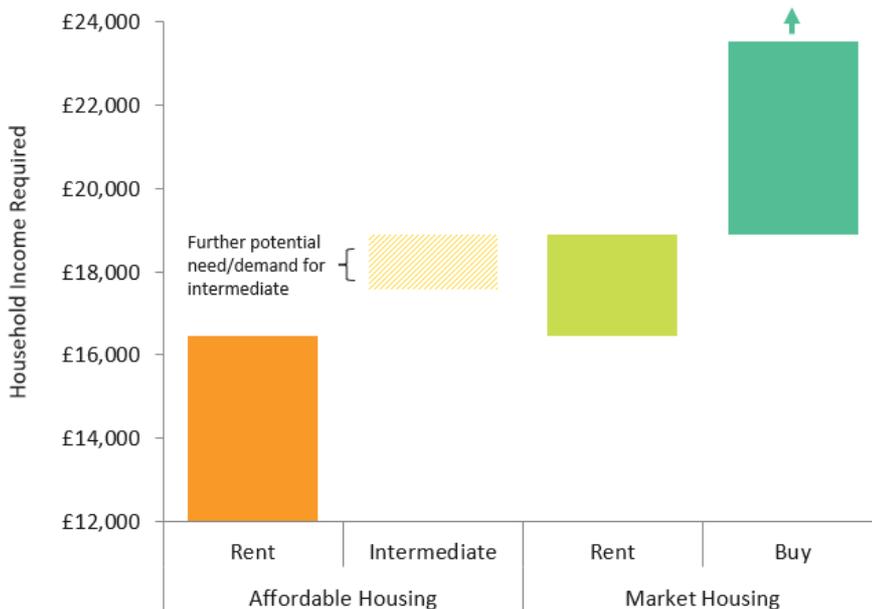
renters who do not want to remain in the private rented sector (but are not able to obtain either affordable rented or market housing) or those who cannot appropriately meet their need in the private rented sector (e.g. for family housing) but may be able to do so in intermediate housing. These households are indicated in Figure 8.4 for single earners (using the lower multiples of 25% annual income for rent and 4x annual income to buy); and Figure 8.5 for dual income households (using the higher multiples of 31% annual income for rent and 4.5x annual income to buy).

Figure 8.4: Household income and tenure – potential further need for intermediate housing in North East Lincolnshire Borough: @25% / 4x income multipliers



Source: Lichfields based on ONS/VOA

Figure 8.5: Household income and tenure – potential further need for intermediate housing in North East Lincolnshire Borough for Dual Income Households: @31% / 4.5x income multipliers



Source: Lichfields based on ONS/VOA

First Homes

- 8.86 First Homes are the Government's preferred discounted market tenure and are intended to account for **at least 25% of all affordable housing units** delivered by developers through planning obligations. As defined in the PPG⁶⁷, these comprise a specific kind of discounted market sale housing, which should be considered to meet the definition of 'affordable housing' for planning purposes (even though technically speaking, certain high-income first-time buyers who would not normally be in need of affordable housing may be eligible). First Homes must be reduced by a minimum of 30% against the market value; are sold to a person or persons meeting the First Homes eligibility criteria; on their first sale, will have a restriction registered on the title at HM Land Registry to ensure this discount (as a percentage of current market value) and certain other restrictions are passed on at each subsequent title transfer; and, after the discount has been applied, the first sale must be at a price no higher than £250,000 (or £420,000 in Greater London).
- 8.87 Eligibility requires purchasers to be first time buyers with a combined annual household income not exceeding £80,000 (or £90,000 in Greater London) in the tax year immediately preceding the year of purchase. A purchaser of a First Home should have a mortgage or home purchase plan to fund a minimum of 50% of the discounted purchase price.
- 8.88 LPAs are encouraged to ensure that First Homes work well in their area, which may include requiring a higher minimum discount, lower price or income caps, or local connection/key worker requirements. In such circumstances, the minimum discount level should be fixed at either 40% or 50% below market value if the can demonstrate a need for this, and should not be set at any other value. Local Planning Authorities are also encouraged to make the development requirements for First Homes clear for their area.
- 8.89 Aspects of this SHMA's evidence could be used in the future to consider the applicability of the appropriate discount were First Homes to be provided, including the scale of discount (between 30% and 50%) and the sales price cap, as well as other matters such as local occupancy criteria. This is considered further below.
- 8.90 Clearly then, whilst First Homes are included in the definition of affordable housing going forward, any first-time buyer with an annual household income of below £80,000 (£90,000 in Greater London) could apply for a First Home even if they could afford to buy a suitable property on the open market. This means that it is not a simple matter to set out what the potential demand is likely to be for First Homes in North East Lincolnshire. In many respects, there are considerable similarities also with the First Homes product and more traditional discounted market housing for sale.
- 8.91 In the absence of any data on the likely purchase price of typical First Homes in North East Lincolnshire, indicative monthly housing costs for First Homes have been identified using lower-quartile market values for LQ new build properties at a cost of £140,000⁶⁸, with a 30% discount and the purchaser paying a 15% deposit. On this basis, minimum incomes required to afford a First Home is assumed to be between £20,825 and £18,511 per annum depending on whether a 4 or 4.5-times single earner/dual income multiplier is used.
- 8.92 Lichfields has undertaken an analysis of the potential pool of households who may be eligible and able to purchase a First Home over the plan period 2022-2042. This process is summarised in Table 8.27, with sensitives applied with a 40% and 50% discount.

⁶⁷ ID: 70-001-20210524

⁶⁸ HPSSA Dataset 16. Lower quartile price paid for administrative geographies (newly built dwellings), September 2022

Table 8.27 Potential First Home Demand in North East Lincolnshire (2022-2042)

		Potential Pool of First Time Buyers 2022-42	% Who <u>can</u> afford to purchase a new discounted property		Number able to afford a First Home per annum	
			@4x income	@4.5x income	@4x	@4.5x
With a 30% Discount (reduced purchase price of £98,000)	Existing Households with a HRP* under 45	13,251*	65.2%	71.1%	432	471
	Newly Forming Households with a HRP+ under 45	22,684	60.5%	67.0%	686	760
	TOTAL	35,935	-	-	1,118	1,231
With a 40% Discount (reduced purchase price of £84,000)	Existing Households with a HRP* under 45	13,251*	72.7%	77.7%	482	515
	Newly Forming Households with a HRP+ under 45	22,684	68.9%	74.5%	782	845
	TOTAL	35,935	-	-	1,263	1,360
With a 50% Discount (reduced purchase price of £70,000)	Existing Households with a HRP* under 45	13,251*	80.0%	82.2%	530	545
	Newly Forming Households with a HRP+ under 45	22,684	77.3%	82.0%	877	930
	TOTAL	35,935	-	-	1,407	1,475

Source: 2011 / 2021 Census Land Registry Data; HPSSA Dataset 16, Year ending 2022; Experian Income Data (2021); 2014-based SNHP

*HRP: Household Reference Person

*Note: For existing households with a HRP under the age of 45, it has been assumed that if they are currently living in rented accommodation then they would not previously have owned a home and would therefore be eligible for a First Home. Whilst this is likely to be true for the majority of cases, it will necessarily under-estimate the total number of households who have, for whatever reason, decided to rent having purchased a property in the past.

- 8.93 Table 8.27 indicates that as a worst-case scenario, with a 30% discount and a 4x income multiple, this would typically price out 35% of existing households with a Household Reference Person [HRP] under 45, and 40% of newly-forming households with an HRP under 45. Applied to the total number of households in this age bracket, this would suggest that there is potentially an annual reservoir of **1,118 households** (both existing and emerging) over the next 20 years who would be eligible and theoretically able to purchase a First Home, rising to 1,231 if a more generous 4.5x income threshold is applied.
- 8.94 This assumes that the discount will be in the order of 30%. Of course, if the level of discount is increased, then more first-time buyers will be able to afford a First Home. The analysis above suggests that it could boost the potential supply of first-time buyers who might be eligible and have sufficient income to 1,407 p.a. with a 50% discount and a 4x income multiplier, and as high as 1,475 p.a. with a 4.5x income multiplier.
- 8.95 These figures are based on a number of assumptions regarding individuals' ability to pay and how the First Homes discount is likely to work in practice. We do not know yet how this will play out in North East Lincolnshire, and whether given the comparatively low house prices in parts of the Borough (certainly in relation to the national level), there will be substantial interest in this discounted product from either developers or potential

occupiers. Conversely, the product may be of less interest in the less affordable parts of the Borough, particularly in the Rural and Western and Southern arc sub-areas (noting that the PPG requires that minimum discounts should apply to the entire local plan area (except if Neighbourhood Plans are in place in certain areas) and should not be changed on a site-by-site basis)⁶⁹.

- 8.96 For example, it is likely that the demand for First Homes will primarily come from households who are either able to afford market or shared ownership properties, rather than affordable rented/social rented housing. It is unlikely therefore to have an impact on social rented housing unless there is a very high level of discount, although it is probable that there will be significant overlap with over intermediate housing products to purchase.
- 8.97 A key point to note for North East Lincolnshire Borough is that there is a reasonably high variation in house prices, with new housing attracting a slightly higher scale of premium than is often seen elsewhere. Hence the average price of an LQ existing property in North East Lincolnshire, of £100,000, is 71% of a new build LQ property (at £140,000). This is a slightly lower proportion than is typically seen elsewhere – nationally, existing LQ house prices, at £178,000, are 73% of new build LQ property prices (£245,000) which are attracting more of a premium⁷⁰.
- 8.98 This means that whilst new First Homes are likely to be affordable to some first-time buyers in North East Lincolnshire, the existing housing stock is already meeting much of that need. As shown in Figure 8.6, First Homes with a discount of 30% would be accessible to households with an income of over £20,825, which is below the £21,250 required to access LQ market housing. The required income level falls to £17,850 if the discount rises to 40%, and as low as £14,875 if the discount increases to half the market price.
- 8.99 As can be seen in Figure 8.6, and particularly Figure 8.7 which applies a higher income multiplier of 4.5, it is almost certain that there will be a considerable overlap between the demand for intermediate (and particularly shared ownership) properties to buy and First Homes, with the overlap on affordable housing to rent only likely to occur if the discount is high, at 40%+.

⁶⁹ PPG ID: 70-004-20210524

⁷⁰ ONS (2023): HPSSA dataset 16: Lower quartile price paid for administrative geographies (newly-built dwellings) year ending to September 2022 and ONS (2023): HPSSA dataset 17: Lower quartile price paid for administrative geographies (existing dwellings) year ending to September 2022

Figure 8.6: Estimated household income needed to afford First Homes in North East Lincolnshire Borough with a 4x income multiple



Source: Lichfields based on VOA/ONS

Figure 8.7: Estimated household income needed to afford First Homes in North East Lincolnshire Borough with a 4.5x income multiple



Source: Lichfields based on VOA/ONS

8.100 Our analysis shows that First Homes have significant potential to bring new households into home ownership, although there will still be a small proportion of low-income households who would still be forced to remain in the private rented sector if the discount

were in the order of 30%. Applying a 4x income multiplier, the 40% discount should be sufficient to plug this gap between affordable rent, intermediate properties to buy and market housing.

- 8.101 However, there is likely to be considerable cross over with shared ownership products, depending on the value of First Homes coming onto the market over the coming years.
- 8.102 It is expected that First Homes will be funded through a reduced contribution of other types of affordable housing, and that they will need to comprise at least 25% of all affordable housing on a particular site. Despite the affordable housing needs assessment (earlier in this Section) identifying a very low level of need for affordable housing to buy (c. 0-45 dpa), the provision of First Homes in North East Lincolnshire may bring additional households into ownership (due to the wide range of existing / new build house prices). It would be advisable for NELC not to significantly reduce its affordable housing requirements in lieu of First Homes.
- 8.103 In our view, the mandatory minimum 30% discount appears to be appropriate given the affordability of the North East Lincolnshire housing market; however, an increase to 40% may help plug the modest gap in affordability between intermediate housing to buy and affordable rent.
- 8.104 This should be market tested given that these remain early days for the product and the market has yet to be tested either in North East Lincolnshire or Yorkshire and The Humber more generally. As such, NELC will need to monitor the situation and prepare suitable policy responses, based on viability assessments, to ensure that any demand can be met without harming the wider property market (for either market or social rented properties) and whether a further increase in the discount from 30% to 40% is appropriate and viable in North East Lincolnshire Borough.

Suggested Affordable Housing Split

- 8.105 The NPPF states that where a need for affordable housing is identified, planning policies should specify the type of affordable housing required, applying the definitions of affordable housing set out in Annex 2 [paragraph 63]. In this regard, the latest iteration of the NPPF is slightly out of step with the PPG, as the latter makes no reference to ‘First Homes’, and instead focuses on ‘affordable home ownership’:
- “Where major development involving the provision of housing is proposed, planning policies and decisions should expect at least 10% of the total number of homes to be available for affordable home ownership, unless this would exceed the level of affordable housing required in the area, or significantly prejudice the ability to meet the identified affordable housing needs of specific groups.”*
- 8.106 Furthermore, the PPG states that First Homes are a “*specific kind of discounted market sale housing*” and should be considered to meet the definition of ‘affordable housing’ for planning purposes. “*First Homes are the government’s preferred discounted market tenure and should account for at least 25% of all affordable housing units delivered by developers through planning obligations.*”⁷¹
- 8.107 It is also relevant to note that the Government recently consulted on its proposed approach to updating to the NPPF. A fuller review of the NPPF is also planned in due course, and its content will depend on the implementation of the government’s proposals for wider changes to the planning system, including the Levelling-up and Regeneration Bill. The

⁷¹ PPG Reference ID: 70-001-20210524

Government is currently analysing the feedback received and the formal response has yet to be published at the time of writing. Whilst very limited weight can be attached to the Government's proposed changes to the NPPF at this stage, it is nevertheless a helpful indication of the direction of change, and potential future amendments to planning policy.

In respect of affordable housing, the Government is quite clear that more needs to be done to delivery additional homes for social rent⁷²

“The Levelling Up White Paper made clear our commitment to “increase the amount of social housing available over time to provide the most affordable housing to those who need it” and to “ensure home ownership is within the reach of many more people”. If we want to have functioning communities, with the right homes in the right places, then we need to deliver more homes that are genuinely affordable to rent and to own.

The Framework currently includes specific stipulations about securing homes for affordable home ownership, outlining an expectation that 10% of homes in major developments should be available for affordable home ownership. We believe our national planning policy must continue to support this but equally that it should place much greater value on the most affordable housing tenure: Social Rent

*We therefore intend to make changes to the Framework to make clear that **local planning authorities should give greater importance in planning for Social Rent homes, when addressing their overall housing requirements in their development plan and making planning decisions.** Securing Social Rent homes will already be the priority for many local planning authorities, and we want national planning policy to support this. We would welcome views on how we could make specific provisions in the revised framework to deliver this, alongside the existing provisions for affordable home ownership.” [Chapter 5, paragraphs 2-5]*

- 8.108 There is therefore a clear expectation from Government that the delivery of social rented properties ought to be prioritised. Nevertheless, it is not specified at this point whether or not this should be at the expense of, for example, First Homes, with no amendments made directly to the NPPF at this stage to bring it in line with the PPG. The only mention of this tenure is in Chapter 12: *“We will also consider opportunities to incorporate existing written ministerial statements [WMS] into revised national planning policy, such as that on First Homes policy”* [paragraph 1].
- 8.109 Presumably this refers to the WMS made by the (then) Minister of State for Housing, Christopher Pincher, on 24th May 2021 which confirmed that *“A minimum of 25% of all affordable housing units secured through developer contributions should be First Homes. This is a national threshold which should be applied for England”*.
- 8.110 At the time of writing then, Government Guidance remains that First Homes should be identified as part of the overall breakdown of affordable housing requirements, even though there will be plenty of households who are not strictly speaking in housing need (and could afford to rent or buy privately, given that could have a combined annual household income of up to £80,000 (or £90,000 in Greater London) in the tax year immediately preceding the year of purchase), but who nevertheless are eligible to take advantage of the substantial First Home discount of 30% or more on the market price.
- 8.111 In summary therefore, our recommended split of affordable housing to rent/buy is summarised in Table 8.28. The Table reflects the fact that affordable and social rent are

⁷² <https://www.gov.uk/government/consultations/levelling-up-and-regeneration-bill-reforms-to-national-planning-policy/levelling-up-and-regeneration-bill-reforms-to-national-planning-policy>

more affordable than intermediate homes in North East Lincolnshire Borough and that due to comparatively low house prices, there is a significantly greater need for social/affordable rented properties than shared ownership. That said, the requirement is also heavily influenced by the Government's policy parameters and guidelines that seek to promote the delivery of affordable home ownership.

- 8.112 Clearly the situation is considerably more complicated than this; with some social products falling between different income thresholds if they deviate from the average. In practice however, there is very limited difference between affordable rented and social rented properties and in any case recent structural changes at a national level – including the curtailment of capital/grant funding for social housing, with a move to revenue funding of affordable rent products through housing benefit – means there is a move away from social rented towards affordable rented tenure provision. In essence, and noting the Government's recent consultation on changes to the NPPF, the Government has introduced measures to facilitate the provision of affordable rented properties at the expense of social rented dwellings and they have been combined in the overall indicative policy split as a consequence.

Table 8.28 Suggested Social/Affordable Rent and Intermediate Split

	Measure	Annual Housing Need (net)		Split of households in need (rounded)	Indicative Policy Split (%)
		25% / 4x income	31% / 4.5x income		
Affordable Homes to Rent	Social Rent	302	177	80%	60%
	Affordable Rent				
Affordable Homes to Purchase	First Homes	-4	44	20%	40%
	Intermediate housing including shared ownership				
ALL		298	221	100%	100%

Source: Lichfields' analysis

- 8.113 As set out above, First Homes remains the Government's preferred discounted market tenure and should account for at least 25% of all affordable housing units delivered by developers through planning obligations. If this is taken as a given and in effect ring-fenced from the rest of the requirements, then we need to re-distribute the remaining 75% of affordable housing requirements between affordable rent and intermediate housing. If the residual is split 80:20 (affordable rent:intermediate), then this would broadly equate to an overall split of affordable housing need as c.60% social/affordable rent; 25% First Homes; and the remaining 15% intermediate housing.
- 8.114 Such an approach would also align more closely with the NPPF's requirement that where major development involving the provision of housing is proposed, planning policies and decisions should **expect at least 10% of the total number of homes to be available for affordable home ownership** [paragraph 65]. Even this would be a challenge however, given that Policy 18 of the adopted North East Lincolnshire Local Plan (2018) requires 20% of all housing on larger greenfield sites of 10 dwellings or more to be affordable in the 'High' housing market zone, falling to 10% in the 'Medium' zone and 0% in the 'Low' housing market zone.
- 8.115 Assuming that 40% of this requirement relates to the delivery of intermediate/First Homes (and the remaining 60% for affordable/social rent), then this would mean that **8%** of the total housing on a typical major development site would be available for affordable home

ownership (20% x 40%). The Council may wish to seek a higher proportion of affordable housing on more viable sites as a consequence. This should be tested through detailed viability assessments working in concert with local house builders to ensure that housing remains deliverable in North East Lincolnshire.

- 8.116 It is noted that whilst this split is considered generally appropriate across the Borough as a whole, there will clearly be nuances in certain sub-areas, most notably the higher value Rural and Western and Southern arc areas, where an alternative approach may be appropriate.

Affordable Housing Needs – Influence on Housing Requirement

- 8.117 Total affordable needs are in the range between 221 and 298 affordable homes per annum 2022 to 2042. This is higher than the locally assessed need based on the standard method (203 dpa) and would represent between 44% and 59% of the upper end of the recommended range (507 dpa based on the Experian Policy On jobs growth scenario).
- 8.118 The PPG is clear that the total affordable housing need should be considered in the context of its likely delivery as a proportion of mixed market and affordable housing developments, considering the probable percentage of affordable housing to be delivered by eligible market housing led developments. In North East Lincolnshire the likely delivery is a maximum of 20% on major development sites, which is considerably lower than being able to meet affordable needs. Whilst the full affordable locally assessed need equates to between 221 and 298 dpa, in practice it is extremely unlikely that this level of housing delivery will ever be achieved in North East Lincolnshire, which has averaged just 65 dpa over the past 20 years.
- 8.119 The PPG⁷³ suggests an increase in the total housing figures included in the plan may need to be considered where it could help deliver the required number of affordable homes.
- 8.120 In line with the approach envisaged by the NPPF, the affordable housing needs are an important component of the overall need for housing and NELC should seek to use its planning policy to maximise delivery of affordable housing given the scale of need identified.
- 8.121 An additional uplift would go some way towards meeting the high level of affordable housing need identified for North East Lincolnshire, although it is noted that the recommended housing requirement figure of 507 dpa is already more than double the 203 dpa derived from the Government’s standard methodology.
- 8.122 It is for NELC to consider the evidence contained in this SHMA when identifying the housing requirement which would support the strategy underpinning the emerging plan and whether an uplift beyond the standard method is appropriate:

“Where a strategic policy-making authority can show that an alternative approach identifies a need higher than using the standard method, and that it adequately reflects current and future demographic trends and market signals, the approach can be considered sound as it will have exceeded the minimum starting point”⁷⁴.

⁷³ 2a-024-20190220

⁷⁴ 2a-015-20190220

9.0 Sub-Area Housing Dynamics

- 9.1 The NPPF states that within the overall housing requirement for their whole area, strategic policy-making authorities should set out a housing requirement for designated neighbourhood areas which reflects the overall strategy for the pattern and scale of development and any relevant allocations:

“Where it is not possible to provide a requirement figure for a neighbourhood area, the LPA should provide an indicative figure, if requested to do so by the neighbourhood planning body. This figure should take into account factors such as the latest evidence of local housing need, the population of the neighbourhood area and the most recently available planning strategy of the LPA.” [§65]

- 9.2 The PPG clarifies that strategic policies should set out a housing requirement figure for designated neighbourhood areas from their overall housing requirement, and that where this is not possible the LPA should provide an indicative figure, if requested to do so by the neighbourhood planning body, which will need to be tested at the neighbourhood plan examination.

- 9.3 In terms of how this housing requirement figure should be calculated for designated neighbourhood areas, the PPG provides the following broad overview⁷⁵:

*“The NPPF expects most strategic policy-making authorities to set housing requirement figures for designated neighbourhood areas as part of their strategic policies. While there is no set method for doing this, the general policy making process already undertaken by local authorities can continue to be used to direct development requirements and balance needs and protections by **taking into consideration relevant policies such as the spatial strategy, evidence such as the Housing and economic land availability assessment, and the characteristics of the neighbourhood area, including its population and role in providing services.** In setting requirements for housing in designated neighbourhood areas, plan-making authorities should consider the areas or assets of particular importance (as set out in paragraph 11, footnote 6), which may restrict the scale, type or distribution of development in a neighbourhood plan area.*

Within the administrative area of a National Park, the Broads Authority or a Development Corporation (where planning powers are conferred), each local planning authority should set a housing requirement figure for the proportion of the designated neighbourhood area which is covered by their administration.” [Lichfields’ emphasis]

- 9.4 Whilst the four sub-areas of North East Lincolnshire are significantly larger than typical neighbourhood areas, the overarching principle of distributing the overall LHN on the basis of an examination of each area’s demographic make-up and how this might change in future, the availability of housing land and the characteristics of each area from a planning policy perspective remain valid considerations.

⁷⁵ PPG Reference ID: 41-101-20190509

- 9.5 This section therefore seeks to provide some indicative recommendations regarding how the LHN derived in Section 10.0 might be distributed across the four sub-areas based on a range of complementary approaches:
- 1 A 'top-down' assessment, which considers the overall level of need at the district level (or other wider geography) and apportions this to the local area according to what proportion of the overall population it represents.
 - 2 A 'bottom-up' assessment which projects the local population using a starting population (or 'base population' – in this case, the population of the local area as per the 2021 Census) and applies assumptions around births, deaths and migration (on an annual basis) to project future growth. To this population, assumptions around household formation are applied to estimate household growth and subsequently dwelling need.
 - 3 Non demographic approaches which analyse the roles of each sub-area in terms of services and planning policy alignment, as well as the need for certain types of housing (particularly affordable housing) and the availability of housing land based on information contained within NELC's Brownfield Land Register for 2022 (the Council's 2023 SHELAA was incomplete at the time of writing).
- 9.6 The overall distribution of the North East Lincolnshire LHN is of course a policy choice for NELC to make on the basis of the evidence contained within this document, aligned to its planning policy aspirations.

Top-down assessment

Apportionment of Borough-Wide Requirement

- 9.7 This initial approach involves a straightforward apportionment of North East Lincolnshire's Borough-wide requirements utilising the current size of the population across each of the Borough's sub areas of the Urban Area, the Estuary Zone, the Western and Southern Arc and the remaining Rural Area, based on the latest 2021 Census.
- 9.8 According to the 2021 Census, North East Lincolnshire recorded a total resident population of 156,966 permanent residents. The population of each sub area has been taken from the 2021 Census and is recorded in Table 9.1.

Table 9.1 Sub Area Population as a percent of North East Lincolnshire Borough Total (2021)

Sub Area	Sub Area Population	Sub area as % of NEL	SM2 LHN		Past Delivery		Experian Policy On	
			dpa	Total 2022 -2042	dpa	Total 2022 -2042	dpa	Total 2022 -2042
Urban Area	115,820	73.8%	150	2,996	231	4,619	374	7,482
Estuary Zone	8,585	5.5%	11	222	17	342	28	555
Western and Southern Arc	25,450	16.2%	33	658	51	1,015	82	1,644
Rural Area	7,112	4.5%	9	184	14	284	23	459
NE Lincolnshire Borough Total	156,966	100.0%	203	4,060	313	6,260	507	10,140

Source: ONS 2021 Census / Lichfields' analysis

- 9.9 The Grimsby/Cleethorpes Urban Area has by far the largest share of the Borough's population, at 74%, which would equate to 150 dpa of the LHN target of 203 dpa on a proportional share. This is much higher than the next largest sub-area, the villages in the Western and Southern Arc (33 dpa), and well above the Estuary Zone's share (11 dpa) and

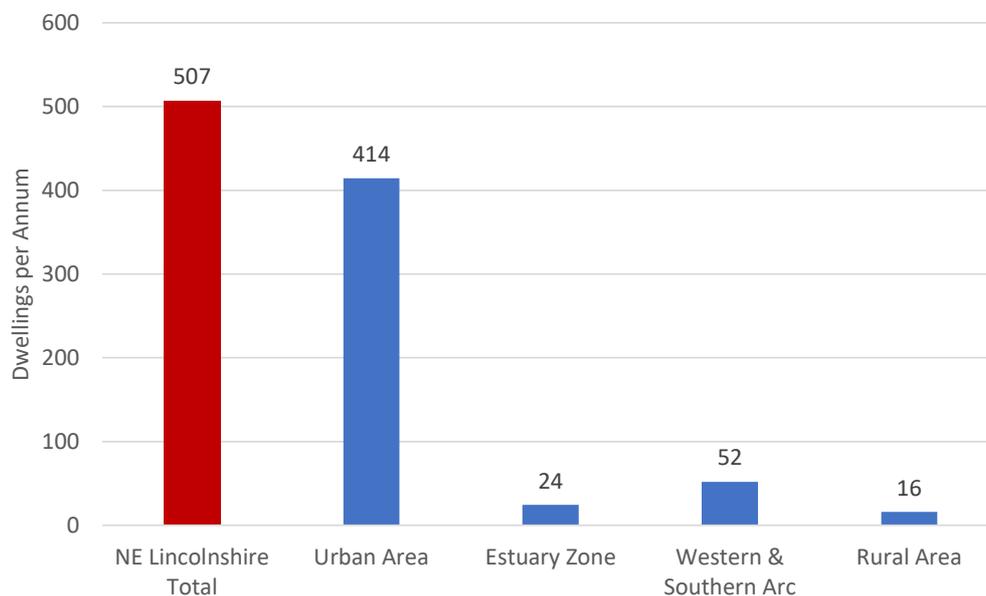
the Rural Area (9 dpa). All of these figures would increase by 54% if NELC is minded to pursue the higher level of housing growth that would align with the past delivery rate of 313 dpa, and by 150% if the Experian Policy On level of jobs growth is pursued.

Local Housing Need Assessment – ‘bottom-up’

9.10 The Experian Policy On scenario, which identified a Borough-wide need for 507 dpa, has been used to inform a ‘bottom up’ assessment of need (adjusted to incorporate the 2021 Census). Using the base population as the 2021 Census by sex for each sub-area, the 2018-based SNPP assumptions around fertility rates and death rates have been applied to generate natural change over the plan period 2021-2041. To calculate the likely change in internal/international migration rates for each sub-area, we have assumed that the projected migration to/from North East Lincolnshire in the 2018-based SNPP will be maintained for each sub-area in line with the proportion of the Borough’s population it currently accommodates. To this population, assumptions around household formation taken from the 2018-based SNHP and changes in the communal population from that dataset have also been applied to estimate household growth and subsequently dwelling need by sub-area. The figures have been constrained to meet the overall job growth target of 4,560, split on the basis of 2021 population levels for each sub-area.

9.11 The results are set out in Figure 9.1 and indicate that growth is likely to be particularly concentrated in the Urban Area (414 dpa, or 82% of the Borough-wide total), followed by the Western and Southern Arc (52 dpa / 10%) and to a lesser extent, the Estuary Zone (+24 dpa / 5%). Growth is very modest in the remaining Rural Area (+16 dpa / 3%).

Figure 9.1: Experian Policy On scenario, split by sub-area



Source: Experian 2022 / 2021 Census / Lichfields Analysis

9.12 This indicates that there is likely to be a further shift in need given the rapidly ageing population in the more affluent outer settlements and rural areas, which is why the ‘fair share’ apportionment based on the 2021 Census above, becomes increasingly weighted towards the Urban Area.

Local Housing Dynamics

- 9.13 There are also a number of alternative approaches to assessing local housing dynamics which require further consideration by NELC when considering how the housing requirement could best be distributed by sub-area. This includes:
- Availability of land;
 - Local housing market characteristics; and,
 - Neighbourhood Plans.
- 9.14 It is not the role of this study to assess the availability of land going forward, which is within the scope of the SHELAA (2023). We have, however, set out some of the local housing dynamics which need to be considered when identifying the future spatial strategy and how future housing needs are met.

Availability of Land

- 9.15 In the absence of an up-to-date SHELAA at the time of writing, we have made reference to the Council's latest brownfield register for 2022, which highlights the potential future supply on pdl sites across the Borough. This is shown in Table 9.2.

Table 9.2 Potential Housing Yield by Sub-Market

	Net Dwellings (low)	Net Dwellings (high)	Net Dwellings (mid-point)	% of net total
Urban Area	1,394	1,557	1,476	93.9%
Estuary Zone	57	63	60	3.8%
Western and Southern Arc	21	21	21	1.3%
Rural Area	14	16	15	1.0%
NE Lincolnshire Borough Total	1,486	1,657	1,572	100.0%

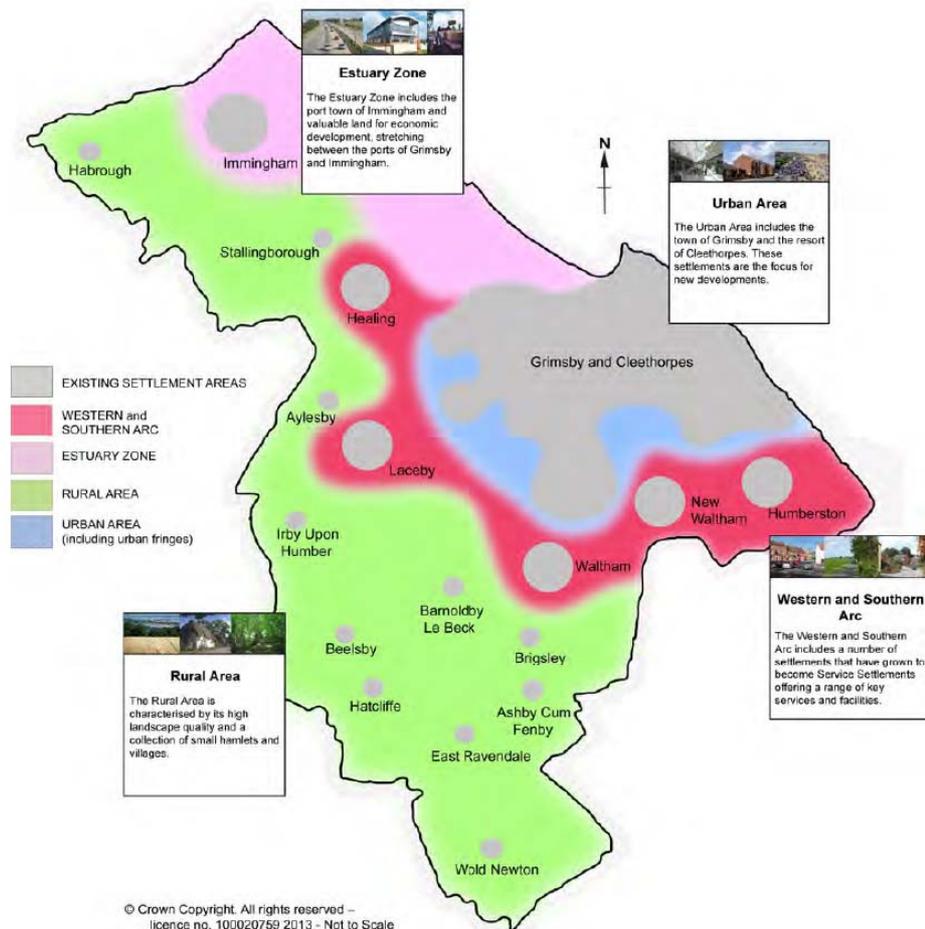
Source: North East Lincolnshire Brownfield Land Database (2022)

- 9.16 All of the sites identified above are on Part 1 of the Council's brownfield land register, with none in Part 2 (where the Council has decided the land would be suitable for a grant of Permission in Principle for housing-led development). This is because most of the sites on the register already have the benefit of planning permission.
- 9.17 Table 9.2 highlights that, perhaps unsurprisingly, 94%, or 1,476 of North East Lincolnshire's 1,572 dwellings identified on brownfield land considered suitable and available for housing-led development are located in the Urban Area of Grimsby and Cleethorpes. This is followed by 60 units in Immingham (the Estuary Zone), 21 in the Western and Southern Arc, and the remaining 15 in Stallingborough (the Rural Area).

Sub Area Characteristics

9.18 Within the adopted 2018 Local Plan 2013-2032, NELC recognised the differing characteristics, challenges and opportunities across the Borough. On this basis, four distinct spatial zones were identified, and visions developed for each zone. The zones reflect areas of shared characteristics, and are broadly summarised as follows:

Figure 9.2: NE Lincolnshire Local Plan Spatial Zones



Source: NELC (2018): Local Plan 2013-2032, Figure 5.1

Urban Area

9.19 The Urban Area contains the principal settlements of Grimsby and Cleethorpes, including the port of Grimsby. These towns form a continuous built-up area along the coast and estuary. The area is the most densely populated in the Borough and has a strong industrial past, leading to a varied townscape incorporating the docks and sea front, as well as buildings and places of significant heritage value alongside residential areas. The housing in the area has developed since the Victorian era including areas of older terraced houses, newer high and low rise private housing and larger houses and villas from the Victorian and Edwardian periods.

9.20 The Local Plan has the following place statement for the area:

“By 2032 the urban area will have witnessed a step change in the image and desirability of the urban environment. New sustainable communities will have been created, providing good quality housing, meeting people's needs and aspirations within attractive and easily accessible environments. Communities will have good access to quality jobs, healthcare and education, open space and retail facilities.

Grimsby will have strengthened its role as the sub-regional centre, accommodating new retail and leisure expansion, including environmental enhancement of the townscape. The buildings and structures associated with Grimsby's fishing heritage will have been appreciated and managed, and the potential they offer for heritage-led regeneration realised. Cleethorpes will have built-upon its role as a regional tourist destination, reinforcing its character as a historic seaside resort, and enhancing the quality and diversity of its offer to visitors, including those on business and those looking for an enjoyable day out.” [§9.6-9.7]

9.21 Policy 3 ‘Settlement Hierarchy’ of the Local Plan provides the framework for the Council’s decisions on the location and scale of development. The Urban Area is classed as **Level 1** in this hierarchy, meaning the settlements of Grimsby and Cleethorpes will be the prime focus for new development. The supporting text states that future development of this area would involve brownfield and greenfield sites, including adjacent to and beyond the settlement edge. Such development is regarded as sustainable where access to services and amenities is good or can be provided.

9.22 Policy 4 ‘Distribution of housing growth’ states that in combination, **between 60 - 65% of new homes will be constructed in and on the fringes of the urban area.**

Estuary Zone

9.23 The Estuary Zone predominantly consists of low-lying land around and including the South Humber Bank. The area is of both ecological and industrial importance due to the Humber Estuary’s international designations and includes the port and town of Immingham. The zone accommodates a large concentration of port, and increasingly energy-related, industries which form the main influences on the character of the area. Housing in the area is centred around Immingham Town and consists mainly of sub-urban style streets of detached housing and bungalows dating from the second half of the 20th century:

“The land adjacent to the Estuary in and around the ports, and adjacent to the deep water channel is a valuable economic resource. By 2032 opportunities will have been taken to strengthen key economic sectors, capturing local economic benefits and realising the full potential of offshore renewable operations. Development will have been secured, strengthening the offer of the wider Humber sub area, whilst recognising the environmental and biodiversity qualities of the Humber Estuary, maintaining the integrity of designated sites, addressing the causes and consequences of climate change, and providing infrastructure improvements. Areas of land will have been identified and secured, and a long term management plan will be in place, to safeguard sites for roosting, loafing and foraging birds as part of a sub-regional delivery plan.

Immingham will have strengthened its role as an independent town. The town centre will have been redeveloped to provide new retail facilities and community focus. Highway improvements will have helped to alleviate localised air quality issues. Other environmental improvements and enhancements to healthcare and education facilities will have revitalised the town and sustained its role supporting the needs of surrounding villages.” [§9.8-9.9]

- 9.24 Immingham falls within Level 2 of the Local Plan settlement hierarchy, which states that the centre offers a good range of services and amenities alongside good accessibility to the wider area. Future development would involve development principally of greenfield sites adjacent to but within the defined settlement development area boundary.
- 9.25 Future development would involve smaller-scale development principally limited to infill sites within or sites within but immediately adjacent to the defined settlement development area boundary.
- 9.26 Policy 4 states that **between 5 - 10% of new homes will be constructed in and on the fringes of Immingham.**

Western and Southern Arc

- 9.27 The Western and Southern Arc forms a band wrapping around the southern and western edges of the Urban Area, incorporating the fringes of the urban area as it transitions to a more rural landscape. At points, the arc extends to include several smaller settlements which are distinct from the urban core and have developed from historic villages. Of these settlements, Waltham and Laceby retain their older village cores despite a level of housing growth in recent decades, whilst Humberston, New Waltham and Healing have seen more recent suburban growth with little historic core remaining.

“The arc of larger villages outside the urban area, have seen historic patterns of growth. By 2032, these settlements will have grown but their character will have been protected through good design and sensitive planning. They will have been sustained by improving local community facilities e.g. shops, children's playgrounds, and sports pitch improvements. Accessible employment opportunities will have been established, particularly Hewitts Circus Business Park. The open countryside that separates settlements will have been protected to maintain the sense of separation; recognising the value and importance of environment corridors stretching into the urban area. Growth will, however, have been sensitive to the scale and character of settlements, and sought to build upon the network of green infrastructure.” [§9.10]

- 9.28 Along with Immingham, the Western and Southern Arc settlements are located within Level 2 of the settlement hierarchy, which refers to the ‘Local Service Centre’ towns of Healing, Humberston and Laceby within the Arc area.
- 9.29 Policy 4 states that in combination, **between 30 - 35% of new homes will be constructed in and on the fringes of the arc settlements.**

Rural Area

- 9.30 By far the largest of the sub-areas but containing the smallest population, the Rural Area consists of an attractive landscape of open fields, farms and woodlands extending and rising

into the Lincolnshire Wolds AONB to the south. There are several very small villages and hamlets throughout and little in the way of new development:

“The special character and distinctiveness of the rural area will have been protected. The countryside is recognised as being of particular value to be enjoyed by local communities through a network of footpath and bridleway routes. Designated landscape, nature conservation habitat sites and heritage assets will continue to be offered high levels of protection. Opportunities will have been created and taken up to address local housing needs; and provision made for a diversity of rural employment opportunities that support the vitality and respect the local character of rural settlements.” [§9.11]

9.31 The settlements in the Rural Area fall within Level 3 and 4 of the Local Plan settlement hierarchy in Policy 3.

9.32 Policy 4 states that in combination, **between 1 - 2% of new homes will be constructed in and on the fringes of the rural settlements of Habrough and Stallingborough.**

9.33 All other settlements fall within Level 4 of the hierarchy, as they offer few services and poor accessibility to higher level settlements. Future development would involve smaller scale development principally limited to infill sites within or sites within but immediately adjacent to the defined settlement development area boundary. **Policy 4 states that housing delivery in these areas will comprise windfalls and exceptions only.**

Neighbourhood Plans

9.34 The NPPF at paragraph 66 recognises the need for strategic policies to set out a housing requirement for designated neighbourhood areas which reflects the overall strategy for the pattern and scale of development. However, there are currently no designated Neighbourhood Forums or Neighbourhood Plans in preparation or adopted in North East Lincolnshire.

Summary

9.35 A range of top-down and bottom-up scenarios have been assessed for the four sub-areas within North East Lincolnshire to establish the broad range of housing which may be appropriate for each area over the Plan period. The top-down assessments begin with a district-wide figure and apportion this by sub-area based on its ‘fair share’, or the current proportion of the resident population currently living there as recorded in the 2021 Census.

9.36 This was dominated by the Grimsby/Cleethorpes Urban Area, at 74%, which would equate to 150 dpa of the LHN target of 203 dpa on a proportional share. This is much higher than the next largest sub-area, the villages in the Western and Southern Arc (33 dpa), and well above the Estuary Zone’s share (11 dpa) and the Rural Area (9 dpa).

9.37 Furthermore, when the Experian Policy On scenario was modelled in detail by sub-area, the weighting move even closer towards the Urban Area due to the comparatively youthful population in contrast to the increasingly ageing residents living in the Rural Areas and Western and Southern Arc settlements.

9.38 The Brownfield Land Register indicated that around 94% of the dwellings identified as part of the Council’s forward supply of housing land are unsurprisingly located in the Urban Area of the Borough, comprising 1,476 units, followed by 60 units in Immingham (the

Estuary Zone), 21 in the Western and Southern Arc, and the remaining 15 in Stallingborough (the Rural Area).

- 9.39 The adopted North East Lincolnshire Local Plan identifies a clear settlement hierarchy in Policy 3 that provides the framework for the Council's decisions on the location and scale of development and on investment in services and facilities. Development should be commensurate with a settlement's position in the settlement hierarchy, which has the Urban Area of Grimsby and Cleethorpes at the top (Level 1, within which between 60-65% of all new homes will be constructed), followed by the Estuary Zone and the Western and Southern Arc (both at Level 2 in the hierarchy, with Immingham identified for between 5-10% of all new housing and the Arc settlements between 30-35%); and finally the Rural Area (at Levels 3 and 4, with just 1 - 2% of new homes to be constructed in and on the fringes of these rural settlements).
- 9.40 When considering how much weight can be given to the suggested sub-area split in Table 9.3, it is important to consider the sustainability of this split and whether, in seeking to meet this identified need, it will ensure that the right *type, size and tenure* of homes are provided, ensuing that these are appropriate to meeting the needs of local residents.
- 9.41 It is therefore for NELC to consider the evidence contained in this HEDNA when identifying a housing requirement for each of the sub-areas, which would support the strategy underpinning the emerging plan and whether an uplift beyond the standard method is appropriate. The analysis below does not include any consideration of any environmental, landscape or heritage constraints, or indeed viability challenges which would be for NELC to consider. NELC should therefore avoid being overly prescriptive with regards to any of the suggested sub-area targets set out below.

Table 9.3 Summary of Potential Sub-area Housing Share

Sub Area	Top Down (2021 Census split)	Bottom Up (Experian Policy On)	Housing Land Supply	Local Plan Policy Support	Overall Recommendation
Urban Area	74%	82%	94%	60-65%	65%-80%
Estuary Zone	6%	5%	4%	5-10%	5%-10%
Western and Southern Arc	16%	10%	1%	30-35%	15%-30%
Rural Area	5%	3%	1%	1-2%	<5%
NE Lincolnshire Total	100%	100%	100%	100%	100%

Source: ONS 2021 Census / Lichfields' analysis using PopGroup

10.0 Type, Tenure and Size of Housing Required

10.1 In addition to establishing the overall scale of housing needed, the NPPF requires plan-makers to also consider the need and demand for different types of housing. This section sets out an appropriate mix in terms of size (number of bedrooms) and tenure (affordable rent or intermediate), as well as how this might vary between the four sub-areas within the Borough.

Housing Size and Type

10.2 This section provides further context on how North East Lincolnshire's housing market operates. It demonstrates that:

- 1 Locally and nationally, households tend to occupy housing which they can afford, rather than 'need', resulting in a high-level of under-occupation, particularly amongst older households;
- 2 Older households are likely to remain in larger, family homes and less likely to move as they age, resulting significant under-occupation; and,
- 3 Although the dominant trend is one of under-occupation, a number of households (including families with children) are living in overcrowded conditions in North East Lincolnshire because they are unable to access the larger properties that they need.

Current Occupancy Patterns

10.3 In the open market, households typically do not strictly occupy housing in line with their 'needs', or their household size. This is because households are free (within their financial means), to buy or rent property in line with what they want, rather than what they might be considered to 'need'. Households may wish to have additional space generally or for a specific purpose, e.g. for working from home. Growing families may also live in housing with a view to having more children, or older couples may live in the family home even once adult children have left (often referred to as 'empty-nesting')⁷⁶.

10.4 Using the 2021 Census assessment of overcrowding and under-occupancy, we can understand the relationship between the size of a household and the number of bedrooms available (albeit that this does not take into account the relationships between household members).

10.5 Figure 10.1 compares the profile of the English dwelling stock and household structure. It demonstrates that whilst 64% of households in England comprise of just 1 or 2 persons, just 33.5% of dwellings have 1 or 2 bedrooms. By contrast, 36% of dwellings house 3 or more people, compared to 66.5% of households with 3 or more bedrooms.

⁷⁶ For the purposes of this analysis, 'need' is taken to be the number of bedrooms a household would need according to ONS' definition. This takes into account the ages of the household members and their relationships to each other are used to derive the number of rooms/bedrooms they require, based on a standard formula

Figure 10.1 Comparison of dwelling mix (number of bedrooms) and household size (number of persons) in England



Source: Census 2021 (excludes social rented households)

10.6 Table 10.1 shows the occupancy patterns (in terms of household-dwelling type) of all private sector households in England. It shows that 2-person households in 3-bedroom dwellings form the largest group of household-dwelling type, with 15.6% of households falling within this group. This broadly aligns with the findings of the 2021 Census occupancy ratings, which shows that ‘couples without children’ make up the largest group of under-occupying households.

10.7 Contrary to what might be expected, most single person households actually occupy 2 and 3-bedroom dwellings, with relatively few living in 1-bedroom dwellings. Within larger dwellings, there is no clear trend for larger households being more likely to occupy larger housing, with more 2 person households occupying 4+ bed dwellings than 3-person households for example (no doubt reflecting the empty-nesters phenomenon whereby parents remain in their large family house even once their children have moved out).

Table 10.1 Household size by number of bedrooms in England

		Number of Bedrooms			
		1	2	3	4+
Number of People	1	5.4%	10.2%	9.6%	2.7%
	2	2.1%	10.5%	15.6%	7.9%
	3	0.3%	3.2%	8.1%	4.6%
	4+	0.1%	1.7%	8.7%	9.3%

Under-occupied	42.8%
Standard	33.2%
Over-occupied	16.1%

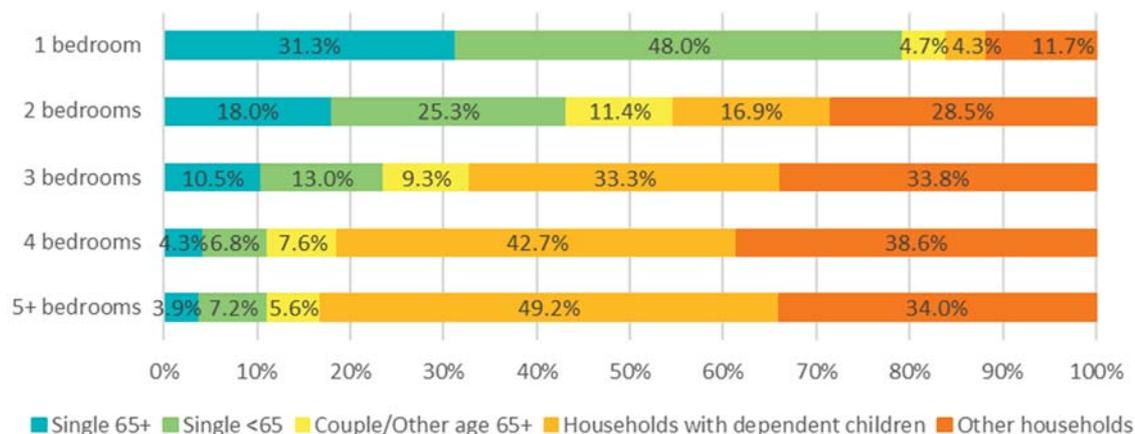
Source: Census 2021

10.8 Figure 10.2 shows how different household types in North East Lincolnshire occupy housing (using the 2011 Census because the latest data has yet to be released at the time of writing). It shows that 1-bedroom properties are most likely to be occupied by single people, with single people aged 65 and above occupying 48.0% of these properties, whilst single people aged under 65 occupy a further 31.3%. 2-bedroom properties are most likely to be occupied by single people aged under 65 (25.3% of such properties), whilst 16.9% are occupied by households with children, which may indicate a degree of market pressure.

10.9 Larger properties are generally occupied by households with children, who occupy a third (33.3%) of 3-bedroom homes, 42.7% of 4-bedroom homes and 49.2% of 5+ bedroom homes. However, a significant proportion of these larger properties are occupied by single people households, at 21% of 3-bedroom homes, 11% of 4-bedroom homes and 8% of 5+ bedroom homes. Other households, which consist mainly of couples and families without children or dependent children, generally under occupy properties in North East Lincolnshire, occupying 33.8% of 3-bedroom properties, 38.6% of 4-bedroom properties and 34.0% of 5+ bedroom properties. Just under a third (32.9%) of all 3-bedroom

properties are occupied by couples or single people. Under occupation of dwellings by older individuals and couples may be another indication of empty-nesting.

Figure 10.2: Household Type by Number of Bedrooms in North East Lincolnshire (All Households)



Source: Census 2011

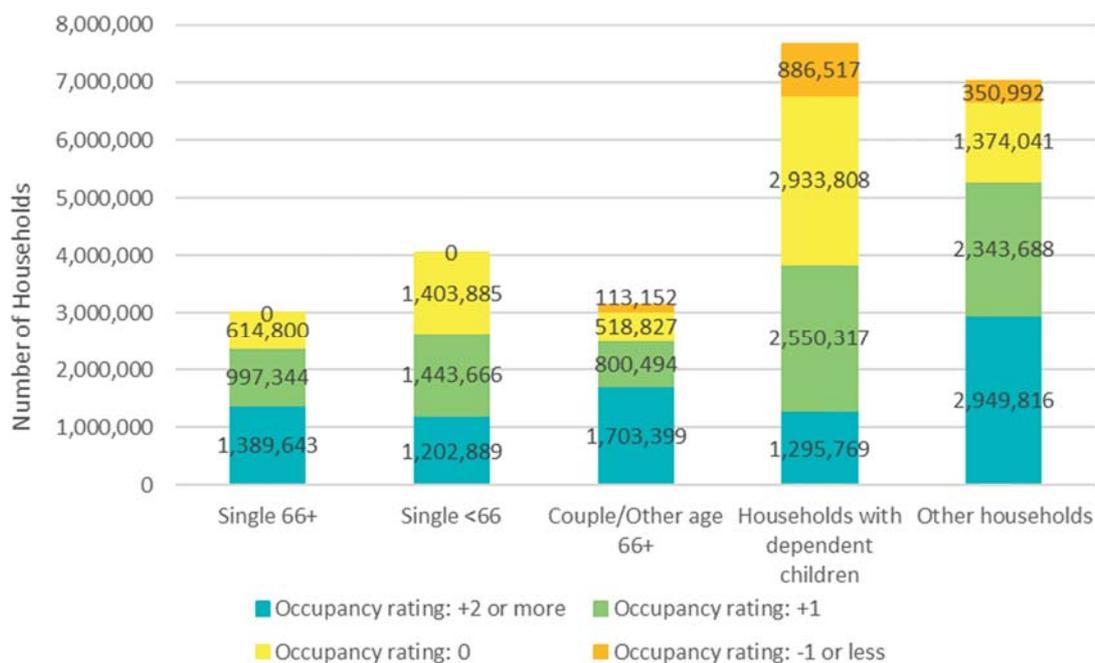
10.10 In a perfectly functioning ‘ideal’ market, the housing stock would be used more efficiently to ensure that households which under-occupy housing do not block larger households from accessing larger homes, leading to over-crowding. At present, North East Lincolnshire experiences similar patterns as seen nationally, with the co-existence of small households living in large homes, and large families living in small homes. This demonstrates why net growth in the number of smaller households (i.e. single and couple households) does not necessarily translate into a need for smaller housing units, unless (for example) there are specific measures targeted at encouraging downsizing and movement within the market.

House Moves

10.11 Having assessed how households occupy housing in the open market, it is useful to benchmark these findings against the characteristics of moving households to assess the role that different households’ play in ‘freeing up’ dwelling stock. In an arguably ‘perfect’ market, older households which under-occupy housing would downsize once they no longer require their family homes (meaning growth in the number of small, older households generates a need for smaller dwellings). This would subsequently allow larger families to optimally utilise the larger housing stock available.

10.12 However, as shown in Figure 10.3, the 2021 Census indicates that this is often not the case, with 1.4 million or 46.3% of households aged over 66 nationally having at least two spare bedrooms, and just 615,000 (20.5%) occupying housing in line with their ‘needs’. This might relate to a lack of sufficient supply of housing products perceived to be attractive to those downsizing, but equally research suggests there is simply a strong preference from many people to remain in their existing homes.

Figure 10.3 Occupational patterns in England by household type



Source: Census 2021

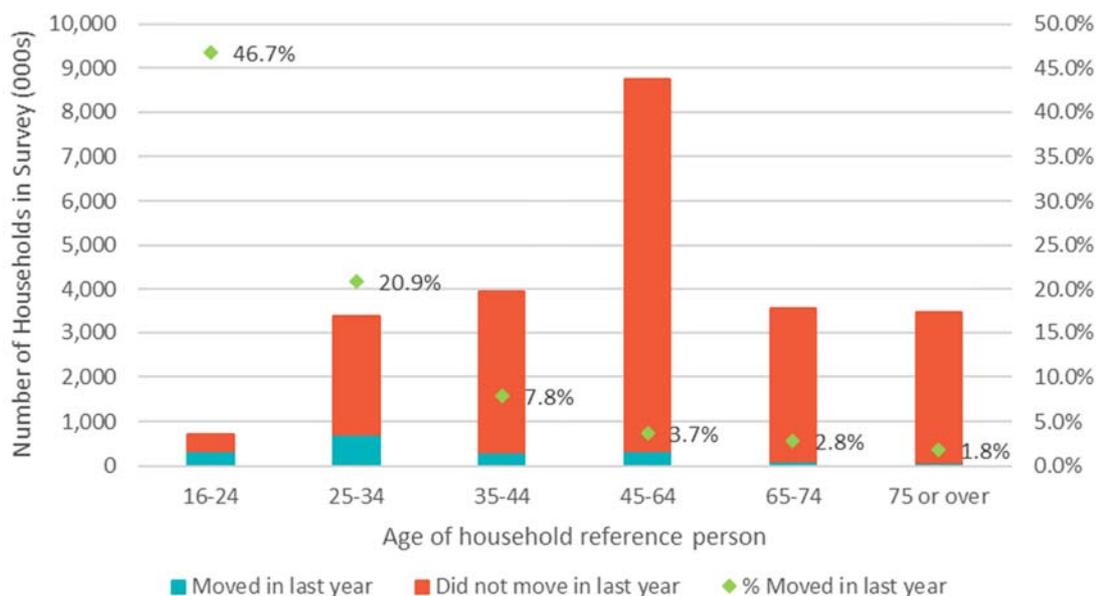
10.13 Research⁷⁷ by the University of York (on behalf of the Government) found that the majority of older households were happy with their home, regardless of the type of property, having invested time and resources into their home, and that any potential issues arising with size or accessibility were not too great to be overcome through adaptation. Some also felt that moving would be stressful and overwhelming, and potentially result in the (unwanted) disposal of possessions. Even so, when older households considered the type of housing which would be seen as ‘ideal’, a minimum of two-bedrooms was seen as essential, as well as sufficient living space e.g. for eating and recreation. Depending on the layout of individual properties, this might therefore necessitate a minimum of three-bedrooms. In addition, research by the Joseph Rowntree Foundation [JRF]⁷⁸ showed that 85% of larger housing released by older people is released due to death, as opposed to choosing to downsize.

10.14 The 2019/20 EHS further supports these findings by showing that older households are the least likely to move, with just 2.8% of households aged between 65 and 74 and 1.8% of households over the age of 75 moving in the previous 12 months. This pattern has been stable at c.2% over recent years, with no indication of changes in the tendency for older people to choose to remain in their homes. By comparison, younger households have a much higher propensity to migrate, with almost half of households aged 16-24 and almost 21% of households age 25-34 moving each year.

⁷⁷Communities and Local Government (February 2008): Housing Choices and Aspirations of Older People, Research from the New Horizons Programme

⁷⁸ Supported housing for older people in the UK: An Evidence Review (December 2012)

Figure 10.4 Demographic characteristics of moving households



Source: 2019/20 English Housing Survey, Annex Table 3.2

- 10.15 These patterns are reflected in the EHS data on household moves by employment status: only 2.1% of retired households moved in the 12 months prior to the 2018/19 Survey, compared to 10% of households where the household reference person was employed in full or part time work. This evidence is also consistent with findings of the Census, which found that only 3.6% of households over 50 moved in the year prior to 2011.
- 10.16 In addition to the factors identified above, these patterns of households moving are also likely to reflect different households' satisfaction with their housing. The 2018/19 EHS⁷⁹ also shows that households which are most satisfied with their housing are those which are:
- 1 Aged 75 and over (95.7% are satisfied or very satisfied with their housing);
 - 2 Own outright or are buying with a mortgage (94.9%)
 - 3 Retired (94.6%);
 - 4 Have no dependent children (94.4%); and,
 - 5 Under-occupy housing (93.7%).
- 10.17 It is evident from this analysis that older households are the most likely to:
- 1 Under-occupy housing;
 - 2 Be the most satisfied with their housing; and as a result; and,
 - 3 Be relatively inactive within the housing market.
- 10.18 This further highlights that older households cannot necessarily be relied upon to free up larger dwellings to the degree needed to meet the needs of future families.
- 10.19 As set out above, however, personal preference may not be the only reason why older households do not seek to downsize or rightsize. Separate research by JRF⁸⁰ also highlighted the potentially misleading nature of any discussion which assumes that older

⁷⁹ Table FA5401

⁸⁰ Older People's Housing: Choice, Quality of Life and Under-occupation (May 2012)

people are holding onto housing and stated that this narrative “ignores both the lack of housing choice, as well as older people’s psychological and social reasons for staying put” (page 4). Indeed, the 2016 ‘Future of an Ageing Population Report’, which was prepared by the Government Office for Science, noted that that 58% of people over 60 were interested in moving but could not find suitable properties. This conclusion is supported by the Right-Size Report⁸¹ which undertook analysis of the delivery of older person’s accommodation nationally. It found that since 2000, on average, as few as 5,500 retirement housing units have been built each year, despite the prominence of the ageing population.

- 10.20 There is, generally, a distinct lack of data, evidence and research on the preferences and needs of elderly households; this makes it difficult to determine how best to meet the needs of an ageing population. However, although some older households may choose to downsize, evidence and research overwhelmingly indicates that most older households are unlikely to move and (for a multitude of reasons) intend to remain in the family home. Even those that do look to move to a new house would not necessarily seek a very small property, they move to properties that are more accessible or with care facilities. Small, high rise apartment schemes generally do not align with these aspirations. Ultimately, the research suggests that the lack of choice for older households is a product of supply and demand.

The Shift Towards Homeworking

- 10.21 Another factor that will influence the current and future demand for larger homes is the trend towards home working. The Covid-19 pandemic had a profound impact on working practices and particularly the shift to homeworking. Even before the pandemic, the ONS Labour Force Survey showed that there had been a steady rise in the proportion of people in employment of those working from home, either working directly from the home or using home as a base. In 2017 this stood at 13.6% of people in employment. Homeworking typically increases with age (increasing from 5.1% of those age 16-24 to 38.3% of people age 65+ using their home for work) and so the ageing in the population is likely to lead to further increases in home working.
- 10.22 Increases in the number of people working from home may translate into a demand for larger housing as people seek additional space, e.g. spare room or garage for use as an office. Research by the London School of Economics/Acas found that most homeworkers surveyed used a separate room/office that is only used for work, with this being a key aspect of separating work and home life. Of those who did not have the space for a separate working area, this was described as being “far from ideal”, highlighting the importance of sufficient space for homeworkers. Although limited data availability means the relationship between home-working and housing size/demand cannot be interrogated in detail, the aspect of home working nonetheless remains implicit within the demand for housing.
- 10.23 The latest ‘Characteristics of homeworkers’ dataset from the ONS, which covers the period September 2022 to January 2023, shows that homeworking remains the ‘new normal’ in 2023. During the pandemic, levels of homeworking peaked in the first half of 2020, when 49% of adults reported working from home within the past seven days at various points. Two years later, when guidance to work from home was lifted, around 38% of adults continued to work from home. The most recent data (25th January to 5th February 2023) shows that this level of homeworking has remained fairly constant, with 40% of adults reporting they had worked from home in the last seven days. Between September 2022 and

⁸¹ Mapping the supply and demand of Britain's retirement housing in 2017 and beyond

January 2023, 16% of adults stated they had only worked from home whilst 28% reported hybrid working. Throughout 2022, levels of homeworking weekly fluctuated from 25% to 40% without a clear upward or downward trend, indicating that homeworking is proving resilient⁸².

- 10.24 Many companies have switched to a 'hybrid' work pattern, allowing employees work from home part of the time. This is expected to have a direct impact on the demand for housing as people need appropriate space and facilities to work effectively from home. The increased prevalence of homeworking means that, in many cases, such people would be able to relocate without changing jobs.

Future Needs

- 10.25 In assessing future household growth by type, the 2014-based SNHP for North East Lincolnshire have been used as this aligns with the SM2 figure. The Stage 2 projections provide a breakdown of the projected change by age and type of household. This can be compared with the Census information to show, if current occupancy patterns were to continue, what the need for different sized housing would be.
- 10.26 Figure 10.5 shows the change in projected household type between 2022 and 2042 in North East Lincolnshire incorporating the 2014-based SNHP as modelled in PopGroup (adjusted for the 2021 Census data). These figures do not include an allowance for dwelling vacancies and refer only to households. For the purposes of this assessment, we have assumed that the profile of need will remain the same (i.e. pro-rata'd) even if the overall housing provision is different to that shown in the projections.
- 10.27 The numbers of all household types are expected to increase in North East Lincolnshire up to 2042, except for households with dependent children (which sees a modest decline of -0.5%) and 'other' households aged under 65. The greatest increase is likely to be seen in couple /other households over the age of 65, which is projected to increase by 3,913. The number of older single-person households would also increase by 1,461. There is projected to be a modest fall of 107 in the number of families with children, although this group will continue to be the largest in the Borough representing 26.8% of all households by 2042.

Table 10.2 2014-based Household Projections (adjusted for the 2021 Census) by Type for North East Lincolnshire

	2022	2042	Net Change
Single <65	13,081	14,116	1,035
Single 65+	9,815	11,276	1,461
Couple/Other age 65+	11,911	15,824	3,913
Households with dependent children	20,040	19,933	-107
Other Households <65	15,944	13,174	-2,770
Total	70,789	74,322	3,533

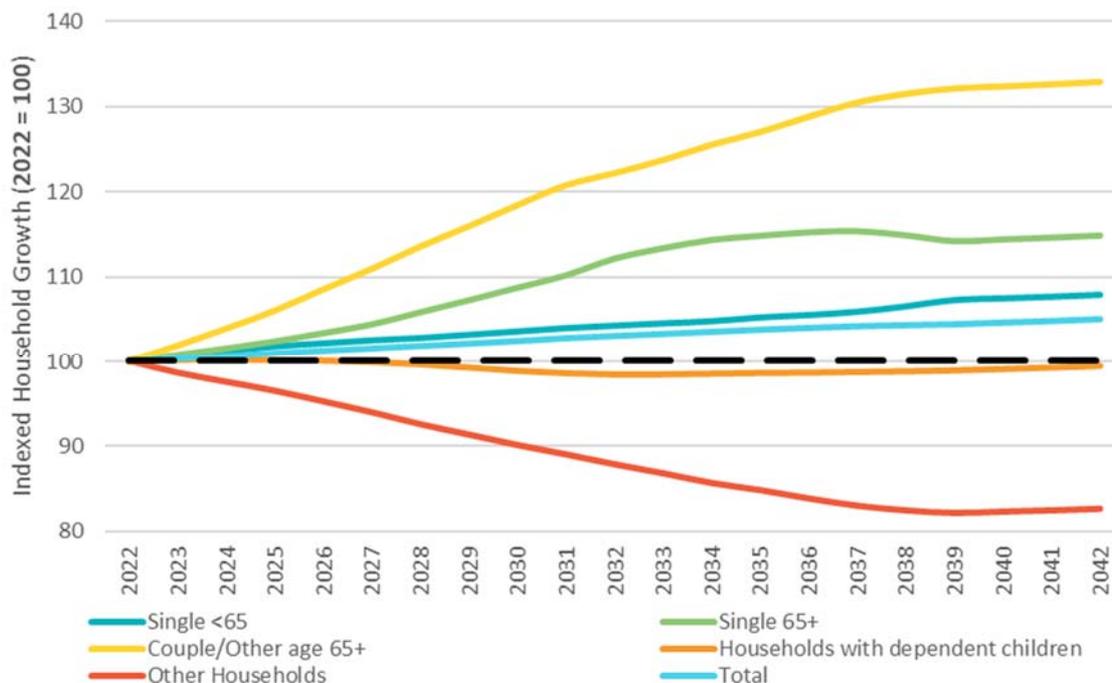
Source: DLUHC Stage 2 2014-based SNHP / 2021 Census, data extended to 2042 from 2039 using PopGroup

- 10.28 In line with wider trends, older couple household groups are projected to see the fastest growth in North East Lincolnshire, increasing in number by 33% by 2042, as shown in Figure 10.5. Older single household types are also expected to see a significant increase of 15%. Growth of households with younger single people is expected to be 8%, whilst the number of families with children is projected to fall slightly, by -0.4%. Other households

⁸² ONS (2023): Characteristics of homeworkers, Great Britain Characteristics of homeworkers, Great Britain: September 2022 to January 2023

are expected to decline by a much more significant 17% over the period. Overall household growth is projected to be around 5% over the period 2022-2042.

Figure 10.5: Indexed Household Growth by Type – North East Lincolnshire



Source: Lichfields PopGroup modelling, based on 2014-based SNHP adjusted for the 2021 Census

10.29 The current occupancy pattern in housing by household type in North East Lincolnshire is shown below in Table 10.3. As the detailed 2021 Census data has not been released at the time of writing, the proportions in the 2011 Census for North East Lincolnshire are reproduced below:

Table 10.3 Occupancy by Household Composition in North East Lincolnshire

	Number of bedrooms				
	1	2	3	4	5+
Single, <65	22.3%	29.5%	43.5%	3.9%	0.7%
Single 65+	25.0%	30.2%	39.3%	4.5%	0.9%
Couple/Other age 65+	4.9%	27.2%	56.4%	10.1%	1.4%
Households with dependent children	1.4%	12.8%	63.7%	18.0%	4.0%
Other households	3.5%	19.7%	59.3%	14.9%	2.5%

Source: Census 2011

10.30 The household occupancy patterns (Table 10.3) in North East Lincolnshire are applied to the projected household growth by type (Table 10.2) to establish the required housing by number of bedrooms.

Table 10.4 North East Lincolnshire Projected Household Growth by bedroom size – net change 2022-2042

	1	2	3	4+
Single <65	231	306	451	48
Single 65+	365	442	575	80
Couple/Other Households	191	1,066	2,205	452
Households with dependent children	-2	-14	-68	-24
Other Households	-98	-547	-1,642	-483
Total	687	1,252	1,520	73
%	19.4%	35.4%	43.0%	2.1%

Source: Lichfields using DLUHC/Census 2011

10.31

The results indicate that the projected household growth in North East Lincolnshire is likely to predominantly be in cohorts requiring 2 and particularly 3-bed properties. However, this figure combines social with market housing. The former generally has a much higher incidence of smaller properties due (in part) to the under-occupancy penalty. The 2021 Census indicates that although just 13.7% of North East Lincolnshire households live in social housing, more than half (56.6%) of all 1-bedroom properties comprise social accommodation, compared to just 2.9% of all 4+ bed properties in the Borough (with the remaining 97.1% in private ownership / rented privately) (Table 10.5).

Table 10.5 North East Lincolnshire Tenure by household size by number of bedrooms (2021)

	North East Lincolnshire				
	ALL	1 bedroom	2 bedrooms	3 bedrooms	4+ bedrooms
All Tenures	69,816	5,860	14,657	38,334	10,965
Owned or shared ownership: Total	44,965	786	7,719	26,738	9,722
Owned outright	24,399	589	5,168	14,376	4,266
Owned with a mortgage or loan or shared ownership*	20,566	197	2,551	12,362	5,456
Rented: Total	24,851	5,074	6,938	11,596	1,243
Social Rented	9,180	3,295	2,375	3,212	298
Private rented or living rent free	15,671	1,779	4,563	8,384	945
% Living in Market Housing	86.3%	43.4%	82.6%	91.3%	97.1%
% Living in Social Housing	13.7%	56.6%	17.4%	8.7%	2.9%

Source: Lichfields using Census 2021

*Note – to calculate the social/market housing split, the 356 households living in shared ownership properties in North East Lincolnshire have been disaggregated from the owned or shared ownership total in the 2021 Census.

10.32

These ratios are applied to the projected household growth by bedroom size as set out in Table 10.4. The results are set out in the Mix Table below (Table 10.6).

10.33

However, based on the factors and the qualitative analysis set out above, there is a strong argument to justify a further shift in the housing mix to consider the very pronounced socio-economic shock precipitated by the pandemic and the strong (and what appears to be a permanent) shift towards homeworking and the need for larger properties to accommodate this. Taking account of the overall profile and dynamics of North East Lincolnshire's market, and recognising the importance of ensuring that the needs of all households are met (particularly growing families), a further adjustment has been applied

to take account of household change that factors in a 15% reduction in the number of smaller (1-2 bed) dwellings and a commensurate increase in the number of 3 and 4 bedroom properties. This is applied in Table 10.6.

- 10.34 The results indicate that once the market profile adjustment for recent homeworking trends is applied to the housing mix above, the projected household growth in North East Lincolnshire will be predominantly larger properties (3+ bedrooms) on the open market. Table 10.6 shows that 59% of the demand for market housing is projected to be for properties with at least three bedrooms, whilst for social housing the need is likely to be reversed, with a much greater need for smaller 1 and 2-bedroom properties (70%) than larger 3 and 4-bed properties (30%).

Table 10.6 Sizemix for North East Lincolnshire Borough

		1 bedroom	2 bedrooms	3 bedrooms	4+ bedrooms
Market Housing	Mix prior to market adjustment	11%	37%	50%	3%
	Mix following 15% market profile adjustment	9%	31%	53%	6%
	OVERALL MIX	41%		59%	
Social Housing	Mix prior to market adjustment	52%	29%	18%	0%
	Mix following 15% market profile adjustment	45%	25%	24%	6%
	OVERALL MIX	70%		30%	

Source: Lichfields Analysis using DLUHC/Census Data

- 10.35 It is stressed that much of this assessment of house type need is based on the historical relationship between demographics and housing supply using the existing household projections. If a higher level of housing growth is pursued, for example the Experian Policy On, which aims to boost economic growth, then it would be logical to provide more of the types and sizes of homes desired by working families. This could point to an even higher proportion of 3 and 4 bedrooled properties than is summarised in the Table above.

Sub-Area Housing Mix

- 10.36 To assess future need in the local area, we have used a combination of 2011/2021 Census data (depending upon availability at a Lower Super Output Area at the time of writing) and the ONS 2014-based SNHP by type (Stage 2) to create a local projection. The approach to the calculation of a local projection applies a proportionate share for each of the four sub-areas together with an adjustment to take account of the current local profile as per the Census. Patterns of occupancy by household type were then applied using local data for the collated LSOAs/MSOAs for the four sub-areas. By adopting this approach, it is possible to provide localised housing mix evidence.
- 10.37 The current occupancy patterns in market housing in each local area were applied to the projected household growth by type to establish the sub-area mix shown in Table 10.7.

Table 10.7 Sizemix for North East Lincolnshire's Four Sub-Areas

			1 bedroom	2 bedrooms	3 bedrooms	4+ bedrooms
Urban Area	Market Housing	Mix prior to adjustment	14%	35%	48%	2%
		Mix with 15% adjustment	12%	30%	52%	6%
		OVERALL MIX	42%		58%	
	Social Housing	Mix prior to adjustment	58%	26%	16%	0%
		Mix with 15% adjustment	49%	22%	22%	7%
		OVERALL MIX	71%		28%	
Estuary Zone	Market Housing	Mix prior to adjustment	6%	42%	50%	2%
		Mix with 15% adjustment	5%	36%	54%	5%
		OVERALL MIX	41%		59%	
	Social Housing	Mix prior to adjustment	42%	32%	25%	0%
		Mix with 15% adjustment	36%	27%	31%	6%
		OVERALL MIX	63%		37%	
Western and Southern Arc	Market Housing	Mix prior to adjustment	4%	42%	53%	2%
		Mix with 15% adjustment	4%	35%	56%	5%
		OVERALL MIX	39%		61%	
	Social Housing	Mix prior to adjustment	37%	46%	17%	0%
		Mix with 15% adjustment	31%	39%	23%	6%
		OVERALL MIX	71%		29%	
Rural Area	Market Housing	Mix prior to adjustment	6%	37%	53%	4%
		Mix with 15% adjustment	5%	31%	56%	8%
		OVERALL MIX	36%		64%	
	Social Housing	Mix prior to adjustment	49%	35%	16%	0%
		Mix with 15% adjustment	42%	30%	22%	7%
		OVERALL MIX	71%		29%	

Source: Lichfields Analysis using DLUHC/Census Data

- 10.38 This evidence maintains the clear Borough-wide orientation towards larger households requiring bigger properties in the private sector, most particularly in the Western and Southern Arc and the Rural Area, with both indicating a need for 71% of all properties to have 3, 4 or 5-bedrooms compared to just 58% in the Urban Area (the Borough-wide average being 59%).
- 10.39 Taking the change in different types of households and applying current occupancy patterns as set out above results in an estimated mix of market housing as shown in Table 10.8. This relates to the broad overall need and does not relate to any specific tenure, area, or site typology. It also does not attempt to take into account how future policy changes (for example, to encourage downsizing), social changes or economic changes might affect how households occupy housing. In this context, a narrow recommended range has been set around these percentages.

Table 10.8 Estimated overall need/demand by size and suggested mix for market housing in North East Lincolnshire

Market Housing	1-bed	2-bed	3-bed	4+-bed
Estimated need/demand*	9%	31%	53%	6%
Suggested range	5-10%	30-35%	50-55%	5-10%

Source: Lichfields based on DLUHC/ONS *totals may not sum due to rounding

Social Housing Property Type and Size Preferences

- 10.40 Data on affordable housing from North East Lincolnshire’s Housing Register as of March 2023 shows that of the 4,780 households on the waiting list (including those requesting a transfer), 51% had a requirement for a 1-bedroom property; 29% for 2-bedrooms; 15% for 3 bedrooms and just 5% for 4+ bedrooms, as shown in Table 10.9.
- 10.41 The pattern changes somewhat when the analysis is narrowed down just to those in priority need (i.e. in Bands A-C), with a lower need for 1-bedroom properties (32%) and higher needs for larger dwellings and particularly 4-bedroom dwellings (20%) which no doubt reflects the increased prioritisation on the Housing Waiting List of housing families with dependent children. Even so, it is clear that need in the affordable sector remains overwhelmingly for smaller dwellings.

Table 10.9 Housing Register Bedroom Preferences in North East Lincolnshire

	All Bands (including transfers)	Band A-C	Band D
1 bedroom	2,457 (51%)	275 (32%)	2,182 (56%)
2 bedrooms	1,370 (29%)	255 (30%)	1,115 (28%)
3 bedrooms	728 (15%)	153 (18%)	575 (15%)
4 bedrooms	180 (4%)	127 (15%)	53 (1%)
5 bedrooms+	45 (1%)	42 (5%)	3 (0.1%)
Total	4,780	852	3,928

Source: NELC Officers: Housing Register data (extracted March 2023)

- 10.42 Whilst the Housing Register data is not broken down by bedrooms and locational preferences, the Urban Area received 65% of all requests, followed by the Western and Southern Arc at 26%, whilst the Estuary and Rural Areas were much lower at 3.6% and 5.6% respectively. It should be noted however, that applicants can pick multiple preference areas, and as such this pattern should only serve as a general guide.

Table 10.10 Housing Register Location Preferences in North East Lincolnshire

	Share of Preferences
Urban Area	64.9%
Estuary Zone	3.6%
Western and Southern Arc	25.9%
Rural Area	5.6%

Source: NELC Officers: Housing Register data (extracted March 2023)

- 10.43 It is also relevant to note that of the 4,780 applicants, 362 (8%) are aged 70 and over, of whom 318 (88%) require a 1-bedroom property. It is likely that many (if not the majority) will be seeking specific older person’s accommodation rather than general needs.
- 10.44 When compared with the SizeMix analysis set out in Table 10.6, it is apparent that the requirements of households on the Borough’s Housing Register are even more focussed towards the smaller end of the scale than the modelling might have suggested. Whilst the Waiting List indicates that around 80% of households requiring social housing need either 1 or 2 bedrooms, this falls to 70% based on SizeMix. Conversely, the need for larger 3, 4 and 5 bed properties is around 20% of all households based on the Housing Register, compared to 30% based on the modelling work alone. The analysis is not directly comparable as the SizeMix looks at future needs, whilst the Waiting List data reflects backlog, or existing

requirements. Nevertheless, these are important considerations to be taken into account when specifying a target range.

Table 10.11 Comparable Mix Requirements for Social Housing

	Waiting List All Bands	Waiting List Bands A-C	SizeMix
1 bedroom	51%	32%	45%
2 bedrooms	29%	30%	25%
1/2 bedrooms	80%	62%	70%
3 bedrooms	15%	18%	24%
4+ bedrooms	5%	20%	6%
3 bedrooms +	20%	38%	30%

Source: NELC Officers: Housing Register data (extracted March 2023) / Lichfields' modelling

10.45 Taking the change in different types of households and applying current occupancy patterns as set out above results in an estimating mix of social housing as shown in Table 10.12. This refers to the broad overall need and does not relate to any specific tenure, area, or site typology. It also does not attempt to take into account how future policy changes (for example, to encourage downsizing), social changes or economic changes might affect how households occupy housing. It should also be noted that applicants stipulate a maximum bedroom size, meaning a share may have chosen to select four or more bedrooms to increase their chances of finding housing, when smaller properties would also suit their needs. This may be a factor behind the relatively high level of preference for 4+ bed homes.

10.46 In this context, a wide recommended range has been set around these percentages that balances the housing waiting list evidence (backlog need) against the SizeMix (future need) analysis. Between 55%-75% of the social housing provision should be for smaller 1 and 2-bed properties, with the majority of the remainder comprising 3 and 4-bed properties.

Table 10.12 Estimated overall need/demand by size and suggested social housing mix for North East Lincolnshire

	1-bed	2-bed	3-bed	4+-bed
Waiting List Bands A-C	32%	30%	18%	20%
SizeMix	45%	25%	24%	6%
Suggested range	30-45%	25-30%	15-25%	5-20%

Source: Lichfields based on DLUHC/ONS

Summary

10.47 This section has explored the different types of housing which are likely to be required in North East Lincolnshire up to 2042. Our findings can be summarised as follows:

- In line with wider trends, older couple household groups are projected to see the fastest growth in North East Lincolnshire, increasing by 33% between 2022 and 2042. Older single household types are also expected to see a significant increase of 15%. Growth of households with younger single people is expected to be 8%, whilst the number of families with children is projected to decline by -0.4%. Other households are expected to decline by a substantial 17% over the same period.
- Based on overall household growth and existing occupancy patterns, our assessment indicates that housing need in North East Lincolnshire is predominantly made up of 2-3

bedroom dwellings. This takes into account the fact that although older households are likely to make up the majority of future household growth, these often remain in their large family home, are the least active in the housing market and tend to occupy housing larger than they 'need'.

- Housing waiting list information shows that most households in need of affordable housing required 1 or 2-bed dwellings; however, the waiting list and Census data both show that overcrowding remains a problem. Within the social rented sector, there is likely to be some scope for more efficient use of the existing stock.
- In this context, it is recommended that for market housing, between 35% and 45% of housing should be for smaller 1 or 2 bed properties. For social housing, between 55%-75% of the social housing provision should be for smaller 1 and 2-bed properties, with the majority of the remainder comprising 3 and 4-bed properties.

Table 10.13 Estimated overall need/demand by size and suggested housing mix for North East Lincolnshire

	1-bed	2-bed	3-bed	4+-bed
Suggested range for Market Housing	5-10%	30-35%	50-55%	5-10%
Suggested range for Social Housing	30-45%	25-30%	15-25%	5-20%

Source: Lichfields based on DLUHC/ONS

11.0 Needs of Specific Groups

- 11.1 Paragraph 62 of the NPPF states that local authorities should assess the size, type and tenure of housing needed for different groups in the community including, but not limited to, those who require affordable housing, families with children, older people, students, people with disabilities, service families, travellers, people who rent their homes and people wishing to commission or build their own homes.
- 11.2 The PPG provides further advice on how plan-making authorities should identify and plan for the housing needs of these particular groups of people. It recognises that this need may well exceed, or be proportionally high in relation to, the overall housing need figure calculated using the standard method. This is because the needs of particular groups will often be calculated having consideration to the whole population of an area as a baseline as opposed to the projected new households which form the baseline for the standard method.
- 11.3 The needs of these particular groups in North East Lincolnshire are set out in detail below.

Private Rented Sector

- 11.4 The PPG states that to assess the needs of households wishing to live in the Private Rented Sector [PRS], tenure data from the ONS can be used to understand the future need for PRS housing. However, this will be based on past trends. The level of changes in rents, ('market signals'), may reflect the demand in the area for private rented sector housing⁸³.
- 11.5 At a national level the PRS has been growing consistently since the mid-2000s, whilst the owner-occupied and social rented sectors have seen declines (as a share of all households). However, this long-term trend has shifted slightly of late; the proportion of households in the PRS has actually decreased nationally since 2015-16, although it has remained stable between 2019-20 and 2020-21. In 2020-21, PRS accounted for 4.4 million (19%) of all households in England, unchanged from 2019-20, but lower than in 2015-16 (20%). Unsurprisingly, renting is more prevalent in London where 27% of households lived in PRS in 2020-21 (compared to 17% of households in the rest of England)⁸⁴.
- 11.6 Typically, the PRS comprises those renting their home from buy-to-let landlords, however as set out below in the 'Build to Rent' [BtR] sector (in which institutional investors build, let and manage) private rented homes are becoming increasingly common.
- 11.7 As previously shown in Section 8.0, in North East Lincolnshire, those households that are not eligible for affordable or intermediate needs but without sufficient income to buy are those who must rent (unless other intermediate options, such as discounted First Homes, become more widely available). In North East Lincolnshire, this covers most households with an income of between around £20,400 and £21,250 (based on 25% income) and represents around 2.2% of all existing households in the Borough.

As at 2021⁸⁵, there were 15,639 households in North East Lincolnshire living in the PRS, representing 22.4% of all households in the Borough (there are currently no BtR schemes in the Borough, hence these households are assumed to be renting from buy-to-let landlords).

⁸³ PPG: ID: 67-002-20190722

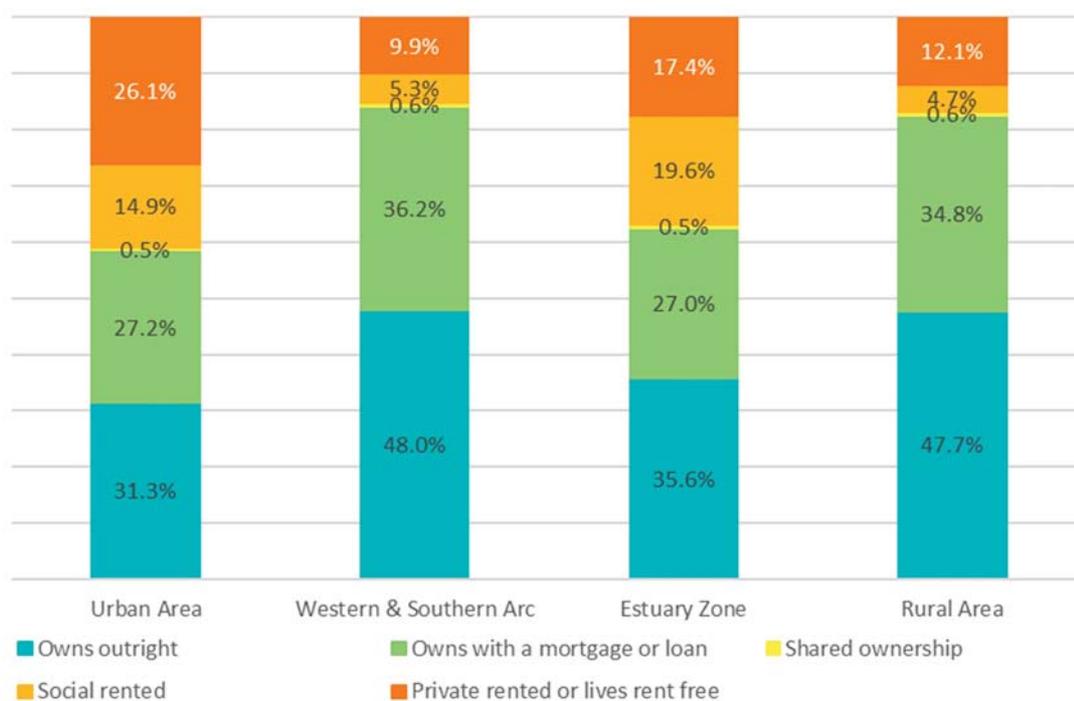
⁸⁴ Source: English Housing Survey 2020-21

⁸⁵ 2021 Census Table rm136

This represents an increase of 23.9% above the 12,627 households living in PRS in 2011 (when PRS comprised 18.1% of all household tenures). This reflects the strong growth in the sector seen nationally, with the number of households in PRS accommodation increasing by 29.9% over the same time period. It is currently slightly under-represented as a tenure (with 29.9% of households across England as a whole living in PRS compared to 22.4% in North East Lincolnshire).

Figure 11.1 suggests that this pattern is not uniform across the Borough, with the Urban Area having a comparatively high proportion of households renting privately, at 26.1%, whilst the Estuary Zone is lower at 17.4%. The Western and Southern Arc has the lowest share of private renters at 9.9%, compared to 12.1% in the Rural Area.

Figure 11.1 Household Tenure – North East Lincolnshire by Sub-Area

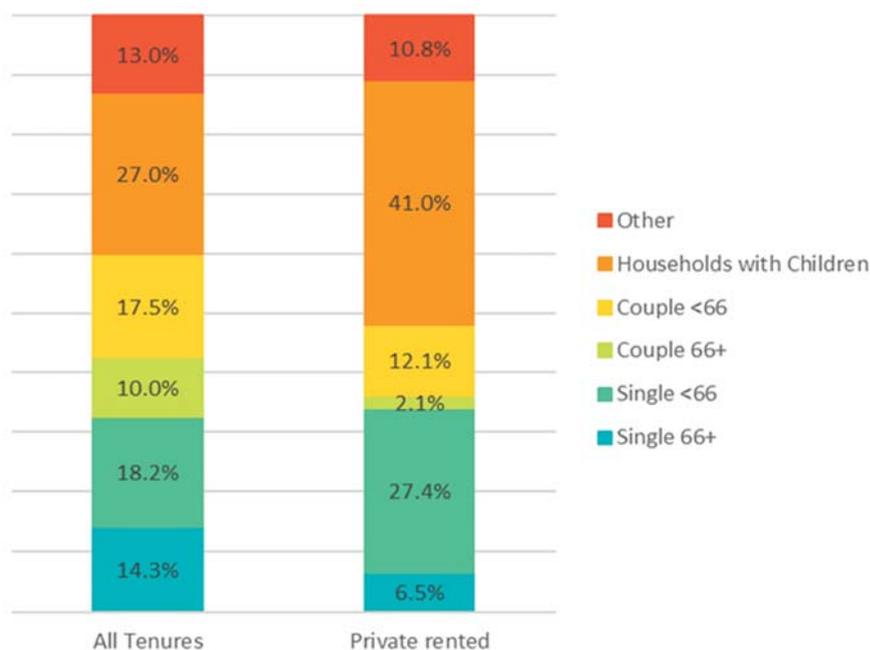


Source: Census 2021: RM136 - Tenure by household size by number of bedrooms

11.8 The composition of households living in PRS is different to the Borough’s overall tenure composition, as shown in Figure 11.2. The sector has a particularly high proportion of single person households aged under 66, and households with children. The PRS has a lower proportion of older households and younger couples living in this tenure than the Borough overall, with very few single residents or couples aged over 66 in PRS accommodation.

11.9 As might be expected, the data suggests that typical occupants in PRS are either young single person households (i.e. in need of smaller homes) or larger family households.

Figure 11.2 Household Composition – North East Lincolnshire - All households and Private Rented Households



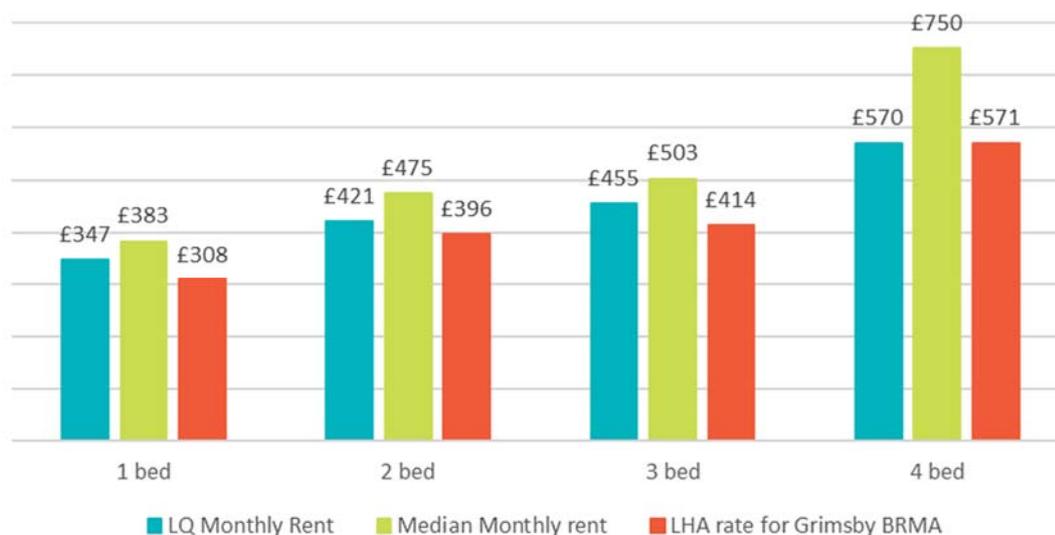
Source: Census 2021: RM135 - Tenure by household composition

- 11.10 Whilst it is not appropriate to simply ‘net off’ households in need living in private rented housing from the overall affordable housing requirement figure (due to a variety of reasons including the associated greater insecurity of tenure), in practice it makes an important contribution to filling the often sizeable gap between affordable housing supply and demand.
- 11.11 As noted above, PRS in North East Lincolnshire has increased in size significantly in recent years and it is therefore necessary to review its future role.
- 11.12 According to the 2020/21 EHS, 21.7% of all households living in PRS have been resident in their current accommodation for less than a year, by far the highest of any form of tenure. Applying this figure to the number of households in PRS accommodation (15,644, as reported in the 2021 Census) implies an annual turnover of 3,395 private rented dwellings in the Borough. This figure does not separate out the proportion of private rented properties that are likely to become available to households in receipt of housing benefit.
- 11.13 Data from the Department for Work and Pensions [DWP] in respect of the number of households eligible for Housing Entitlement under the new Universal Credit indicates that as of November 2022, there were 6,245 housing benefits claimants in North East Lincolnshire, of whom 2,304 are currently meeting their needs in the private rental market in the Borough. This equates to 36.9% of all claimants and clearly indicates that in North East Lincolnshire (as elsewhere), there are a significant number of households living in private rented accommodation who are reliant to a greater or lesser extent on housing benefit.
- 11.14 It is not suggested that these figures should be ‘netted off’ the affordable housing requirements. It is not a designated form of affordable housing and it is not appropriate to subject many families to the increased uncertainty of tenure associated with private rented accommodation. Nevertheless, it is important to recognise that PRS plays a significant role in helping households in constrained circumstances to meet their housing needs

independently, and for addressing the slack between affordable housing need and provision.

- 11.15 There is also a disparity between the level of Local Housing Allowance [LHA] and private sector rents in many parts of the Borough. Figure 11.3 highlights the gap and issues in respect of meeting needs in the private rented sector. For 2 and 3-bedroom properties, LQ private sector rents in North East Lincolnshire are £421 and £455 respectively, which compares to LHA rates of £396 and £414.

Figure 11.3 Comparison of Median / Lower Private Rents and Local Housing Allowance in North East Lincolnshire



Source: ONS Private Rental Market Data (Oct 21 to Sep 22)/Directgov LHA rates (April 2023) BRMA = Broad Rental Market Area
 Note: All of North East Lincolnshire falls within the 'Grimsby' BRMA

Build to Rent

- 11.16 BtR is a distinct asset class within PRS and has been defined in the NPPF glossary, to simplify its treatment within the planning system. The PPG states that as part of their plan making process, LPAs should use a local housing need assessment to consider the need for a range of housing types and tenures in their area including provisions for those who wish to rent⁸⁶.
- 11.17 BtR was launched by the Government in December 2012 in response to the Montague Report on barriers to institutional investment in private rented homes, and more specifically as part of the legacy of the Olympic Games in London with the conversion of the East Village into rental properties. Its purpose is to stimulate investment in large-scale development of homes built specifically for private rent by professional organisations. The Government maintains that BtR has a key role in helping to boost housing supply, and defines it as follows in the NPPF's glossary (Annex 2):

“Build to Rent: Purpose built housing that is typically 100% rented out. It can form part of a wider multi-tenure development comprising either flats or houses, but should be on the same site and/or contiguous with the main development. Schemes will usually offer

⁸⁶ ID: 60-001-20180913

longer tenancy agreements of three years or more, and will typically be professionally managed stock in single ownership and management control.”

- 11.18 Recent research by Savills indicates that whilst BtR delivery has begun to slow down amidst the economic headwinds facing the whole construction sector, this constrained supply is being met with elevated levels of demand. As such, Multifamily BtR is one of the most in-demand real estate sectors from the perspective of investors. Savills’ *UK Build to Rent Market Update (Q4 2022)*⁸⁷ shows that we have now seen four consecutive record-breaking years for UK Multifamily investment, but a shortage in supply remains:

“The supply-demand imbalance in the rental sector shows no signs of abating, making the need for Multifamily expansion stronger than ever.

Stock in the rental market remains in very short supply – in Q4 2022, the number of properties available to rent across the UK was more than a third below the pre-pandemic average.”

“Despite current macroeconomic challenges, Multifamily is highly attractive given its inflation-matching characteristics and structural tailwinds, including increased demand, a continuing supply shortfall and challenges to home ownership.

Yields have also proven resilient relative to other real estate asset classes, supported by rental growth and strong operational performance. Forward fundings will remain the primary route to market and low-g geared investors can take advantage of the current challenges in the debt market.

With the private for-sale market now weakening, Multifamily can look to increase its share of construction starts and further support housing delivery nationwide.”

- 11.19 Other research by the British Property Federation earlier this year found that the BtR sector pipeline grew by 14% in 2022 and showed construction in regional cities in the UK outpacing London. There has been notable investment activity driving investment levels in BtR upwards in the last two years, with various acquisitions and deals and many pension funds diversifying into the BtR market.

- 11.20 According to BPF/Savills’ data on BtR schemes⁸⁸, as of Q1 2022 there are now 242,548 BtR homes in the UK, of which 78,717 are complete, 72,244 under construction and 113,379 in planning. Outside London, there are 151,276 units, the vast majority of which are located in existing towns and cities. Consequently, it is unsurprising perhaps that North East Lincolnshire has missed out on BtR to date. The BPF/Savills mapping suggests that the Borough has yet to see any BtR schemes completed to date, and none have progressed through to the planning stage as of Q1 2023. The nearest schemes are in Doncaster and Sheffield.

- 11.21 Given the country’s urgent need for extra homes, a key benefit of BTR is its ability to bring housing units to the market quickly and at scale. Unlike the build-to-sale model where the controlled release of housing to the market is commercially beneficial, there is a real incentive for BTR developers to construct their buildings and let units as soon as possible. By way of example, the rate at which homes can be sold is 1 a week in the regions and

⁸⁷ Savills UK Build to Rent Market Update – Q4 2022

⁸⁸ <https://bpf.org.uk/about-real-estate/build-to-rent/>

between 1.5 and 2 in London, whereas lettings' rates can be around 10 to 15 units per week⁸⁹.

- 11.22 It is important to note therefore, that the Government sees BtR having an important and long-term role in meeting the housing need of the nation, and the demand for BtR is likely to remain. As such, NELC must continue to recognise the contribution that BtR provides to local housing options for households unable to afford housing in the future, and should consider the provision of 'BtR' elements in future housing mix, to ensure diversity in the types of housing. Such managed schemes, often on more secure tenancies, can provide an alternative rental option for buy-to-let landlords.
- 11.23 In North East Lincolnshire, it is likely that BtR schemes could cater for needs in the private rented sector, particularly for those on low to middle incomes who may desire and alternative to traditional rental options (i.e. buy-to-let landlords). However, as shown above in Figure 10.5, there is expected to be a very modest growth in the number of young single person households under 66 years of age (+1,035) and actually a decline in the number of younger households with children (-107) and other households under 66 (-2,770); this suggests that any BtR schemes in the Borough should be modest in scale, and should be broadly weighted more towards meeting the needs of smaller households suited to single person households (although the needs of smaller households with one or more children should not be overlooked). The Town Centre Living report (Appendix 1) considers this in further detail in and around Grimsby Town Centre.
- 11.24 20% is generally a suitable benchmark for the level of affordable private rent homes to be provided (and maintained in perpetuity) in any build to rent scheme. If NELC wishes to set a different proportion, it should justify this using the evidence emerging from their local housing need assessment and set the policy out in their local plan. Similarly, the guidance on viability permits developers, in exception, the opportunity to make a case seeking to differ from this benchmark.
- 11.25 National affordable housing policy⁹⁰ also requires a minimum rent discount of 20% for affordable private rent homes relative to local market rents. The discount should be calculated when a discounted home is rented out, or when the tenancy is renewed. The rent on the discounted homes should increase on the same basis as rent increases for longer-term (market) tenancies within the development.

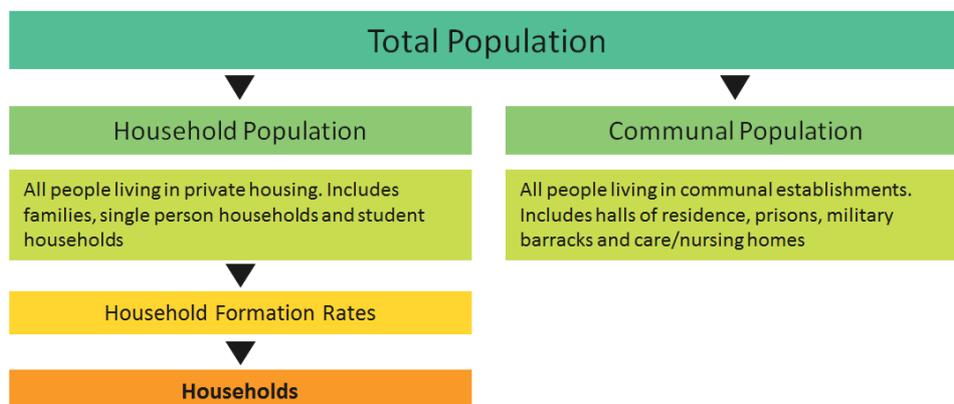
Students and Purpose-Built Student Accommodation (PBSA)

- 11.26 Students living in halls of residence (and other non-household populations) are projected by DLUHC as part of the 'not in household' population. This means that they are removed from the total population projection before any assumptions around household formation are applied (as shown in Figure 11.4). Any students who live in private housing (either as a wholly student household, living alone or within another household) are, however, included in the SNHP.

⁸⁹ Investment Property Forum, 'Mind the viability gap: Achieving more large-scale, built-to-rent housing. A briefing paper, September 2015

⁹⁰ Paragraph: 002 Reference ID: 60-002-20180913

Figure 11.4 Household and communal populations in the projections



Source: Lichfields

- 11.27 DLUHC’s methodology for projecting the ‘not in household’ population is to assume that below the age of 75, the number of people living in communal establishments remains constant, and above 75 the proportion of people living in communal establishments is constant. For students, this effectively means that even if there is growth in student numbers, the DLUHC methodology assumes the number living in halls is fixed. The impact of growth in the number of students and purpose-built student accommodation [PBSA] is considered below.
- 11.28 The main HE presence in the Borough is the Grimsby Institute, which is a further education college, apprenticeship provider and HE university. HE degrees are validated by Teesside University, Hull, Sheffield Hallam, Leeds Metropolitan, and Huddersfield universities (and thus students are attributed to these providers in the HESA data. In 2019, the Institute had around 19,000 students. The Institute has two halls of residence in Grimsby near to the main campus at Nuns Corner.
- 11.29 Data from the Higher Education Statistics Agency [HESA] indicates that there were 3,350 Higher Education students domiciled in North East Lincolnshire in the 2021/22 academic year, of whom 2,475 were full-time students⁹¹. The most popular HE Providers amongst these students includes the University of Hull (570 students / 17.0%), the University of Lincoln (475 / 14.2%), the Open University (255 / 7.6%) and Sheffield Hallam University (225 / 6.7%).
- 11.30 There is no other notable presence of Purpose-Built Student Accommodation in North East Lincolnshire, with most of the student cohort living in private accommodation. As such it is not considered necessary for NELC to include a Policy specific to provision of student housing within the emerging Local Plan. **[NOTE TO CLIENT – IS THERE A CONTACT AT THE GRIMSBY INSTITUTE THAT YOU WOULD LIKE US TO CONTACT TO MAKE SURE THIS IS THE CASE?]**

Households and Families with Children

- 11.31 Section 10.0 reviewed the likely need for different sized housing based on projected household growth; this included households with dependent children. The overall need associated with families is therefore implicit within the recommended range of housing mix set out. However, this section provides some additional information on the current and future needs of households with children.

⁹¹ In line with HESA data guidelines, all student data has been rounded to the nearest 5.

11.32 Households with children most commonly live in housing which, on average, has 3 bedrooms. Table 11.1 shows that a relatively small percentage (14.2%) live in 1 / 2 bedrooms homes, and just 4.0% live in homes with 5 or more bedrooms. The majority live in homes with 3 bedrooms, with 15,216 of North East Lincolnshire’s 19,882 households with children living in such properties, with a further 18.0% living in 4-bedroomed properties.

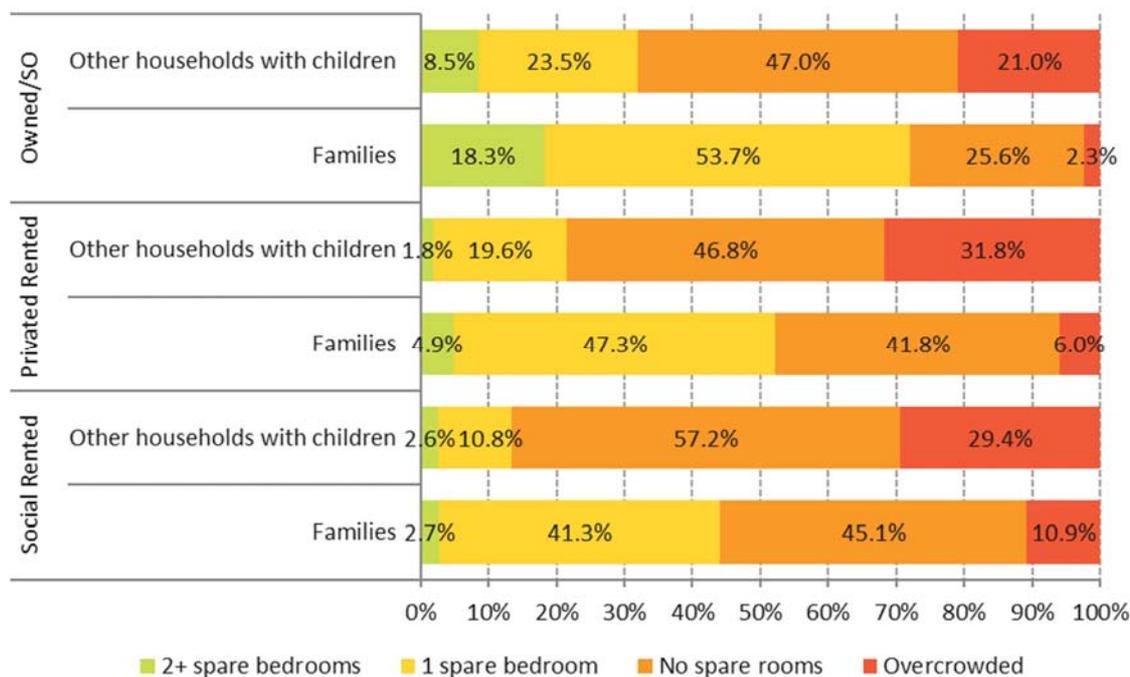
Table 11.1 Households with children by number of bedrooms – North East Lincolnshire (2011)

	Total	1 bedroom	2 bedrooms	3 bedrooms	4 bedrooms	5+ bedrooms
Households with children	19,882	283	2,542	12,674	3,588	795
	~	1.4%	12.8%	63.7%	18.0%	4.0%

Source: Census 2011. Refers to households with dependent children. Equivalent 2021 Census data unavailable at the time of writing.

11.33 Existing rates of overcrowding in households with children are lowest in families in the owner-occupied sector – only 2.3% of households in this group are living in overcrowded conditions (as shown in Figure 11.5), rising to 6.0% of families with children living in PRS accommodation. However, overcrowding rates among other households with children in the private and social rented sectors are much higher, at 31.8% and 29.4% respectively. By way of contrast, just 2.7% of families living in the social rented sector had 2 or more bedrooms spare, compared to 18.3% of families living in properties that they owned (likely to be due to the under-occupancy penalty).

Figure 11.5 Overcrowding in family households and other households with children



Source: Census 2021: DC4105EWla - Tenure by occupancy rating (bedrooms) by household composition

Table 11.2 illustrates what these overcrowding rates mean in terms of the number of households which are overcrowded for each tenure. It shows that the highest number of overcrowded households with children is in the owner-occupied sector, equating to 553 households in total, albeit this is a much lower percentage of the total of households in the sector (3.2%), compared to the Social Rented Sector (398 over-crowded households, but

equal to 11.9% of all households living in this form of tenure).

Table 11.2 Overcrowding and Under-occupancy – households with children

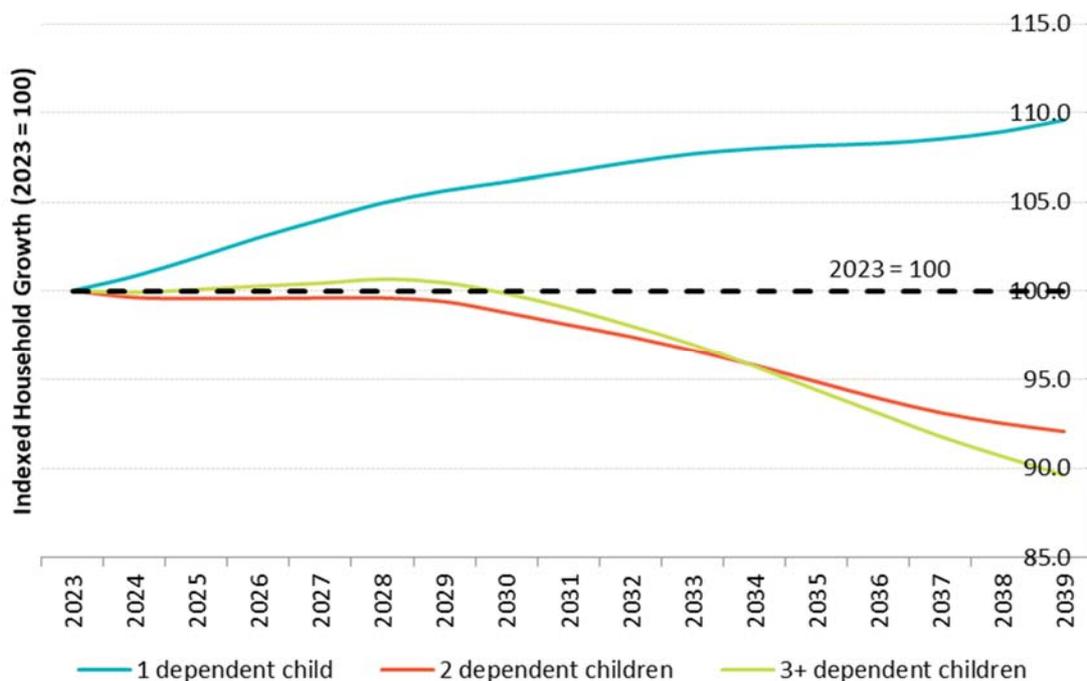
		2+ spare bedrooms	1 spare bedroom	No spare rooms	Overcrowded
Social Rented	Families	86	1297	1416	341
	Other h'holds with children	5	21	111	57
Private Rented	Families	276	2682	2370	342
	Other h'holds with children	7	76	181	123
Owned/SO	Families	3,008	8816	4203	377
	Other h'holds with children	71	197	393	176

Source: Census 2011

11.34

The 2014-based SNHP project the number of households with children in North East Lincolnshire overall to increase marginally, by 0.4%, from 19,929 in 2021 to 20,057 in 2039. However, this is entirely driven by a modest growth in small families, countered by a decline in households with 2 or more children. As can be seen in Figure 11.6 the number of households with 1 child is projected to grow by 9.7% (or +952 families). Conversely, the number of families with 2 children is projected to decline by 7.8% (-547 families) between 2023 and 2039, whilst the number of families with 2 or more children is projected to decline by an even steeper trajectory, at -10.3% (-326 families) between 2023 and 2039.

Figure 11.6 Projected growth in households with dependent children: North East Lincolnshire – 2023-2039



Source: Lichfields' analysis, based on the 2014-based SNHP

The wider role of family housing in the market

11.35

Beyond the specific needs of families in North East Lincolnshire identified above, there is widespread evidence to further show the importance of family housing within the wider

housing market. The provision of additional housing supply has impacts throughout the housing ladder, as vacated dwellings become homes for other households. This process has been widely studied as one of the possible applications of the ‘Markov Chain Model’.

- 11.36 The Markov Chain Model, and specifically its application to the housing market, suggests that a new vacancy at the top of the housing ladder generates a statistically expected number of subsequent household moves. This is because as a newly-built larger home is occupied, a smaller home is left vacant for a new household (e.g. a family), whose move would in turn free up a home for a smaller/new household. Whilst longitudinal datasets on households’ moves are not available in England, analysis on Swedish housing data shows that there were between 3.1 and 4.4 moves per new home built between 2000 and 2002⁹², with vacancies created at larger multi-family homes creating the longest vacancy chains. The study also found that vacancies initiated by owner occupier moves generated longer vacancy chains compared to those initiated by renters.
- 11.37 For the purposes of illustrating, in a simple manner, the potential role of larger housing within a vacancy chain model in the open market, two scenarios have been considered at Figure 11.7 and Figure 11.8. These are both simplified for effect and are not a representation of precise moves within a local market but represent in broad terms the dynamics at play.
- 11.38 Table 11.8 illustrates the potential impact of building a 2-bedroom home in an area where there is already a need/demand for larger housing.

Figure 11.7 Housing ladder outcomes: Scenario A – building a 2-bed house

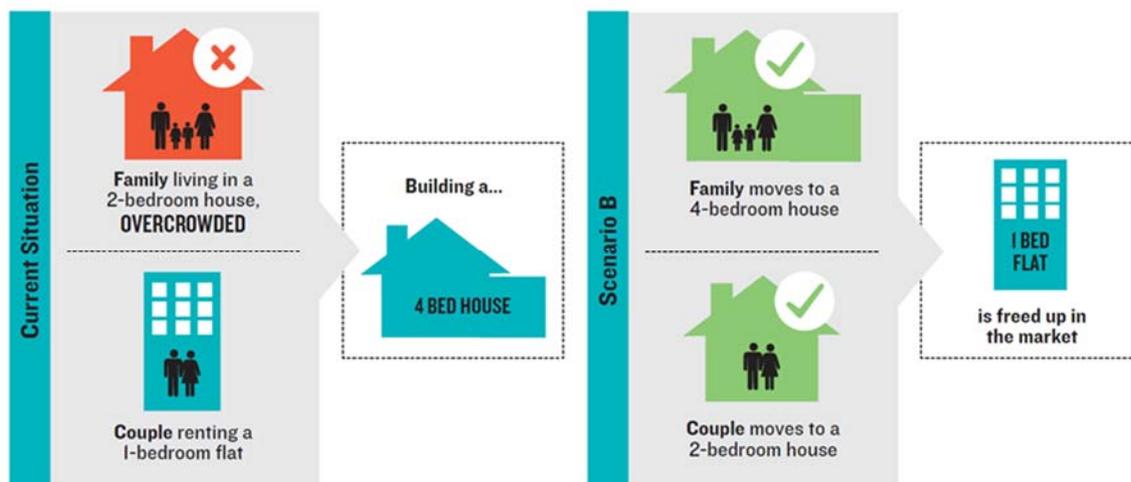


Source: Lichfields

- 11.39 This scenario indicates that erecting smaller homes will not necessarily meet the needs and demands of the overall population as it only facilitates movement between smaller dwellings in the housing market.
- 11.40 Table 11.9 demonstrates the potential impact of building a 4-bedroom home in this same housing market scenario.

⁹² Magnusson Turner, L. (2008). Who Gets What and Why? Vacancy Chains in Stockholm’s Housing Market, International Journal of Housing Policy, 8(1), pp. 1-19. <http://dx.doi.org/10.1080/14616710701817133>

Figure 11.8 Housing Ladder outcomes: Scenario B – building a 4-bed house



Source: Lichfields

- 11.41 Under this scenario, the result is movement up the housing ladder for both households (with the family moving into larger accommodation and the couple moving from a flat into a house). It still results in the release of a smaller dwelling (a flat) back into the market to cater for newly forming/smaller households.
- 11.42 Ultimately, larger housing provision can help play a two-fold role within meeting the wider needs of household growth across North East Lincolnshire by:
- 1 Meeting the **needs** of households, in terms of current overcrowded households who are in need of larger housing – this in turn means that the needs of smaller, newly forming households can be met as smaller housing is freed up further down the ladder; and,
 - 2 Meeting the **demands** of households, in terms of smaller households aspiring to buy/upsized within the market – this again also results in the freeing up of smaller housing further down the ladder.
- 11.43 Taking account of housing ladder dynamics and the Markov Chain Model, it is clear that the provision of larger homes can play a key role in facilitating movement throughout the local housing market. It can help to address issues of overcrowding and concealed families⁹³.

Households and Families with Children Summary

- 11.44 The number of families and other households with children is expected to increase by only around 0.4% in North East Lincolnshire by 2039, entirely driven by the growth in smaller families with 1 child, whilst larger families with 2 or more children are projected to decline in number. In the owner-occupied sector, the rate of overcrowding amongst families is low (although the absolute number of overcrowded owned occupied properties with families is highest in absolute terms), and families tend to live in homes which are larger than they 'need' to have extra space. The estimated overall scale of demand for larger housing across North East Lincolnshire in meeting the needs of families was discussed in Section 10.0.

⁹³ A concealed family is one living in a multi-family household in addition to the primary family – for example, a young couple living with parents.

- 11.45 In the social rented sector, the rate of over-crowding among families is significantly higher, and NELC should consider how more effective use of existing stock and new development can help address this. Waiting list data suggests that the need is predominantly for small units; however, this is not exclusively the case and there remains a need for a modest amount of much larger properties in the social sector, including 4- and 5-bed, to address existing problems of severe overcrowding in the market.

The need for specialist accommodation for Older People

- 11.46 The PPG recognises that the need to provide housing for older people is critical. People are living longer lives and the proportion of older people in the population is increasing. In mid-2016 there were 1.6 million people aged 85 and over; by mid-2041 this is projected to double to 3.2 million. It states:

“Offering older people a better choice of accommodation to suit their changing needs can help them live independently for longer, feel more connected to their communities and help reduce costs to the social care and health systems. Therefore, an understanding of how the ageing population affects housing needs is something to be considered from the early stages of plan-making through to decision-taking”⁹⁴.

- 11.47 In line with these national trends, the number of older people living in North East Lincolnshire is projected to increase by 32.4% by 2042 (rebased to the 2021 Census). In the context of ageing both more widely and in the Borough specifically, meeting needs of older people will be a key element of meeting overall needs over the period to 2042 (and beyond).

Table 11.3 Projected Population change by broad age group – North East Lincolnshire

	2022	2042	Change	Change (%)
65-74	17,270	17,978	+709	4.1%
75-79	6,990	9,584	+2,594	37.1%
80-84	4,595	7,690	+3,095	67.4%
85-89	3,060	4,922	+1,862	60.8%
90+	1,508	4,060	+2,552	169.3%
TOTAL Over 65s	33,422	44,235	+10,813	32.4%

Source: Lichfields using PopGroup (2014-based SNPP rebased to 2021 Census)

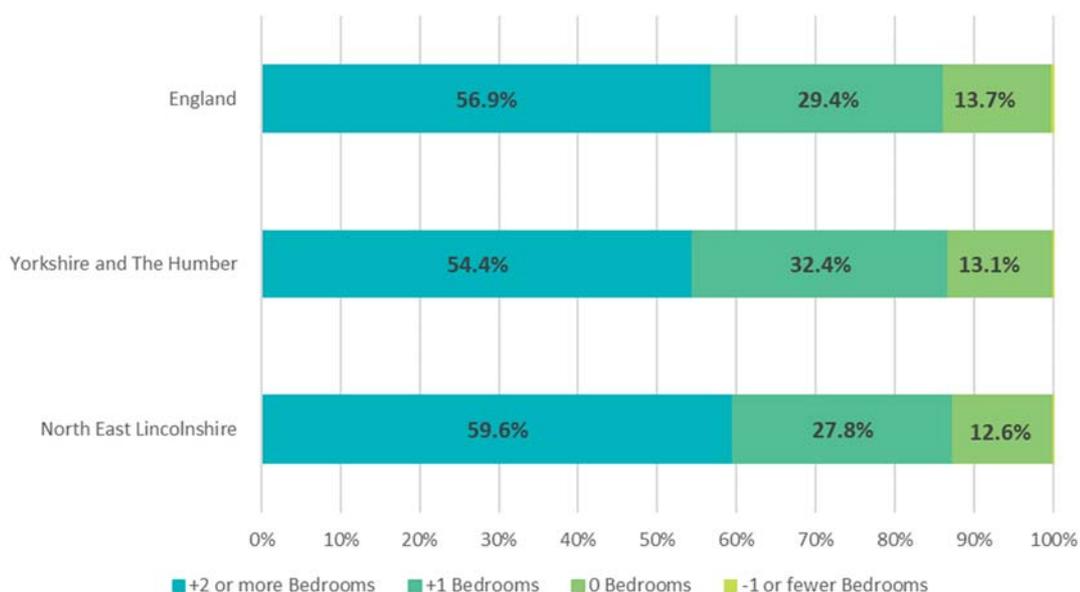
- 11.48 The specific accommodation needs of older people fall within two different groups:
- 1 Those in need of communal establishment accommodation (i.e. bedspaces), including residential care homes or specialist nursing homes; and,
 - 2 Older people living in private housing (and are recorded in the household projections) who do not require care home facilities but may have specific needs, for example for adaptable and accessible homes, or those living in self-contained units as individual households but where some degree of care is provided (e.g., extra care or sheltered housing).

⁹⁴ PPG: 63-001-20190626

Occupancy patterns and housing market activity

11.49 As shown in Figure 11.9, elderly households in North East Lincolnshire typically (and significantly) under-occupy homes with as many as 59.6% of households in North East Lincolnshire over the age of 66 having at least 2 bedrooms more than is considered necessary – a figure greater than the regional (54.4%) and even the national (56.9%) average. This is further highlighted by the fact that the data indicates that hardly any (0.01%) elderly households are under-occupying homes.

Figure 11.9 occupancy rating among households over the age of 66 – North East Lincolnshire and Comparator Areas.



Source: Census 2021 (TS052)

11.50 This is further emphasised when we analyse the number of bedrooms in residential properties occupied by households over the age of 66. Figure 11.10 illustrates that just under half (49.7%) of senior households in North East Lincolnshire live in 3-bedroom properties with a further 10.2% living in homes with four or more bedrooms. The number of 3-bedroom properties are again significantly over-represented in the Borough when compared with the regional (41.8%) and national (40.8%) averages. Furthermore, the Borough has a larger overall total (59.9%) than across Yorkshire and The Humber (54.7%) and across England (57.2%) of elderly households with three or more bedrooms.

Figure 11.10 Number of Bedrooms among households over the age of 66 – North East Lincolnshire and Comparator Areas

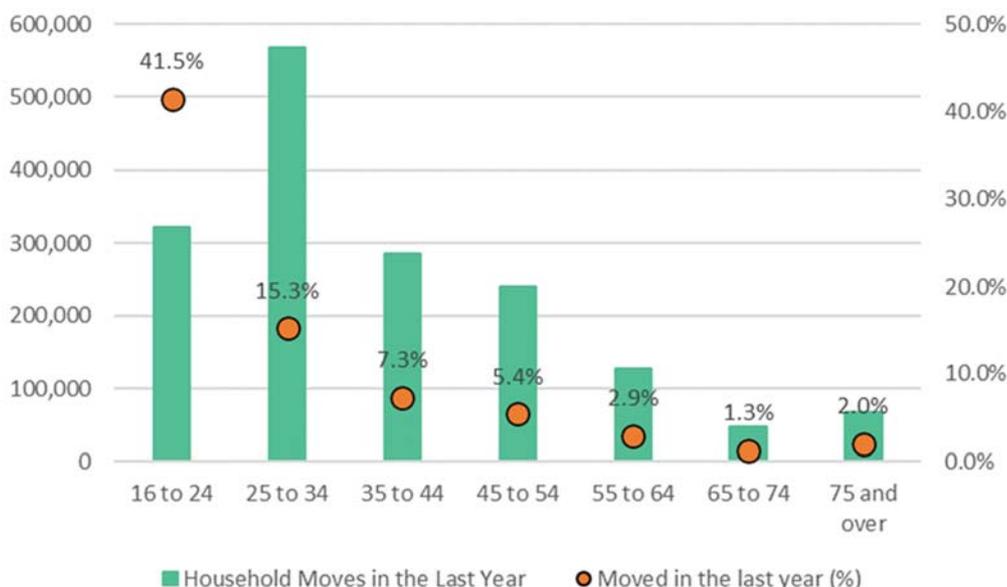


Source: Census (2021) RM059

11.51

In addition to being amongst the most significant under-occupiers of housing, older households are amongst the least likely to move. As shown in Figure 11.11, the likelihood of moving house decreases with age. The 2020/21 English Housing Survey [EHS] regarding elderly households shows that the likelihood of moving each year is 41.5% for those aged 16 to 24, reducing to 2% for those aged 75 and over. For those aged 65 and over, the rate has remained slightly lower at around 1-2%.

Figure 11.11 Proportion of households who moved in the last year (2020/21) by age of Household Reference Person



Source: English Housing Survey (2020/21) – Table FA4121.

11.52

However, there has been a nationally-recognised shortage in housing targeted specifically at older residents for some time. It is possible that the low proportion of movers amongst older residents reflects the historic lack of housing choice available to older residents, who would prefer to stay in their home (even if it were too difficult to manage) rather than move.

It would be reasonable to assume that, with a concerted effort nationally to boost the supply of specialist housing catered towards the different needs of elderly residents, we would see elderly households become more active in housing market than they currently are.

Accommodation for older people and housing supply

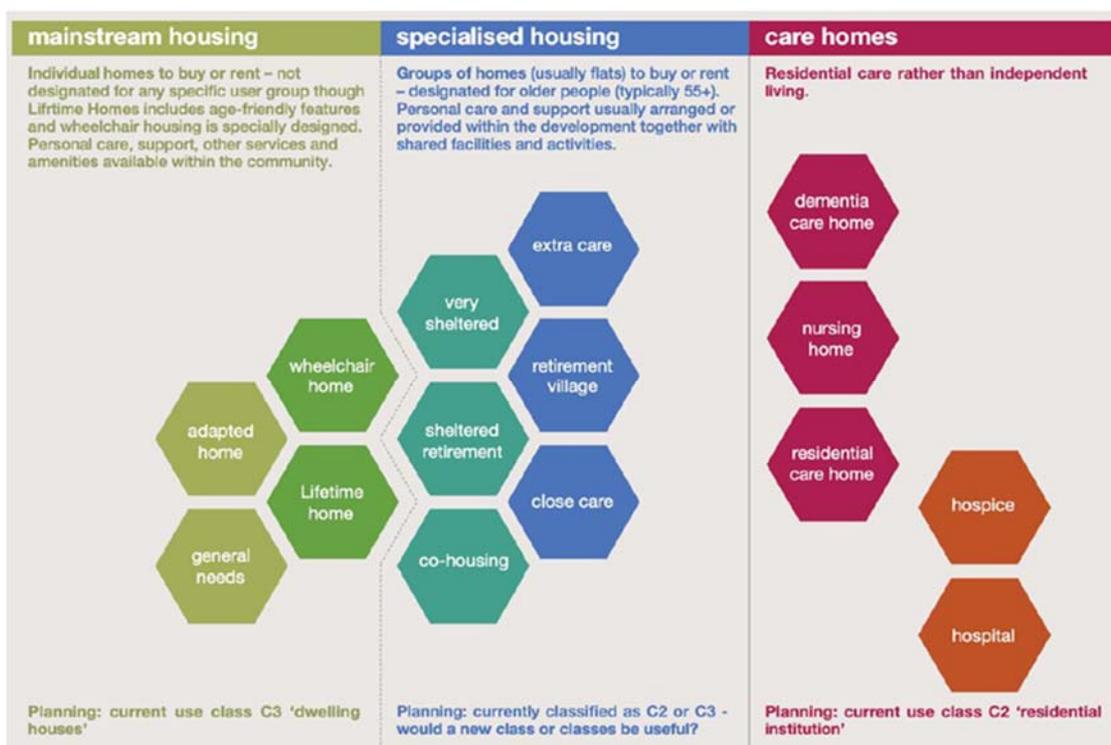
- 11.53 The SNHP (and therefore the LHN which has been derived from them) already remove a certain proportion of older people who are projected to be living in communal establishments (in the case of older people, those living in residential care homes). The projected need for bedspaces in care homes is therefore outside the SNHP and so the identified need, expressed in terms of bedspaces, **is in addition to the LHN**. For the purposes of this SHMA, this accommodation is referred to as 'C2' uses.
- 11.54 For planning purposes, some forms of housing which provide an element of care could also fall under C2 use, for example some of the numerous accommodation types falling under the term 'extra care housing'. However, as these may provide self-contained units for occupation by households, they are considered part of general housing needs, i.e. C3 for the purposes of assessing housing need in this SHMA. These units meet the needs associated with households, and therefore are included within the SNHP (and the LHN). Supply of these types of housing units can therefore be counted as housing supply against the LHN.
- 11.55 The PPG⁹⁵ states that all types of housing provided for older people, including homes (such as sheltered housing or adaptable homes) and communal accommodation (such as nursing homes) can be counted against the housing requirement:
- “Plan-making authorities will need to count housing provided for older people against their housing requirement. For residential institutions, to establish the amount of accommodation released in the housing market, authorities should base calculations on the average number of adults living in households, using the published Census data”*
- 11.56 However, the approach of counting non-conventional housing supply against the housing requirement has been clarified in the High Court in *‘Exeter City Council v (1) Secretary of State for Communities and Local Government and (2) Waddeton Park Limited and (3) The R B Nelder Trust [2015] EWHC 1663’* referred to as *Exeter*. This judgment dealt with the inclusion of student accommodation as a component of housing supply when it has not been utilised in the formation of an appropriate housing requirement, however the principles of this judgment are just as applicable to bedspaces in nursing homes. The need for such a component of supply to be reflected in the requirement figure is set out in paragraphs 41 to 42 of the judgment, with the relevant conclusion as follows:
- “it would be irrational to include student accommodation [or elderly people C2 accommodation] in housing supply as meeting an adopted housing requirement, where such accommodation does not feature in that requirement.”*
- 11.57 In this context, because the need for bedspaces in care homes does not feature within the LHN for North East Lincolnshire Borough (i.e., it is in addition to it), the supply of this accommodation would be additional to the LHN housing requirement.

⁹⁵ PPG: 63-016a-20190626

11.58 To reiterate therefore, although Extra Care housing and other types of accommodation which provide self-contained units (which have a kitchen, bathroom, and bedroom/s) are sometimes recorded as C2 use, as they are meeting needs associated with households, supply of this accommodation can be counted against the LHN.

11.59 As has been widely recognised, categorizing different types of specialised housing is far from straightforward. Aside from creating ambiguity and confusion around moving for older people themselves and complexity for the planning process, this also acts as a barrier to the creation of rigorous statistics definitions do not necessarily accord with the assumptions within a planning context⁹⁶ with the diagram below illustrating the blurred lines between many products:

Figure 11.12 Different residential options for older people



Source: Best and Porteus (2012), as reproduced in Cambridge Centre for Housing and Planning Research (April 2021): Understanding Supply, demand and investment in the market for investment housing communities in England

11.60 The Elderly Accommodation Council National Housing Database (2014) refines this 'long list' down to the following types of specialist accommodation for older people – albeit as expanded upon subsequently these definitions do not necessarily accord with the assumptions within the planning context:

⁹⁶ Cambridge Centre for Housing and Planning Research (April 2021): *Understanding Supply, demand and investment in the market for investment housing communities in England*

Figure 11.13 Different types of elderly accommodation



Source: Elderly Accommodation Council National Housing Database (2014)

- 11.61 Many providers simplify this list still further into three categories of specialised housing distinguishing between housing ‘without support’, ‘with support’, and ‘with care’:
- **Housing without support:** age-restricted (and therefore not mainstream housing) but offers no other services.
 - **Housing with support:** might have some communal facilities, and dedicated housing managers.
 - **Housing with care:** might offer more extensive on-site facilities, including the option of personal care offered by an on-site provider.⁹⁷
- 11.62 Within the planning system there is no fixed or agreed definition of the different types of housing for older people. The main distinction lies in the difference between Use Class C3 (Residential) and C2 (Residential Institutions).
- 11.63 However, there has been an inconsistent treatment of such facilities by appeal Inspectors:
- 1 In one appeal for retirement apartments for over 55s⁹⁸, the Inspector considered the use class to be C3 because they were wholly self-contained and noted that, whilst they were serviced, this is different from care.

⁹⁷ Cambridge Centre for Housing and Planning Research (April 2021): *Understanding Supply, demand and investment in the market for investment housing communities in England*

⁹⁸ Sandhurst Lodge, Wokingham Road, Crowthorne, Berkshire (APP/R0335/W/15/3128812) 7 March 2016.

- 2 In a separate case⁹⁹, the Inspector considered that assisted living units were C2 because, whilst they were self-contained, they were accessed via communal spaces and residents had access to communal facilities. Occupants had to be over 60 and receive a minimum of two hours care per week, albeit the definition of care was very broad.
- 3 In two cases relating to Extra Care provision, both Inspectors concluded these were C2 uses. In the first instance¹⁰⁰ this was because residents were provided with a care package and in the second case¹⁰¹ because, whilst the units were self-contained, they did not represent independent living.

11.64 Key issues in determining the appropriate Use Class include the levels of care provided and the extent of shared facilities.

11.65 This issue was recently considered in the High Court case of *Rectory Homes v Secretary of State for Housing, Communities and Local Government*¹⁰². Although the central question of this case – which was dismissed on all grounds – was whether a proposal for 78 open market extra care dwellings and a communal residents centre fell within the scope of the development plan policy that required schemes for 3 or more dwellings to provide affordable housing, it includes a helpful exploration of the Use Class of care facilities and whether they can constitute dwellings.

11.66 It was common ground between Rectory Homes and South Oxfordshire Council that the whole scheme fell within use Class C2. The difference relates to the accommodation could be categorised as comprising “dwellings”. Paragraph 26 of the judgement states:

“The essence of the Claimant’s case before the Inspector and before this court is that the use of the word “dwellings” in the affordable housing policy...Because it was agreed between the parties that the entirety of the proposed development fell within the C2 Use Class, the Claimant contended that it had to follow that no part of the development could fall within the C3 Use Class and so could not amount to a ‘dwelling’.”

11.67 The Council “maintained that residential accommodation could be provided within a C2 development as dwellings, (so long as the use of each such dwelling did not fall within the C3 Use Class)” (paragraph 33). The Secretary of State also argued that dwelling should be given its normal meaning in this policy context. In this context, reference was made to the Gravesham and Moore cases¹⁰³:

“It has become well-established that the terms the terms “dwelling” or “dwelling house” in planning legislation refer to a unit of residential accommodation which provides the facilities needed for day-to-day private domestic existence” (paragraph 53).

11.68 The judgement notes at paragraph 57 that Class C4 “use of a dwelling house by no more than 6 residents as a ‘house in multiple occupation’” demonstrates that C3 does not cover all circumstances where a property has the physical characteristics of a dwelling as defined in the Gravesham case. Furthermore, while certain institutions that fall within use class C2 are unlikely to include dwellings, the first sentence of use class C2 does not require the

⁹⁹ Balcombes Hill, Goudhurst, Cranbrook, Kent (APP/M2270/W/16/3161379) 14 June 2017.

¹⁰⁰ Stable Field, Kirdford Road, Wisborough Green (APP/L3815/W/17/3180078) 16 March 2018.

¹⁰¹ Land at West End Farm, Brackley Road, Buckingham (APP/J0405/W/17/3181140) 5 April 2018.

¹⁰² (2020), EWHC2098 (Admin)

¹⁰³ Gravesham p. 146; Moore v Secretary of State for the Environment, Transport and the Regions (1998) 77 P and CR 114

institution to be a traditional one – it could be an organisation managing a development. The specific exclusion of C3 uses from residential accommodation in the definition of use class C2 implies that properties with the physical characteristics of dwellings can fall within C2:

“Accordingly, a Class C2 development may include accommodation in the form of dwellings, for example flats and bungalows, each of which has facilities appropriate for private, or independent, domestic existence. But their use would only fall within the C2 Use Class if ‘care’ is provided for an occupant in each dwelling who is in need of such care” [paragraph 62].

- 11.69 This is on the basis that *“on a proper interpretation of the Use Classes Order, Class C2 may include residential accommodation in the form of dwellings as part of the primary use, subject to the provision of care and restrictions on occupation...”* [paragraph 90].

Extra Care and Sheltered Accommodation (C3)

- 11.70 Collectively, Extra Care and Sheltered Housing specifically targeted at older households are referred to as ‘elderly housing’ for the purposes of this study. The PPG clarifies what type of evidence plan-makers need to consider when identifying the housing needs of older people:

“The future need for specialist accommodation for older people broken down by tenure and type (e.g. sheltered housing, extra care) may need to be assessed and can be obtained from a number of online tool kits provided by the sector, for example [SHOP@](#) (Strategic Housing for Older People Analysis Tool), which is a tool for forecasting the housing and care needs of older people”¹⁰⁴.

- 11.71 The Council produced a Joint Strategic Needs Assessment [JSNA] in 2021 exploring the impact of Covid-19 on Adult Social Care in the Borough. The JSNA sets out the impact on care delivery across care giving settings including care homes, supported living/extra care housing as well as those in their own homes. The assessment highlights a series of key emerging issues including the impact social isolation particularly on elderly individuals and those affected by dementia and general ill-health. The assessment also acknowledges the shift of those in need of care depending more on informal care provision following lockdown restrictions with official service use declining during the pandemic.
- 11.72 The JSNA reports that North East Lincolnshire had a total of 234 permanent admissions to residential and nursing care homes in the year to March 2021, with 264 admissions in the year to March 2020 and 213 further admissions in the year to March 2019 indicating a general longer-term stability in overall admissions.

¹⁰⁴ PPG: 63-004-20190626

Figure 11.14 New Admissions to Permanent Care in North East Lincolnshire (April 2018 – May 2021)



Source: North East Lincolnshire Joint Strategic Needs Assessment (2021)

11.73 Based on our own analysis, statistics published by the Elderly Accommodation Council¹⁰⁵ [EAC] show that the supply of specialist housing in North East Lincolnshire Borough is below the national levels in terms of all components of specialist housing units, although well above the regional level (which has the lowest level of supply of any region in England).

Table 11.4 Current supply of elderly accommodation (specialist housing)

	Housing with support	Housing with care	All specialist housing units
Supply per 1,000 residents age 75+			
England	123.0	16.2	139.2
Yorkshire and The Humber	99.8	12.4	112.2
North East Lincolnshire	116.7	4.9	121.6
Total number of units			
North East Lincolnshire	1,421	60	1,481

Source: Elderly Accommodation Council (2015)

11.74 The level of provision in North East Lincolnshire Borough is significantly below the national standard need ratio of 170 units of specialised accommodation (other than registered care home places) per 1,000 people aged over 75, set out by the Housing Learning and Improvement Network (HLIN)¹⁰⁶, comprising 145 units of sheltered housing and 25 units of extra care per 1,000 people aged over 75.

11.75 The levels of provision in North East Lincolnshire Borough are also significantly below the national standard needs ratio of 275 units of older persons accommodation per 1,000 people aged over 75 (comprising 202 sheltered housing and 73 Extra Care¹⁰⁷), proposed by DLP in its report entitled “*The Older Persons Housing Needs Model* (April 2022).

¹⁰⁵ Statistics on specialist housing provision for older people in England – EAC (March 2015)

¹⁰⁶ Extra Care housing – what is it in 2015? – HLIN (November 2015)

¹⁰⁷ The Older Persons Housing Needs Model (April 2022)

Current Need

- 11.76 There are currently 15,232 people over the age of 75 living in North East Lincolnshire (based on Census 2021 data) of whom 9,924 (65.1%) live in the Urban Area, 3,519 (23.1%) live in the Western & Southern Arc, 901 (5.9%) live in the Estuary Zone whilst the remaining 888 (5.8%) live in the Rural Area. Based on the EAC national rate of 139.2 specialised units per 1,000 residents over 75, this equates to a need for **2,120** specialist units across the whole of North East Lincolnshire.
- 11.77 Table 11.5 illustrates this need by Spatial Zone, with 1,381 units (65.1%) needed in the Urban Area, 490 units (23.1%) in the Western & Southern Arc, 125 units (5.9%) in the Estuary Zone and the remaining 124 (5.9%) in the Rural Area.

Table 11.5 Existing need for specialist C3 accommodation for older people in North East Lincolnshire Borough

Location	Population over 75 (2021)	Type of Accommodation	Rate per 1,000 population over 75 (EAC national prevalence rate)		Need (EAC National Prevalence Rate)		Rate per 1,000 population over 75 (HLN standard)		Need (HLN standard rate)	
			Sheltered	Extra Care	Sheltered	Extra Care	Sheltered	Extra Care	Sheltered	Extra Care
Urban Area	9,924	Sheltered	123.0	139.2	1,221	1,381	125	170	1,241	1,687
		Extra Care	16.2		161		45		447	
Estuary Zone	901	Sheltered	123.0	139.2	111	125	125	170	113	153
		Extra Care	16.2		15		45		41	
Western & Southern Arc	3,519	Sheltered	123.0	139.2	433	490	125	170	440	598
		Extra Care	16.2		57		45		158	
Rural Area	888	Sheltered	123.0	139.2	109	124	125	170	111	151
		Extra Care	16.2		14		45		40	
North East Lincolnshire	15,232	Sheltered	123.0	139.2	1,874	2,120	125	170	1,904	2,589
		Extra Care	16.2		247		45		685	

Source: Lichfields analysis, based on Census 2021 Population data, EAC 2015. Totals may not sum due to rounding errors.

- 11.78 Alternatively, and based on the higher Housing LIN¹⁰⁸ national standard of 170 units of specialised accommodation (other than registered care home places) per 1,000 people aged over 75, North East Lincolnshire’s need would increase to **2,589**. Splitting this need across the Spatial-Zones results in a need of 1,687 units in the Urban Area, 598 in the Western & Southern Arc, 153 in the Estuary Zone and the remaining 151 in the Rural Area.

Current Supply

- 11.79 There are currently a number of specialist facilities within North East Lincolnshire. Statistics published in 2023 by the Elderly Accommodation Counsel [EAC]¹⁰⁹, which are publicly available and provide robust and reasonable baseline dataset, demonstrate that the supply of sheltered and retirement housing in North East Lincolnshire is currently below the national average, with 1,362 units at an average of **89.4 units per 1,000 residents**

¹⁰⁸ As set out in the PPG (63-004-20190626): “The future need for specialist accommodation for older people broken down by tenure and type (e.g. sheltered housing, extra care) may need to be assessed and can be obtained from a number of online tool kits provided by the sector, for example SHOP@ (Strategic Housing for Older People Analysis Tool), which is a tool for forecasting the housing and care needs of older people”

¹⁰⁹ Statistics on specialist housing provision for older people in England – EAC (March 2015)

aged 75+, compared to the national average of 117 and the regional average of 116. This is shown in Table 11.6 which demonstrates that more than half, or 824 units (60.3%), are in the Urban Area with a further 404 (29.8%) located in the Western & Southern Arc. The Estuary Zone is particularly underprovided for comprising just 105 (7.8%) of total units, whilst the surrounding Rural Area has no units at all.

- 11.80 In terms of Extra Care housing, North East Lincolnshire fares relatively poorly, with a total of 120 units across the Borough, all of which are located in the Urban Area. This equates to an average of just **7.9 units per 1,000 residents aged 75+**, compared to the national average of 13.2 units across Yorkshire & The Humber and 15.7 across England.¹¹⁰

Table 11.6 Supply of elderly accommodation (specialist housing) for North East Lincolnshire Borough as of 2023

		Population aged 75+ (2021)	Units	Share of Units (%)	Per 1,000 population over 75
Retirement Homes / Close Care / Sheltered Housing	Urban Area	9,924	824	60.5%	83.0
	Estuary Zone	901	134	9.8%	148.7
	Western & Southern Arc	3,519	404	29.7%	114.8
	Rural Area	888	0	0.0%	-
	North East Lincolnshire	15,232	1,362	100%	89.4
Age Exclusive / Sheltered Housing / Retirement Housing	Yorkshire & The Humber*	475,829	57,269		120.4
	England*	4,837,157	567,463		117.3
Assisted Living and Extra Care Housing	Urban Area	9,924	120	100.0%	11.8
	Estuary Zone	901	-	0.0%	-
	Western & Southern Arc	3,519	-	0.0%	-
	Rural Area	888	-	0.0%	-
	North East Lincolnshire	15,232	120	100%	7.9
Housing with Care	Yorkshire & The Humber*	475,829	6,264		13.2
	England*	4,837,157	76,156		15.7

Source: Elderly Accommodation Counsel (EAC): National Database of Housing for Older People, April 2023

*EAC Stats December 2019 including units under construction

- 11.81 Based on the National EAC prevalence rate, Table 11.7 illustrates that this current supply suggests that there is a residual need for 512 additional Sheltered units in North East Lincolnshire with varying levels of residual need across each of the four Spatial-Zones. Table 11.7 illustrates that the Western & Southern Arc and the Estuary Zone are largely capable of meeting needs with a residual need of just 29 and an over-supply of 23 units respectively. On the other hand, the level of residual need for sheltered accommodation is much higher across the Rural Area (+109 units) and substantially higher across the Urban Area (+397 units).
- 11.82 Residual need for Extra Care units follows a similar pattern to that of Sheltered Accommodation albeit the need is relatively more evenly distributed. Table 11.7 illustrates a residual need of 15 Extra Care units in the Estuary Zone and 14 in the Rural Area, with the

¹¹⁰ BY way of comparison, the EAC reported in 2015 that the number of 'housing with support' units per 1,000 residents 75+ was 123.0 in England in 2015 and 130.8 in the East Midlands, whilst the comparable ratios for 'housing with care' was 16.2 units per 1,000 older residents nationally and 13.7 units per 1,000 regionally.

level of residual need increasing to 41 in the Urban Area and to 57 across the Western & Southern Arc. The need is much greater if the higher HLIN National Standard is used.

- 11.83 This analysis highlights that there is currently some unmet need for specialist older persons accommodation in the local area which is not being addressed.

Table 11.7 Existing residual need for specialist C3 accommodation for older people

Location	Type of Accommodation	Current Supply	EAC national prevalence rate		HLIN National Standard	
			Existing Need	Residual Need	Existing Need	Residual Need
Urban Area	Sheltered	824	1,221	+397	1,241	+417
	Extra Care	120	161	+41	447	+327
	Total	944	1,381	437	1,687	+743
Estuary Zone	Sheltered	134	111	-23	113	-21
	Extra Care	0	15	+15	41	+41
	Total	134	125	-9	153	+19
Western & Southern Arc	Sheltered	404	433	+29	440	+36
	Extra Care	0	57	+57	158	+158
	Total	404	490	+86	598	+194
Rural Area	Sheltered	0	109	+109	111	+111
	Extra Care	0	14	+14	40	+40
	Total	0	124	+124	151	+151
North East Lincolnshire	Sheltered	1,362	1,874	+512	1,904	+542
	Extra Care	120	247	+127	685	+565
	Total	1,482	2,120	+638	2,589	+1,107

Source: Lichfields Analysis. Totals may not sum due to rounding errors.

Emerging Need

- 11.84 Between 2022-2042, the number of residents aged 75 and over living in North East Lincolnshire is projected to increase by 10,104 or 62.6% (using the 2014-SNPP, rebased to the 2021 Census). Applying both the EAC and HLIN ratios to the net increase in residents suggests that between 2022 and 2042, the estimated need for elderly C3 housing units would be **between 1,406 and 1,775 units** in North East Lincolnshire.
- 11.85 Table 11.8 apports this need out by Spatial-Zone and illustrates that a need for elderly C3 housing units of between:
- 1,107 to 1,393 units in the Urban Area;
 - 67 to 85 units in the Estuary Zone;
 - 162 to 209 units in the Western & Southern Arc; and,
 - 70 to 89 units in the Rural Area.

Table 11.8 Specialist C3 Accommodation Required in North East Lincolnshire (2022 – 2042)

	Type of Specialist Accommodation	EAC Rate (units/1,000 people aged 75+)	EAC Units required (2022-2042)	HLIN Rate (units/1,000 people aged 75+)	HLIN Units required (2022-2042)
Urban Area: 6,408 Additional Residents over 75	Sheltered	123.0	978	125	1,024
	Extra Care	16.2	129	45	369
	Total	139.2	1,107	170	1,393
Estuary Zone: 360 Additional Residents over 75	Sheltered	123.0	60	125	63
	Extra Care	16.2	8	45	23
	Total	139.2	67	170	85
Western & Southern Arc: 735 Additional Residents over 75	Sheltered	123.0	143	125	153
	Extra Care	16.2	19	45	55
	Total	139.2	162	170	209
Rural Area: 521 Additional Residents over 75	Sheltered	123.0	62	125	65
	Extra Care	16.2	8	45	23
	Total	139.2	70	170	89
North East Lincolnshire: 8,024 additional residents over 75	Sheltered	123.0	1,243	125	1,305
	Extra Care	16.2	164	45	470
	Total	139.2	1,406	170	1,775

Source: Lichfields analysis / 2014-based SNPP, rebased to Census 2021 / 2015 EAC. Totals may not sum due to rounding errors.

- 11.86 In addition to this, research undertaken by DLP in their *Older Persons Housing Needs Model* (April 2022) aims to fully consider past under-provision which has not kept pace with the ageing population since the early 1990s and is substantially below international comparisons (such as the United States, Australia, and New Zealand).
- 11.87 The DLP model considers 10, 20 and 30-year trends in the rate of provision by typology and tenure and relates these back to the 75+ population to calculate prevalence rates. Three typologies were considered for each of the three time periods: average annual growth rate, which calculates the percentage growth between each year and then averages the changes over each period; an exponential growth projection; and the application of the average annual build rate. DLP's proposed future national prevalence rate for sheltered housing and extra care combined is 275 per 1,000 residents over the age of 75.
- 11.88 Table 11.9 applies DLP's proposed national prevalence rates going forward as a sensitivity test and illustrates a potential emerging need over the next 20 years as high as 2,778 C3 sheltered / Extra Care units across North East Lincolnshire. Apportioning this to the four Spatial-Zones indicates an emerging need of up to:
- 2,187 units in the Urban Area;
 - 133 units in the Estuary Zone;
 - 320 units in the Western & Southern Arc; and,
 - 138 units in the Rural Area.
- 11.89 Most of this need would be Sheltered Accommodation rather than Extra Care.

Table 11.9 Specialist C3 accommodation required in North East Lincolnshire 2022 – 2042 (DLP Sensitivity)

	Type of Accommodation	DLP Rate	DLP Units Required (2022 – 2042)
Urban Area: 7,953 Additional Residents over 75	Sheltered	202	1,606
	Extra Care	73	581
	Total	275	2,187
Estuary Zone: 484 Additional Residents over 75	Sheltered	202	98
	Extra Care	73	35
	Total	275	133
Western & Southern Arc: 1,164 Additional Residents over 75	Sheltered	202	235
	Extra Care	73	85
	Total	275	320
Rural Area: 503 Additional Residents over 75	Sheltered	202	102
	Extra Care	73	37
	Total	275	138
North East Lincolnshire: 10,103 additional residents over 75	Sheltered	202	2,041
	Extra Care	73	738
	Total	275	2,778

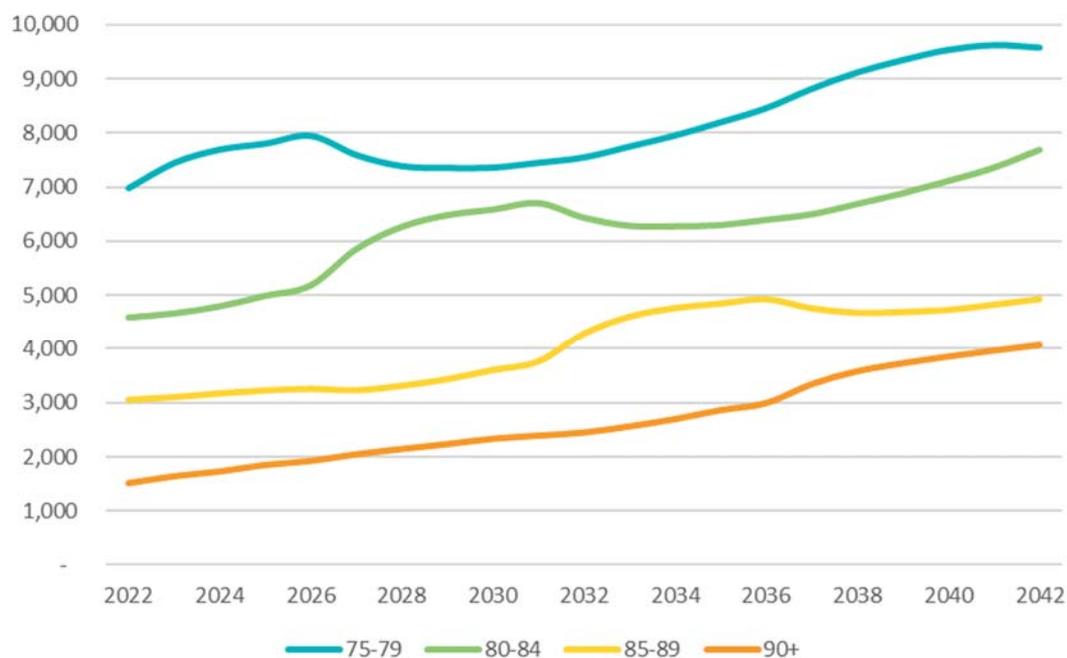
Source: Lichfields analysis / 2014-based SNPP / Census 2021 / DLP 2022. Totals may not sum due to rounding errors.

- 11.90 The figures in Table 11.8 and Table 11.9 do not consider the current undersupply in Sheltered / Extra Care accommodation summarised above for most areas.
- 11.91 When combined together, the current undersupply – plus the likely future net need – could range from between 2,045 (638 + 1,406) and 2,883 (1,775 + 1,107) across the whole of North East Lincolnshire. The level of undersupply by Spatial-Zone is between:
- 1,544 (1,107 + 437) and 2,136 (1,775 + 743) in the Urban Area;
 - 59 (67 - 9) and 105 (85 + 19) in the Estuary Zone;
 - 248 (162 + 86) and 403 (209 + 194) in the Western & Southern Arc; and
 - 194 (70 + 124) and 240 (89 + 151) in the Rural Area.
- 11.92 The numbers would be commensurately higher if the proposed national prevalence rate used by DLP for determining future needs is applied.
- 11.93 This analysis therefore highlights that there is currently some significant unmet need for C3 Sheltered and Extra Care specialist accommodation in North East Lincolnshire which is not being addressed, with the majority of need focused in the Urban Area.

Care / Nursing Home Beds (C2)

- 11.94 As noted above, the population over 75 years of age living in North East Lincolnshire is expected to increase by 10,104 (to 26,256) between 2022 and 2042, using the 2014-SNPP, rebased to the 2021 Census. Growth is expected to be particularly vertiginous amongst the over 90s, an age group expected to grow by 2,552 residents, or 169.3%, over the next 20 years.

Figure 11.15 Projected change in population age 75+ in North East Lincolnshire – 2022-42



Source: Lichfields using PopGroup, incorporating the 2014-based SNPP re-based to the 2021 Census

- 11.95 The 2021 Census identified that there were 1,184 people over the age of 75 who were residents in communal establishments in North East Lincolnshire. This can be taken as a proxy for the stock of care home bedspaces. The majority of communal establishment residents were identified as living in care homes (both with and without nursing), with 76.2% of those in care homes with nursing¹¹¹. The SNHP considers the findings of the (2011) Census, and for age 75+ assumes a given proportion of people will be living in communal establishments.
- 11.96 Recent statistics published in 2023 by EAC¹¹² indicates that there are currently 29 residential care homes based in North East Lincolnshire, of which 18 are located in the Urban Area, eight in the Western and Southern Arc, two in the Estuary Zone and one in the Rural Area. Residential care homes are defined by EAC as a residential setting where a number of older people live, usually in single rooms, and have access to on-site care services. A home registered simply as a care home will provide personal care only – help with washing, dressing and giving medication. Some care homes meet a specific care need, for example dementia or terminal illness.
- 11.97 Table 11.10 indicates that these 29 residential care homes provide 1,135 bedspaces in total, across 1,025 rooms (with a number of shared spaces).
- 11.98 Similar analysis of the EAC 2023 statistics indicates that there are also seven Nursing Homes¹¹³ located in North East Lincolnshire, of which six are located in the Urban Area and

¹¹¹ 2021 data split by type of establishment is not available at the time of writing

¹¹² [Residential care homes in North East Lincolnshire, Lincolnshire : HousingCare](#)

¹¹³ Three homes offer both care with and without nursing, in which case they could be included in either category – for the purposes of this study, we have included Brooklands Care Home and Clarendon Hall Care Home in the residential Care Homes category, and Lindsay Hall Nursing Home in the Nursing Home categories to ensure that the number of beds/rooms are not double counted.

one in the rural Area. Nursing homes are homes registered for nursing will provide personal care (help with washing, dressing and giving medication), and will also have a qualified nurse on duty twenty-four hours a day to carry out nursing tasks. These homes are for people who are physically or mentally frail or people who need regular attention from a nurse.

- 11.99 Table 11.10 indicates that these seven nursing homes provide 350 bedspaces in total, across 302 rooms (with a number of shared spaces). This means that of the 1,485 residents living in these care/nursing homes, 76% live in care homes without nursing, and the remaining 24% live in care homes with nursing. This is a similar split to that recorded in the 2021 Census – this indicated that of 1,184 residents living in a medical and care communal establishment in 2021, 262, or 22.1%, lived in a care home with nursing, and 922, or 77.9%, lived in a care home without nursing.

Table 11.10: Supply of residential care homes / nursing homes in North East Lincolnshire as of 2023

	Area	Population aged 75+ (2021)	Beds	Rooms
Residential Care Home	Urban Area	9,924	668	578
	Estuary Zone	901	71	71
	Western & Southern Arc	3,519	362	347
	Rural Area	888	34	29
	North East Lincolnshire	15,232	1,135	1,103
Nursing Home	Urban Area	9,924	306	269
	Estuary Zone	901	0	0
	Western & Southern Arc	3,519	0	0
	Rural Area	888	44	33
	North East Lincolnshire	15,232	350	302

Source: Elderly Accommodation Counsel (EAC): National Database of Housing for Older People, 2023

- 11.100 This projected rate of residents living in communal establishments has been applied to the 2014-based SNHP (re-based to the 2021 Census) to assess the future need for care home bedspaces. The 2014-based SNHP estimated that in 2022 there would be a need for 1,199 communal bedspaces for residents aged 75+, which is below the 1,485 residential care home/nursing home bedspaces that were occupied in 2022 as recorded by EAC for the Borough. This implies (assuming all beds are occupied) that some of these beds are occupied by people under the age of 75.
- 11.101 Over the period 2022 to 2042, based on the 2014-based SNHP (rebased to the 2021 Census) as modelled in PopGroup, there is projected to be a net increase of **942** residents over the age of 75 living in communal establishments. Based on the current split of residents living in care homes with and without nursing (22:87 split as per the 2021 Census) this would suggest a need to 2042 for a net additional:
- **207** bedspaces in care homes with nursing; and,
 - **735** bedspaces in care homes without nursing.

Medical and Care Establishments (C2) for under 75s

- 11.102 At the time of writing, whilst the 2021 Census provides us with information regarding the total number of North East Lincolnshire residents that are living in some type of communal accommodation, it does not yet provide this break down by age cohort. According to the previous 2011 Census (which does provide such a breakdown), North East Lincolnshire had 1,649 residents living in communal establishments, of whom 1,257 were living in medical and care homes with/without nursing (excluding staff/owners/family members). 347, or 27.6%, of these 1,257 communal residents were under the age of 75 (35.6% of residents in a care home with nursing, 25.3% of residents in a care home without nursing).

Table 11.11 Residents in Medical and Care Establishments with a Long-term health problem or disability – North East Lincolnshire

	0-15	16-24	25-34	35-49	50-64	65-74	75+	TOTAL
All Communal Establishment Residents	21	250	86	86	121	128	957	1,649
Communal Residents living in Care Home with nursing	0	3	5	25	37	30	181	281
%	0%	1%	6%	29%	31%	23%	19%	17%
Communal Residents living in Care Home without nursing	0	64	16	24	56	87	729	976
%	0%	26%	19%	28%	46%	68%	76%	59%
TOTAL Communal Residents living in Care Home with/without nursing	0	67	21	49	93	117	910	1,257
%	0%	27%	24%	57%	77%	91%	95%	76%

Source: Census 2011

- 11.103 Applying these incidence rates as a proportion of the total resident population to the projected population by sex and age in PopGroup, we can estimate the change in number of people under the age of 75 over the period to 2042 who are likely to require C2 nursing/care home accommodation, as shown in Table 11.12. These needs are in addition to the LHN because they relate to people (i.e. bedspaces) in care establishments, and do not relate to those living in private housing.
- 11.104 This shows that there is likely to be little change in the need for C2 accommodation for groups under 75. Collectively below the age of 75, there is estimated to be **a surplus of 12 spaces going forward** (due primarily to the projected fall in the population aged 50-64 living in the Borough).
- 11.105 This would bring the total need for care home spaces with and without nursing to **930 bedspaces**, in order to meet the need of those above and below the age of 75 (i.e. 942 – 12).

Table 11.12 Residents under 75 in need of C2 accommodation – North East Lincolnshire

	Net Change
0-15	0
16-24	1
25-34	0
35-49	-1
50-64	-18
65-74	6
Total	-12

Source: Lichfields analysis / 2014-based SNPP rebased to 2021 Census / Census 2011

Adaptable and Accessible Homes

- 11.106 In addition to the needs of residents living in communal establishment accommodation (C2), there is a need to ensure that suitable provision is made for those living in private housing who do not require care home facilities but may have specific needs, for example for adaptable and accessible homes.
- 11.107 The PPG¹¹⁴ 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 un-adapted 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.”*
- 11.108 The PPG¹¹⁵ states that there is a wide range of evidence that can be used to identify the housing needs of people with disabilities including the Census, Department for Work and Pensions on the numbers of Personal Independence Payment (replacing Disability Living Allowance) / Attendance Allowance benefit claimants; and Applications for Disabled Facilities Grant [DFG].
- 11.109 LPAs have the option to set additional technical requirements exceeding the minimum standards required by Building Regulations in respect of access and water, and an optional nationally described space standard. Where an identified need exists, plans are expected to make use of these optional technical housing standards in the Building Regulations to help bring forward an adequate supply of accessible housing. In doing so planning policies for housing can set out the proportion of new housing that will be delivered to the following standards:
- M4(1) Category 1: VISIBLE dwellings (the minimum standard that applies where no planning condition is given unless a plan sets a higher minimum requirement);
 - M4(2) Category 2: Accessible and adaptable dwellings; and,
 - M4(3) Category 3: Wheelchair user dwellings.

¹¹⁴ PPG ID: 63-002-20190626

¹¹⁵ PPG ID: 63-005-20190626

- 11.110 As set out in the Building Regulations¹¹⁶, optional requirement M4(2) will be met where a new dwelling makes reasonable provision for most people to access the dwelling and incorporates features that make it potentially suitable for a wide range of occupants, including older people, those with reduced mobility and some wheelchair users [page 10].
- 11.111 Regarding wheelchair user dwellings, the Building Regulations state that that optional requirement M4(3) will be met where “*a new dwelling makes reasonable provision, either at completion or at a point following completion, for a wheelchair user to live in the dwelling or use any associated private outdoor space, parking and communal facilities that may be provided for the use of the occupants*” [page 23].
- 11.112 Based on their housing needs assessment and other available datasets, the PPG¹¹⁷ states that it will be for LPAs to set out how they intend to approach demonstrating the need for Requirement M4(2) (accessible and adaptable dwellings), and/or M4(3) (wheelchair user dwellings), of the Building Regulations. There is a wide range of published official statistics and factors which local planning authorities can consider and take into account, including:
- the likely future need for housing for older and disabled people (including wheelchair user dwellings).
 - size, location, type and quality of dwellings needed to meet specifically evidenced needs (for example retirement homes, sheltered homes or care homes).
 - the accessibility and adaptability of existing housing stock.
 - how needs vary across different housing tenures.
 - the overall impact on viability.
- 11.113 Part M4(2) will be of particular relevance to housing older people, and the requirement will be met where:
- “*...a new dwelling makes reasonable provision for most people to access the dwelling and incorporates features that make it potentially suitable for a wide range of occupants, including older people, those with reduced mobility and some wheelchair users.*” (Building Regulations 2010 Approved Document M).
- 11.114 At the time of the 2011 Census¹¹⁸, there were 21,470 owner occupiers aged 65 and over in North East Lincolnshire. Of this number, 22.2% (4,763) had a long-term health problem or disability [LTHPD] which limited their day-to-day activities a lot and a further 26.5% (5,683) with a long-term health problem or disability which limited their day-to-day activities a little. This equates to almost half (48.7%) of all owner-occupiers.
- 11.115 However, the problem was far more pronounced amongst older residents living in the PRS and particularly social rented accommodation (in relative rather than absolute terms). 63.1% of all residents aged 65 and over living in PRS accommodation had a long-term health problem or disability which limited their day-to-day activities either a little or a lot, rising to 71.8% for those older residents living in social rented accommodation. **In total, 52.9% of all of North East Lincolnshire’s residents aged 65 and over have a long-term health problem or disability.**
- 11.116 Table 11.13 shows that this figure is slightly lower than the regional (54.2%) figure, but above the national (51.5%) rate.

¹¹⁶ HM Government (2021): The Building Regulations 2010 Access to and use of buildings, Volume 1: Dwellings, 2015 edition incorporating 2016 amendments

¹¹⁷ PPG ID: 56-007-20150327

¹¹⁸ Equivalent 2021 Census data is unavailable at the time of writing

Table 11.13 Residents age 65+ with a long-term health problem or disability – North East Lincolnshire

	North East Lincolnshire			Yorkshire & the Humber			England		
	All owner-occupiers*	Social Rented	Private Rented	All owner-occupiers*	Social Rented	Private Rented	All owner-occupiers*	Social Rented	Private Rented
All (ages 65+)	21,470	3,918	1,700	630,935	160,536	51,492	6,508,267	1,347,599	487,142
Day-to-day activities limited a lot	4,763	1,662	592	141,181	68,197	17,837	1,383,056	547,470	154,593
	22.2%	42.4%	34.8%	22.4%	42.5%	34.6%	21.25%	40.63%	31.73%
Day-to-day activities limited a little	5,683	1,150	481	169,077	46,825	13,946	1,693,139	388,467	131,207
	26.5%	29.4%	28.3%	26.8%	29.2%	27.1%	26.02%	28.83%	26.93%

Source: Lichfields based on 2011 Census (DC3408EW). *For the purposes of the Census this includes owned outright, owned with a mortgage/loan and shared ownership.

- 11.117 Looking at the number of households (across all tenures) which contain at least 1 person with a LTHPD in North East Lincolnshire, this is broadly similar across all older households, at around 62% (as shown in Table 11.14). This is lower than the regional levels but slightly above the national rates.

Table 11.14 Households age 65+ with at least one person with a long-term health problem or disability – North East Lincolnshire

	North East Lincolnshire			Yorkshire & the Humber	England	
	All Households	No people in household with a LTHPD	1 or more people with LTHPD	% of households with at least 1 person with LTHPD		
Single Person 65+	9,190	3,508	5,682	61.8%	62.2%	59.6%
Couple/Other 65+	6,092	2,323	3,769	61.9%	64.4%	61.5%

Source: Lichfields based on 2011 Census (DC1301EW).

- 11.118 As set out above, older households are expected to make up the vast majority of the future household growth in North East Lincolnshire. Single person older households are expected to make up 41.4% of future growth, whilst the growth in older couples actually exceeds the entire net growth of households in the Borough, with other younger households actually declining to 2042. Applying the assumption (based on Census data) that 62% of these households will have at least 1 person with a LTHPD, this would equate to c.61.8% of all future household growth, as shown in Table 11.14.
- 11.119 As set out above, older households are expected to make up almost all of the future household growth in North East Lincolnshire. Single person older households are expected to make up 41.4% of future growth, whilst the growth in older couples actually exceeds the entire net growth of households in the Borough, with other younger households actually declining by 52.1% to 2042. Applying the assumption (based on Census data) that 61-62% of these households will have at least 1 person with a LTHPD, this would equate to c.61.8% of all future household growth, as shown in Table 11.15.

Table 11.15 Estimated growth in older households with LTHPD in North East Lincolnshire to 2042

	As a % of total change 2022-39	Estimated Future households with LTHPD
Single Person 65+	41.4%	61.8%
Couple/Other 65+	110.8%	61.9%
Others	-52.1%	-
Total	100%	61.8%

Source: Lichfields based on MHCLG 2014-based Household Projections / Census 2011

11.120

Whilst this would, taken at face value, suggest that there is a significant need for adaptable and accessible homes, NELC should note that:

- In the private sector there is likely to be some degree of overlap between households living with a LTHPD and those living in sheltered or extra care housing. Such forms of assisted living are likely to contribute to meeting the needs of older households who have LTHPDs (whilst not needing to be in C2 accommodation).
- Similarly, in the social rented sector there is likely to be some overlap between the need for adaptable and accessible dwellings for older people and the need for M4(3) wheelchair user dwellings (see below).
- The Census shows that households living with LTHPDs are not equally spread across tenures, with a far greater percentages of older residents in social rented housing living with a LTHPD. In this context, the Council should seek a greater proportion of M4(2) dwellings within affordable housing than in private housing.
- Although older households make up most of the (net) household growth in North East Lincolnshire over the plan period, many of these will be households already living in housing (e.g. the family home) who are unlikely to move during old age. Therefore, new housing which is adaptable and accessible might not directly be meeting these needs, but will nevertheless be an important addition to the housing stock to meet the longer term needs associated with ageing.

11.121

On the basis of the above, with up to 60% of future household growth potentially needing accessible and adaptable homes, but with some of that need being met through Part M4(3) as below and reflecting that some retirement type products might reduce the relative need for general housing to meet accessible and adaptable standards, **it is recommended that c.50% of new general housing is provided to Part M4(2) standards, subject to viability**. It is important to note that there will be overlap between the need for adaptable and accessible homes and the identified need for elderly housing (i.e. Extra Care and Sheltered Housing).

11.122

M4(3) – Wheelchair user dwellings

11.123

The PPG¹¹⁹ states that:

“Part M of the Building Regulations sets a distinction between wheelchair accessible (a home readily useable by a wheelchair user at the point of completion) and wheelchair adaptable (a home that can be easily adapted to meet the needs of a household including wheelchair users) dwellings.

¹¹⁹ PPG: ID: 56-009-20150327

Local Plan policies for wheelchair accessible homes should be applied only to those dwellings where the local authority is responsible for allocating or nominating a person to live in that dwelling.”

- 11.124 In this context, the need for wheelchair accessible homes has only been assessed in reference to the affordable sector.
- 11.125 Whilst estimating the specific needs for wheelchair user dwellings is difficult to do accurately, we can make a broad estimate based on the disabling conditions identified of those currently claiming disability living allowance in North East Lincolnshire.
- 11.126 Current information on those in North East Lincolnshire claiming Personal Independent Payments [PIP] has been analysed. This provides residents with help regarding extra living costs if they have both:
 - a long-term physical or mental health condition or disability; and,
 - difficulty doing certain everyday tasks or getting around because of your condition.
- 11.127 There are two parts to the PIP:
 - a daily living part – if residents need help with everyday tasks; and,
 - a mobility part – if residents need help with getting around.
- 11.128 PIP is replacing the Disability Living Allowance [DLA] for most adults¹²⁰ and provides a breakdown of the age of these claimants and the type of condition they have. PIP claims with entitlement statistics show a total for all entitled cases. It presents both the number of people in receipt of PIP and those with entitlement where the payment has been suspended (for example if they are in hospital at a point in time). These have been grouped by mobility as shown in Table 11.16.
- 11.129 This demonstrates that 77.2% of all PIP claimants are claiming either for enhanced or standard mobility issues.

Table 11.16: PIP claimants by mobility award– North East Lincolnshire January 2023

	Total	%
Mobility Award – Enhanced	4,936	48.4%
Mobility Award – Standard	2,930	28.8%
Mobility Award – Nil	2,324	22.8%
Total	10,189	100%

Source: stat-xplore.dwp.gov.uk/

- 11.130 On this basis, there is likely to be some overlap with the identified need for adaptable and accessible homes in the social rented sector and wheelchair user dwellings in the social rented sector.
- 11.131 Regarding all properties, national data is available from research by Habinteg Housing Association and London South Bank University (supported by the then Homes and Communities Agency [HCA] now Homes England) *‘Mind the Step: An estimation of housing need among wheelchair users in England’* (2010), which can be drawn upon. The

¹²⁰ Claimants still keep receiving DLA if they are under 16 or they were born on or before 8th April 1948

report provides information at a national and regional level, although more weight is given to the national data.

- 11.132 The report estimated that the number of wheelchair user households in England with unmet housing need was 78,300. Broken down to regional level, it estimated for the Yorkshire and The Humber, the proportion of all households that are wheelchair user households was 2.6%. The report concluded that across England as a whole, around 78,300 wheelchair user households had an unmet need for specially adopted properties, around 13% of the total. This figure falls to 11% for Yorkshire and the Humber.
- 11.133 Applying these figures to the LHN demographic projections for the Borough indicates a current unmet need for 125 wheelchair accessible homes, rising by another 150 by 2041. This would equate to circa 7.6% of identified future housing need based on the SM2 (203 dpa). If a higher housing target were pursued, this would equate to 379 (19 p.a.) based on the Past Housing Delivery 313 dpa, and 493 (25 p.a.) if the Experian Policy On 507 dpa target were pursued (which would equate to 4.9% of future housing needs).

Table 11.17 Estimate of future wheelchair need across North East Lincolnshire Borough (2022 to 2042)

North East Lincolnshire	Current Need	Projected Need (2022 to 2042)	Total
LHN (203 dpa)	188	122	310 (16 p.a.)
Past Housing Delivery (313 dpa)	188	188	379 (19 p.a.)
Experian Policy On (507 dpa)	188	304	493 (25 p.a.)

Source: Household Projections based on Standard Method /Habinteg Prevalence Rates

- 11.134 In terms of the split between market and affordable dwellings, data from the 2018/19 EHS shows that 6.5% of housing association tenants are wheelchair users, compared to 2.6% of owner-occupiers and just 1.4% of private renters¹²¹. This evidence should be considered when formulating Local Plan policies in respect of the proportion of homes in different tenures which should be developed.
- 11.135 Given the ageing population over the Plan period, on this basis we recommend that **between 5% and 10%** of new affordable homes should meet the M4(3) requirement for wheelchair users, albeit this is likely to overlap with some of the need for adaptable and accessible homes for older people. NELC should keep the housing waiting list under review, and if possible, collect information on whether a household specifically needs a wheelchair accessible dwelling.

Self-build and custom build

- 11.136 The Government is keen to encourage more people to build their own homes and wants to make this form of housing a mainstream development option. A self or custom-build project is defined as housing built by an individual, a group of individuals, or persons working with or for them, to be occupied by that individual. Such housing can be either market or affordable housing and is intended to help diversify the housing market and increase consumer choice.
- 11.137 Paragraph 62 of the NPPF requires LPAs to plan for a mix of housing for people wishing to commission or build their own homes, whilst the PPG states that LPAs should consider how

¹²¹ English Housing Survey 2018-19, Adaptions and accessibility factsheet

the needs of such groups can be addressed within the constraint of the overall need identified:

“Assessment of local housing need as a whole should be conducted using the standard method in national planning guidance. Within this context, the size, type and tenure of housing needed for different groups should be assessed including people wishing to self-build or custom-build their own homes.

LPAs should use the demand data from the registers in their area, supported as necessary by additional data from secondary sources (as outlined in the housing and economic development needs guidance), to understand and consider future need for this type of housing in their area. Secondary sources can include data from building plot search websites, enquiries for building plots recorded by local estate agents and surveys of local residents. Demand assessment tools can also be utilised.

Plan-makers will need to make reasonable assumptions using the data on their register to avoid double-counting households.¹²²”

- 11.138 Each council is required to maintain a ‘Self-Build and Custom Build Register’ for its area, as set out in the section 1 of the Self-build and Custom Housebuilding Act 2015 (as amended by the Housing and Planning Act 2016), which can include local eligibility tests for the Register¹²³. They are also subject to duties under sections 2 and 2A of the Act to have regard to this and to give enough suitable development permissions to meet the identified demand. Self and custom-build properties could provide market or affordable housing [NPPF footnote 28].
- 11.139 In respect of planning for such demand, the PPG therefore sets out that LPAs should use the demand associated with the Register, and other applicable secondary data sources, to understand and consider future need for this type of housing in their area¹²⁴. It goes on to state that this assessment can be supplemented with the use of existing secondary data sources such as building plot search websites, ‘Need-a-Plot’ information available from the Self Build Portal and entries for building plots from local estate agents¹²⁵.
- 11.140 In the context of North East Lincolnshire, as of the end of October 2022, the Council had **46 individuals and 5 groups on the register**. Of these, two individual applications for the register were made in the October 2021-October 2022 monitoring period, with three planning permissions for serviced plots suitable for self-build granted in this time.
- 11.141 Going forward, consideration needs to be given to regularly updating the Self-Build Register to determine if people have found a plot elsewhere; whether they have built a property in North East Lincolnshire already; or whether they no longer wish to be on the register. It is important that the Register contains an accurate and up to date picture of the demand for self-build plots as this evidence feeds into a number of NELC functions including Local Plan review and assessing planning applications (and wider functions including housing strategies; regeneration strategies, land disposal plans etc). Notwithstanding this, given the number of entries in the self-build register NELC may wish to consider the provision of self-build plots as a part of its overall housing mix in the Local Plan.

¹²² PPG ID: 57-011-20210208

¹²³ PPG ID: 57-001-20170728

¹²⁴ PPG ID:57-011-20210208

¹²⁵ PPG ID: 67-003-20190722

Service Families

- 11.142 NELC is a signatory of the Armed Forces Covenant, which is a promise by the nation ensuring that those who serve or who have served in the armed forces, and their families, are treated fairly. In particular, the Covenant sets out 2 key principles:
- Those who serve in the Armed Forces, whether regular or reserve, those who have served in the past, and their families, should not face any disadvantage compared to other citizens in the provision of public and commercial services.
 - Special treatment is appropriate in some cases, especially for those who have given most such as the injured or the bereaved.
- 11.143 By re-signing the Covenant, NELC signed up to a number of commitments within the Armed Forces Covenant Strategy and Action Plan 2021 – 2025:
- It appointed the Elected Member Cllr Ron Shepherd as its Armed Forces Champion.
 - It is a member of the North East Lincolnshire Armed Forces Liaison Group. This group meets regularly to discuss the Covenant and implementing an action plan.
 - It promotes the Armed Forces Covenant Fund, which is a National grant scheme totalling £10 million each year.
 - It will promote the aims of the Covenant and ensure that NELC staff who deal with members of the public are aware of these commitments.
 - It will support its employees who are members of the Reserve Forces and cadet organisations recognising the need to be flexible with regard to leave for training, supporting any mobilisations and deployment.
- 11.144 There are currently no military bases in North East Lincolnshire, whilst the Council Tax Base Statistics for 2021 identifies that there is no armed forces' accommodation in the Borough. Furthermore, the Ministry of Defence's [MOD] Annual Personnel Location Statistics for 2021 indicates that there are currently no military or civilian personnel stationed in the Borough.
- 11.145 **It is therefore considered that at the current time, there is no need to identify any specific requirements for Service Families in the Borough.**

12.0 Conclusions and Recommendations

- 12.1 This SHMA has been undertaken to identify future growth and local needs across North East Lincolnshire Borough for the period 2022 to 2042, and to provide the robust and up-to-date evidence upon which a new Local Plan will be developed.
- 12.2 The approach taken is intended to help identify future housing requirements and ensure that each community in the Borough has access to the right type of housing in the right place, as well as improving the local communities' health and wellbeing. This will ensure new housing provision meets local needs and wider growth requirements.
- 12.3 The key conclusions of the analysis are summarised below.

Local Housing Need

- 12.4 The LHN for the Borough as generated by the standard method in the NPPF and PPG results in a figure of **203 dpa over the period 2022-2042**. This represents the minimum starting point figure and delivering more than 203 dpa is supported through the NPPF and PPG in several ways. Indeed, it is a key part of the Local Plan process to test higher rates of delivery.
- 12.5 The SHMA has considered whether exceptional circumstances exist to justify an alternative approach for North East Lincolnshire. It has considered whether the 2014-based SNPP, and more recent 2021 Census data, are robust for the Borough. The 2014-based projections represent a reasonable assessment of likely future growth in the context of past trends and likely future change, once they have been adjusted and re-based to take into account the recently-released 2021 Census data. Household formation rates are significantly higher amongst younger age cohorts for the Borough than the national average between 2022 and 2039 and therefore the usage of PCU rates to account for suppressed household formation amongst young households is not appropriate in this particular instance.
- 12.6 However, recent population growth has been much lower than forecast. The 2021 Census reported 156,966 residents living in North East Lincolnshire, whilst the 2014-based SNPP had projected that by this date there would be 161,002 residents in the Borough (the 2018-based SNPP was not far behind at 160,023).
- 12.7 The 2018-based SNHP suggests that household growth may well be lower than the 2014-based SNHP indicates, whilst under all but one of the adjusted demographic scenarios (the 2018-based SNPP High International Migration variant being the exception), the level of housing growth generated by the PopGroup modelling does not exceed the SM2 figure of 203 dpa.
- 12.8 The general message emerging from both sets of projections is that future population growth in North East Lincolnshire will be almost entirely driven by retirees, and particularly those aged 70 and above. In stark contrast, the number of residents in their 50s and early 60s is projected to decline significantly over the next 20 years or so. For example, according to the 2014-based SNPP, the number of residents aged between 50 and 64 is projected to decline by around 5,500. Similarly, the number of residents aged 20-39 is projected to decline by c.2,400. Unchecked, this could have a serious negative impact on the local economy due to a declining labour force unless measures are implemented to increase the employment rate. In contrast, the number of older residents over 65 is projected to increase by c.9,500 over the next 17 years (2022 – 2039). **Going above and beyond the SM2 figure of 203 dpa will be essential if North East Lincolnshire is to grasp the economic growth opportunities presented.**

- 12.9 Similarly, although the past net housing delivery rate of **313 dpa** would result in a level of population growth well in excess of even the most optimistic demographic scenario, it would only result in a relatively modest uplift in the level of job growth over the next 20 years (+274). Therefore, although the local economy would be stabilised and indeed see some growth, it is questionable as to whether this level of housing need would be sufficient to align fully with the Council's economic growth objectives.
- 12.10 In terms of alignment with the economic growth scenarios, two main projections were modelled, using the latest Experian baseline job growth projections (+2,600 jobs 2022-2042) and a Policy On Job Growth scenario factoring a number of key regeneration projects programmed in for the Borough, which would raise the net job growth to 4,560. Both forecasts are comfortably in excess of the employment levels that could be sustained by the much weaker demographic projections, including the SM2 target of 203 dpa (which would still lead to a loss of around 109 jobs over the next 20 years).
- 12.11 **Given the strong regeneration and economic growth objectives being pursued by NELC, this would suggest that the LHN generated by the Government's standard methodology may not be appropriate for North East Lincolnshire moving forward.**
- 12.12 If NELC does decide to pursue a higher level of economic growth and allocates sufficient employment land to support this, in line with the Policy On Scenario for example, then it should therefore consider increasing the housing target accordingly. The Experian baseline job growth target would equate to a housing need of 415 dpa, more than double the SM2 figure. An even higher figure of **507 dpa could be justified** based on a Policy On level of job growth.
- 12.13 Furthermore, the PPG suggests an increase in the total housing figures included in a Local Plan may need to be considered by NELC where it could help deliver the required number of affordable homes. It is for NELC to consider the evidence contained in this SHMA when identifying a housing requirement which would support the strategy underpinning the emerging plan and whether an uplift beyond the standard method is appropriate.

Affordable Housing Needs

- 12.14 Lichfields has undertaken a detailed analysis to calculate net affordable housing need for North East Lincolnshire Borough. On the basis of the analysis detailed in Section 10.0 of this report, net annual need based on current data over the period 2022 to 2042 amounts to **between 177 and 302 homes for affordable/social rent** (depending on the income multiplier used). This reflects gross household formation and therefore does not account for household dissolutions, with the implication that needs are likely to be 'worst case' under this approach as it could include some double counting. It also assumes that the backlog need will be addressed in full in the first 5 years of the Plan. Strongest levels of affordable housing rental need are identified for Urban Area and the Western & Southern Arc, and the lowest in the Rural Area and particularly the Estuary Zone. If the annual supply of social re-lets is increased substantially to take into account the uncertainty regarding internal transfers, then the annual requirement could fall further, to between 127 and 251 dpa.
- 12.15 The analysis assessed households who want to move towards ownership tenures, but may be unable to, even if their needs are currently being met in the private rented sector. The net requirement for intermediate housing equates to -4 dpa. An identical exercise was undertaken using the 4.5 / 31% dual income multipliers. This resulted in a higher level of

need for intermediate housing to purchase, at +44 dpa, due to the increasing gap between people's ability to afford private rent and market purchase. This breaks down to -9 dpa in the Urban Area; 8 dpa in the Estuary Zone; 26 dpa in the Western & Southern Arc and 18 dpa in the Rural Area.

- 12.16 Table 8.22 indicates that bringing the two types together results in an overall affordable housing need in the order of **298 dpa** based on 4x / 25% income multipliers, falling to **221 dpa** based on 4.5x / 31% income multipliers. There is a higher level of need in the Western & Southern Arc settlements and the Grimsby/Cleethorpes Urban Area, with the former having a particularly strong need for affordable properties available to rent.

Table 12.1 North East Lincolnshire Borough Affordable Housing Need Calculation – To Rent and Purchase

Stage and step in calculation	North East Lincolnshire		Urban Area		Estuary Zone		Western & Southern Arc		Rural Area	
	25% income	31% income	25%	31%	25%	31%	25%	31%	25%	31%
Net Annual Affordable Housing Need for Rent	302	177	141	54	0	-8	130	107	30	25
Net Annual Affordable Housing Need for Sale	-4	44	-9	-9	1	8	1	26	3	18
Overall Net Annual Affordable Housing Need	298	221	132	45	1	0	131	133	33	43

Source: NELC, Local Authority Live Tables, CORE Data and Lichfields analysis. Sums may not add due to rounding errors.

- 12.17 This is higher than the locally assessed need based on the standard method (203 dpa) and would represent between 44% and 59% of the upper end of the recommended range (507 dpa based on the Experian Policy On jobs growth scenario).
- 12.18 The PPG is clear that the total affordable housing need should be considered in the context of its likely delivery as a proportion of mixed market and affordable housing developments, considering the probable percentage of affordable housing to be delivered by eligible market housing led developments. In North East Lincolnshire the likely delivery is a maximum of 20% on major development sites, which is considerably lower than being able to meet affordable needs. Whilst the full affordable locally assessed need equates to between 221 and 298 dpa, in practice it is extremely unlikely that this level of housing delivery will ever be achieved in North East Lincolnshire, which has averaged just 65 dpa over the past 20 years.
- 12.19 The PPG¹²⁶ suggests an increase in the total housing figures included in the plan may need to be considered where it could help deliver the required number of affordable homes.
- 12.20 In line with the approach envisaged by the NPPF, the affordable housing needs are an important component of the overall need for housing and NELC should seek to use its planning policy to maximise delivery of affordable housing given the scale of need identified.
- 12.21 An additional uplift would go some way towards meeting the high level of affordable housing need identified for North East Lincolnshire, although it is noted that the recommended housing requirement figure of 507 dpa is already more than double the 203 dpa derived from the Government's standard methodology.

¹²⁶ 2a-024-20190220

- 12.22 It is for NELC to consider the evidence contained in this SHMA when identifying the housing requirement which would support the strategy underpinning the emerging plan and whether an uplift beyond the standard method is appropriate.

Local Housing Dynamics

- 12.23 A range of top-down and bottom-up scenarios have been assessed for the four sub-areas within North East Lincolnshire to establish the broad range of housing which may be appropriate for each area over the Plan period. Whilst it is for NELC to consider the evidence contained in this SHMA when identifying a housing requirement for each of the sub-areas, Lichfields' analysis recommended that **a range of between 65%-80% could be appropriate for the Urban Area; between 5% and 10% for the Estuary Zone; between 15% and 30% for the Western & Southern Arc; and 5% or less for the Rural Area.**

Housing Needs of Specific Groups

Housing mix and type

- 12.24 In line with wider trends, older couple household groups are projected to see the fastest growth in North East Lincolnshire, increasing by 33% between 2022 and 2042. Older single household types are also expected to see a significant increase of 15%. Growth of households with younger single people is expected to be 8%, whilst the number of families with children is projected to decline by -0.4%. Other households are expected to decline by a substantial 17% over the same period.
- 12.25 Based on overall household growth and existing occupancy patterns, our assessment indicates that housing need in North East Lincolnshire is predominantly made up of 2-3 bedroom dwellings. This takes into account the fact that although older households are likely to make up the majority of future household growth, these often remain in their large family home, are the least active in the housing market and tend to occupy housing larger than they 'need'.
- 12.26 Housing waiting list information shows that most households in need of affordable housing required 1 or 2-bed dwellings; however, the waiting list and Census data both show that overcrowding remains a problem. Within the social rented sector, there is likely to be some scope for more efficient use of the existing stock.
- 12.27 In this context, it is recommended that for market housing, between 35% and 45% of housing should be for smaller 1 or 2 bed properties. For social housing, between 55%-75% of the social housing provision should be for smaller 1 and 2-bed properties, with the majority of the remainder comprising 3 and 4-bed properties.

Meeting the needs of specific groups

- 12.28 In North East Lincolnshire, it is likely that Build to Rent [BtR] schemes could cater for needs in the private rented sector, particularly for those on low to middle incomes who may desire and alternative to traditional rental options (i.e. buy-to-let landlords). Any BtR schemes in the Borough should be modest in scale, potentially focused in the Town Centre, and should be broadly weighted more towards meeting the needs of smaller households suited to single person households (although the needs of smaller households with one or more children should not be overlooked). **20% is generally a suitable benchmark** for

the level of affordable private rent homes to be provided (and maintained in perpetuity) in any build to rent scheme.

- 12.29 Due to the limited presence of students in need of PBSA in the Borough, there is currently no need for additional purpose-built student accommodation, or certainly any additional provision.
- 12.30 The number of **families and other households with children** is expected to increase by around only 0.4% in North East Lincolnshire by 2039, entirely driven by the growth in smaller families with 1 child, whilst larger families with 2 or more children are projected to decline in number. In the owner-occupied sector, the rate of overcrowding amongst families is low (although the absolute number of overcrowded owned occupied properties with families is highest in absolute terms), and families tend to live in homes which are larger than they 'need' in order to have extra space.
- 12.31 The number of **older people** living in North East Lincolnshire Borough is projected to increase by 32.4% by 2042. This is by far the fastest growth of any age group. In the context of ageing both more widely and in the Borough specifically, meeting needs of older people will be a key element of meeting overall needs over the period to 2042 (and beyond).
- 12.32 Lichfields' analysis suggests that between 2022 and 2042, the estimated need for elderly C3 housing units would be **between 2,045 and 2,883 units**. This analysis therefore highlights that there is currently some significant unmet need for C3 Sheltered and Extra Care specialist accommodation in North East Lincolnshire which is not being addressed, with the majority of need focused in the Urban Area. In addition, Lichfields projects that a further **930** elderly residents will reside in communal establishments (predominantly in care homes without nursing).
- 12.33 In addition to the needs of residents living in communal establishment accommodation (C2), there is a need to ensure that suitable provision is made for those living in private housing who do not require care home facilities but may have specific needs, for example for adaptable and accessible homes. **It is recommended that c.50% of new general housing is provided to Part M4(2) standards**. It is important to note that there will be overlap between the need for adaptable and accessible homes and the identified need for elderly housing (i.e. Extra Care and Sheltered Housing).
- 12.34 Given the ageing population over the Plan period, on this basis we recommend that **between 5% and 10%** of new affordable homes should meet the M4(3) requirement for wheelchair users, albeit this is likely to overlap with some of the need for adaptable and accessible homes for older people. NELC should keep the housing waiting list under review, and if possible, collect information on whether a household specifically needs a wheelchair accessible dwelling.
- 12.35 Finally, with self/custom build, demand on NELCs register has generally increased each year as more people request to be added. As of the end of October 2022, the Council had **46 individuals and 5 groups on the register**. Going forward, it is important that the Register contains an accurate and up to date picture of the demand for self-build plots. Notwithstanding this, given the number of entries in the self-build register NELC may wish to consider the provision of self-build plots as a part of its overall housing mix in the Local Plan.