

**North East Lincolnshire
Council**

**Housing and Economic
Development Needs
Assessment**

North East Lincolnshire Council

03 November 2025

Lichfields is the pre-eminent planning and development consultancy in the UK

**We've been helping create great places
for over 60 years.**

lichfields.uk

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	11
	The UK’s Modern Industrial Strategy	19
	Development Plan	20
	Local and Sub-Regional Evidence Base	24
3.0	Socio-Economic Context	31
	Demographic Context	31
	Economic Conditions and Trends	38
	Summary	46
4.0	Defining the HMA/FEMA	47
	Defining the HMA	48
	Defining the FEMA	54
	Current Position of Adjoining Districts	60
	Conclusion on the extent of the HMA and FEMA	61
5.0	Housing Market Signals	62
	Household Composition	62
	Occupancy Rating	62
	Housing Stock	65
	The Active Market	70
	Affordable Housing and the Housing Register	82
	Summary	83
6.0	Local Housing Need	85

	Introduction	85
	Methodology	85
	Demographic Analysis	88
	Future Housing Scenarios	91
	Economic Growth Strategies	102
	Unmet Need from Elsewhere	103
	Conclusions on North East Lincolnshire Borough's LHN	104
7.0	Affordable Housing Needs	105
	Number of Current and Future Households in Need	105
	Affordable Housing Needs Calculation	107
	Estimate of Net Affordable Housing Needs	122
	Affordable Homes for Purchase	124
	Types of Affordable Housing Needed	132
8.0	Sub-Area Housing Dynamics	146
	Apportionment of Borough-Wide Requirement	146
	Local Housing Dynamics	147
	Availability of Land	147
	Sub Area Characteristics	148
	Summary	150
9.0	Type, Tenure and Size of Housing Required	152
	Housing Size and Type	152
	Summary	166
10.0	Needs of Specific Groups	167
	Private Rented Sector	167
	Build to Rent [BtR]	170
	Students and Purpose-Built Student Accommodation [PBSA]	172
	Households and Families with Children	173
	The need for specialist accommodation for Older People	177
	Adaptable and Accessible Homes	196
	Self-build and custom build	201

	Service Families	202
	Children Looked After & Care Leavers	203
11.0	Forward Housing Trajectory and Potential Phasing of Delivery 207	
12.0	Commercial Property Market Signals and Intelligence	210
	Introduction	210
	Employment Space	210
	Net Absorption	217
	Development Rates	218
	Development Pipeline	221
	Commercial Overview	222
13.0	Forecasting Future Employment Needs	226
	Introduction	226
	Methodology	226
	Estimating the Net Land Requirement	237
	Flexibility Factor	237
	Convert Net to Gross Floorspace Requirements	239
	Reality Check	241
14.0	Forward Supply of Employment Land	243
	Introduction	243
	Strategic Employment Land Supply Compartmentalisation	243
15.0	Supply/Demand Balance	265
16.0	Conclusions and Recommendations	267
	Local Housing Need	267
	Affordable Housing Needs	268
	Local Housing Dynamics	270
	Housing Needs of Specific Groups	270
	Future Employment Needs	272

1.0 Introduction

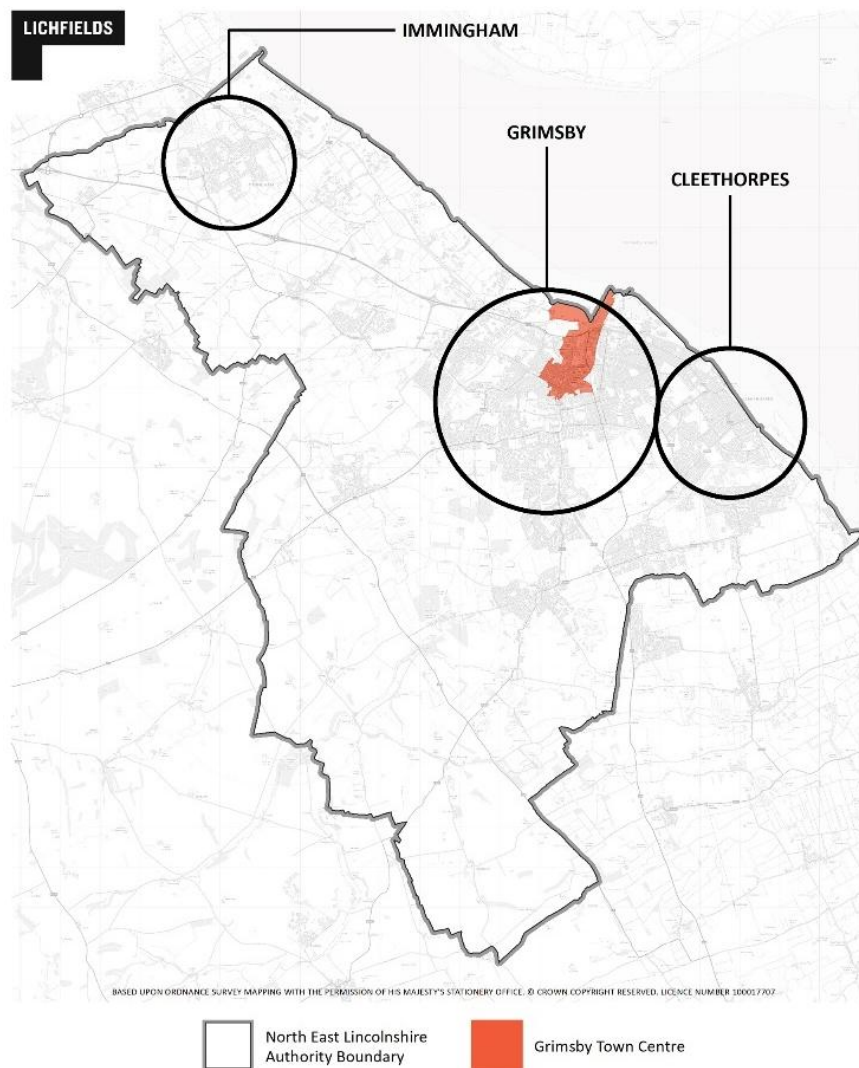
- 1.1 In 2023 Lichfields was appointed by North East Lincolnshire Council [the Council] to undertake a Housing and Economic Development Needs Assessment [HEDNA] for the Borough¹. The study area is illustrated in Figure 1.1 below.
- 1.2 The overarching objective of the study was to provide the housing and economic needs evidence base to support policy development as the Council prepared its new Local Plan. Published in August 2023, the HEDNA established the policy, and socio-economic context for the Borough; examined housing market signals and identified the overall housing need for the Borough (by type, size and tenure), before assessing the area's employment land needs. The study identified needs over the period of 2022 to 2042 and was intended to provide robust and up-to-date evidence upon which the new Local Plan could be based.
- 1.3 Since the report was published, the planning landscape has changed, led by a new Labour Government and substantially amended National Planning Policy Framework [NPPF24] (December 2024) which has altered the approach to be taken when planning for housing, commercial and industrial needs. New Planning Practice Guidance [PPG] has also been issued; and a revised, stock-based standard methodology for calculating housing need, which has had the effect of increasing North East Lincolnshire's likely minimum requirement very substantially, has been introduced.
- 1.4 A number of important economic regeneration schemes are also currently in the pipeline, that were not considered in the previous HEDNA including:
- The approval of a new factory at Energy Park Way in Grimsby in January 2025, that will produce carbon fibre, owned by Greg LeMond, and which could generate up to 400 new jobs in the local area.
 - The DCO approval of the Immingham Green Energy Terminal by the SoS on 6th February 2025. The project comprises a new liquid bulk import terminal and associated processing facility, the purpose of which is to deliver a green hydrogen production facility.
 - RWE has plans for a new gas-fired power station with carbon capture technology at Stallingborough near Grimsby - pre-application discussions are currently underway.
- 1.5 The Council's Local Plan progress has also evolved, with the Council recently issuing an updated Local Development Scheme [LDS] (March 2025) that reflects the transitional arrangements set out in the revised NPPF24 requiring councils to submit plans for examination by 31st December 2026. The Council is aiming to update its evidence in spring / summer 2025 ahead of publishing its Regulation 18 Draft Local Plan with Options in Autumn 2025. According to the LDS, the Council is then aiming to publish its Regulation 18 Preferred Option Local Plan in Summer 2026, ahead of submission by the aforementioned target date of December of that year.
- 1.6 In light of this new schedule, Lichfields has been asked by the Council to comprehensively update the HEDNA to align with the requirements of the NPPF24 and accompanying PPG, as well as taking into account the implications of the new Greater Lincolnshire Combined Authority [GLCCA], of which North East Lincolnshire Council is one of the three

¹ Lichfields (August 2023): *North East Lincolnshire Housing and Economic Development Needs Assessment*

constituent Councils alongside Lincolnshire County Council and North Lincolnshire District Council.

- 1.7 Hereinafter reference to HEDNA is to the original report and HEDNA Update to this revised report.
- 1.8 The HEDNA Update will form a key part of the needs case underpinning the emerging Local Plan's strategic policies over the emerging Plan period of 2025-2043, as well as analysing the strategic employment land supply.

Figure 1.1 North East Lincolnshire Local Authority and Grimsby Town Centre



Source: Lichfields

Study Scope

- 1.9 This HEDNA Update is intended to assist the Council in understanding the economic picture of North East Lincolnshire and the implications of employment growth on its workforce, housing, and employment land requirements. This is in light of the updated NPPF in December 2024 and implications this has for the Borough's forward planning for both housing and employment land needs.

1.10 To this end, the scope of the study involves:

Assessing Economic needs:

- Sectoral and employment forecasts and consideration of the future labour supply.
- Identification of any specific locational requirements of relevant sectors of the economy, including new or specialist sectors.
- Forecasting future employment land needs and ensuring the housing and employment land targets dovetail together.
- A high-level supply-side analysis to define different types of employment land that constitute the Council's supply in order to clearly distinguish between what meets a 'local' need and what is effectively meeting a wider 'strategic need', which provides very specialised accommodation (i.e. port or renewables-related).

Overall housing needs:

- Confirmation of the extent of the housing market area and any associated policy implications.
- Identifying the Local Housing Need [LHN] for North East Lincolnshire applying the Government's new Standard Methodology [SM3] as set out in the PPG.
- Assessment of alternative methods to identify housing need that may be necessary to support economic growth.

The need for different types of housing:

- The appropriate mix of market housing types and tenure required.
- The need for affordable housing, including the type and tenure that is required.
- The demand for self and custom build housing, and opportunities to improve delivery.
- The need for housing for older people, disabled people and people with specialist care needs.
- The likely demand for student accommodation in North East Lincolnshire.

Report Structure

1.11 This HEDNA Update is structured as follows:

- 2 **Background Policy Context:** setting out the latest national and local planning policy context along with the economic strategy for North East Lincolnshire.
- 3 **Socio-Economic Context:** examining macro and micro-economic trends and conditions.
- 4 **Defining the Housing Market Area / Functional Economic Market Area [FEMA].**
- 5 **Housing Market Signals Analysis:** a detailed assessment of North East Lincolnshire's demographic characteristics and the housing market more generally.

- 6 **Local Housing Needs:** the application of the Government's SM3 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.
- 7 **Affordable Housing Needs:** an analysis of the scale of affordable housing need that current exists in North East Lincolnshire.
- 8 **Sub-Area Housing Dynamics,** examining how the need might best be distributed across the Borough.
- 9 **Type, Tenure and Size of Housing Required:** Analysis of the type, tenure and size of housing required in the Borough.
- 10 **Needs of Specific Household Groups.**
- 11 **Forward Housing Trajectory and Potential Phasing.**
- 12 **Commercial Property Market Signals and Intelligence.**
- 13 **Forecasting Future Economic Growth Needs and Employment Land Requirements.**
- 14 **Forward Supply of Employment Land,** categorised into strategic and indigenous uses.
- 15 **Supply/Demand Balance of employment land.**
- 16 **Conclusions and Recommendations:** Bringing together and summarising the key findings and recommendations.

2.0 Background – Policy Context

Introduction

- 2.1 This study comprises a key part of the housing and employment evidence base that will be used to inform the Council’s emerging Local Plan policies and is prepared in accordance with the following policy and economic documents at a national, regional, and local level. These documents are summarised below.

National Planning Policy Framework

- 2.2 The NPPF24 places a particular emphasis on sustainable development, including the provision of homes and employment land, through a process of:
- 1 Supporting strong, vibrant and healthy communities by ensuring that there is a sufficient number and range of homes to meet the needs of present and future generations;
 - 2 Fostering well-designed, beautiful and safe places that reflect current and future needs.
 - 3 Reviewing employment land allocations to ensure the supply meets identified needs;
 - 4 Proactively supporting sustainable economic development to help build a strong, responsive and competitive economy, by ensuring that sufficient land of the right types is available in the right places and at the right time to support growth, innovation and improved productivity; and by identifying and coordinating the provision of infrastructure; and,
 - 5 Encouraging the effective use of land by re-using land that has been previously developed (brownfield land), with a view to promoting regeneration.
- 2.3 It states that the purpose of the planning system is to contribute to the achievement of sustainable development, including the provision of homes, commercial development, and supporting infrastructure in a sustainable manner [§7].
- 2.4 Paragraph 11 of the NPPF24 retains the presumption in favour of sustainable development and refers to the expectation that plans should “*meet the development needs of their area*” and:
- “as a minimum provide for the objectively assessed needs for housing and other uses, as well as any needs that cannot be met within neighbouring areas, unless:*
- i *the application of policies in this Framework that protect areas or assets of particular importance provides a strong reason for restricting the overall scale, type or distribution of development in the plan area⁷; or*
 - ii *any adverse impacts of doing so would significantly and demonstrably outweigh the benefits, when assessed against the policies in this Framework taken as a whole”.*
- 2.5 Ultimately, the Council’s Local Plan will need up-to-date and comprehensive evidence to inform its judgements about the need for, and relative importance of, housing and employment land in its area, particularly in the face of continued pressure for release to other uses.

- 2.6 NPPF24 now states that planning policies and decisions should promote an effective use of land in meeting the need for homes and other uses, while safeguarding and improving the environment and ensuring safe and healthy living conditions. Strategic policies should set out a clear strategy for accommodating objectively assessed needs, in a way that makes as much use as possible of previously-developed or 'brownfield' land [paragraph 124].

Housing Policy

- 2.7 Regarding housing need, the NPPF24 has reinforced the Government's objective of significantly boosting the supply of homes, making explicit reference to the overall aim of meeting an area's identified housing need, including with an appropriate mix of housing types for the local community [§61]. It states that to determine the minimum number of homes needed, strategic policies should be informed by a local housing need [LHN] assessment, conducted using SM3:

"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 practice guidance. 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." [§62]

- 2.8 Local Housing Need LHN is defined in Annex 2 of the NPPF as:

"The number of homes identified as being needed through the application of the standard method set out in national planning practice guidance."

- 2.9 Within this context of establishing need, the size, type and tenure of housing needed for different groups in the community should be assessed and reflected in planning policies. These groups should include (but are not limited to) those who require affordable housing (including Social Rent); families with children; looked after children; older people (including those who require retirement housing, housing-with-care and care homes); students; people with disabilities; service families; travellers; people who rent their homes and people wishing to commission or build their own homes [§63].
- 2.10 There is an increasing emphasis on the need to plan specifically for social rented properties in NPPF24.
- 2.11 Paragraph 64 states that where a need for affordable housing is identified, planning policies should specify the type of affordable housing required, including the minimum proportion of Social Rent homes required. In the Annex 2 glossary, Social Rent is now given increased prominence and is defined separately from 'other affordable housing for rent' when discussing affordable housing.
- 2.12 The NPPF24 reconfirms that strategic policy-making authorities should establish a housing requirement figure for their whole area, which shows the extent to which their identified housing need (and any needs that cannot be met within neighbouring areas) can be met over the plan period. It goes on to state that the housing requirement may be higher than the identified housing need if it reflects growth ambitions linked to economic development or infrastructure investment:

“The requirement may be higher than the identified housing need if, for example, it includes provision for neighbouring areas, or reflects growth ambitions linked to economic development or infrastructure investment. Within this overall requirement, strategic policies should also 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.” [§69]

2.13 This makes it increasingly important that the HEDNA models robust labour supply scenarios to ensure that its future housing requirement and employment land needs are in alignment.

2.14 The NPPF24 also includes a new paragraph extolling the virtues of mixed tenure sites:

“Mixed tenure sites can provide a range of benefits, including creating diverse communities and supporting timely build out rates, and local planning authorities should support their development through their policies and decisions (although this should not preclude schemes that are mainly, or entirely, for Social Rent or other affordable housing tenures from being supported). Mixed tenure sites can include a mixture of ownership and rental tenures” [§71].

2.15 The NPPF24 goes on to say that authorities should identify a sufficient supply and mix of sites, taking into account their availability, suitability and likely economic viability [§72].

Employment Land / Economic Policy

2.16 Section 6 of NPPF24 summarises how the planning system should help build a strong competitive economy:

“Planning policies and decisions should help create the conditions in which businesses can invest, expand and adapt. Significant weight should be placed on the need to support economic growth and productivity, taking into account both local business needs and wider opportunities for development.” [§85]

2.17 The NPPF24 [§86] states that LPAs are required to ensure that Local Plan policies set out a clear economic vision and strategy which positively and proactively encourages sustainable economic growth, having regard to the national industrial strategy and any relevant Local Industrial Strategies [LIS] and other local policies for economic development and regeneration. They should set criteria, and identify strategic sites, for local and inward investment to match the strategy and to meet anticipated needs over the plan period, and seek to address potential barriers to investment, such as inadequate infrastructure, services or housing, or a poor environment. The NPPF24 also requires planning policies to be flexible enough to accommodate needs not anticipated in the plan and allow for new and flexible working practices and spaces to enable a rapid response to changes in economic circumstances.

2.18 The new NPPF24 expands paragraph 86 by including a new requirement for LPAs to *“pay particular regard to facilitating development to meet the needs of a modern economy, including by identifying suitable locations for uses such as laboratories, gigafactories, data centres, digital infrastructure, freight and logistics.”*

- 2.19 Paragraph 87, which requires planning policies and decisions to recognise and address the specific locational requirements of different sectors, is also expanded in the new NPPF²⁴. Clause a) requires policies to make provision for “*clusters or networks of knowledge and data-driven, creative or high technology industries; and for new, expanded or upgraded facilities and infrastructure that are needed to support the growth of these industries (including data centres and grid connections)*”.
- 2.20 Paragraph 87b identifies a requirement to provide for storage and distribution operations at a variety of scales and in suitably accessible locations “*that allow for the efficient and reliable handling of goods, especially where this is needed to support the supply chain, transport innovation and decarbonisation*”.
- 2.21 Paragraph 87c sets out a new requirement to make provision for the “*expansion or modernisation of other industries of local, regional or national importance to support economic growth and resilience*”.

Planning Practice Guidance

- 2.22 On 6th March 2014 the Government launched the PPG web-based resource². 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 withdrawn.
- 2.23 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 12th December 2024 to coincide with the publication of the new NPPF²⁴. The PPG’s more generalised guidance on Economic Needs Assessments was last updated on 20th February 2019, with a high-level approach for assessing need for logistics space later that year, on 22nd July.

Housing Policy

Calculating Local Housing Need

- 2.24 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 that incorporates a baseline of local housing stock which is then adjusted upwards to reflect local affordability pressures to identify the minimum number of homes expected to be planned for³. The new SM3 identifies a minimum annual housing need figure and ensures that plan-making is informed by an unconstrained assessment of the number of homes needed in an area. It does not produce a housing requirement figure. It is important to note that the housing requirement may be higher than the identified housing need, and authorities should consider the merits of planning for higher growth if, for example, this would seek to reflect economic growth aspirations⁴.

² <http://planningguidance.planningportal.gov.uk/>

³ 2a-002-20241212

⁴ 2a-040-20241212

- 2.25 The minimum annual LHN figure calculated using SM3⁵ firstly sets a baseline using 0.8% of the existing housing stock (including vacant units) for the local authority area (using the most recent data). Housing stock is used because it provides a stable and predictable baseline that ensures all areas, as a minimum, are contributing a share of the national total that is proportionate to the size of their current housing market.
- 2.26 The housing stock baseline figure is then adjusted based on the affordability of the area. The affordability data used is the median workplace-based affordability ratios, published by the Office for National Statistics [ONS] at a local authority level. The mean average affordability over the five most recent years for which data is available should be used.
- 2.27 The affordability adjustment is applied to ensure that SM3 responds to price signals and is consistent with the policy objective of significantly boosting the supply of homes and set at a level to ensure that minimum annual housing need starts to address the affordability of homes⁶.
- 2.28 The calculation is as follows:
- $$\text{Adjustment Factor} = ((\text{five year average affordability ratio} - 5) / 5) \times 0.95 + 1$$
- 2.29 No adjustment is applied where the ratio is 5 or below. For each 1% the ratio is above 5, the housing stock baseline should be increased by 0.95%. An authority with a ratio of 10 will have a 95% increase on its annual housing stock baseline.
- 2.30 The PPG explains that the affordability adjustment is applied to take account of past under-delivery. As SM3 identifies the minimum uplift that will be required, it is not a requirement to specifically address under-delivery separately⁷.
- 2.31 Whilst the resultant LHN figure (which can be applied to the whole plan period) should be kept under review and revised where appropriate, it may be relied upon for plan making for a period of 2 years from the time that the plan is submitted to the Planning Inspectorate for examination.
- 2.32 Whilst stressing that the standard method should be used to assess housing needs, the PPG notes that there are some specific circumstances in which an alternative approach could be justified. This is particularly relevant for this HEDNA Update.
- 2.33 There is separate guidance on identifying the [housing needs of different groups](#) and [housing needs of older and disabled people](#), summarised below.

Calculating Affordable Housing Needs

- 2.34 Starting with affordable housing needs, this includes all households whose needs are not met by the market. LPAs are required to estimate the current number of households and projected number of households who lack their own housing or who cannot afford to meet their housing needs in the market.

⁵ 2a-004-20241212

⁶ 2a-006-20241212

⁷ 2a-011-20241212

- 2.35 The calculation of affordable housing need progresses through a number of stages, starting with current unmet gross need. This can be calculated by assessing past trends and current estimates of:
- 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 aspiration⁸.
- 2.36 The PPG stresses that care should be taken to avoid double-counting, and to include only those households who cannot afford to access suitable housing in the market. Potential data sources include local authority data, Census data, Housing Registers and transfer lists.
- 2.37 The PPG then turns to the next stage, involving calculating the number of newly arising households likely to be in affordable housing need be calculated (a gross annual estimate).
- 2.38 This states that any projections of affordable housing need will have to reflect new household formation, the proportion of newly forming households unable to buy or rent in the market area, and 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. The output is the proportion of newly-forming households that are unable to access market housing, using data from the Ministry of Housing Communities and Local Government [MHCLG] household projections, the English Housing Survey [EHS], local authority and registered social landlords databases, and mortgage lenders⁹, based on the following calculation:
- Total newly arising affordable housing need (gross per year) = (the number of newly forming households x the proportion unable to afford market housing) + existing households falling into need.*
- 2.39 The next stage¹⁰ is to look at the availability of the current total affordable housing supply that can be used to accommodate households in affordable housing need, as well as future supply. Assessing the total affordable housing supply requires the identification of:
- 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 2a-020-20190220

⁹ 2a-021-20190220

¹⁰ 2a-022-20190220

Total affordable housing stock available = Dwellings currently occupied by households in need + surplus stock + committed additional housing stock – units to be taken out of management.

2.40 Data that can be used to calculate this includes MHCLG affordable housing supply statistics, the Housing Register, transfer lists, demolition and conversion programmes, and the development programmes of affordable housing providers.

2.41 There is also a qualitative element to this analysis, which involves looking at the current stock of houses of different sizes and assess whether these match current and future needs¹¹.

2.42 Bringing this all together, the total need for affordable housing needs 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.”¹²

Calculating the Housing Needs of Different Groups of People

2.43 The PPG also sets out guidance on how plan-making authorities should identify and plan for the housing needs of particular groups of people. It states that SM3 identifies an overall minimum average annual housing need figure but does not break this down into the housing need of individual groups:

“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.”¹³*

2.44 A number of specific household groups are identified. Starting with the needs of the **Private Rented Sector** [PRS], the PPG states that tenure data from ONS can be used to

¹¹ 2a-023-20190220

¹² 2a-024-20190220

¹³ 67-001-20190722

understand the future need for PRS housing. However, this will be based on past trends. The level of changes in rents may reflect the demand in the area for PRS housing, and can be sourced from the EHS, ONS's Private Rental Index, the Valuation Office Agency [VOA], HomeLet Rental Index and other commercial sources¹⁴.

2.45 Moving on to assessing the needs of **self-build and custom housebuilding**, the PPG states that most LPAs are now required to keep a register of individuals and associations of individuals who are seeking to acquire serviced plots of land in their area in order to build their own home. To obtain a robust assessment of demand for this type of housing in their area, LPAs should assess and review the data held on registers. 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 enquiries for building plots from local estate agents¹⁵.

2.46 Turning to **student housing needs**, strategic policy-making authorities need to plan for sufficient student accommodation whether it consists of communal halls of residence or self-contained dwellings, and whether or not it is on campus:

*"Encouraging more dedicated student accommodation may provide low cost housing that takes pressure off the private rented sector and increases the overall housing stock. Strategic policy-making authorities are encouraged to consider options which would support both the needs of the student population as well as local residents before imposing caps or restrictions on students living outside university-provided accommodation. LPAs will also need to engage with universities and other higher educational establishments to ensure they understand their student accommodation requirements in their area."*¹⁶

Housing for older and disabled people

2.47 The housing **needs of older and disabled people** has a dedicated chapter in the PPG.

2.48 It begins by summarising the type of evidence that plan-makers can consider when identifying the housing needs of older people, including Census data and population projections. 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. The assessment of need can also set out the level of need for residential care homes¹⁷.

2.49 Turning to the housing needs of people with disabilities, the PPG states that multiple sources of information may need to be considered in relation to disabled people who require adaptations in the home, either now or in the future. The Census provides information on the number of people with a long-term limiting illness and plan-makers can access information from the Department for Work and Pensions on the numbers of Personal Independence Payment (replacing Disability Living Allowance) / Attendance Allowance benefit claimants.

¹⁴ 67-002-20190722

¹⁵ 67-003-20190722

¹⁶ 67-004-20190722

¹⁷ 63-004-20190626

- 2.50 Whilst these data sources can provide an indication of the number of disabled people, not all of the people included within these counts will require adaptations in the home:
- “Applications for Disabled Facilities Grant (DFG) will provide an indication of levels of expressed need, although this will underestimate total need, as there may be a large number of people who would want or need an adaptation, but would not have applied to the DFG.”¹⁸*
- 2.51 The PPG further advises that engagement at all levels can help plan-makers identify the housing needs of people with disabilities.
- 2.52 On the basis of this evidence, Plan-making authorities should set clear policies to address the housing needs of groups with particular needs such as older and disabled people. These policies can set out how the plan-making authority will consider proposals for the different types of housing that these groups are likely to require. They could also provide indicative figures or a range for the number of units of specialist housing for older people needed across the plan area throughout the plan period.
- 2.53 A number of different types of specialist housing for older people are identified in the PPG, including Age-restricted general market housing; Retirement living or sheltered housing; Extra care housing or housing-with-care; and Residential care homes and nursing homes.
- 2.54 The PPG confirms that Plans need to provide for specialist housing for older people where a need exists. Innovative and diverse housing models will need to be considered where appropriate¹⁹:
- “Many older people may not want or need specialist accommodation or care and may wish to stay or move to general housing that is already suitable, such as bungalows, or homes which can be adapted to meet a change in their needs. Plan-makers will therefore need to identify the role that general housing may play as part of their assessment.*
- Plan-makers will need to consider the size, location and quality of dwellings needed in the future for older people in order to allow them to live independently and safely in their own home for as long as possible, or to move to more suitable accommodation if they so wish.”*
- 2.55 The PPG states that 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 data²⁰.

Employment Land / Economic Policy

- 2.56 The methodology for undertaking economic needs assessments is not set out in the NPPF²⁴. The Housing and Economic Needs Assessment chapter of the PPG provides this guidance. The relevant section of the PPG addressing the calculation of objectively assessed employment land needs was updated on 20th February 2019 and 22nd July 2019.

¹⁸ 63-005-20190626

¹⁹ 63-012-20190626

²⁰ 63-016a-20190626

- 2.57 It begins by setting out how strategic policy making authorities can prepare and maintain evidence about business needs. This would include liaising closely with the local business community, assessing:
- the best fit functional economic market area [FEMA];
 - the existing stock of land for employment uses within the area;
 - the recent pattern of employment land supply and loss - for example based on extant planning permissions and planning applications (or losses to permitted development);
 - evidence of market demand (including the locational and premises requirements of particular types of business) - sourced from local data and market intelligence, such as recent surveys of business needs, discussions with developers and property agents and engagement with business and economic forums;
 - wider market signals relating to economic growth, diversification and innovation; and,
 - any evidence of market failure - such as physical or ownership constraints that prevent the employment site being used effectively²¹.
- 2.58 In assessing future requirements for employment land, the PPG requires plan-makers to consider:
- sectoral and employment forecasts and projections which take account of likely changes in skills needed (labour demand);
 - demographically derived assessments of current and future local labour supply (labour supply techniques);
 - analysis based on the past take-up of employment land and property and/or future property market requirements; and,
 - consultation with relevant organisations, studies of business trends, an understanding of innovative and changing business models; and monitoring of business, economic and employment statistics²².
- 2.59 The PPG also requires LPAs to take account of longer-term economic cycles in assessing this data, and to consider and plan for the implications of alternative economic scenarios.
- 2.60 It notes that the available stock of land can be compared with the particular requirements of the area so that 'gaps' and any over-supply in local employment land provision can be identified:
- "It is important to consider recent employment land take-up and projections (based on past trends) and forecasts (based on future scenarios), and to identify instances where sites have been developed or sought for specialist economic uses. This will help to provide an understanding of the underlying requirements for office, general business and distribution space, and (when compared with the overall stock of employment sites) can form the context for appraising individual sites."*²³

²¹ 2a-026-20190220

²² 2a-027-20190220

²³ 2a-02920190220

- 2.61 The approach that would need to be undertaken to define the Council's employment land requirements would need to follow that set out in the PPG below²⁴:
- "When translating employment and output forecasts into land requirements, there are 4 key relationships which need to be quantified. This information can be used to inform the assessment of land requirements. The 4 key relationships are:*
- Standard Industrial Classification sectors to use classes;*
 - Standard Industrial Classification sectors to type of property;*
 - employment to floorspace (employment density); and*
 - floorspace to site area (plot ratio based on industry proxies)."*
- 2.62 This is appropriate as the forecasting of employment land should be based on a number of reasonable scenarios that (in the words of the current PPG) are based on *"a range of data which is current and robust"*.
- 2.63 The PPG has also added in two sections on how authorities can assess need and allocate space for logistics²⁵ and how specific locational requirements of specialist or new sectors be addressed²⁶.
- 2.64 Regarding logistics, the PPG states that where a need for such facilities may exist, strategic policy-making authorities should collaborate with other authorities, infrastructure providers and other interests to identify the scale of need across the relevant market areas. This can be informed by:
- "Engagement with logistics developers and occupiers to understand the changing nature of requirements in terms of the type, size and location of facilities, including the impact of new and emerging technologies;*
 - analysis of market signals, including trends in take up and the availability of logistics land and floorspace across the relevant market geographies;*
 - analysis of economic forecasts to identify potential changes in demand and anticipated growth in sectors likely to occupy logistics facilities, or which require support from the sector; and*
 - engagement with Local Enterprise Partnerships and review of their plans and strategies, including economic priorities within Local Industrial Strategies."*
- 2.65 Authorities will also need to assess the extent to which land and policy support is required for other forms of logistics requirements, including the needs of SMEs and of 'last mile' facilities serving local markets. It states that a range of up-to-date evidence may have to be considered in establishing the appropriate amount, type and location of provision, including market signals, anticipated changes in the local population and the housing stock as well as the local business base and infrastructure availability.
- 2.66 Finally, the PPG states that when assessing what land and policy support may be needed for different employment uses, it will be important to understand whether there are specific

²⁴ 2a-030-20190220

²⁵ 2a-031-20190722

²⁶ 2a-032-20190722

requirements in the local market which affect the types of land or premises needed. It notes that:

“Clustering of certain industries (such as some high tech, engineering, digital, creative and logistics activities) can play an important role in supporting collaboration, innovation, productivity, and sustainability, as well as in driving the economic prospects of the areas in which they locate. Strategic policy-making authorities will need to develop a clear understanding of such needs and how they might be addressed taking account of relevant evidence and policy within Local Industrial Strategies. For example, this might include the need for greater studio capacity, co-working spaces or research facilities.

These needs are often more qualitative in nature and will have to be informed by engagement with businesses and occupiers within relevant sectors.”

The UK’s Modern Industrial Strategy

- 2.67 The UK Government released its Modern Industrial Strategy [MIS] in June 2025. This sets out the Government’s vision for unlocking economic growth, underpinned by:
- a long-term and stable outlook;
 - a renewed commitment to free and fair trade;
 - measures to ease the investor journey; and,
 - a strategic growth-focused state.
- 2.68 As part of its mission for growth, the MIS identifies eight growth driving sectors [IS-8] comprised of: advanced manufacturing, creative industries, clean energy, defence, digital technologies, financial services, life sciences, and professional business services.
- 2.69 The MIS identifies several barriers to investment that it will seek to overcome as part of the growth mission and through the lens of promoting investment. This includes:
- Enhancing skills and increasing access to talent;
 - Improving energy and infrastructure by tackling high electricity costs and investing in clean energy;
 - Reduce regulatory barriers (including planning reform);
 - Increase trade and support inward investment through proactive bringing forward more investible sites as part of Industrial Strategy Zones (which includes Investment Zones and Freeports); and,
 - Strengthen local business environment including funding, taxation and investment.
- 2.70 A core objective of the MIS is to take a place-based approach which focusses on places with the greatest potential for growth sectors. Recognising where city regions, high-potential clusters, and strategic industrial sites exist.
- 2.71 Within the MIS is a recognition that Yorkshire and the Humber contains several IS-8 clusters including the Clean Energy Industries cluster which connects the Humber up to Tees Valley and the North East.

- 2.72 Whilst logistics is not named as an IS-8, it is recognised that enhancing access to transport and logistics will improve supply chain capabilities, resilience and improve the business environment for those operating within the IS-8.
- 2.73 In the next stage of development of the MIS, the Government will prioritise subsectors within these broad sectors that meet their objectives and where there is evidence that policy can address barriers to growth. Targeted Sector Plans will be designed in partnership with business, devolved governments and regions, and other stakeholders.

UK Government Clean Energy Industries Sector Plan (2025)

- 2.74 As part of its MIS, the UK Government released its targeted Sector Plan for Clean Energy Industries. This acknowledges that former industrial heartlands and coastal communities represent a significant opportunity to build the energy industries of the future and create high quality, well-paid jobs.
- 2.75 The Government states that by 2035 it wants to:
- Be the most attractive place in Europe to invest in Clean Energy Industries;
 - Have grown exports in all frontier Clean Energy Industries;
 - Have created hundreds of thousands of good quality jobs across the country;
 - Have driven higher domestic commercialisation of evolving clean energy technologies; and,
 - Have secured more resilient and robust supply chain.
- 2.76 This recognises that Clean Energy not only has the potential to deliver strong job opportunities within the industry but can also boost local employment through supply chain benefits and other knock-on effects.
- 2.77 The Sector Plan identifies various forms of Clean Energy which will help transform the industry including:
- Offshore wind: with £2.3 billion of GVA contributed per gigawatt of offshore wind installed and exports of £2.4 billion, as well as up to 100,000 direct and indirect jobs supported by 2030;
 - Onshore wind: which supports up to 19,700 full-time jobs across deployment and wider supply chains; and,
 - Hydrogen: which will pose strong export potential which could range from £800 million to £2.2 billion in the period to 2030; and,
 - Electricity: by expanding the onshore grid network, this could contribute £4-11 billion in GVA and create an additional 50,000 – 130,000 new full-time jobs by 2050.

Development Plan

North East Lincolnshire Local Plan (2018)

- 2.78 The current Local Plan for North East Lincolnshire [the Local Plan] 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.

- 2.79 The Local 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 villages such as Aylesby, Beelsby, East and West Ravendale and Wold Newton that offer few services and amenities with relatively poor existing connections to higher level settlements.
- 2.80 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.”*
- 2.81 The Local 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.
- 2.82 The Local 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)

2.83 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.

2.84 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.”

2.85 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).

2.86 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.²⁷

- 2.87 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.
- 2.88 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).
- 2.89 Indeed, the sites at the land 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.
- 2.90 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.
- 2.91 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.

²⁷ North East Lincolnshire Local Plan (2018), Table 10.3: Housing – Spatial Distribution.

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

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

- 2.93 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.
- 2.94 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.

Local and Sub-Regional Evidence Base

North East Lincolnshire Housing and Economic Development Needs Assessment (2023)

- 2.95 Lichfields carried out a Housing and Economic Development Needs Assessment [HEDNA] for the period 2022 to 2042 on the Council's behalf to inform the development of its new Local Plan. It provided the Council with an understanding of the housing and economic prospects for North East Lincolnshire and the implications of employment growth on workforce, housing and employment land requirements.
- 2.96 This 2023 HEDNA has now been superseded by this 2025 Update. For completeness, the key findings of the 2023 HEDNA, and where they have been updated in this 2025 report, are as follows:
- **Local Housing Need:** The LHN for NEL as generated by the standard method [SM2] resulted in a figure of **203 dpa 2022-2042**. Lichfields concluded that recent population growth was likely to be much lower than forecast, and almost entirely driven by retirees. Two main econometric projections were modelled using the latest Experian baseline job growth projections (+2,600 jobs) and an 'Economic Growth' scenario factoring in several key regeneration projects to raise the overall level of net job growth to 4,560. Both forecasts were in excess of the employment levels that could be sustained by the SM2 housing figure (which would lead to a loss of around 109 jobs).

Lichfields recommended that if the Council pursued a higher level of economic growth and allocated sufficient employment land to support this, then it should consider increasing the housing requirement accordingly. The Experian baseline job growth target equated to a housing need of 415 dpa, whilst an even higher figure of 507 dpa could be justified based on the Economic Growth scenario. This analysis has been comprehensively revisited using the new SM3 and 2022-based SNPP in Section 6.0 of this report.

- **Affordable Housing Need:** The net annual need based on current data over the period 2022 to 2042 amounted to between 177 and 302 dpa for affordable/social rent (depending on the income multiplier used). The net annual requirement for intermediate housing equated to between -4 and +44 homes. Bringing the two forms of social housing together resulted in an overall annual affordable housing need for **between 221 and 298 homes** based on the 4.5x / 31% and 4x / 25% income multipliers respectively, focused predominantly in the Urban Area and to a lesser extent, the Western & Southern Arc. This analysis has been revisited in Section 7.0.
- **Housing Mix:** Based on overall household growth and existing occupancy patterns, Lichfields' assessment indicated 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. This analysis has been revisited in Section 9.0.
- **Housing Needs of Specific Groups:** the study concluded that 20% was generally a suitable benchmark for the level of affordable private rent homes to be provided (and maintained in perpetuity) in any BtR scheme. It also suggested that the estimated need for elderly C3 housing units would be between 2,045 and 2,883 units. Lichfields also projected that a further 930 elderly residents would reside in communal establishments (predominantly in care homes without nursing). It was recommended that c.50% of new general housing is provided to Part M4(2) standards, and that between 5% and 10% of new affordable homes should meet the M4(3) requirement for wheelchair users.
- **Self-Build Plots:** The Council had 46 individuals and 5 groups on the register as of October 2022. Given the number of entries in the self-build register, Lichfields suggested that the Council may wish to consider the provision of self-build plots as a part of its overall housing mix in the Local Plan. This is revisited in Section 10.0.
- **Future Employment Needs:** In accordance with the requirements of the PPG, Lichfields modelled a range of scenarios that made allowance for a margin of choice (13.13 ha) and a degree of loss replacement (2.34 ha per annum). The demand-led range resulted in the following demand projections for the Borough: Econometric demand-led projections: 61.78 ha – 68.81 ha; Labour Supply projections: 53.95 ha – 55.06 ha; and Past Development Trends: 112.41 ha. Section 13.0 of this report updates the demand forecasting work.
- **Demand / Supply Balance:** At the time of the study, there was around 170 ha available on strategic sites or to meet general needs (excluding port specific, expansion sites or new sites), which was identified as potentially being sufficient scale to meet demand; however, there was no guarantee that all the identified source of supply would necessarily come forward for that use and much was constrained by key sites being

reserved for long-term owner usage (expansion land) and ecological mitigation. Furthermore, there were only three sites (totalling 5.04 ha) plus the 5.33 ha site (ELRo41) that were non-strategic sites, reducing the amount available for indigenous, local, occupiers. The Supply/Demand balance is revisited in Section 15.0.

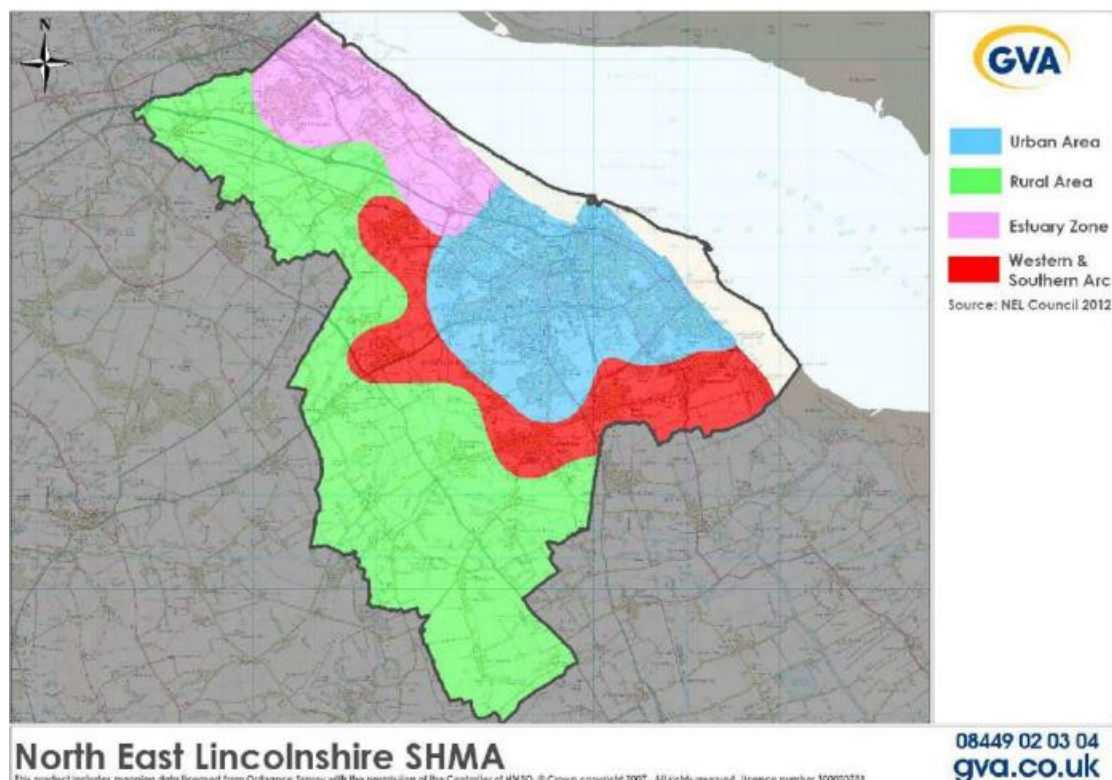
North East Lincolnshire Strategic Housing Market Assessment (2013)

2.97

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. Of particular relevance to this HEDNA Update, 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.

Local Plan Viability Study

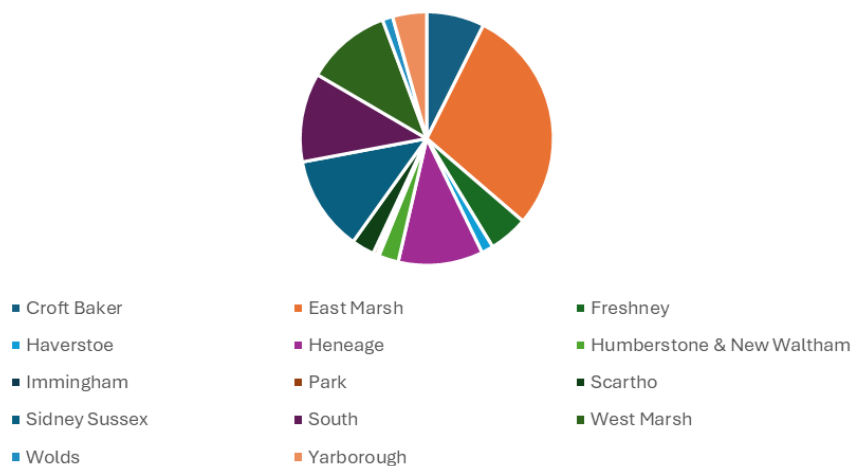
- 2.98 This report, produced by BNP Paribas Real Estate for the Council in November 2024, tests the ability of developments in North East Lincolnshire to accommodate policies in the emerging North East Lincolnshire Local Plan alongside contributions towards community infrastructure through planning obligations.
- 2.99 The study compares the residual land values of the types of development expected to come forward over the emerging Local Plan period. The appraisal compares the residual land value generated by those developments to a range of benchmark land values to reflect existing land value prior to redevelopment. If a development incorporating the policy requirements in the Council's emerging Local Plan generates a higher residual land value than the benchmark land value, then it can be judged that the site is viable and deliverable.
- 2.100 The key findings of the study include:
- There are significant differences in the viability of schemes and the level of affordable housing that can be viably provided, the most influential factor being the sales value applied.
 - In **lower value areas**, residential schemes are unviable before any affordable housing is provided. The study concludes that the emerging approach of **nil affordable housing** in the value parts of areas would be a logical response. However, it acknowledges that developers may be able to bring schemes forward in these areas if they are able to reduce construction costs and would be facilitated to do so by the affordable housing policy being applied at a nil rate.
 - In a **medium value area**, the appraisal indicates that residential schemes should be able to viably provide the emerging policy which seeks **10%** of units as affordable on both greenfield and brownfield sites. Not all typologies are able to viably meet this target, so a limited amount of viability testing may be required at the development management stage.
 - In the **higher value areas**, schemes will be able to viably provide the full target sought in the emerging plan of **20% on greenfield sites and 15% on brownfield sites**. The appraisal outputs indicate that in some cases, higher percentages could be provided, but adopting the targets in the emerging plan would leave a degree of headroom allowing for market cycles and scheme specific abnormal costs.
 - The Council's preferred tenure mix is 60% rented housing and 40% intermediate, which incorporates 25% First Homes. The government's changes to the NPPF removes the requirement for First Homes, although this tenure will remain within the NPPF definition of affordable housing. The Study notes that if the Council were minded to remove the First Homes requirement, the appraisals of an affordable housing requirement with 60% social rent and 40% shared ownership show marginally higher residual land values due to a range of cost savings resulting from providing all of the intermediate housing as shared ownership.
 - In terms of Biodiversity Net Gain [BNG], the study notes that a 10% BNG results in a modest reduction in residual land values of around 4% but notes that is not of a sufficient magnitude to prevent schemes coming forward.

- The study models the impact of achieving net zero using two scenarios. With Scenario 1 (3% increase in cost) and Scenario 2 (5% increase in cost) there is a residual land value impact of around 17% and 28% respectively. However, as more developments use on-site technologies, the study acknowledges the costs are likely to fall.

Homelessness and Rough Sleeping Review (2025)

- 2.101 In response to the North East Lincolnshire Housing Strategy, the Council has undertaken a Homelessness Review of its Homelessness and Rough Sleeper Strategy.
- 2.102 The previous Homelessness and Rough Sleeping Prevention Review and Strategy 2024-2029 set out four measures of success:
- 1 Residents have easy access to housing advice and support services;
 - 2 Households in housing difficulty are referred to the services at the earliest opportunity;
 - 3 Homelessness preventions increase during the prevention duty period; and,
 - 4 The use of bed and breakfast and other temporary accommodation is reduced.
- 2.103 The Review found that homelessness prevention cases have increased by around 10% since 2019 which is in-line with regional and national levels. Of those, 34% remained in their current home, up from 20% in 2019.
- 2.104 There has also been an increase in the number of temporary accommodation (including bed and breakfasts) used, in part due to the cost-of-living crisis. As part of its Review, the Council wants to overcome the hurdles which prevents households accessing the private and social rented markets.
- 2.105 Furthermore, the previous Strategy also committed to working with and enabling partners to provide additional single person, move on and one bedroomed accommodation. As a result, the Council implemented a private sector leasing scheme to provide additional accommodation for households. However, consultation with private landlords highlighted a need to build better relationships to overcome barriers and negative perceptions of renting to tenants referred by the Council's homeless team.
- 2.106 In 2023, the Council took a 10-year lease on a property called Swan House. The property comprises 29 flats and provides temporary accommodation and supported housing for rough sleepers.

Figure 2.2 Homelessness Applications by Area



Source: NELC (2025) Homeless Review

2.107 The Review highlights where cases of homelessness originate from in North East Lincolnshire for 2023/24. In terms of areas with the highest level of applications, the Review found that:

- East Marsh received 26% of applications;
- Sidney Sussex received 11% of applications; and,
- South, West Marsh and Heneage all received 10% respectively

Homelessness Levels

2.108 The Review provides an analysis of homelessness levels across NEL:

- Over the last three years, the Council has seen the number of households assessed reduce by around 8% compared to a 11% rise across the region.
- 54.9% of interventions the Council used to end their homelessness prevention duty involved the Council or another organization delivering housing options services securing accommodation.
- The main reasons for loss of last settled home included: family or friend no longer accommodating (32.4%); left institution with no accommodation (15.2%); or domestic abuse (13.5%). Several were also homeless after their private rented tenancy came to an end (10.5%).

2.109 The Council is currently housing over 250 households in a mix of Bed and Breakfast, Crisis and temporary accommodation. These are households who are often unable to access social housing and often do not meet the criteria for the private rental market. Whilst the population is unlikely to increase significantly, impact on the services will increase due to a combination of:

- Shortage of accommodation;
- Shortage of suitable accommodation;
- Social and Private Sector Landlords being unwilling to accept households with complex issues, or households that present as homeless; and,

- Increase in rents and household costs will put more households at risk of homelessness.

2.110 The Council expects that this issue will become exacerbated with homelessness levels forecast to rise.

2.111 The Review concludes that the Borough is entering a significant housing crisis as complex/higher risk tenants are finding it more difficult to find housing in the private and social housing sector. However, there is growing reliance on the Council as a non-stock holding authority which results in overspend and a reliance on other forms of short-term accommodation.

The Council Plan

2.112 The Council commits to reducing homelessness through a number of ways, including building neighbourhoods and communities. It is presently exploring Selective Licensing in parts of the East Marsh and has proposed 'Areas of Action' for the Sidney Sussex and Henage wards.

2.113 As part of its commitment, the Council aims to:

- Reduce the number of people presenting as homeless and placed in temporary accommodation;
- Reduce the number of long-term empty properties;
- Increase the annual net new homes built in the Borough; and,
- Ensure care leavers and care experienced adults live in suitable accommodation.

3.0 Socio-Economic Context

- 3.1 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

- 3.2 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

- 3.3 The latest ONS Mid Year Population Estimates [MYPE] indicate that the population of North East Lincolnshire actually declined very slightly over the period 2003 to 2023, falling by -38 residents. This is a significantly lower rate of change compared to the population growth seen across the Yorkshire and The Humber region (which increased by 11.3%) and the population of England and Wales, which increased by 15.1% over the same time period.

Table 3.1 Population change in North East Lincolnshire 2003-2023

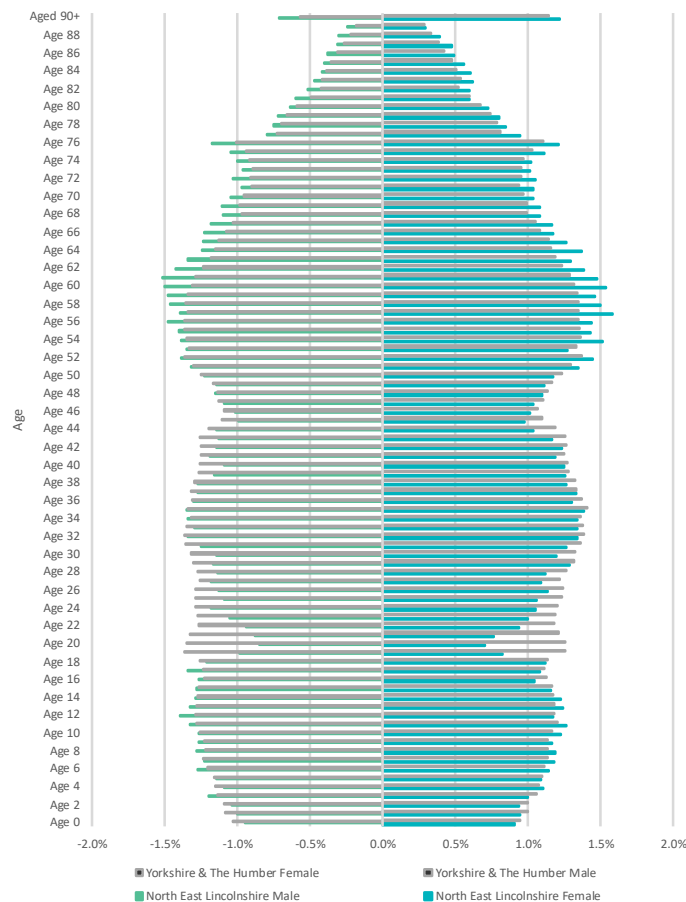
	2003	2013	2023	2003-2023 Change	2003-2023 % Change
Population	158,373	159,456	158,335	-38	-0.0%

Source: ONS Mid-Year Population Estimates (2023)

- 3.4 Furthermore, the Borough's overall population change has been skewed by significant differences in population change across different age groupings. For example, the number of young residents (aged 0 – 19 years old) fell by 13.7% or -5,789 people over the 20-year period 2003-2023, compared to a regional increase of 3.0% and a national increase of 7.2%. Similarly, the number of working age residents (those aged 20-64 years old) decreased by -1.8% or -1,598 people compared to a much more notable increase across Yorkshire and The Humber (+8.9%) and England and Wales (12.9%). The change in the number of older residents in North East Lincolnshire is more comparable with the regional and national benchmarks, with an increase of 27.6% or +7,349 people compared to growth of 32.7% across Yorkshire and The Humber and 35.8% across England and Wales.
- 3.5 Nevertheless, this helps contextualise the negligible overall population change in North East Lincolnshire by pointing towards a sharp decline in younger people whilst the older residents' cohort continues to experience notable growth.
- 3.6 The latest 2023 MYPE allow comparisons between 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, the number of younger adults (18 to 30 and those aged 36 to 44), is proportionately lower in North East Lincolnshire compared to the Yorkshire and The Humber rates. Conversely, there is general over representation of more senior residents over the age of 55 in North East Lincolnshire compared to the regional average.

Figure 3.1 Population structure of North East Lincolnshire, 2023



Source: Population Estimates (2023)

3.7

The latest ONS Census data (2021) demonstrates 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 5.7%. This rate of growth is still 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%.

Table 3.2 Household change in North East Lincolnshire 2001-2021

	2001	2011	2021	2001-2021 Change	2001-2021 % Change
Households	66,054	69,707	69,800	3,746	5.7%

Source: Census 2001, 2011, 2021

Population Change by Spatial Zone

- 3.8 Population estimates data by the ONS is only available at LSOA level up to 2022. Whilst this does not capture the most recent 2023 release available at local authority level above, this still allows for a more granular assessment of population change from 2012 across the Spatial-Zones set out the adopted Local Plan.
- 3.9 This indicates that the populations of both the Urban and Estuary Zone have declined across this period. The resident population of the Urban Area fell by 3.0% (-3,544 residents) whilst the (much smaller) resident population of the Estuary Zone fell by 3.4% (-306 people). In contrast, the populations of the Rural Area and Western and Southern Arc have seen much higher levels of growth, increasing by 7.9% and 6.8% respectively (or +528 and +1,659 people) over the past decade.

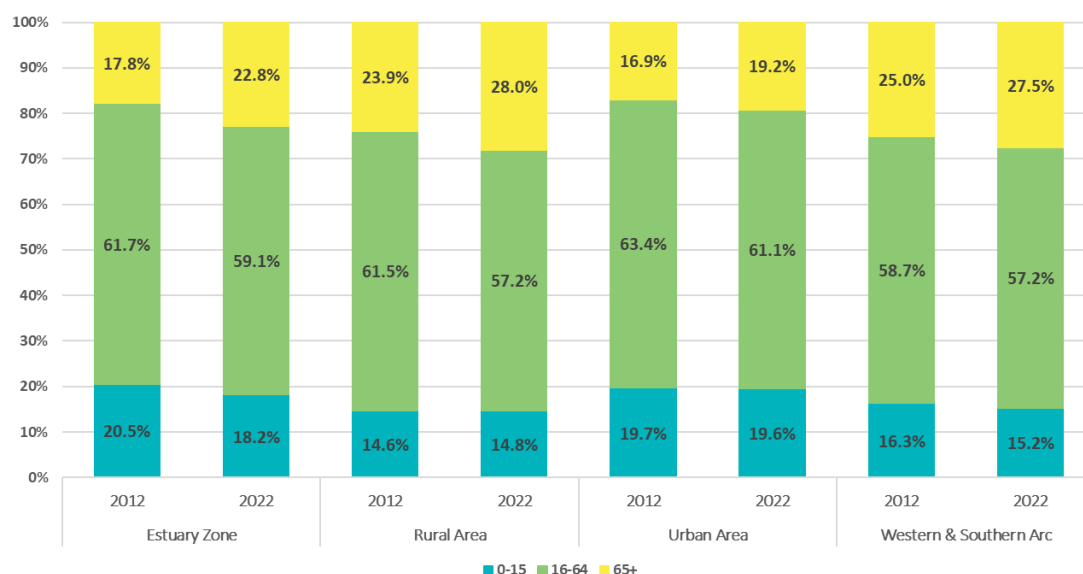
Table 3.3 Population change by Spatial-Zone in North East Lincolnshire (2012-2022)

	2012		2022		Population Change (%)
	Total Residents	Share (%)	Total Residents	Share (%)	
Estuary Zone	8,934	5.6%	8,628	5.5%	-3.4%
Rural Area	6,686	4.2%	7,214	4.6%	7.9%
Urban Area	119,385	74.9%	115,841	73.4%	-3.0%
Western and Southern Arc	24,403	15.3%	26,062	16.5%	6.8%
Total	159,408	100.0%	157,745	100.0%	-1.0%

Source: ONS (2023) Population Estimates by Small Area – 2022 based.

- 3.10 Figure 3.2 illustrates the split in age cohorts across each Spatial-Zone in North East Lincolnshire. Overall, this shows that across the Spatial-Zones, the number of working-aged residents (16-64) have declined as an overall proportion of the total resident population, whilst older people (65+) now make up a much higher proportion of residents.
- 3.11 In particular, older residents make up 28.0% and 27.5% of residents within the Rural Area and Western and Southern Arc respectively. This reflects how an ageing population in North East Lincolnshire is driving the overall change in population across each of the Spatial-Zones. If this pattern continues, it will contribute to further imbalances across the Spatial Zones and place additional pressures on local services as there are fewer working-aged people to support local services at a time of greater need.

Figure 3.2 Population by age cohort by Spatial-Zone in North East Lincolnshire (2012-2022)



Source: ONS (2023) Population Estimates by Small Area – 2022 based.

- 3.12 The data also indicates that the proportion of children (defined as those younger than 16 years old) in the Estuary Zone actually fell by 14.2% (-260 people) between 2012 and 2022. This trend was also observed across the Urban Area, with the number of children declining by 3.3% (-770 people). Across the Western and Southern Arc, this group experienced minimal change, decreasing by only 0.4%. On the other hand, the share of young residents living in the Rural Area increased by 9.1%.
- 3.13 The proportion of working-age residents (those aged between 16 and 64 years old) also declined across the Estuary Zone, decreasing by 7.6% over the decade. A similar trend was seen in the Urban Area where it declined by 6.5%. On the other hand, the Western and Southern Arc saw a noticeable increase of 4.2% whilst the Rural Area also experienced a modest increase of 0.3%.
- 3.14 The data indicates that there has been a much greater level of change in the proportion of the older population (those aged 65 and over) living in each of the Spatial-Zones. In particular, there was a significant increase of 26.8% in the Rural Area. This was followed by an increase in the Estuary Zone of 23.3%. The Western and Southern Arc saw an increase of 17.7% people, whilst the Urban Area saw the smallest proportional increase of 10.6%.

Population by Ethnicity

- 3.15 In 2021, North East Lincolnshire had a lower share of all other ethnicities than across both Yorkshire and The Humber and England and Wales. The share of Mixed/Multiple ethnic residents was 2.1% in the Borough, compared to 4.3% regionally and 5.8% nationally. Asian/ Asian British residents comprised the second largest ethnic group, at 3.1% of North East Lincolnshire's population. However, this remains significantly below that observed across Yorkshire and The Humber (17.8%) and England and Wales (18.5%).
- 3.16 The share of Black/African/Caribbean/Black British residents was also notably lower across the Borough at just 1.1% compared to 4.3% regionally and 8.1% nationally. The share of Arabic residents is relatively more comparable with the group comprising 0.2% of North

East Lincolnshire's population compared to 0.5% across Yorkshire and The Humber and 0.6% across England and Wales. Other ethnicities comprised 0.4% of the Borough's resident population compared to 1.0% across the region and 1.6% nationally.

Table 3.4 Ethnic Group by age in North East Lincolnshire and Comparator areas (2011 -2021)

		Total	White	Mixed/ Multiple Ethnic Groups	Asian/ Asian British	Black/ African/ Caribbean/ Black British	Arab	Other Ethnic Groups
North East Lincolnshire	2011	159,616	155,421	1,186	2,129	411	265	204
	2021	156,962	151,026	3,234	4,862	1,688	371	673
	Change (%)	-1.7%	-2.8%	172.7%	128.4%	310.7%	40.0%	229.9%
Yorkshire and The Humber Region	2011	5,283,733	4,691,956	84,558	385,964	80,345	21,340	19,570
	2021	5,480,774	4,679,961	234,032	974,118	235,288	25,474	53,620
	Change (%)	3.7%	-0.3%	176.8%	152.4%	192.8%	19.4%	174.0%
England and Wales	2011	56,075,912	48,209,395	1,224,400	4,213,531	1,864,890	230,600	333,096
	2021	59,597,548	48,699,253	3,435,954	11,030,840	4,818,558	331,844	923,775
	Change (%)	6.3%	1.0%	180.6%	161.8%	158.4%	43.9%	177.3%

Source: Census 2011 (KS201EW); Census 2021 (RM032)

Household Change by Spatial-Zone

3.17 Table 3.5 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 69,827 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.

3.18 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 3.5 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.

- 3.19 The significant increase in the population of over 65s is also reflected in the change in the composition of households across the Borough. This 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 3.6 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	100.0%	18,609	100.0%	20.2%

Source: Census 2011; 2021

Components of Change

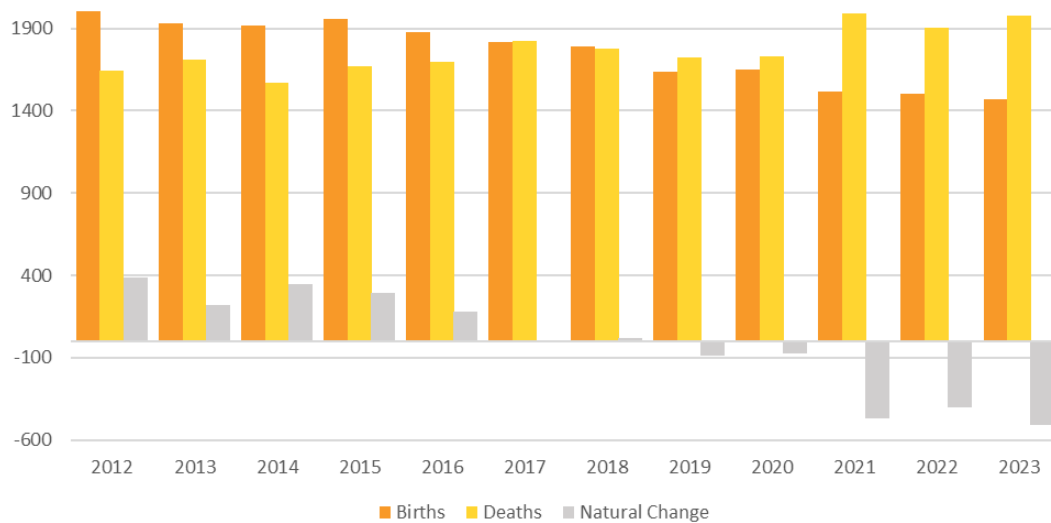
- 3.20 Over the period of 2012-2023, the population in North East Lincolnshire declined by -1,073 or -0.7%. Mid-year population estimates provided by the ONS can help understand what components are driving population change within the Borough, including natural change and net migration.

Natural Change

- 3.21 Natural change (i.e. the difference between births and deaths) increased over this period with more deaths than births, resulting in an overall natural change of -103. This is because from 2019 onwards, there have continued to be more deaths than births in the Borough with the highest level reached in 2023 with a natural change of -506.²⁸

²⁸ ONS (2023): Mid-Year estimates: components of UK population change, 2012 - 2023

Figure 3.3 Births, Deaths and Natural Change in North East Lincolnshire (2012-2023)



Source: ONS Migration Estimates – 2023 Mid-Year Estimates

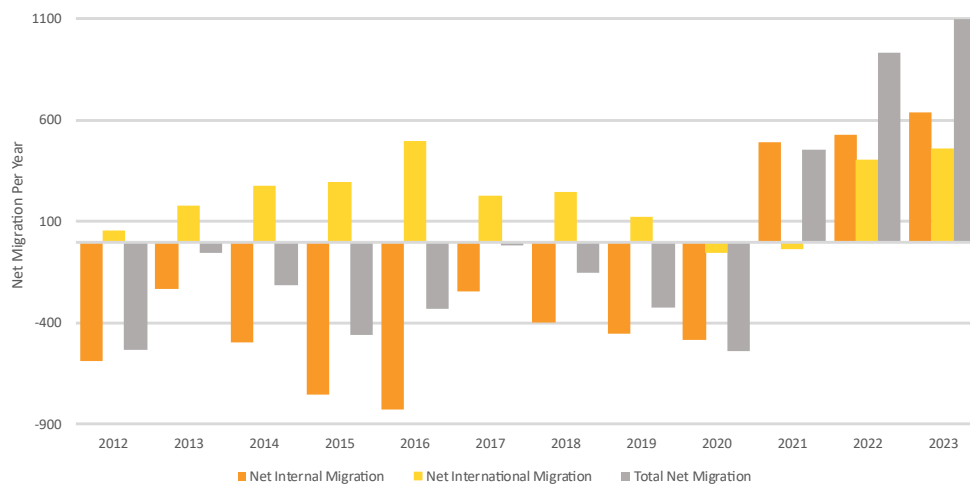
Migration

3.22

As illustrated in Figure 3.4, net migration²⁹ has largely been outward-moving over the period 2012-2023, although this has changed since 2021 with more people moving in than out. Historically, this was driven by negative net internal migration and consistently positive international migration. However, since 2021, both net internal migration and net international migration have been positive. This indicates that more people have been moving into North East Lincolnshire in recent years than leaving it.

²⁹ international migration comprises people moving into the country from abroad whilst internal migration represents residents moving to/from North East Lincolnshire from elsewhere in England.

Figure 3.4 Net Internal and International Migration for North East Lincolnshire, 2012 – 2023

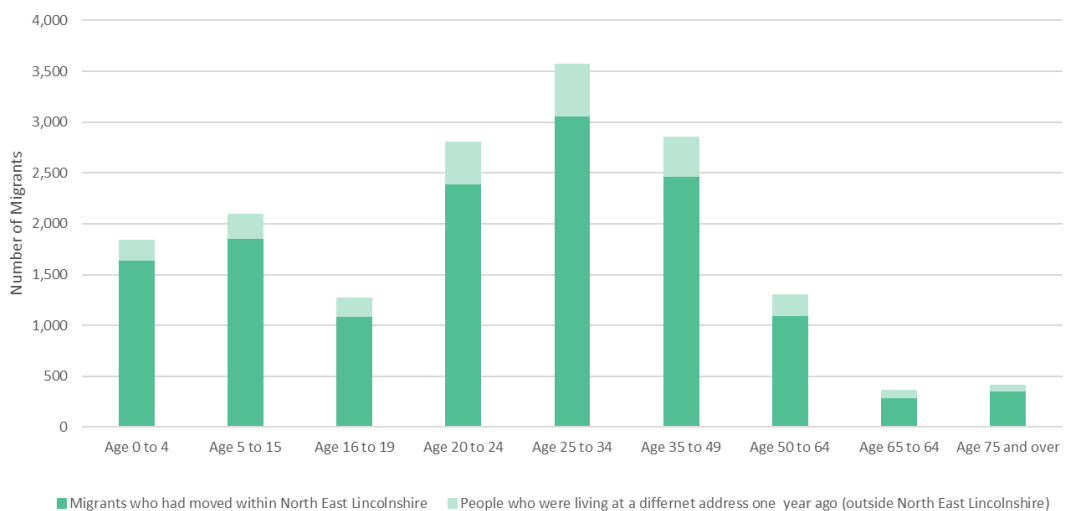


Source: ONS Migration Estimates – 2023 Mid-Year Estimates

3.23

Figure 3.5 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 (+722) and within (+2,413) the Borough, followed by residents aged 20-24 and 35 to 43.

Figure 3.5 Age Structure of Internal Migrants



Source: Census 2021: MIG001EW – Migration by sex by age

Economic Conditions and Trends

Labour Market Indicators

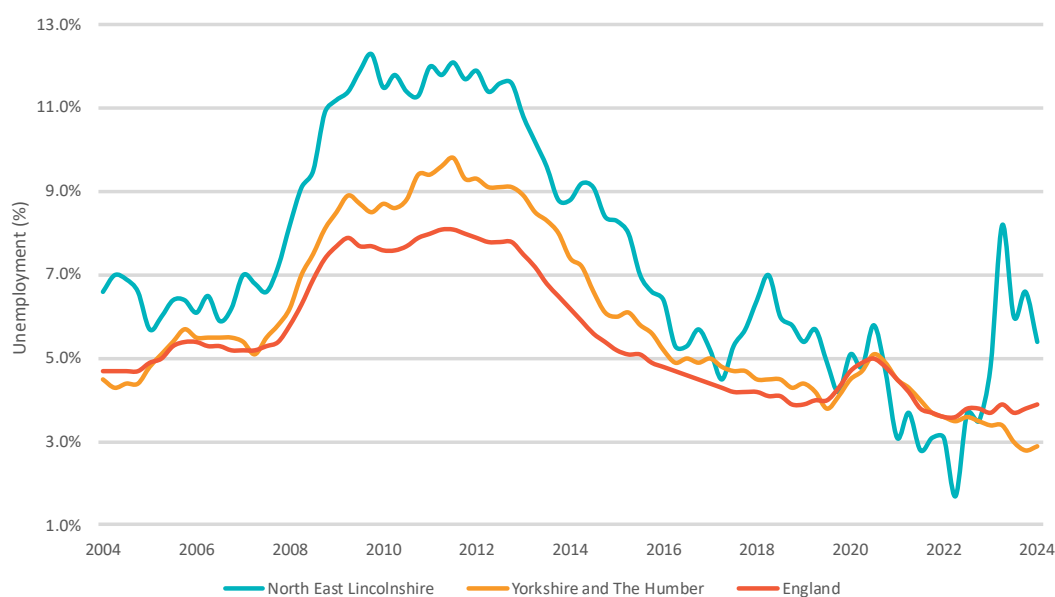
3.24

In the year to December 2024, 75.4% of North East Lincolnshire's population aged 16-64 were economically active (i.e. they were in, or actively seeking, employment). This is a

lower level of economic activity than experienced across Yorkshire and The Humber (76.0%) and England (78.7%) over the same period.

- 3.25 Figure 3.6 illustrates unemployment rates in North East Lincolnshire, Yorkshire and The Humber and England between 2004 and 2024. The most recent data (January 2024 - December 2024) indicates that 4,000, or 5.4% of North East Lincolnshire's residents of working age were unemployed, which is higher than the regional and national rates of 2.9% and 3.9% respectively.
- 3.26 Unemployment had previously fallen sharply, from 7.0% in the year to March 2019, to 1.7% in the year to March 2023. Since then, there has been a spike in unemployment which peaked at 8.2% in the year to March 2024. Whilst it has started to fall since that point, it remains at its highest level since July 2021, at the height of the pandemic.
- 3.27 Despite occasional periods where unemployment in North East Lincolnshire fell below regional and national rates (notably in 2021-2022), historically North East Lincolnshire has consistently suffered from much higher rates of unemployment than elsewhere. This was particularly clear in the immediate aftermath of the recession of 2009/10 and since the end of 2023.

Figure 3.6 Unemployment Rate (2004–2024)

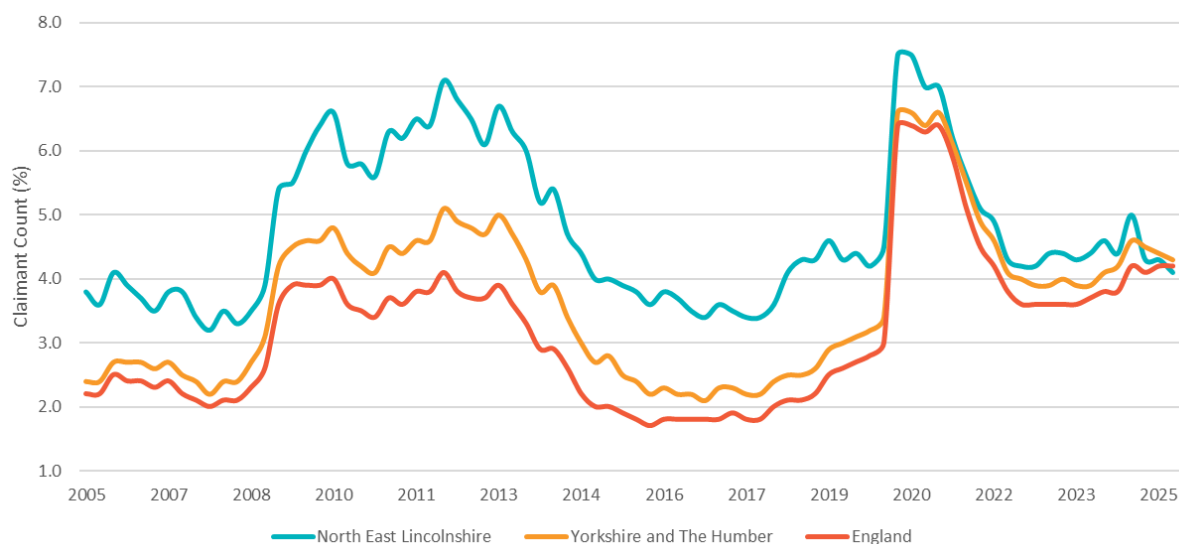


Source: ONS (2024): Annual Population Survey

- 3.28 Figure 3.7 presents 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 well 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.
- 3.29 This peak was considerably higher than the regional and national rates of 6.6% and 6.4% respectively, although it has since fallen to 3,930 people (4.1%) by May 2025. Compared to historic trends, North East Lincolnshire is now slightly below the regional and national

rates of 4.2% and 4.3% respectively. This also reflects the lowest level of claimants in North East Lincolnshire since February 2018 which stood at 3.6%.

Figure 3.7 Claimants as a proportion of residents Aged 16 -64 (2005 – 2025)



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

3.30 Moving on, and as shown in Table 3.7, North East Lincolnshire's residents have a median gross annual income of £34,575 in 2024, which was lower than the Yorkshire and The Humber median of £34,633 and England's median of £37,617. Similarly, the workplace-based median income of North East Lincolnshire (i.e. people who work in North East Lincolnshire but do not necessarily live there) was £34,509, which was higher than the regional median income of £34,401 but below the national median income of £37,630. That resident-based incomes are slightly higher compared to workplace-based incomes may suggest that people who live in North East Lincolnshire commute outside the Borough for higher-paid employment.

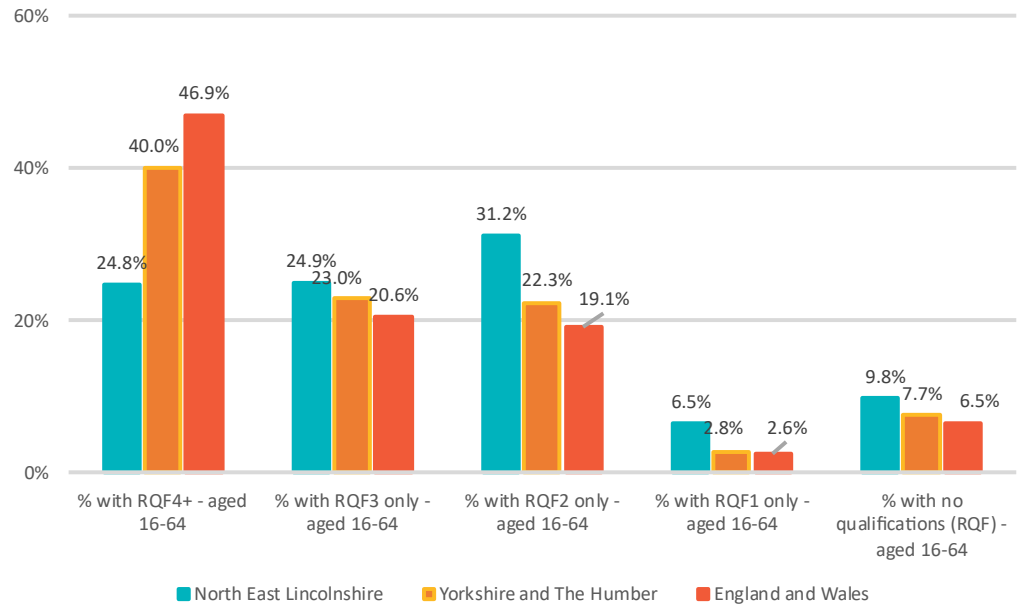
Table 3.7 Median gross annual resident and workplace based income (2024)

	Resident-based analysis	Workplace-based analysis
North East Lincolnshire	£34,575	£34,509
Yorkshire and The Humber	£34,633	£34,401
England	£37,617	£37,630

Source: ONS (2025): Annual Survey of Hours and Earnings

3.31 Figure 3.8 shows the share of the Borough's population aged 16 -64 with qualifications based on the Regulated Qualification Framework [RQF]. Overall, the Borough is relatively poorly educated compared to the wider region and England. Around 9.8% of North East Lincolnshire's residents have no qualifications, compared to 7.7% regionally and 6.5% nationally. The Borough also has a significantly lower share of residents with level four and above RFQs (i.e. degree level or above) than the regional and national rates.

Figure 3.8 Qualification attainment for 16-64 year olds (2024)



Source: ONS (2025): Annual Population Survey

Business Demography and Enterprise

- 3.32 In 2024, there was a total of 4,595 enterprises in North East Lincolnshire, which has grown by 600 (+15.0%) since 2014. This is a lower rate of growth than across Yorkshire and The Humber region (21.7%) and nationally (21.2%) over the same period.
- 3.33 The business mix across the Borough is heavily skewed towards micro businesses (those with 0-9 total employees) comprising 85.5% of total number of businesses. Around 12.1% of business are small enterprises (those employing between 10 – 49 employees) compared to 1.9% regionally and 9.6% nationally. The share of medium enterprises (50-249 employees) accounts for 1.9% of total businesses, comparable to the regional (1.9%) and national (1.7%) shares. The share of large firms in North East Lincolnshire is comparable across all comparator areas at 0.5%/0.4%.

Table 3.8 Share of enterprises by size (2024)

	North East Lincolnshire	Yorkshire and The Humber	England and Wales
Micro (0 to 9)	85.5%	86.8%	88.4%
Small (10 to 49)	12.1%	10.9%	9.6%
Medium-sized (50 to 249)	1.9%	1.9%	1.7%
Large (250+)	0.5%	0.4%	0.4%

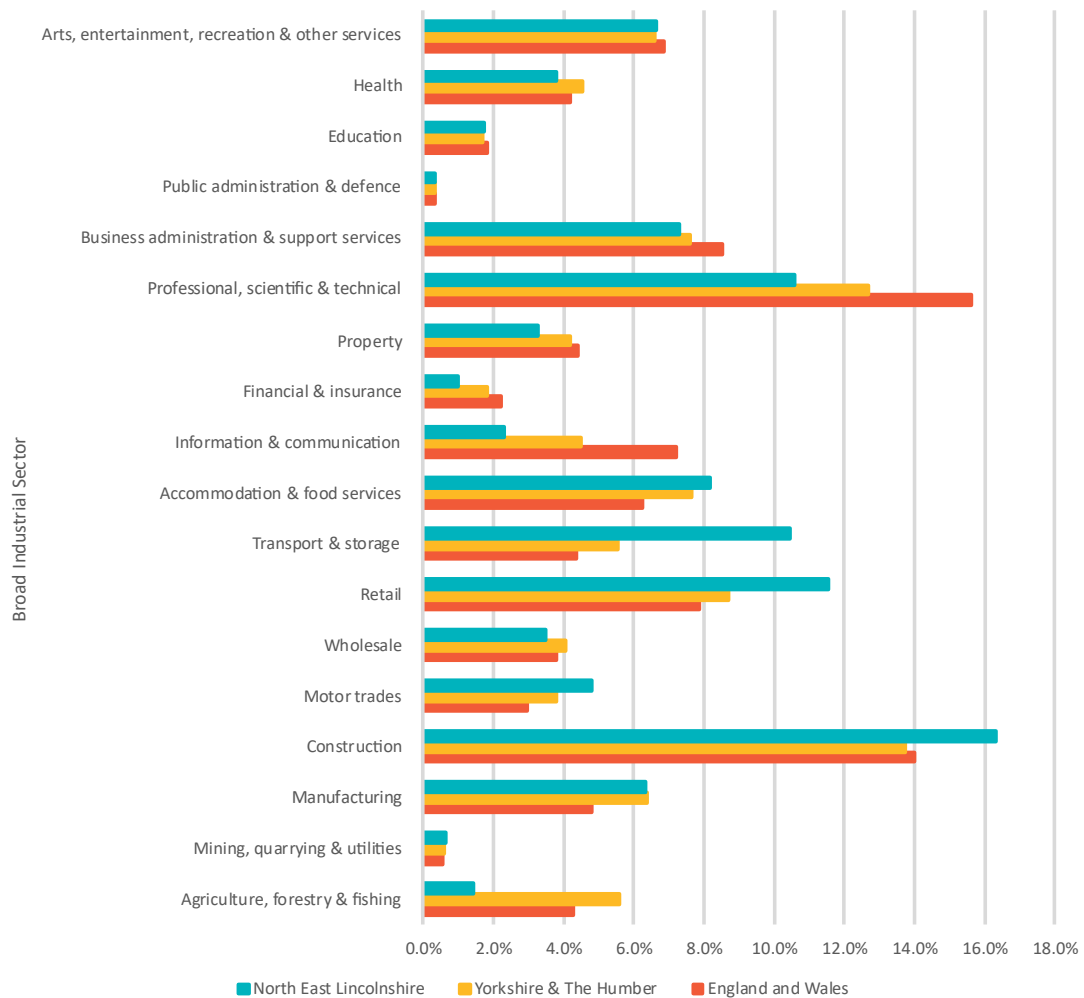
Source: ONS (2025): UK Business Counts – enterprises by industry and employment size band

- 3.34 Figure 3.9 compares 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% (750) of all enterprises in North East Lincolnshire. This is followed by the retail sector, comprising 11.5% (530) of all businesses, and then the professional services sector comprising 10.6% (485).

3.35

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 and information and communication. Despite the professional services sector being the third highest share of enterprises in the Borough, it is still lower than the share within the region and nationally.

Figure 3.9 Share of enterprises by Broad Industrial Sector (2024)



Source: ONS (2025): UK Business Counts – enterprises by industry and employment size band

Employment

3.36

Table 3.9 indicates that employment levels in North East Lincolnshire stood at around 68,025 people in 2023, having increased by around 2,025, or 3.1%, over the past decade. In comparison, Yorkshire and The Humber and England and Wales experienced employment growth 12.4%% and 20.9% respectively over the same period.

Table 3.9 Employment by comparator region, 2013-2023

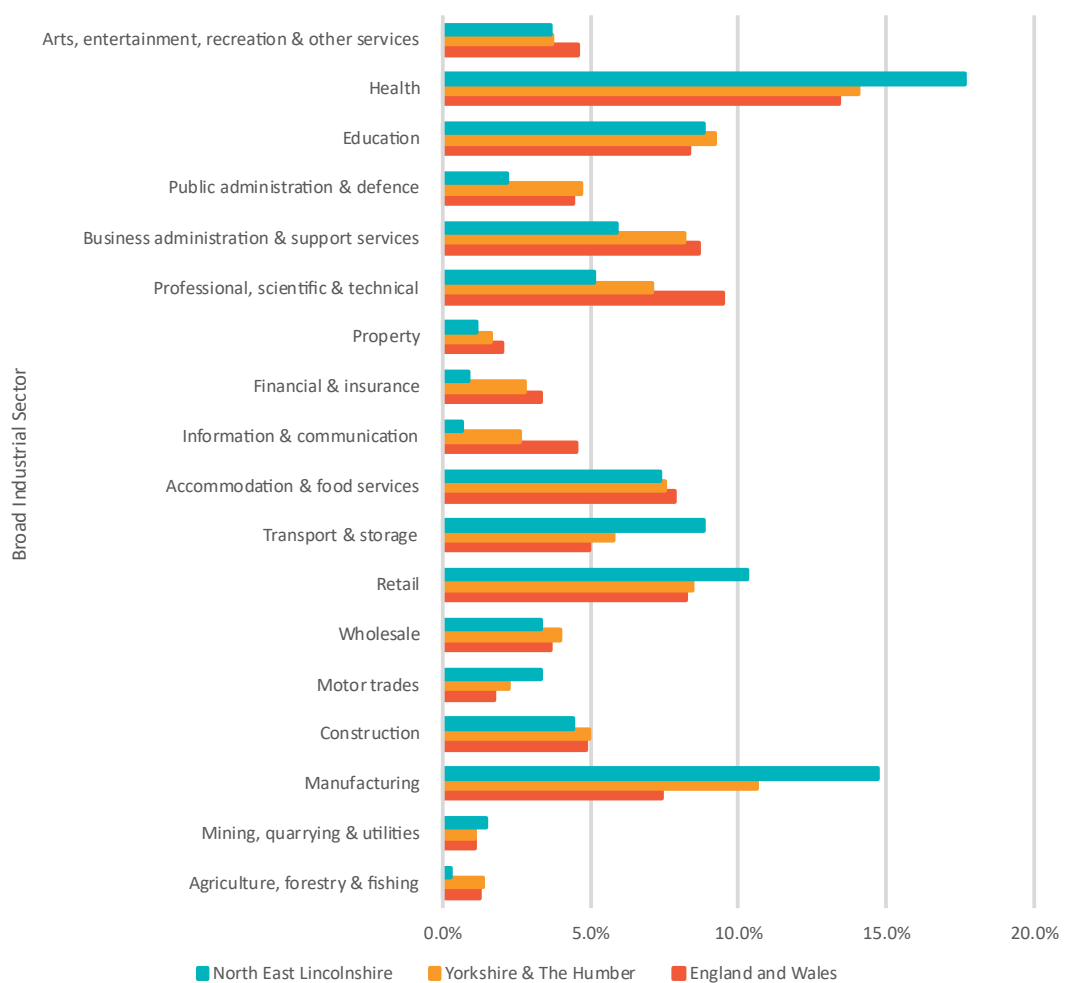
	2013 Employment	2023 Employment	Change	% Change
North East Lincolnshire	66,000	68,025	2,025	3.1%
Yorkshire and The Humber	2,284,000	2,568,000	284,000	12.4%
England and Wales	24,481,000	29,601,000	5,120,000	20.9%

Source: ONS (2024): Business Register and Employment Survey 2023 (numbers may not sum exactly due to rounding)

3.37

North East Lincolnshire had a job density of 0.80 jobs per person in 2023³⁰. This is a rate slightly below the regional density of 0.82 and more substantially, the national rate of 0.87.

Figure 3.10 Share of employees by broad industrial sector (2023)



Source: ONS (2024): Business Register and Employment Survey (2023)

3.38

Figure 3.10 illustrates the share of employees by broad industrial sector in North East Lincolnshire and the comparator areas. Despite the health sector comprising only 3.8% of all businesses in North East Lincolnshire, the sector employs 17.6% of workers – a higher rate than across the region (14.1%) and nationally (13.4%). The Borough's manufacturing sector is another key source of employment, employing 14.7% of all workers, compared to 10.6% across Yorkshire and The Humber and 7.4% across England and Wales. On the other

³⁰ ONS (2023): Job Density 2021, defined as the number of jobs in an area divided by the resident population aged 16-64.

hand, although Construction sector companies comprise 16.3% of all businesses in North East Lincolnshire, the sector employs only 4.4% of the Borough's workers, suggesting that many of the companies within the sector are likely to be micro and small enterprises.

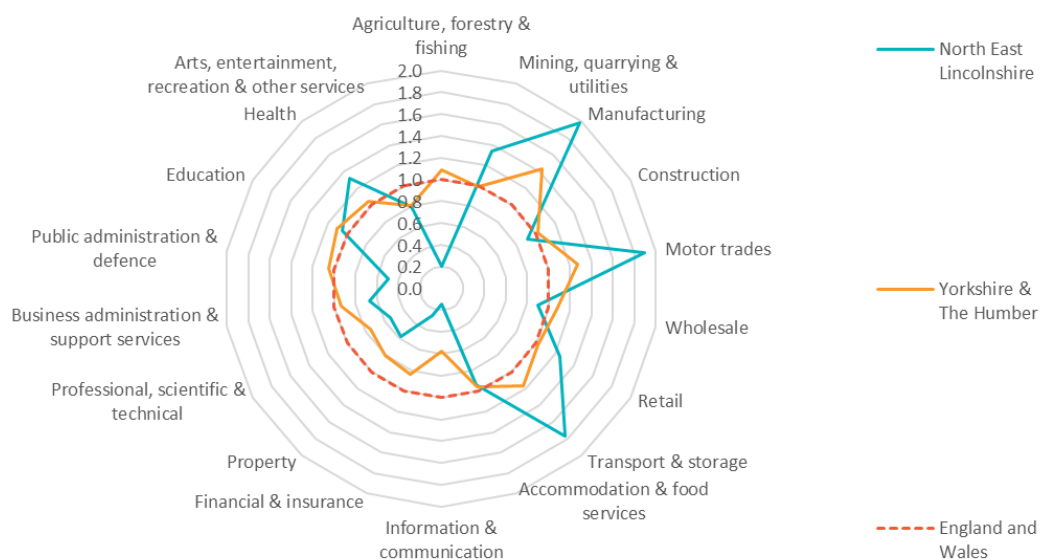
- 3.39 North East Lincolnshire's economy continues to be highly reliant on the Port of Grimsby and the energy-related development along this part of the Lincolnshire / Humber coastline. It is difficult to disentangle employment in these key sectors from the broad sectors referred to in the figures above, as they cross over many categories, such as construction, utilities, transport & storage and manufacturing. Nevertheless, the significance of these sectors highlights their overall importance to jobs and businesses.

Location Quotient Analysis

- 3.40 Figure 3.11 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 national average.

- 3.41 A value above 1.0 denotes a higher local representation of a sector compared to the national average, whilst anything below 1.0 signifies an under-representation. In the Figure, the location quotients for North East Lincolnshire are shown using a blue outline with the national average shown in a red outline. The further the blue outline is from 1.0, the greater the extent of any over or under-representation.

Figure 3.11 Location Quotient Analysis, 2023



Source: ONS (2024): Business Register and Employment Survey (2023)

- 3.42 The strength of North East Lincolnshire's manufacturing sector is clear, with the sector having the highest location quotient of 2.0, meaning the Borough has double the rate of employment in this sector than would be expected, relative to the national average. The Borough also has higher than expected representations in a number of sectors including motor trades (1.9), transport and storage (1.8), mining and utilities (1.3), health (1.3) and retail (also 1.3). Meanwhile, under-represented sectors include information and

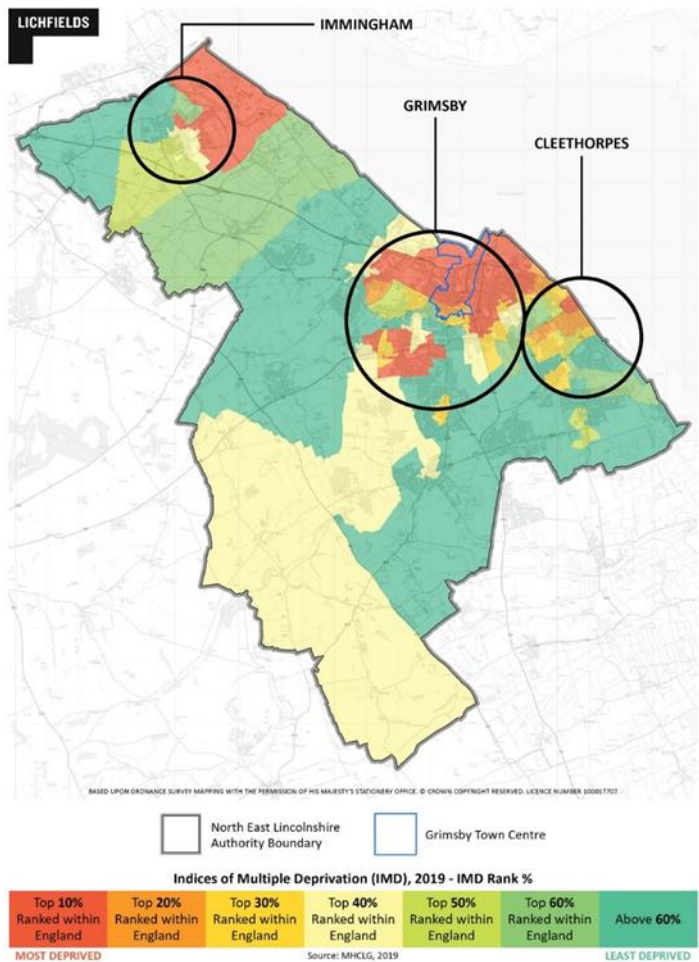
communication (0.1), agriculture, forestry and fishing (0.2), finance and insurance (0.3) and professional services (0.5).

Deprivation

3.43 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 levels³¹. 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.

3.44 Figure 3.12 illustrates deprivation across North East Lincolnshire by Lower-Layer Super Output Area [LSOA] and a high level of variance across the Borough is apparent.

Figure 3.12 Deprivation of North East Lincolnshire, 2019



3.45 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

³¹ Ministry of Housing, Communities and Local Government (DLUHC), Indices of Multiple Deprivation (2019)

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.

- 3.46 The town of Cleethorpes is also relatively deprived when compared to the rest of the Borough and beyond, 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 level of deprivation falls significantly and affluence rises.

Deprivation by Spatial-Zone

- 3.47 Table 3.10 indicates that as many as 63.8% (15) of all LSOAs within the North East Lincolnshire 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, still has a third (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 3.10 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

- 3.48 Overall, North East Lincolnshire performs relatively poorly across a range of economic indicators. Economic activity in the Borough is below both the regional and national rates, whilst unemployment is above the comparator regions. The number of claimants has continued to fall and are now slightly below but in-line with the comparator regions. Deprivation is concentrated in the urban centres of Grimsby and Cleethorpes, and to a lesser extent, Immingham, compared to relatively low levels of deprivation across the outlying rural areas and the Western and Southern Arc settlements.
- 3.49 Resident-based incomes in the Borough are below the regional and national average, as well as being below the workplace-based incomes for the Borough suggesting that higher-paying job offers may be more accessible outside of the Borough.

4.0 Defining the HMA/FEMA

- 4.1 This section provides a broad overview of the Borough and its likely position within a wider Housing Market Area [HMA] and/or Functional Economic Market Area [FEMA]. 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 2021 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/FEMAs within and across local authority areas³².
- 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 As for FEMAs, the PPG notes that since patterns of economic activity vary from place to place, there is no standard approach to defining a FEMA. However, it is possible to define them taking account of the following factors³³:
- extent of any Local Enterprise Partnership within the area;
 - travel to work areas;
 - housing market area;
 - flow of goods, services and information within the local economy;
 - service market for consumers;
 - administrative area;
 - catchment areas of facilities providing cultural and social well-being; and,
 - transport network.

³² 61-018-20190315

³³ 61-019-20190315

- 4.6 The study also considers North East Lincolnshire’s general economic linkages within the wider area. Similarities in characteristics such as employment and business structures between different geographies can strengthen the basis of conclusions made after reviewing each of the previous PPG variables, while offering the additional opportunity to identify other economic linkages and trends that may not have been identified otherwise.

Defining the HMA

- 4.7 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.
- 4.8 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.
- 4.9 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.
- 4.10 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.”*
- 4.11 This level of self-containment was also recommended in the first iteration of the PPG (from March 2014).
- 4.12 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.”³⁴ [Lichfields emphasis]*
- 4.13 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.

³⁴ ID: 61-018-20190315

Previous analyses of HMAs for North East Lincolnshire Borough

North East Lincolnshire HEDNA (2024)

4.14 The HEDNA analysed 2011 Census commuting data to understand the level of inter-dependency between North East Lincolnshire and neighbouring authorities. The 2011 Census was the most up-to-date data despite the 2021 Census having taken place.

4.15 The HEDNA found that 84% of residents work in the Borough and 83% also live in the Borough. When compared to a typical threshold of 66.6% to 75% for defining distinct travel-to-work areas, this suggested a high level of self-containment within North East Lincolnshire.

“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.”

4.16 In addition, the study also analysed origin / destination data from the 2011 Census to understand migration patterns. This identified that North East Lincolnshire has high levels of self-containment of migratory movements with 81.1% of people moving into a dwelling in the Borough moving from within the Borough compared to 78.5% moving into a dwelling out of the Borough. This exceeds the 70% self-containment rate suggested by PPG as being necessary to justify a self-contained HMA.

4.17 When constrained to only nearby authorities, the self-containment rate increases to 92.4% for in-migration (moves within the Borough) and 92.6% for out-migration (moves out of the Borough). This showed that, even when people moved out of North East Lincolnshire, it was typically to an immediately-adjointing authority area.

North East Lincolnshire SHMA (2013)

4.18 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 Lindsey, East Lindsey 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 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].

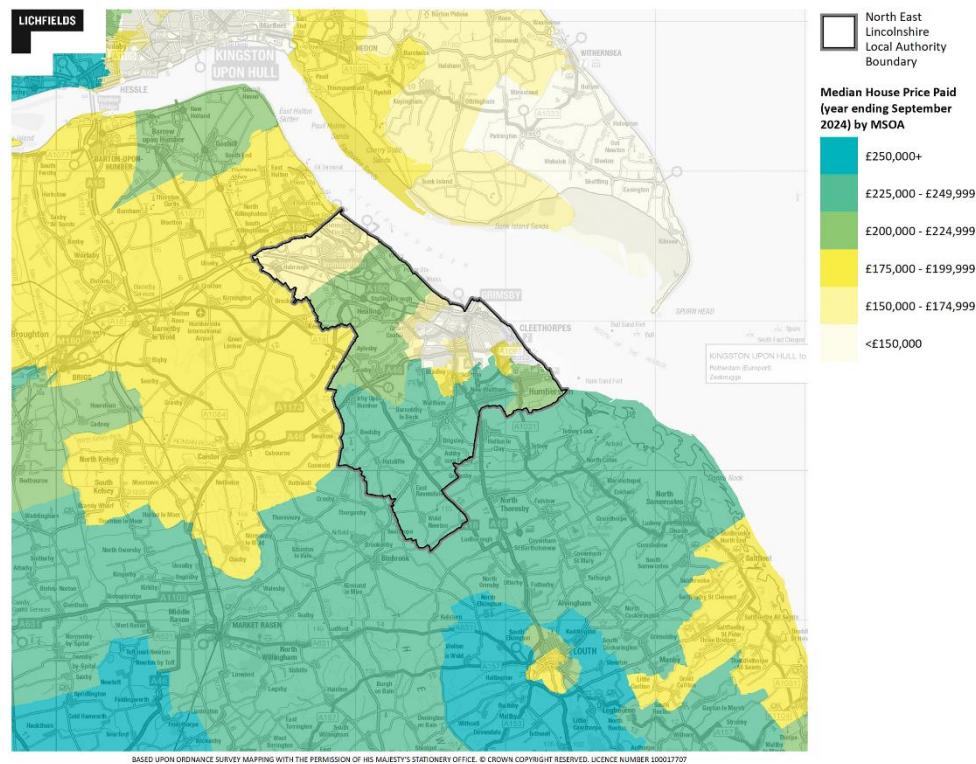
- 4.19 The SHMA indicates the high level of containment within North East Lincolnshire with just under 90% of residents also working within the Borough based on Census 2001 data. Furthermore, data from the 2008 Labour Force Survey indicates only a minor decline to around 85%. Of the surrounding Boroughs, 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.
- 4.20 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 2025).

HMA Analysis

Housing Demand and Supply

- 4.21 Figure 4.1 illustrates median house prices across North East Lincolnshire Borough and its neighbouring local authorities. The median house price for North East Lincolnshire overall was £155,750 in the year to September 2024, compared to a much higher median price of £200,000 across the wider Yorkshire and The Humber region. North East Lincolnshire’s prices were also below the levels reported in neighbouring North Lincolnshire (£170,000), East Lindsey (£212,750) and West Lindsey (£215,000).
- 4.22 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 £150,000 to £224,999+) are above those in the urban centre (below £150,000), the difference in house prices is far greater across the Middle Super Output Area [MSOA] that covers the Borough’s Rural Area to the East and South East, and the Western and Southern Arc area, with median house prices between £200,000 to £225,000 and above £250,000.

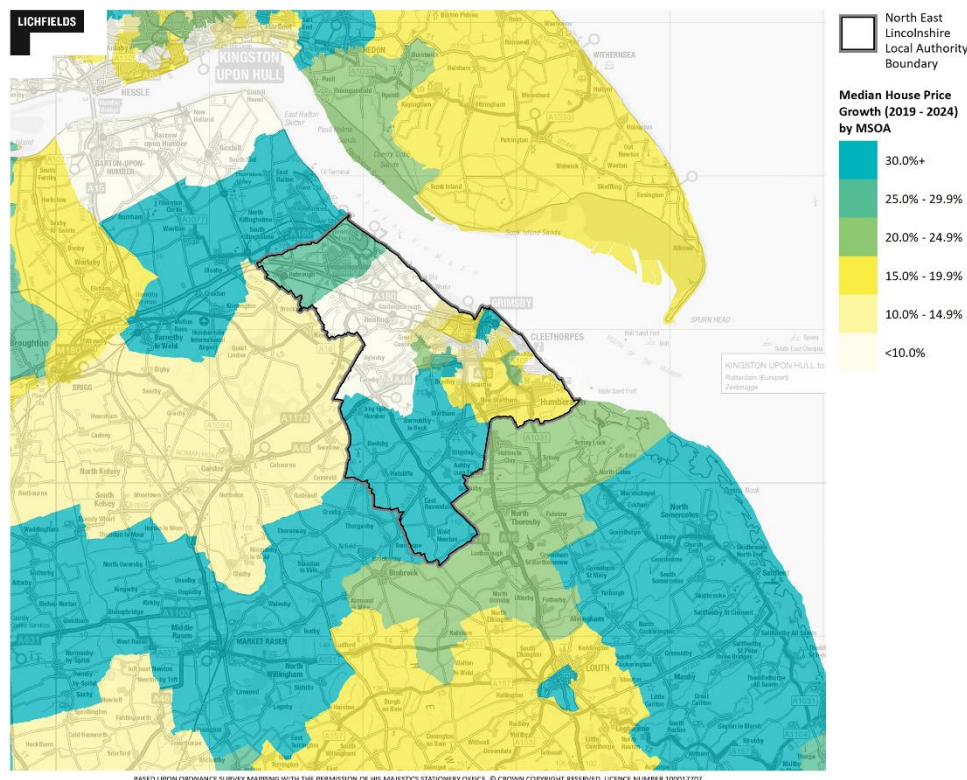
Figure 4.1 Median House Price Paid September (2024)



Source: Median house price by lower layer super output area: HPSSA dataset 46

- 4.23 Figure 4.2 illustrates the percentage growth in median house prices by MSOA from 2019 to 2024. 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 the town of Grimsby itself.
- 4.24 Median house prices in North East Lincolnshire increased by around £23,500, or 18.3%, in the five years from March 2018 to March 2023. This was a much lower rate of increase than was experienced in North Lincolnshire (+£34,998 or 25.9%), East Lindsey (+£57,500 or 35.4%) or West Lindsey (+£55,050 or 32.4%).

Figure 4.2 Change in Median House Prices in North East Lincolnshire (2018-2023)



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

Commuting Patterns

- 4.25 Table 4.1 indicates that there is a very high level of self-containment within North East Lincolnshire, with relatively low levels of inter-dependency between the Borough and its neighbouring authorities in terms of commuting patterns. The Borough has a resident workforce population of 68,007, of whom 8,707 commute in to work from other areas. This means that 87.2% of the Borough's residents also work in the Borough. Similarly, the Borough has a workplace population of 68,058, of whom 8,758 people commute out to other authorities for work. This means that 87.1% 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 [TTWAs].

Table 4.1 Place of Residence and Place of Work (2021)

Place of Residence	Work in North East Lincolnshire		Place of Work	Live in North East Lincolnshire	
North East Lincolnshire	59,300	87.2%	North East Lincolnshire	59,300	87.1%
North Lincolnshire	2,767	4.1%	North Lincolnshire	4,123	6.1%
East Lindsey	2,378	3.5%	East Lindsey	1,263	1.9%
West Lindsey	1,272	1.9%	Kingston upon Hull	845	1.2%
Kingston upon Hull	870	1.3%	West Lindsey	626	0.9%
East Riding of Yorkshire	499	0.7%	East Riding of Yorkshire	479	0.7%
Lincoln	119	0.2%	Lincoln	148	0.2%
Doncaster	98	0.1%	Doncaster	144	0.2%
North Kesteven	81	0.1%	North Kesteven	89	0.1%
Sheffield	54	0.1%	Leeds	40	0.1%
Other	569	0.8%	Other	1,001	1.5%
Work in North East Lincs	68,007	100.0%	Live in North East Lincs	68,058	100.0%
Commute In	8,707	-	Commute Out	8,758	-

Source: Census (2021)

Migration Flows and Housing Search Patterns

- 4.26 In 2023, origin / destination data on migration was released for the 2021 Census at local authority level. However, as this data was collected during the Covid-19 Pandemic, it may indicate lower levels of migration compared to the 2011 Census due to lockdown measures and economic uncertainty. The figures should therefore be treated with a high degree of caution.
- 4.27 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.
- 4.28 Table 4.2 illustrates the migration flows between North East Lincolnshire and other local authorities using data from the 2021 Census. The analysis indicates that the level of self-containment of migratory movements in the Borough remains high, with 'demand-side' self-containment totalling 76.2% of all those moving into a dwelling in North East Lincolnshire moving from within the Borough. Supply-side self-containment totalled 75.4% of all those moving out of a dwelling in the Borough also moving from within it.
- 4.29 These figures exceed the 70% self-containment rate suggested by the PPG as being necessary to justify a self-contained HMA.

Table 4.2 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	
Moves within North East Lincolnshire	10,071	76.2%	10,071	75.4%
East Lindsey	434	3.3%	473	3.5%
North Lincolnshire	321	2.4%	315	2.4%
West Lindsey	203	1.5%	242	1.8%
Kingston upon Hull, City of	153	1.2%	285	2.1%
Doncaster	85	0.6%	70	0.5%
Sheffield	81	0.6%	124	0.9%
Lincoln	67	0.5%	161	1.2%
East Riding of Yorkshire	57	0.4%	105	0.8%
Leeds	52	0.4%	138	1.0%
Other districts	1,694	12.8%	1,380	10.3%
Total moves in/out	3,147		3,293	
All moves in/out/within	16,511			

Source: Census (2021)

- 4.30 As previously noted, the 2018 PPG iteration stated 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 91.3% for in-migration, and 90.7% for out-migration.

Defining the FEMA

Travel-to-Work Areas

- 4.31 Detailed guidance on how to define a FEMA has been produced by the Government³⁵. This states that examining commuting flows can help to define the FEMA of an economy. The latest commuting flows data from the 2011 Census can be used to define TTWAs to consider the relationship between where people live and where they work.
- 4.32 The ONS defines labour market areas as those areas where the bulk of the resident population also work. Defining labour market areas requires an analysis of commuting patterns to identify TTWAs for local economies. The current criteria for defining TTWAs is that at least 75% of an area's working population work in the area (FEMA Test #1) and at least 75% of the people who work in the area also live in the area (FEMA Test #2). The area must also have a working population of at least 3,500 (North East Lincolnshire has a working population of 69,400³⁶). However, for areas with a working population in excess of 25,000, self-containment rates as low as 66.7% are accepted to define a TTWA as part of a limited “trade-off” between workforce size and level of self-containment³⁷.
- 4.33 TTWAs provide a good indication of which labour market a location or local authority is in and how labour market areas are split across the UK. The ONS 2011 TTWAs were developed to approximate self-contained labour market areas i.e., areas where most people

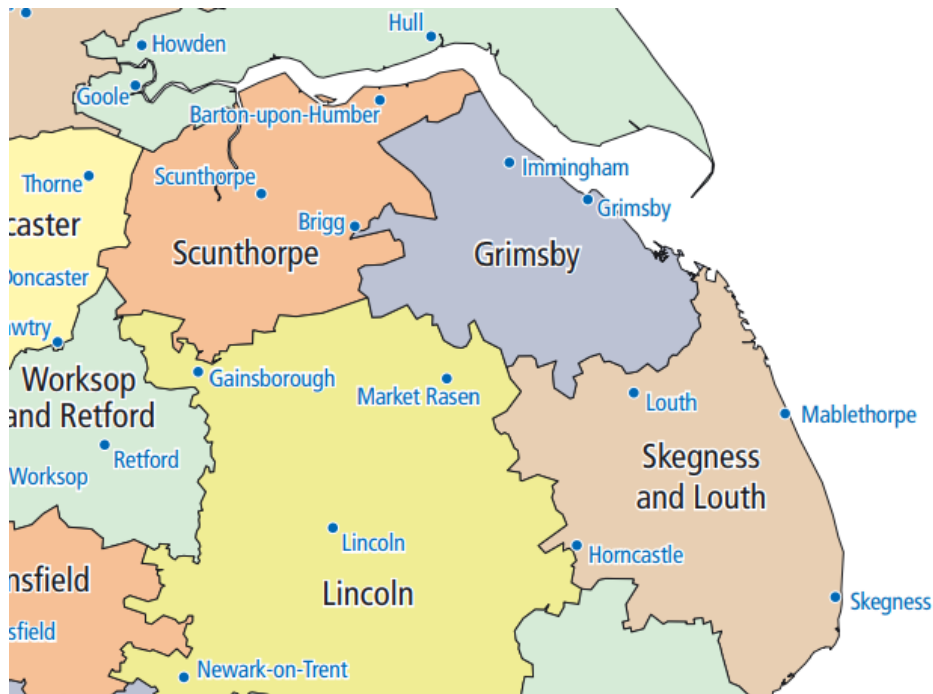
³⁵ DLUHC (2010) Functional Economic Market Areas: An Economic Note

³⁶ Source: ONS (2022) Business Register and Employment Survey 2021

³⁷ Commuting to work, Changes to Travel to Work Areas: 2001 to 2011 (ONS, December 2015)

both live and work and therefore relatively few commuters cross a TTWA boundary on their way to work. The ONS 2011 Census-based TTWA mapping indicates North East Lincolnshire falls entirely within the Grimsby TTWA.

Figure 4.3 Grimsby Travel to Work Area



Source: ONS 2011 TTWAs (2015)

Commuting

- 4.34 Expanding on the TTWA analysis above, it is possible to examine commuting relationships at local authority levels using 2021 Census origin and destination data.
- 4.35 As presented in Table 4.1, above, at the time of the 2021 Census, 8,707 residents commuted into North East Lincolnshire on a daily basis against 8,758 out-commuters, giving a net outflow of 51 commuters.
- 4.36 This, however, differs to the 2011 Census which identified that 11,620 residents commuted into North East Lincolnshire compared to 11,267 out-commuters, giving a net inflow of 353 commuters. As the data for the 2021 Census was collected during the Covid-19 Pandemic, this is likely to have had some impact on the data due to larger proportions of people working from home, and fewer people commuting to their place of work.
- 4.37 Despite this, and as captured in Table 4.1, **87.2% of North East Lincolnshire's working residents work in the Borough (FEMA Test #1)**. Similarly, 59,300 local residents lived and worked in North East Lincolnshire out of a total of 68,058 people working in the Borough. This equates to **87.1% of the residents (FEMA Test #2)**.
- 4.38 **On this basis, and given the criteria set out above, North East Lincolnshire would pass both FEMA tests.**

Flow of goods, services, and information within the local economy

- 4.39 The flows of goods, services and information in an area are influenced by a range of factors including digital connectivity, the location and change in the stock of commercial floorspace, commercial property market geographies and transport networks. These are considered in the sub-sections below.

Humber Freeport

- 4.40 North East Lincolnshire, alongside the other three Humber local authority areas, sits at the heart of the 45 sq km Humber Freeport designation. This cross-boundary designation is intended to attract investors by offering tax zones (proposed for the Humber include Hull East, Goole, and the Able Marine Energy Park) and Customs Zones at the three main ports (Grimsby, Hull, and Immingham).
- 4.41 Inside the Grimsby and Immingham customs zone, port operators and other companies are able to defer tax duty and import VAT on goods. If a product comes from outside of the UK into the customs zone, such as a raw material or a component part, no tax is paid on those goods coming into the port unless it then leaves the port area and enters the UK. If a manufacturer or a producer is located inside the customs zone, it can handle those goods and use them to create their finished product³⁸.

Digital Connectivity

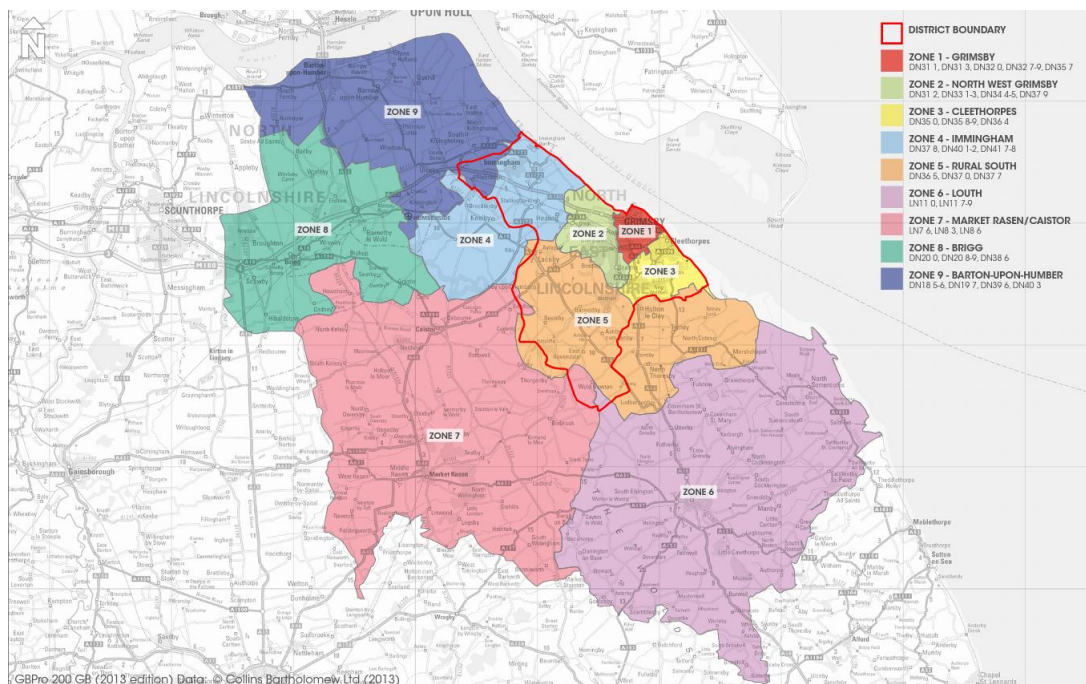
- 4.42 The latest data from Ofcom's Connected Nations shows that North East Lincolnshire has 97.5% coverage of superfast broadband (over 30 Mbps) and 92.8% has coverage of ultrafast broadband (over Mbps) or Gigabit (over 1,000 Mbps).
- 4.43 The Borough's good access to superfast, ultrafast and gigabit broadband indicates that businesses and residents can easily connect to the wider world and that North East Lincolnshire's digital economic linkages likely extend well beyond the Borough boundary.

Service Markets for Consumers

- 4.44 The *Retail, Leisure, and Three Centres Study Update 2016* (September 2016) comprises a total of nine zones, of which the Borough is comprised of zone 1, zone 2 and zone 3 entirely as well as parts of zone 4 and zone 5. The study zone broadly reflects the catchment areas of the main centres and mirrors the same zones used in the 2013 North East Lincolnshire Retail, Leisure and Three Centres Study produced in 2013 shown in Figure 4.4.

³⁸ <https://humberfreeport.org/customs-zones/>

Figure 4.4 North East Lincolnshire retail catchment zones



Source: North East Lincolnshire Retail, Leisure and Three Centres Study (2013)

4.45

Table 4.3 shows the relative share of convenience retail expenditure in physical stores³⁹ across the zones, as well as the amount retained by each. The retention level demonstrates the proportion of residents residing in that zone shopping at destinations within the same zone. In terms of main food expenditure, the highest level of retention for main food expenditure is in Zone 1, which covers central Grimsby, followed by Zone 2 which covers North West Grimsby. The proportion of main food convenience expenditure retained in Zone 5 (The Rural South) is the lowest at 84.5% indicating that just over 15% of residents' expenditure is being spent at destinations elsewhere. This is not unsurprising given the more rural nature of Zone 5.

Table 4.3 Convenience expenditure retention by zone 2016

	Main Food Expenditure Retention	Top Up Food Expenditure Retention	Total Convenience Expenditure Retention by Zone
Zone 1 – Grimsby	100.0%	94.9%	98.7%
Zone 2 – North West Grimsby	100.0%	91.0%	97.7%
Zone 3 - Cleethorpes	100.0%	89.5%	97.4%
Zone 4 – Immingham	97.5%	79.4%	93.0%
Zone 5 – Rural South	98.3%	43.1%	84.5%

Source: Bilfinger GVA (2016): Retail, Leisure and Three Centres Study – North East Lincolnshire Council

4.46

The total proportion of convenience expenditure retained within North East Lincolnshire area is £282.5m, or 95.6% of resident's expenditure in physical shops.

³⁹ Expenditure figures exclude Special Forms of Trading, which relates to internet/mail order shopping.

- 4.47 Table 4.4 displays comparison expenditure and retention and shows a similar story. Of the c.£421.1m spent on comparison goods in physical shops by North East Lincolnshire residents, around 93.0% or £391.8m is spent in shops within the Borough.

Table 4.4 Comparison expenditure retention by zone 2016

	Comparison Expenditure Retention by Zone
Zone 1 – Grimsby	96.2%
Zone 2 – North West Grimsby	95.3%
Zone 3 - Cleethorpes	90.1%
Zone 4 – Immingham	95.5%
Zone 5 – Rural South	87.3%
TOTAL	93.0%

Source: Bilfinger GVA (2016): Retail, Leisure and Three Centres Study – North East Lincolnshire Council

- 4.48 With a combined convenience and comparison retention rate of 94.1%, just 5.9% of expenditure in physical shops by North East Lincolnshire residents is spent outside the Borough, indicating a very high level of self-containment with regards to retail.

Transport Network

- 4.49 Transport Networks support productivity and the success of local economies by facilitating the swift movement of goods and people and supporting business operations. The road networks within the Borough are typical of many rural authorities, with A Roads providing the main access into and out of the Borough and connecting North East Lincolnshire to the M180 to the North West.
- 4.50 The A180 runs from Grimsby Town Centre heading to the North Western corner of the Borough through the Estuary Zone, parallel to the rail line, before connecting to the M180 and M18 further east. Around 9km East of Brocklesby Interchange along the A180, the A15 runs Northwards through North Lincolnshire and across the Humber Bridge into East Ridings of Yorkshire and provides access to Kingston upon Hull immediately to the West.
- 4.51 The A46 runs Eastwards through the Rural Area to West Lindsey and further South to the City of Lincoln. The A16 runs Southwards through the Western and Southern Arc passing through the Lincolnshire Wolds AONB and connecting with East Lindsey.
- 4.52 The Borough has several train stations, principally servicing the main centres and branching off to connect the Borough to the Northern side of the Humber Estuary. Further rail branches include:
- To the South through West Lindsey towards Lincoln;
 - To the North West through Scunthorpe and Althorpe, North Lincolnshire; and,
 - To the South West providing eventual connections to Doncaster and Bassetlaw.
- 4.53 According to data from the Office of Rail and Road [ORR]⁴⁰ across the eight active train stations in North East Lincolnshire⁴¹ a total of 708,566 station entries and exits were made across North East Lincolnshire's train stations in the year to March 2024 (the most recent data period). Figure 4.5 indexes the change in passenger flows from the year to March 2017

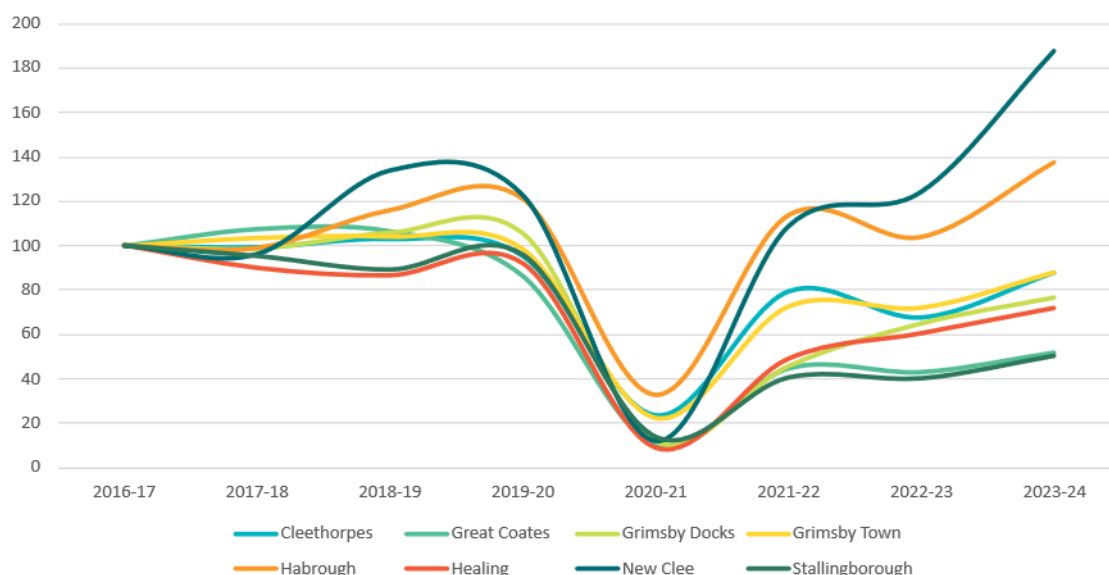
⁴⁰ ORR (2025) Table 1410 and Table 1415

⁴¹ The eight active train stations across North East Lincolnshire are Grimsby Town, Cleethorpes, Highbrough, Healing, Great Coates, Stallingborough, Grimsby Docks, and New Clee

to the year to March 2024 and illustrates a degree of general stability in passenger flows in the lead up to the covid-19 pandemic with a pre-pandemic average of 803,639 passengers before falling significantly to just 181,914 passengers in the year to March 2021. Though the data indicate a measurable improvement over the post-covid period, the recovery remains around 22.2% below that of the pre-pandemic average.

- 4.54 Over that period, the data indicates between pre-pandemic and post-pandemic rail patronage, average passenger flows have only increased at Habrough and New Clee train stations, increasing by 3,167 or 8.6% at Habrough and 346 or 23.8% at New Clee. Overall, the remaining stations have all seen reductions compared to pre-pandemic levels. In particular, Great Coates and Stallingborough have experienced the largest reduction, declining by -5,575 or -53.7% and -5,450 or -54.0%.

Figure 4.5 Change in Passenger entry and exits in North East Lincolnshire's train stations (2016/17 to 2021/22) (indexed to 2016 = 100)



Source: ORR (2025) – Table 1410 & Table 1415.

- 4.55 At the time of writing, ONS has only released Travel to Work data according to the place of work by method of commuting for Census 2021; therefore, the analysis of the method of commuting flows for those whose workplace is located within North East Lincolnshire does not distinguish between those who live and work in the Borough and those who live outside but commute into the Borough for work.
- 4.56 Looking at method of commuting for those who work in North East Lincolnshire, at the time of the 2021 Census, 67.7% of people commuted via car – a much higher level than the national average of 45.1%. Whilst a similar proportion commuted via bus (4.3% and 4.2%), a much lower amount commuted via train (0.2%) compared to the national average (1.9%). This is presented in Table 4.5 below.

Table 4.5 Method of Travel to Work in and out of North East Lincolnshire.

Method of Travel to Work	North East Lincolnshire	England & Wales
Underground, metro, light rail or tram	0.0%	1.8%
Train	0.2%	1.9%
Bus, minibus or coach	4.3%	4.2%
Taxi	0.9%	0.7%
Motorcycle, scooter or moped	0.6%	0.5%
Driving a car or van	67.7%	45.1%
Passenger in a car or van	6.9%	3.9%
Bicycle	6.3%	2.0%
On foot	12.1%	7.6%
Other method of travel to work	0.8%	1.0%

Source: Census (2021): TS061 – Location of place of work by method of travel to work

Current Position of Adjoining Districts

- 4.57 Discussions have taken place with neighbouring authorities as part of this HEDNA. All three Councils confirmed that they consider there to be no significant cross boundary issues with North East Lincolnshire and that they consider the Borough to be relatively self-contained from a housing perspective. West Lindsey and North Lincolnshire consider that their housing needs can be met without requiring any assistance from North East Lincolnshire.
- 4.58 East Lindsey stated that they consider the December 2024 housing requirement of 1,009 dpa to be based on flawed data from the 2021 Census and is currently seeking to resolve this with MHCLG. They further noted that the Council cannot deliver the amount of housing required by Government, and even when carrying out a calculation using the standard method formula and our own data, the revised figure would still far exceed the housing delivery across the District. They consider that the new standard method formula produces a figure that is untenable in relation to East Lindsey's housing market. If East Lindsey ultimately determines it cannot meet its own needs and thus needs to discuss options with adjoining authorities, this raises an issue to be considered by the Council in the future. East Lindsey has started work on a review of their Local Plan which was adopted in 2018 and work is underway on the evidence base, and preparation of a new plan will fall under the new plan preparation regime.
- 4.59 A minor issue was raised by North Lincolnshire, who noted that there may be a need for discussions in the longer term when significant progress is made on delivering the South Humber Bank, as this may influence and put pressure on the local housing market that includes the far eastern part of North Lincolnshire and the western side of North East Lincolnshire. However, this was not seen as an immediate issue.
- 4.60 Lichfields also contacted the neighbouring authorities to understand their employment land needs. Information provided to Lichfields by North Lincolnshire indicated that all three authorities have sufficient land to meet their own employment needs.

Conclusion on the extent of the HMA and FEMA

- 4.61 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.
- 4.62 The PPG previously defined a HMA as a geography in which:
“a relatively high proportion of short household moves are self-contained.”
- 4.63 As such, and based on a strict interpretation of the PPG, the Census 2021 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.**
- 4.64 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.
- 4.65 Similarly, North East Lincolnshire passes both previously defined FEMA tests, has a high level of retail self-containment and benefits from good digital infrastructure and transportation links. Therefore, it is also considered that the Borough forms a self-contained FEMA, providing enough indication that the area should plan to meet its own economic needs within its own boundary.
- 4.66 Given that this study brings together assessments of both housing and economic needs; the passing of one FEMA test; and the strengthening of housing self-containment, it is appropriate that both housing and economic needs be considered in tandem, with North East Lincolnshire planning to accommodate its needs in full within its own boundary.

5.0 Housing Market Signals

- 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 including housebuilding, occupancy rates and a range of market signals.

Household Composition

- 5.2 As shown in Table 5.1, 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 under the age of 65 (18.2%), followed by couple households with no children (18.1%) and couples with dependent children (16.4%).
- 5.3 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 5.1 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%

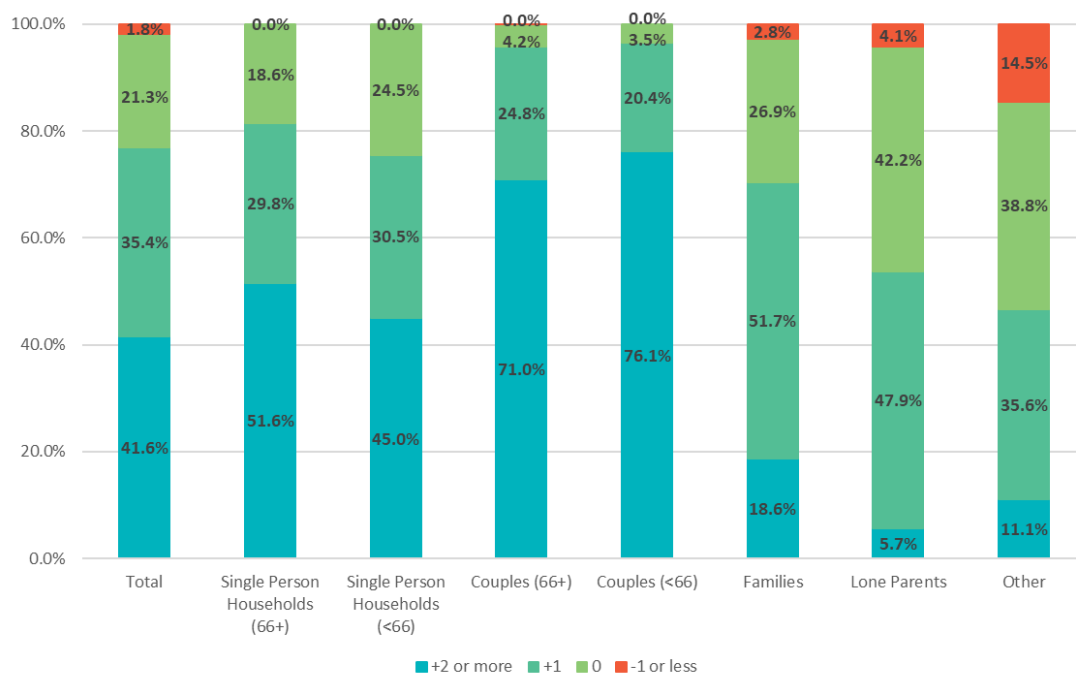
Source: Census 2011 (DC1301EW); Census 2021 (TS003)

Occupancy Rating

- 5.4 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.

- 5.5 Figure 5.1 elaborates on 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.
- 5.6 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.
- 5.7 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.
- 5.8 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.
- 5.9 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').

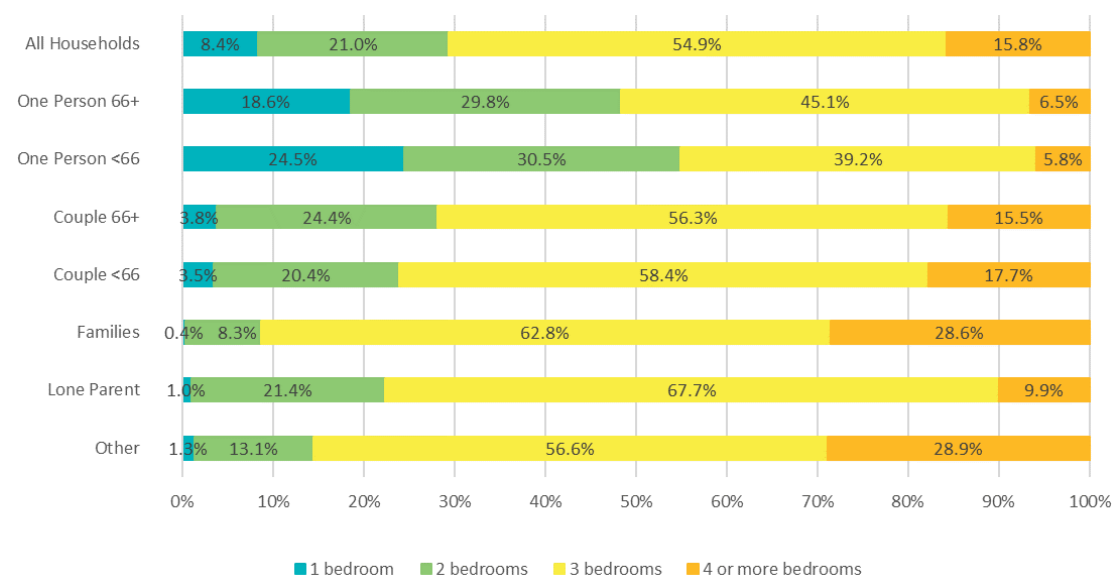
Figure 5.1 Occupancy Rating by Household Composition



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

- 5.10 Figure 5.2 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.
- 5.11 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 5.1.
- 5.12 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.
- 5.13 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 5.2 Number of Bedrooms by Household type – North East Lincolnshire Borough (All Households)



Source: Census (2021): RM059 – Household Composition by Number of Bedrooms

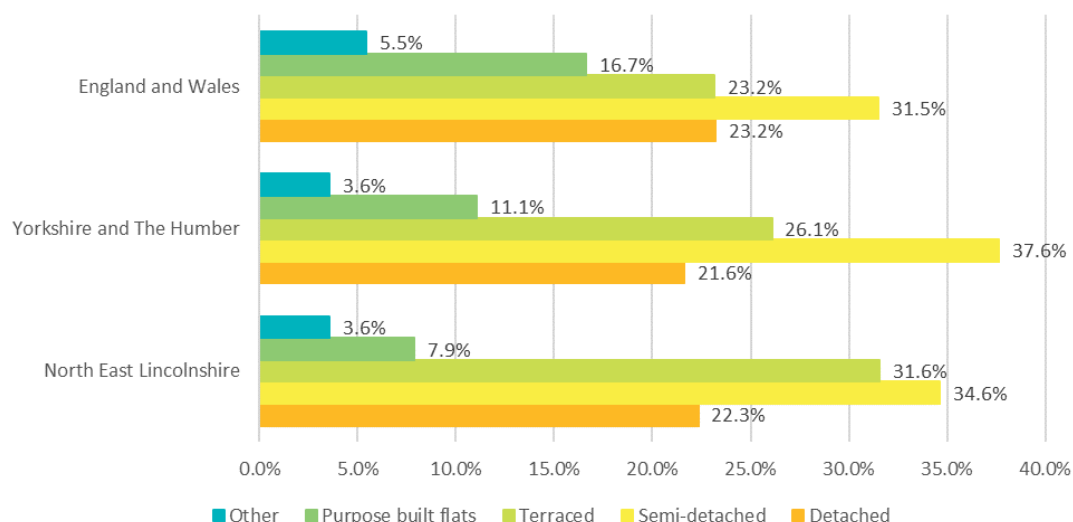
- 5.14 Households with dependent children primarily live in larger homes, with 85.3% of families living in 3 or 4-bedroom properties. However, when juxtaposed with the under-occupancy highlighted above, a not insignificant share of families over-occupy smaller 1 or 2-bedroom properties (14.7%). This 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

- 5.15 Figure 5.3 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.
- 5.16 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 5.3 Accommodation by type in North East Lincolnshire and comparator regions (2021)



Source: Census (2021): TS044 – Accommodation Type

Size of Accommodation

5.17 Table 5.2 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 5.2 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

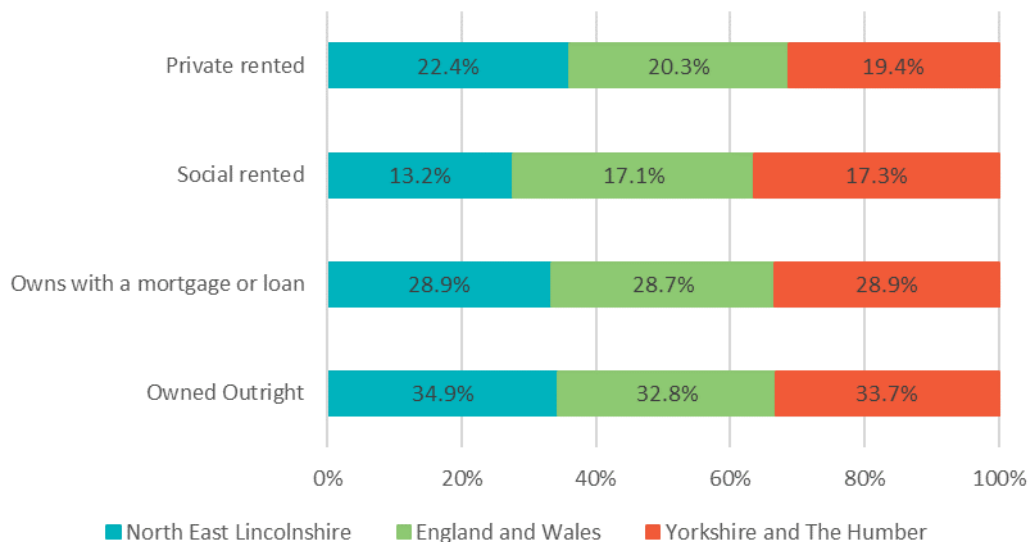
Tenure Profile

5.18 Figure 5.4 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%).

5.19 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 5.4 Tenure profile of North East Lincolnshire and comparator areas (2021)



Source: Census (2021): TS054 – Tenure

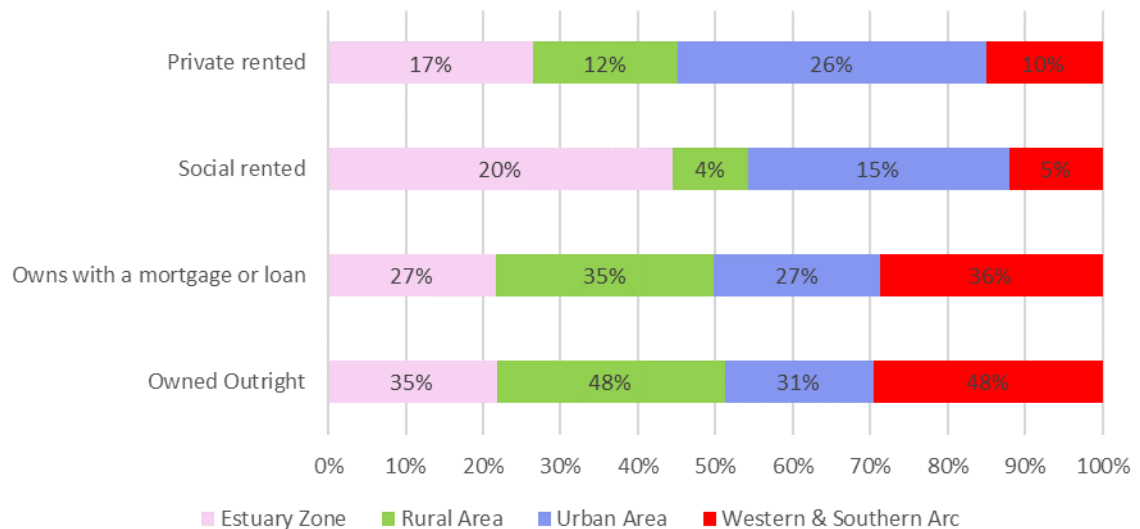
- 5.20 Furthermore, the number of properties owned outright in North East Lincolnshire increased by 2,876 or 13.4% from 2011 and is below the increase across Yorkshire and The Humber (15.2%) but slightly above the increase across observed England and Wales (12.9%). The increase in private renting is 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%).
- 5.21 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. The change in North East Lincolnshire is likely to be due, at least in part, to the rationalisation programme of social housing across the Borough. This featured a significant number of demolitions over this period.

Tenure Profile by Spatial-Zone

- 5.22 Table 5.5 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.

- 5.23 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 5.5 Tenure profile by Spatial-Zone across North East Lincolnshire (2021)



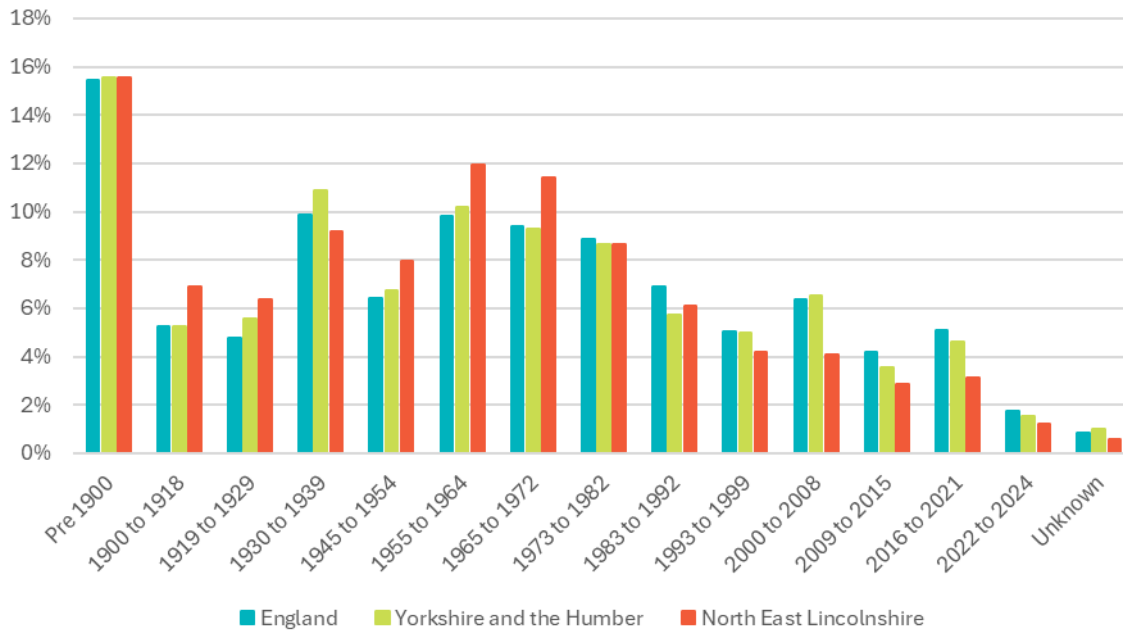
Source: Census (2021): TS054 – Tenure

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

- 5.24 Figure 5.6 presents the latest Council Tax data from the Valuation Office Agency [VOA]. It indicates that 15.5% of the Borough's housing stock was built pre-1900, which is closely comparable to the proportions across Yorkshire and The Humber (15.5%) and England and Wales (15.6%). The share of properties built from the beginning of the 20th Century up to the Second World War, at 22.4%, is slightly higher than the stock across England and Wales at 19.9% and is more comparable to the share across Yorkshire and The Humber (21.7%). There was a particular peak in housebuilding in the Borough from the mid-1950s to the early 1970s.
- 5.25 More than half of the Borough's housing stock (50.2%) was built in the post-war period up to 1999, which is slightly higher than that across Yorkshire and The Humber (45.6%) and England and Wales (46.4%). The shares of properties built from 2000 onwards begins to diverge, with comparatively few homes built in North East Lincolnshire (7.2%) compared to across Yorkshire and The Humber (9.7%) and across England and Wales (11.0%).

Figure 5.6 Share of properties in North East Lincolnshire and comparator areas by property build period (pre 1900-2024).



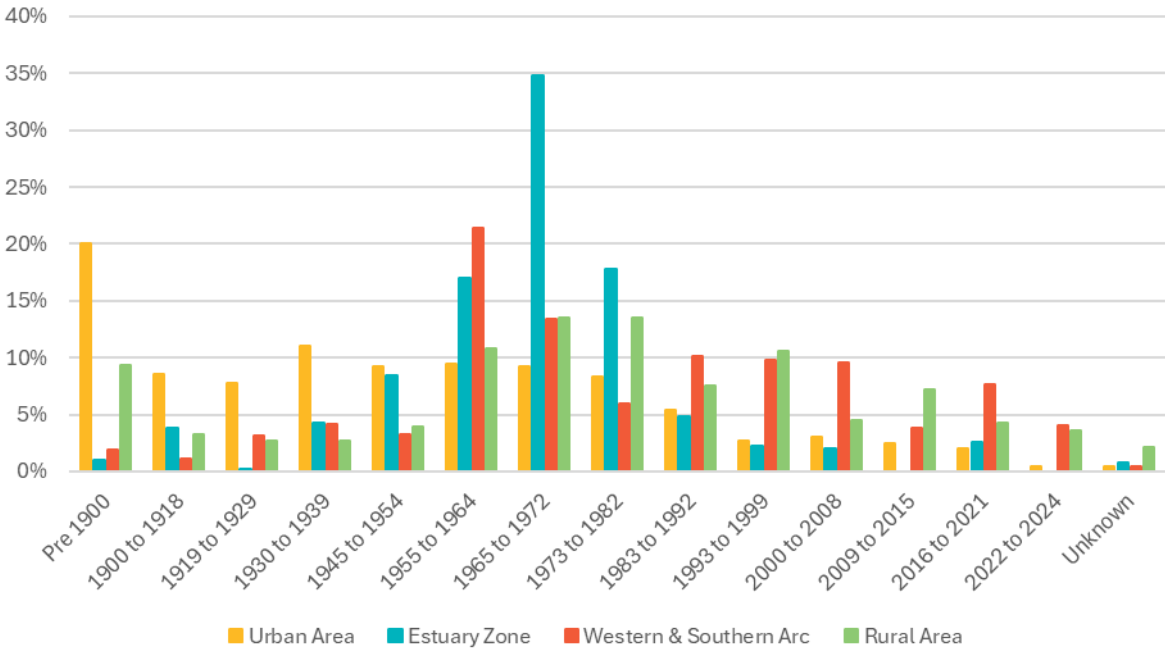
Source: Valuation Office Agency (2025): Table CTSOP4.0

Age of Stock across Spatial-Zones

- 5.26 Figure 5.7 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 20.0% of properties built prior to 1900 and as many as 47.4% build before the Second World War. This compares to 44.3% of properties built in the post-war period to 1999 and just 7.9% built post-2000.
- 5.27 In the Rural Area, properties built prior to 1900 comprise just 9.3% of total stock across the Spatial-Zone. This figure rises to 18.3% when including properties built prior to the Second World War before increasing significantly to 78.0% when including those built up to 1999. Properties built in the Rural Area post-2000 comprise 19.6% of the total stock.
- 5.28 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 1.0% of the total stock and rises to just 9.4% when accounting for properties built up to the start of the Second World War. 94.7% of properties were built in the post-war period up to 1999 with a further 4.6% post-2000.
- 5.29 The age distribution of properties in the Western and Southern Arc follows a similar trend to that observed across the Estuary Zone, with just 1.9% of properties built prior to 1900 and 10.3% to 1939. 74.3% of properties were built before 1999 with up to 25.2% built after 2000.
- 5.30 In summary, much of the stock in the Urban Area comprises significantly smaller and older properties with a general reversal of this trend observable as one moves away from the Urban Area and into the Western and Southern Arc, the Rural Areas to the South and West, as well as the Estuary Zone to the North (with the latter having a very clear spike in

construction in the late 1960s and early 1970s.

Figure 5.7 Share of properties in North East Lincolnshire’s Spatial-Zones by property build period (pre 1900 – 2021)



Source: Valuation Office Agency (2025) Table CTSOP 4.1

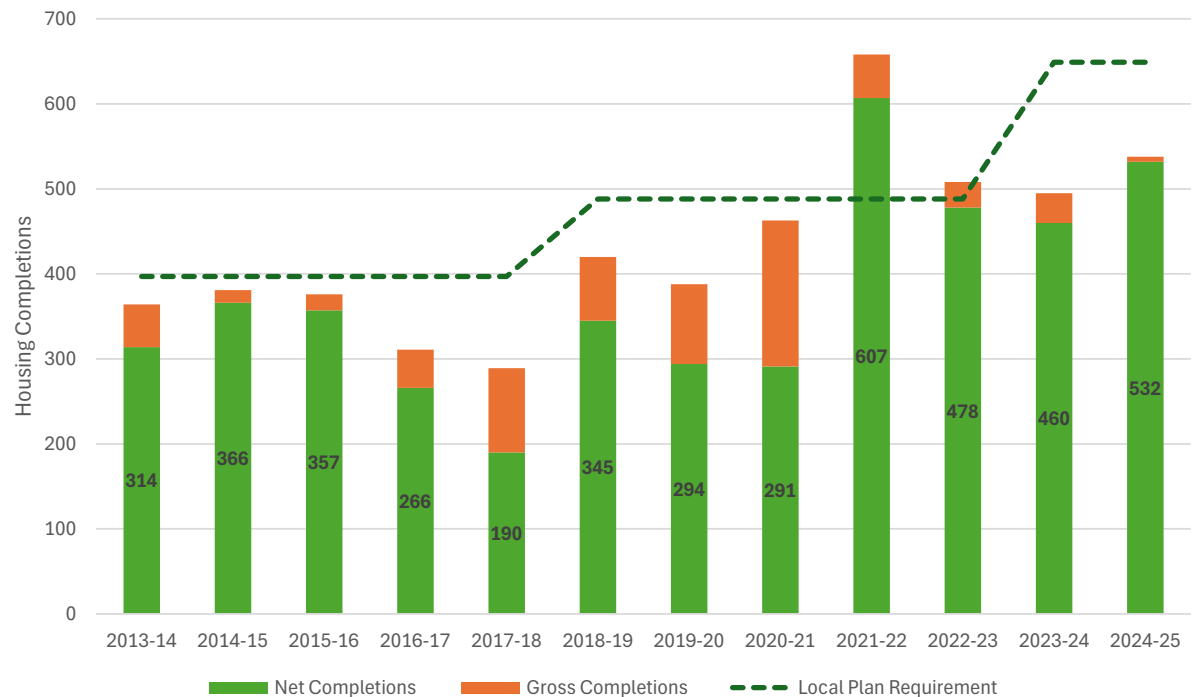
The Active Market

Changes in Stock

5.31

Total housing completions in the Borough fluctuated significantly between 2013/14 and 2024/25. The average number of net completions over this period was **375 dpa**, ranging from a low of just 190 dpa in 2017/18, to a high of 607 dpa in 2021/22. Whilst the gross dwelling completions (excluding demolitions) is higher, at **433 dpa**, in general the housing completions have been consistently lower than the Local Plan housing requirements with the exception of 2021/22 when 658 dpa gross / 607 dpa net were delivered against a stepped requirement of 488 dpa, and the gross delivery of 508 dpa the following year (although once losses and demolitions were netted off, the figure falls to 478 dpa, which is below the Local Plan target).

Figure 5.8 Dwelling Completions in North East Lincolnshire 2013/14 – 2024/25



Source: NELC Officers (2025)

5.32 Table 5.3 demonstrates the extent to which demolitions and other losses of the housing stock over the past dozen years in North East Lincolnshire has acted to consistently suppress net dwelling completions. As can be seen in the Table, there were a total of 691 demolitions and losses over this time period.

5.33 Overall, net delivery between 2013/14 and 2022/23 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 225 units at the Freeman Street flats over 4 years.

Table 5.3 Dwelling Completions in North East Lincolnshire, 2013/14 to 2024/25

Year	Local Plan Requirement	Standard Methodology Requirement	Gross Completions*	Demos and losses*	Net Completions
2013/2014	397	-	364	50	314
2014/2015	397	-	381	15	366
2015/2016	397	-	376	19	357
2016/2017	397	-	311	45	266
2017/2018	397	230	289	99	190
2018/2019	488	220	420*	75*	345*
2019/2020	488	211	388*	94*	294*
2020/2021	488	206	463*	172*	291*
2021/2022	488	208	658*	51*	607*
2022/2023	488	203	508*	30*	478*
2023/2024	649	206 / 623 (at Dec 24)	495*	35*	460*
2024/2025	649	618 (at March 2025)	538*	6*	532*

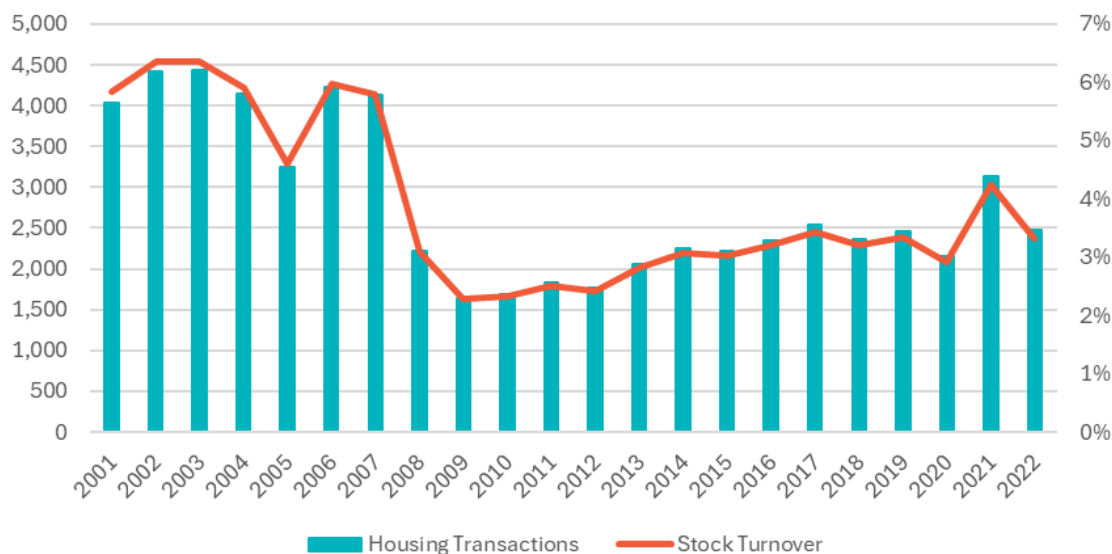
Source: NELC Officers (2025). *These figures are the result of a comprehensive data audit and review undertaken by NELC officers in summer 2025 and differ from figures published by the Council prior to this date.

Transactions and Prices in the Private Market

5.34

Pre-recession (2008), dwelling sales across the Borough typically numbered between 3,247 and 4,439 transactions per annum, representing between 4.6% to 6.4% of the dwelling stock (Figure 5.9). Transactions declined sharply in 2008 as a result of the recession, reaching a low of just 1,646 transactions in 2009. The number of transactions remained below 2,000 until 2013 and have since steadily risen, peaking at 3,131 in 2021 before falling to 2,477 in 2022.

Figure 5.9 Property Sales and Stock Turnover in North East Lincolnshire, 2002-2022



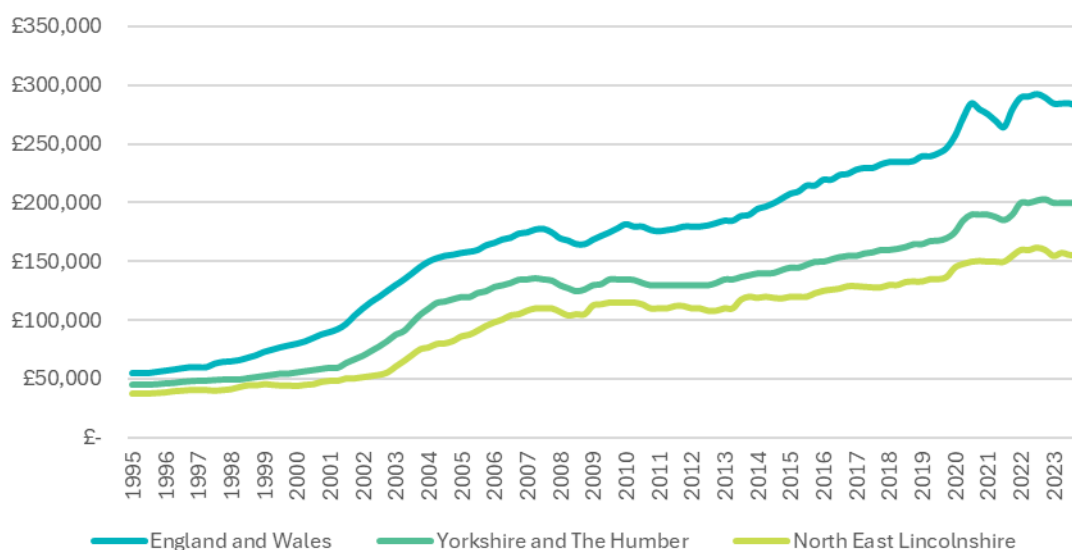
Source: ONS HPSSA Dataset 6 Residential Property sales for administrative geographies and DLUHC Live Table 125: Dwelling Stock Estimates by Local Authority District (2025)

House Prices

5.35

Figure 5.10 illustrates that the median house price in the Borough followed the pattern seen across the region and the nation as a whole, although prices in the Borough and region have not grown as quickly as they have nationally, particularly since the recession in 2008. In the year to September 2014, the median house price in the Borough was £119,500 at 86.6% of the regional median and 63.1% of the national median. By 2024, the median price in the Borough had increased to £155,750 at 77.9% of the regional median but a much lower 55.1% of the national median, indicating that prices are diverging at an increasingly rapid rate.

Figure 5.10 Median House Prices y/e Dec 1995 – y/e September 2024



Source: ONS (2025): Median house prices for administrative geographies

- 5.36 Table 5.4 presents median and lower quartile [LQ] house prices in the Borough, across Yorkshire and The Humber and England and Wales from the year to September. 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 £270,000 and £219,950 respectively.

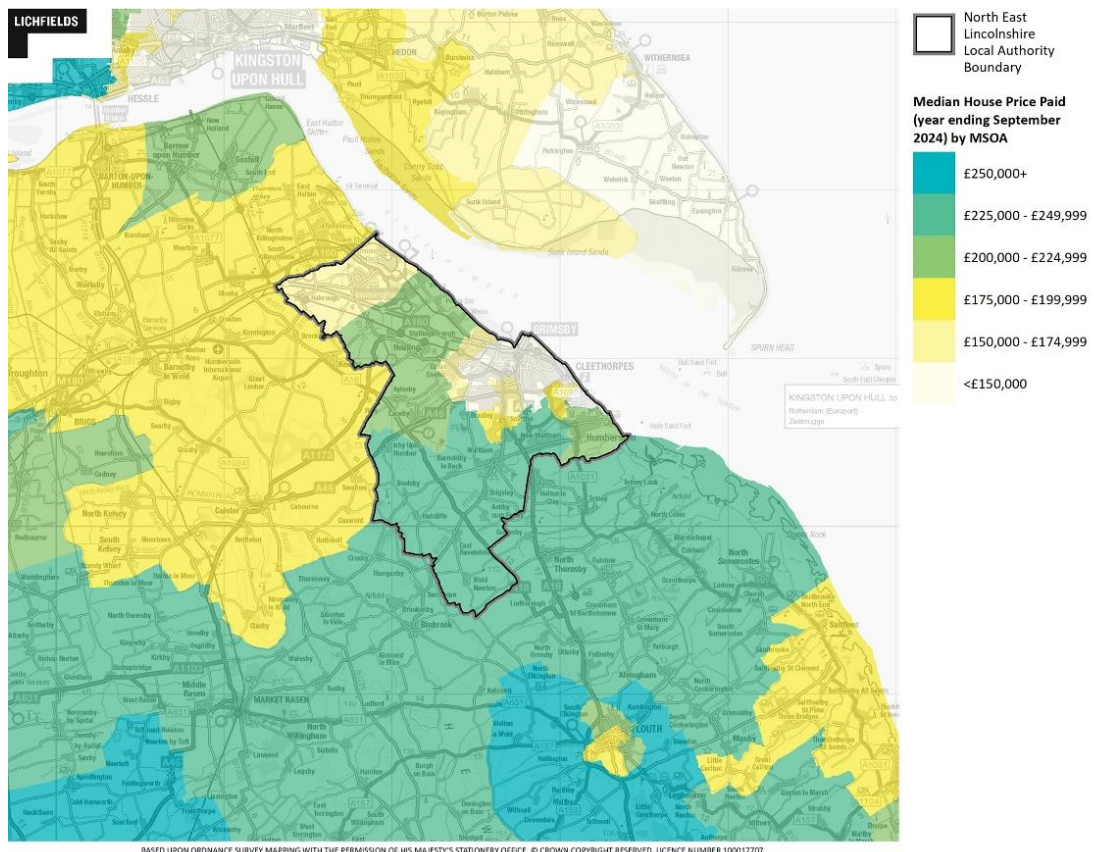
Table 5.4 Median and Lower Quartile House Prices by House Type (y/e September 2024)

	Median			Lower Quartile		
	North East Lincolnshire	Yorkshire & The Humber	England and Wales	North East Lincolnshire	Yorkshire & The Humber	England and Wales
Detached	£270,000	£335,000	£415,000	£219,950	£262,500	£310,000
Semi-Detached	£166,250	£200,000	£265,000	£141,750	£160,000	£195,000
Terraced	£96,500	£152,000	£230,000	£72,500	£115,000	£152,000
Flats/Maisonettes	£100,000	£135,000	£228,000	£60,750	£97,500	£145,000
All Properties	£155,750	£200,000	£282,500	£105,000	£143,000	£187,500

Source: HM Land Registry (2025): Median/Lower Quartile Price Paid by Local Authority

- 5.37 Figure 5.11 illustrates the distribution of median house prices by MSOA 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.

Figure 5.11 Median House Price Paid in North East Lincolnshire (2023)



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

Rental Levels

5.38 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 2023 were £525 per month, with median rents ranging from £420 per month for a 1 bed property, to £850 per month for a 4+ bed house (Figure 5.12). Median rents across Yorkshire were higher ranging from an average of £575 for 1-bed properties to £1,250 for 4+ bed properties. Rental levels are even greater across England an average of £750 for a 1-bed property to £1,550 for a 4-bed property.

Figure 5.12 Median Monthly Rental Prices in North East Lincolnshire, Yorkshire and The Humber and England (y/e September 2023)



Source: Source: ONS (2024) Private Rental Market Statistics

5.39 Similarly, average LQ rents were £450 in North East Lincolnshire in 2023 (the most recent date for which consistent information is available) compared to £525 across Yorkshire and The Humber and £650 across England. Figure 5.13 illustrates that Lower Quartile [LQ] rental rates range from £385 for 1-bed properties and up to £635 for 4+ bed properties in North East Lincolnshire; both remain below the regional and national comparators.

5.40 Average LQ monthly rents were higher across Yorkshire and The Humber, ranging from £460 for a 1-bed property to £895 for a 4+ bedroom property. LQ rents were higher across England, ranging from £575, for 1-bed properties up to £1,175 for 4+ bed properties.

Figure 5.13 Lower Quartile Monthly Rental Prices in North East Lincolnshire, Yorkshire and The Humber and England (y/e September 2023)



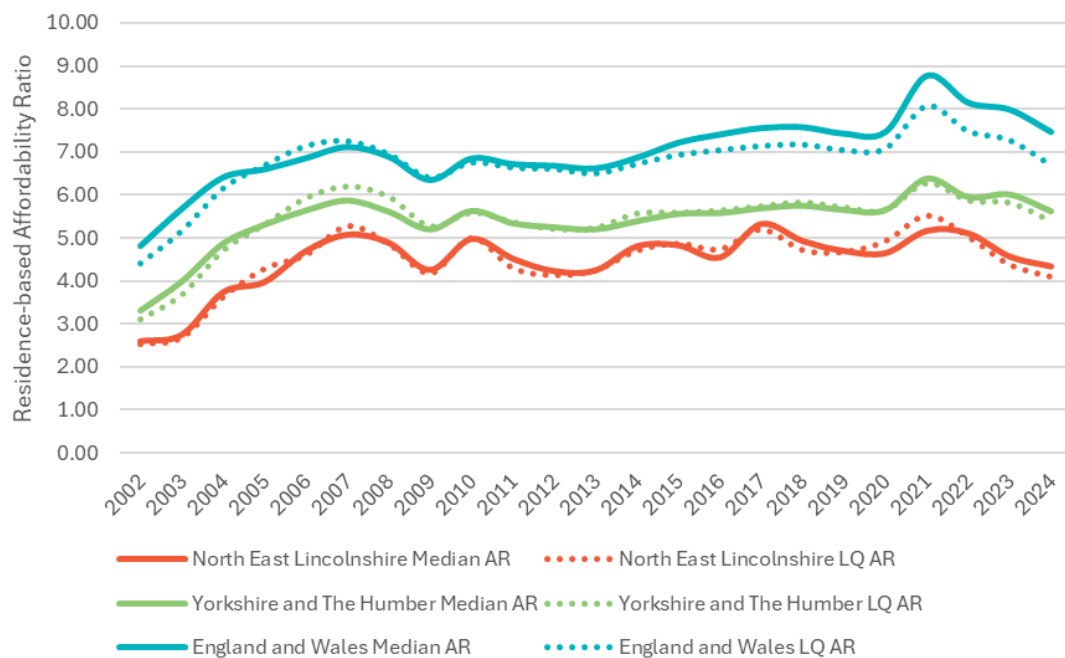
Source: ONS (2024) Private Rental Market Statistics

Affordability Ratios

- 5.41 The former SHMA Practice Guidance (2007) defined 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).
- 5.42 The PPG’s standard methodology for calculating local housing needs incorporates the most recent median workplace-based affordability ratios as an uplift to the stock-based baseline. 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.
- 5.43 As shown in Figure 5.14, the ratio of median house price to median residence-based earnings in the Borough was 4.34 in 2024. This means that when set against the median gross annual earnings of people living in North East Lincolnshire of £34,575, median house prices were £150,000 – 4.34 times higher. To set this into context, the Bank of England imposes a Loan to Income [LTI] 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.
- 5.44 The data therefore indicates that a median income would currently suffice for securing a mortgage on a median-priced home within the Borough, as this limit would not be breached. However, it should be noted that the median residence-based affordability ratio in the Borough was above 4.5 in 2023 and had been since 2013, meaning that the median house would have been unaffordable for many in the Borough during these years, even with a mortgage. Even so, an Affordability Ratio of 4.34 for the Borough is lower than the median affordability ratio for England, which was 7.47 in 2024.

- 5.45 LQ gross annual earnings for residents of £25,689, set against the lower quartile house price of £105,000, equates to a ratio of 4.09 in 2024; however, once again this is a lower ratio than seen in recent years, with even the LQ ratio being above 4.5 from 2013 – 2023, peaking at 5.51 in 2021.

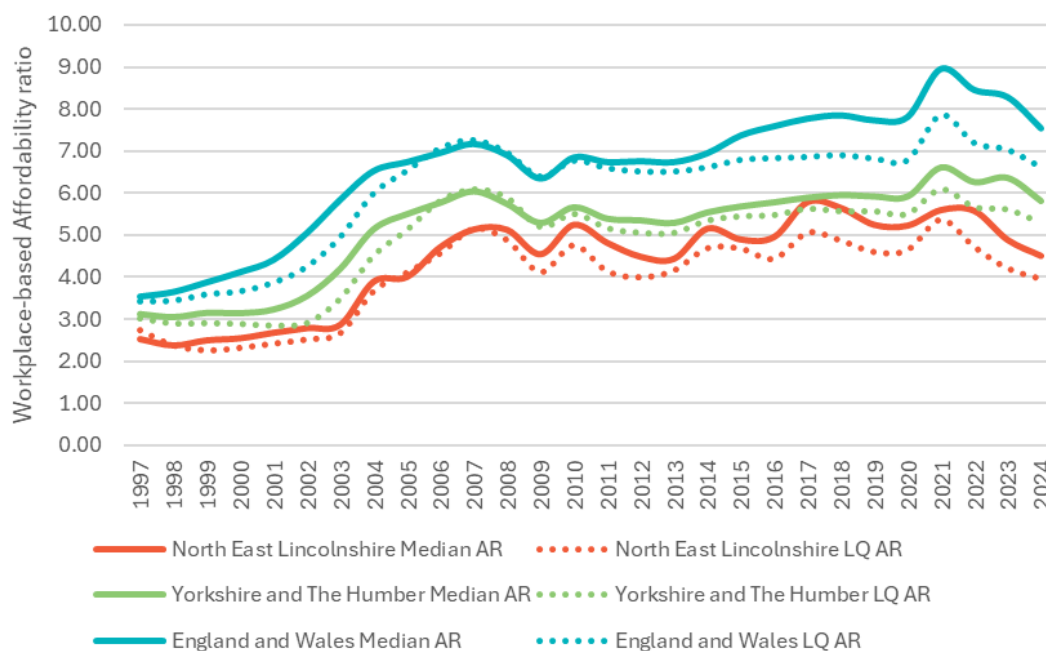
Figure 5.14 Residence-based Median/Lower Quartile Affordability Ratios for North East Lincolnshire and England and Wales (2024)



Source: ONS (2025): Ratio of House Prices to residence-based earnings (lower quartile and median)

- 5.46 Workplace-based affordability ratios are similar in the Borough to residence-based ratios. In 2024, the ratio of median house price to median workplace-based earnings was 4.51 and the LQ ratio was 3.96 (Figure 5.15). This presents a consistent picture with residence-based affordability ratios, whereby median and LQ ratios are generally in line with one another within the Borough. This compares to a median affordability ratio for England of 7.54 and an LQ ratio of 6.61.

Figure 5.15 Workplace-based Median/LQ Affordability Ratio for NE Lincolnshire and England and Wales (2024)



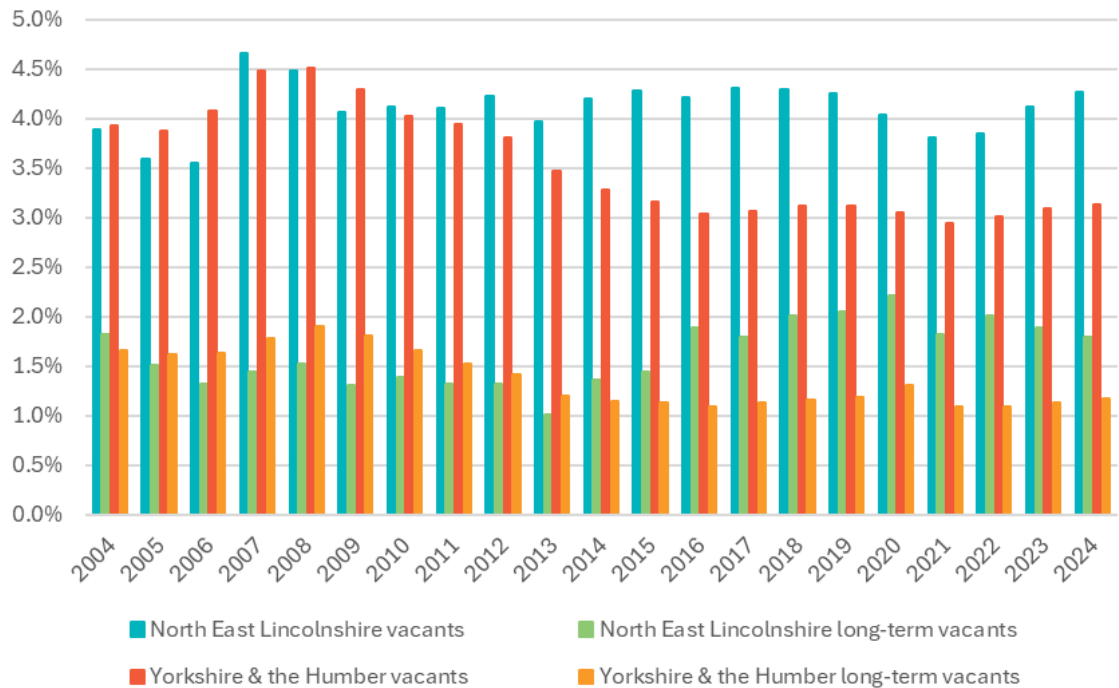
Source: ONS (2025): Ratio of House Prices to workplace-based earnings (LQ and median)

Vacancy Rates

- 5.47 As of 7th October 2024, the Government⁴² reported a total of 3,330 vacant dwellings in the Borough. Of these, 1,355 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).
- 5.48 Across the Borough, overall vacancy rates remained between 3.5% and 4.7% from 2004 to 2023. The rate has been relatively stable over the period at 4.0% in 2004 to 4.3% in 2024. 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.

⁴² Calculation of Council Tax Base for Formula Grant Purposes, October 2021

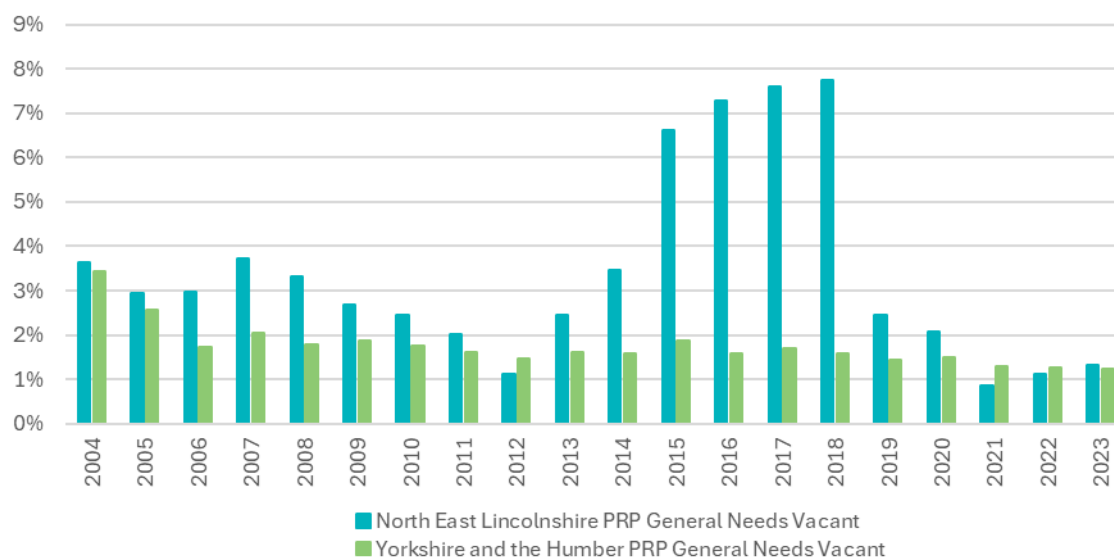
Figure 5.16 Total and Long-Term Vacancy Rates in North East Lincolnshire and Yorkshire and The Humber



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

- 5.49 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 2024.
- 5.50 Figure 5.17 illustrates the number of vacant social houses in the Borough between 2004 and 2023. In 2023, the amount of vacant Registered Provider dwellings as a proportion of the total stock was 1.3%. A certain level of voids is normal and allows for transfers and repairs to properties. The former SHMA guidance (page 48) noted that a vacancy rate over 3% (relating to properties which are vacant for considerable periods of time), should be counted as surplus stock. Therefore, a figure almost 2/3rds lower than this is very low.

Figure 5.17 Vacant Registered Provider Dwellings in North East Lincolnshire and Yorkshire and The Humber 2004 - 2023



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

Overcrowding and Homelessness

Indicators on overcrowding, sharing households and homelessness can demonstrate unmet need for housing within an area. The previous 2014 version of the PPG considered that overcrowding, concealed and sharing households, homelessness and the number in temporary accommodation could demonstrate unmet need for housing.⁴³

- 5.51 Whilst this section has now been removed from the latest iteration of the PPG, overcrowding and homelessness nevertheless represents an important housing market indicator.
- 5.52 The 2021 Census provides 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).
- 5.53 Table 5.5 shows that overcrowding against the occupancy rating in NEL is not 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 & Wales (4.3%). Furthermore, the situation has improved over time in North East Lincolnshire, with overcrowded households decreasing against the national average.

⁴³ §2a-019-20140306

Table 5.5 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)

- 5.54 The 2021 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 2011 and 2021, at least in part due to the lingering 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.
- 5.55 At the time of the 2021 Census, 2.2% of all families in England and Wales were concealed; this represented 367,481 families. This is a rise compared to 2011, when 1.8% of families were identified as being 'concealed'. In North East Lincolnshire, there were 605 concealed families at the time of 2021 Census, representing 1.3% of all families. The Borough has a smaller proportion of concealed families than Yorkshire and The Humber (1.8%) and the national average (2.2%) (see Table 5.6).

Table 5.6 Concealed families in North East Lincolnshire, Yorkshire and The Humber and England and Wales 2011 – 2021

	2011		2021		Change in number of concealed families	% Change in number of concealed families
	No.	%	No.	%		
North East Lincolnshire	527	1.1%	605	1.3%	+ 78	14.8%
Yorkshire and The Humber	25,410	1.7%	28,226	1.8%	+ 2,816	11.1%
England and Wales	289,925	1.8%	367,481	2.2%	+ 77,556	26.8%

Source: Census 2011 (LC1110EW); Census 2021 (RM009)

- 5.56 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 (+15%) is above the growth across Yorkshire and The Humber region (11%), but well below the level of change experienced across England and Wales (27%).
- 5.57 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.

Affordable Housing and the Housing Register

- 5.58 The Council's Housing Officers have provided data indicating that over the past 11 years, some 415 affordable dwellings have been completed in the Borough, at an average of 38 dpa as shown in Table 5.7. Of this total, the vast majority have been for social rent – 209, or 50.4%, followed by 116 (28.0%) for shared ownership and 82 (19.8%) for affordable rent. The remaining 8 properties were for either Intermediate Rent or Rent to Buy. Completions have generally declined since 2018/19 and totalled just 20 last year.

Table 5.7 North East Lincolnshire Affordable Housing Completions to 2013/14-2023/24, by Tenure

Year	Social Rent	Affordable Rent	Intermediate Rent	Shared Ownership	Rent to Buy	Total Affordable Completions
2013/14	78	0	0	15	0	93
2014/15	6	31	0	13	2	52
2015/16	0	6	0	5	0	11
2016/17	0	10	0	0	0	10
2017/18	15	6	0	3	0	24
2018/19	12	14	6	25	0	57
2019/20	20	0	0	18	0	38
2020/21	17	0	0	1	0	18
2021/22	33	6	0	10	0	49
2022/23	22	9	0	12	0	43
2023/24	6	0	0	14	0	20
TOTAL	209	82	6	116	2	415

Source: NELC Officers (July 2025)

- 5.59 Of the 415 dwellings completed in total, 266 (64.1%) came forward via s.106 agreements as part of larger market-led residential developments whilst the remaining 149 dwellings (35.9%) came forward on entirely Registered Provider-owned developments.
- 5.60 In terms of where these affordable homes have been built, Table 5.8 indicates that these are reasonably evenly split between the Grimsby/Cleethorpes Urban Area (with 174 units in Grimsby and just 18 in Cleethorpes) at 50.6% of the total, and the Western & Southern Arc (predominantly in Humberston, with 95 units, and New Waltham, with 56 units) at 47.2% of the total. Just 7 affordable dwellings were delivered in the Estuary Zone (all in Immingham), and 2 affordable dwellings in Barnoldby-le-Beck, in the Rural sub-area.

Table 5.8 North East Lincolnshire Affordable Housing Completions to 2013/14-2023/24, by Sub-Area

Year	Urban Area	Estuary Zone	Western & Southern Arc	Rural Area	Total Affordable Completions
2013/14	93	0	0	0	93
2014/15	40	0	12	0	52
2015/16	10	0	1	0	11
2016/17	10	0	0	0	10
2017/18	7	0	17	0	24
2018/19	27	0	30	0	57

Year	Urban Area	Estuary Zone	Western & Southern Arc	Rural Area	Total Affordable Completions
2019/20	7	0	31	0	38
2020/21	0	0	18	0	18
2021/22	0	0	49	0	49
2022/23	10	0	33	0	43
2023/24	6	7	5	2	20
TOTAL	210	7	196	2	415

Source: DLUHC (November 2022): Table 1011C - Affordable housing supply statistics (AHS) 2021-22

- 5.61 As set out in further detail in Section 7.0 of this report, there were 7,493 households on the Housing Register as of May 2025, which is a substantial increase on the 4,780 recorded in the previous HEDNA (as of January 2023). According to Council Officers, of this total, 281 are identified as being in 'urgent priority', 330 as 'high priority', 701 as 'medium priority' and the remaining 6,181 as 'low priority' (with this latter figure a very significant increase on the 3,929 identified as low priority in the previous HEDNA). This suggests that 1,312 households are in priority need (i.e. Bands 1-3).
- 5.62 The proportion of those on the Housing Register who are single adults (25.5%), a lone parent (28.2%) or an older couple (26.4%) are relatively similar whilst younger couples with children (10.2%) and without (9.7%) comprises a relatively smaller share of the breakdown by household.
- 5.63 The Housing Register data also demonstrates that one-bedroom homes are in greatest demand with 4,036 (53.9%) of all registrants seeking one. The need for two-bedroom homes comprises 1,972 (or 26.3%) of all registrants whilst the need for three-bedroom properties comprises 1,107, or 14.8% of all registrants. The remaining 378 (5.0%) registrants have a need for properties with 4+ bedrooms.

Summary

- 5.64 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.
 - The Borough has a disproportionately high proportion of terraced properties, and comparatively few flats. There is a particularly high level of homeownership in the Western and Southern Arc sub-area, with 48% of households owning their homes outright and a further 36% owning their home with a mortgage or loan.
 - A particularly high proportion of the Borough's housing stock was built between the end of WWII up to the 1970s. Comparatively few houses have been built in the Borough since the late 1990s, given the size of the population.
 - Total housing completions in the Borough fluctuated significantly between 2013/14 and 2024/25. The average number of net completions over this period was 375 dpa, ranging from a low of just 190 dpa in 2017/18, to a high of 607 dpa in 2021/22. Whilst the gross dwelling completions (excluding demolitions) is higher, at 433 dpa, in general the housing completions have been consistently lower than the Local Plan housing

requirements with the exception of 2021/22 when 658 dpa gross / 607 dpa net were delivered against a stepped requirement of 488 dpa, and the gross delivery of 508 dpa the following year (although once losses and demolitions were netted off, the figure falls to 478 dpa, which is well below the Local Plan target).

- The median house price in the Borough was £155,750 in 2024, below the regional (£200,000 and national averages (£282,500).
- Private rents in NE Lincolnshire range from £420 per calendar month [pcm] for a 1-bedroom property to £850 pcm for a 4+ bedroom property. These values were below that of those across Yorkshire and The Humber and national median rents.
- Median affordability ratios have generally increased over time, indicating worsening affordability. However, the ratios fell in both 2023 and 2024. This recent fall means that to afford a median house price, residents of North East Lincolnshire would need to earn £32,611 at the maximum loan-to-income ratio of 4.5, a figure only around £100 higher than the actual median earnings.
- Vacancy rates are generally stable, fluctuating between 3.8 and 4.3% since 2007. Long-term vacancy rates remained relatively constant up to 2012 before steadily increasing from 2013 (1.0%) to 2023 (2.0%). There is a much lower level of total vacancy within affordable tenures at just 1.3% in 2023.
- Affordable housing delivery has averaged 38 dpa over the past 11 years, over half of which were social rented properties.

6.0 Local Housing Need

Introduction

- 6.1 As discussed in Section 2.0, to determine the minimum number of homes needed in an area, strategic policies should be informed by a LHN assessment, conducted using the standard method as set out in the PPG.
- 6.2 This section reports the findings of this LHN assessment for the Borough.

Methodology

Approach to defining the overall Local Housing Need

- 6.3 This study applies the Government's standard method to derive an overall local housing need for the Borough. The previous HEDNA was drafted at a time when the 2023 version of the NPPF required LHN to be calculated using the 2014-based SNHP, plus a market signals uplift based on the most recent workplace-based affordability ratio data for the Borough.
- 6.4 The December 2024 version of the NPPF, and specifically the updated PPG⁴⁴, has changed the approach to calculating SM3. SM3 now uses a formula that incorporates a baseline of local housing stock which is then adjusted upwards to reflect local affordability pressures to identify the minimum number of homes expected to be planned for.
- 6.5 These issues have been tested by Lichfields throughout this section to come to a view on the LHN for the Borough.

Identification of the type, tenure and size of housing required

- 6.6 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 NPPF²⁴:
- Private rented sector;
 - self-build and custom building;
 - family housing;
 - looked after children;
 - housing for older people;
 - housing for people with disabilities;
 - student housing;
 - service families; and,
 - affordable housing.

⁴⁴PPG: 2a-002-20241212

- 6.7 The revised PPG states that plan-making authorities will need to count housing provided for older people against their housing requirement⁴⁵. 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

- 6.8 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.
- 6.9 This element of the HEDNA Update 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.
- 6.10 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.
- 6.11 The PPG also requires a calculation to be made of the total annual need for affordable housing based on calculating the total net need and converting into an annual flow over the plan period.

Starting Point – Standard Methodology

- 6.12 The new standard method for calculating local housing need is one of the central tenets of achieving the Governments objective to deliver 1.5m homes in the current Parliament. The new method is much more ambitious than its predecessor (targeting 372,000 homes per year up 21% from 305,000). The new method aims to boost housing numbers by pinning targets to existing housing stock (rather than household projections, as per the former method) and then uplifting needs, and the target, based on affordability (using a 5-year average). It no longer includes a 35% uplift for urban areas and also does away with the ‘cap’.
- 6.13 At present, the SM3 results in an LHN of **622 dpa** for North East Lincolnshire Borough (considerably higher than the previous SM2 demographic-based figure of 203 dpa, and also above the current Local Plan figure of 512 dpa). This has been generated as follows:
- North East Lincolnshire’s housing stock was 75,370 in 2024. The baseline is calculated as 0.8% of 75,370, therefore the housing stock baseline figure is 603 per year.

⁴⁵ 63-016a-20190626

- The affordability uplift equates to 3.08%, based on a 5-year average median workplace-based affordability ratio of 5.162 between 2020 and 2024, calculated as follows:
 - Average Median local workplace-based affordability ratio⁴⁶ (2020-2024) = 5.16
 - deduct 5 = 0.16
 - divide by 5 = 0.032
 - multiply by 0.95 = 0.0308 (or 3.08%).

6.14 Applying the 3.08% uplift to the stock baseline of 603 per annum equates to 622 dpa.

6.15 **The starting point for assessing local housing need [LHN] in North East Lincolnshire is therefore 622 dpa. This is used as the minimum LHN starting point for the remainder of this HEDNA.**

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

6.16 The NPPF24 is clear that to determine the minimum number of homes needed, strategic policies should be informed by an LHN assessment using the standard method in the PPG. As set out in LHN methodology above, the requirement could also be increased to reflect growth ambitions or additional need that cannot be met within neighbouring areas.

6.17 The PPG states that calculating housing need is a separate process from establishing a housing requirement figure, which factors in policy considerations and constraints⁴⁷. These are outside the scope of a HEDNA and are for the Council to consider as part of its plan-making process.

6.18 The latest version of the NPPF24 is also clear that when planning for housing and employment land, the approach should be an integrated one which seeks “*to address potential barriers to investment, such as inadequate infrastructure, services or housing, or a poor environment*” [paragraph 86d].

6.19 The PPG also provides guidance on how the housing needs of particular groups relate to the overall housing need calculated using the standard method, as set out in 2.0 - Calculating the Housing Needs of Different Groups of People.

6.20 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.⁴⁸

6.21 The PPG⁴⁹ 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.”

⁴⁶ ONS (2025): Ratio of median house price to median gross annual workplace-based earnings by local authority district, England and Wales, 1997 to 2024

⁴⁷ “When preparing strategic policies, it may be concluded that insufficient sites / broad locations have been identified to meet objectively assessed needs, including the identified local housing need. In the first instance, strategic policy-making authorities will need to revisit their assessment...If insufficient land remains, then it will be necessary to investigate how this shortfall can best be planned for. If there is clear evidence that strategic policies cannot meet the needs of the area, factoring in the constraints, it will be important to establish how needs might be met in adjoining areas through the process of preparing statements of common ground, and in accordance with the duty to cooperate. If following this, needs cannot be met then the plan-making authority will have to demonstrate the reasons why as part of the plan examination”. PPG ID: 3-025-20190722

⁴⁸ PPG: ID: 67-001-20190722

⁴⁹ PPG: ID: 67-009-20190722

- 6.22 The remainder of this chapter addresses each of the aforementioned elements in order to assess whether the 622 dpa adequately reflects the Council's growth ambitions linked to economic development or infrastructure investment, and if not, whether this could justify uplifting the LHN figure generated by the standard method.

Demographic Analysis

Population Projections

- 6.23 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.
- 6.24 The 2022-based SNPP are the most up-to-date population projections. Published in June 2025, these replace the equivalent 2018-based projections. As mentioned previously, the demographic projections no longer inform the SM3 calculations.
- 6.25 The 2022-based SNPP suggests that the population of North East Lincolnshire will fall by 2,434 people over the emerging Local Plan period 2025 to 2043 (-1.5%), equivalent to -135 persons per annum. This is one of the weakest growth rates in the country; in fact, only Gosport has a lower level of growth of all LPAs nationwide (in absolute terms) than North East Lincolnshire.
- 6.26 This is also a weaker level of growth than was projected by the 2018-based SNPP, which projected a decline of -1,026 people or -0.6% over the same period, equal to a loss of 57 people per annum. This contrasts with the regional and national pictures, with the populations of Yorkshire and The Humber and England expected to grow by 6.1% and 7.8% respectively according to the 2022-based projections.
- 6.27 Figure 6.1 illustrates that across the individual age cohorts there is:
- A huge decline in 0–19 year olds under the 2022-based SNPP than is projected by the 2018-based SNPP, with the former forecasting a loss of 7,923 residents compared to - 3,937 under the 2018-based SNPP;
 - Improved positive growth of residents aged 45-54 in the 2022-based SNPP compared to the 2018-based projections;
 - Similar declines in the number of residents aged 55–69 for both projections;
 - Slightly higher growth of older age groups between 70 and 79 in the 2022-based SNPP projections compared to the 2018-based SNPP; and,
 - Slightly lower growth in those aged 80 and above in the 2022-based projections versus the 2018-based.

Figure 6.1 Population change in North East Lincolnshire by age cohort, 2025 - 2043



Source: 2022-based SNPP, 2018-based SNPP

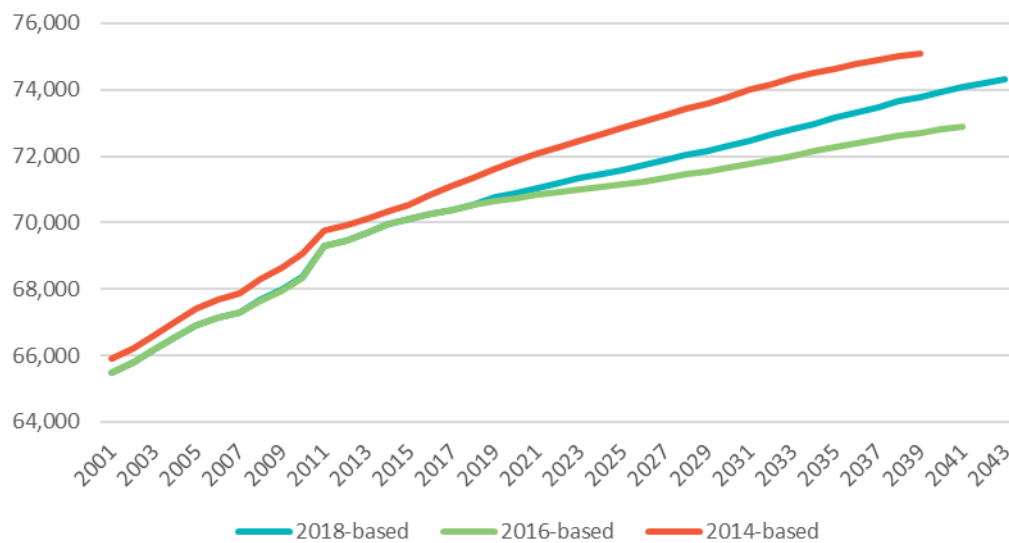
- 6.28 The general message emerging from both sets of projections is that, with the exception of 45-54 year olds, future population growth in North East Lincolnshire will be entirely driven by retirees, and particularly those aged 70 and above. In stark contrast, the number of residents in their mid-50s and early 60s is projected to decline significantly over the next 20 years or so. For example, according to the 2022-based SNPP, the number of residents aged between 55 and 64 is projected to decline by 2,944. Similarly, the number of residents aged 20-44 is projected to decline by 1,954. 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 70 is projected to increase by c.9,000 over the next 18 years (2025 – 2043).
- 6.29 In terms of the determinants of change, the 2022-based SNPP envisages that the negative population change in the Borough over the Local Plan period (2025-43) will be driven by natural change, with 36,274 deaths compared to 22,923 births, resulting in a net natural change figure of -13,350. In contrast, net international migration is positive, at +3,798 whilst internal migration is expected to be strongly positive at +7,132, with 98,101 people moving to the Borough from other locations across the UK, and 90,969 local residents moving in the other direction.

Household Projections

- 6.30 At the time of writing, the equivalent household projections to the 2022-based SNHP have yet to be issued by ONS. For this reason, we are still reliant on the household formation (or headship) rates produced for the most recent 2018-based Sub-National Household Projections [SNHP].
- 6.31 The 2018-based SNHP is 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.

- 6.32 Over the 25-year period 2022 – 2039 (when the projections end) the 2014-based projections projected 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 was therefore stronger than the 2018-based SNHP for the Borough. The 2016-based projections meanwhile showed a much weaker level of growth at just 110 hpa.
- 6.33 The 2014-based projections suggested 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 6.2 Household Growth Projections for North East Lincolnshire

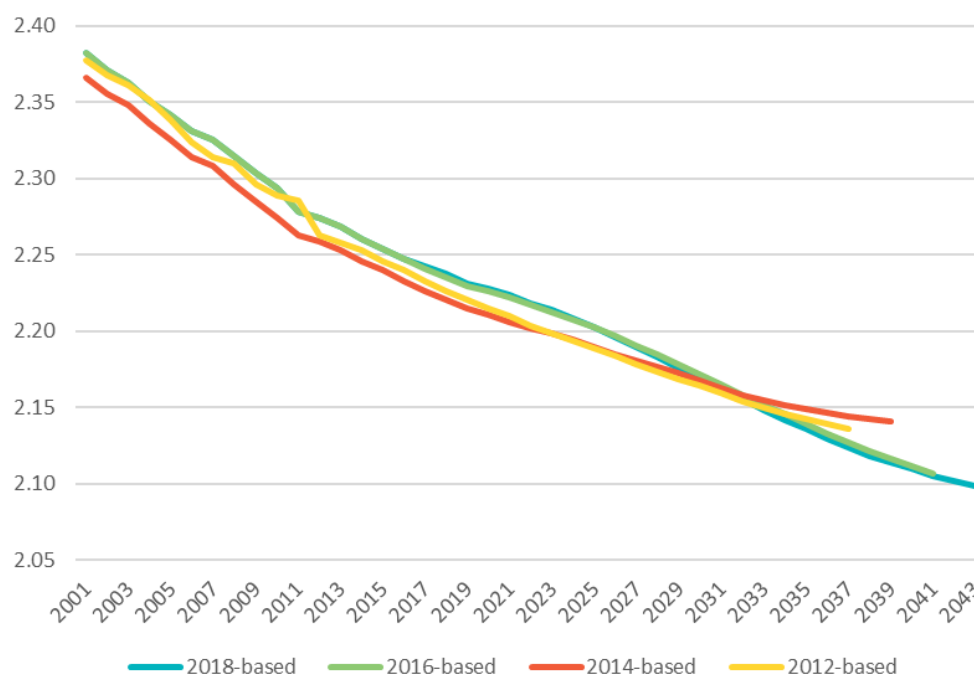


Source: DLUHC 2014 and ONS 2016 / 2018 Household Projections

Household Formation Rates

- 6.34 Figure 6.3 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.

Figure 6.3 Historic and Projected Average Household Size in North East Lincolnshire



Source: DLUHC 2012 / 2014 and ONS 2016 / 2018 Household Projections

- 6.35 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.

Future Housing Scenarios

- 6.36 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 SM3.
- 6.37 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.
- 6.38 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.
- 6.39 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

6.40

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 2025 to 2043 as follows:

- **Scenario A: Standard Method** – based on the Government’s LHN methodology as of July 2025 (622 dpa), using the 2022-based SNPP (the ONS’s preferred Migration category variant edition) and 2018-based SNHP for household formation rates (which have been re-based to account for the 2021 Census);
- **Scenario B: 2022-based SNPP** – a scenario utilising the 2022-based SNPP⁵⁰ and headship rates from the Department for Levelling Up, Housing and Communities [DLUHC] 2018-based SNHP (re-based to the 2021 Census), extended to 2043, alongside the following variants:
 - Scenario B1: 2022-based SNPP 5-year migration variant;
 - Scenario B2: 2022-based SNPP 10-year migration variant;
 - Scenario B3: 2022-based SNPP High International migration variant;
 - Scenario B4: 2022-based SNPP Low International migration variant;
 - Scenario B5: 2022-based SNPP Zero net migration variant;
- **Scenario C: 2022-based SNPP 2023 MYE adjust** – a scenario applying the same assumptions as Scenario B but utilising the latest 2023 MYE data for the Borough to adjust the starting point to the latest population position;
- **Scenario D: Experian Baseline June 2025** – this considers the implications of achieving the net job growth set out in the Experian baseline forecasts (+4,600 net workforce jobs over the period 2025 to 2043);
- **Scenario E: Economic Growth** – 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. 5,375 net workforce jobs over the period 2025 to 2043);
- **Scenario F: Local Plan SM3 Housing Need** – based on the current North East Lincolnshire Borough-wide housing need of 512 dpa as set out in the adopted Local Plan (2018);
- **Scenario G: Past Housing delivery** – at 375 dpa – the Borough’s average annual net delivery since the start of the adopted Local Plan period.

Modelling Results

6.41

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.

⁵⁰ As per the recommendations made by ONS, we have used the **migration category variant projection** in the absence of any principal projection. This is in line with ONS’s advice to use the corresponding migration category variant for the UK in its *National population projections: 2022-based bulletin*. ONS recommends using this variant as it better reflects the international migration patterns, as published in ONS’s *Long-term international migration, provisional: year ending December 2024 bulletin*.

Scenario A: SM3 622 dpa

- 6.42 As of July 2025, the Standard Methodology figure for North East Lincolnshire Borough equates to 622 dpa. Incorporating elements of the 2022-based SNPP, this would equate to a net increase of 12,004 residents, 10,663 households and 8,602 jobs over the 18-year period 2025-2043.

Table 6.1 Summary of the demographic outcomes - Scenario A: SM3 622 dpa

2025-2043	Total Growth 2025-2043	Annual
Population change	12,004	667
<i>Of which natural change</i>	-11,411	-634
<i>Of which net migration</i>	23,415	1,301
Labour force growth	8,632	480
Job growth	8,602	478
Households	10,663	592
Dwellings	11,196	622

Source: Lichfields using PopGroup

Scenario B: 2022-based SNPP Baseline

- 6.43 The 2022-based SNPP are the most up-to-date population projections published in June 2025. They show a fall in the population of North East Lincolnshire of -2,434 people between 2025-2043, with net in-migration failing to outweigh the substantial levels of negative natural change in the population. This translates to an increase of just 261 jobs (due to changes in the economic activity rate over time, with more people working into their 70s); 4,481 households and requirement for 4,705 new dwellings (261 dpa). A summary of the 2022-based SNPP outcome is set out in Table 6.2.

Table 6.2 Summary of the demographic outcomes - Scenario B: 2022-based SNPP Baseline

2025-2043	Total Growth 2025-2043	Annual
Population change	-2,434	-135
<i>Of which natural change</i>	-13,349	-742
<i>Of which net migration</i>	10,915	606
Labour force growth	262	15
Job growth	261	15
Households	4,481	249
Dwellings	4,705	261

Source: Lichfields using PopGroup

Scenario B1-B5: 2022-based SNPP Variants

- 6.44 ONS has provided a set of variant projections to its recommended 'migration category variant projection' (Scenario B above). These model the implications of higher or lower assumptions about the trajectories of migration, over different trend periods. 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 behaviour⁵¹.

6.45

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 2022-based SNPP variants include five different levels of migration:

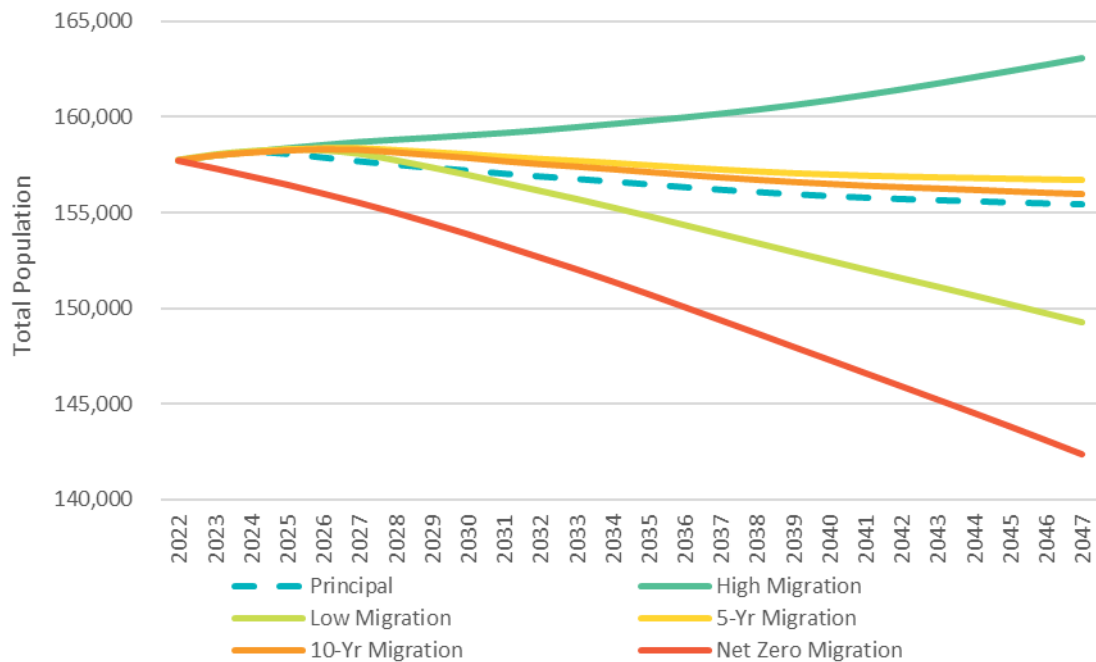
- 1 **a high international migration variant:** assume higher levels of net international migration to England as a whole, but the proportional distribution at local authority level remains the same;
- 2 **a low international migration variant:** as above, but with the assumption that lower levels of 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;
- 3 **a 5-year migration variant:** this works on the basis that all migration trends (internal, cross-border and international) are based on 5-years of data.
- 4 **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.
- 5 **A net zero migration variant:** this variant assumes zero net migration into/out of the Borough.

6.46

The resultant population projections are illustrated in Figure 6.4 below (for the full period of the projections 2022-2047). They indicate that the principal projection sits towards the middle of the range, with the high international migration scenario projection representing a significant upturn in the local population of 3,371 between 2025 and 2043, in stark contrast with a consistent fall for each of the other four variant scenarios, from -1,483 (5-year migration), to -11,244 (net zero migration variant).

⁵¹<https://www.ons.gov.uk/peoplepopulationandcommunity/populationandmigration/populationprojections/methodologies/variantnationalpopulationprojectionsfortheukandsubnationalpopulationprojectionsandhouseholdprojectionsforenglanduserguide>

Figure 6.4 Variant population projections showing a range of future demographic scenarios for NE Lincolnshire, 2022-2047



Source: Lichfields / ONS 2022-based SNPP Variants

- 6.47 When modelled in PopGroup, the variant scenarios suggest that the dwelling requirement could range from a low of just 60 dpa under the net zero migration scenario, to a high of 398 dpa under the high international migration scenario as set out in Table 6.3:

Table 6.3 Summary of outcomes - Scenarios B1-B2: 2022-based SNPP variants

2025-2043	B1 High Mig		B2 Low Mig		B3 5-yr Mig		B4 10-yr Mig		B5 Net Zero Mig	
	Total	Annual	Total	Annual	Total	Annual	Total	Annual	Total	Annual
Population change	3,369	187	-7,174	-399	-1,483	-82	-1,994	-111	-11,244	-625
<i>Of which natural change</i>	-12,464	-692	-13,857	-770	-13,102	-728	-12,617	-701	-15,023	-835
<i>Of which net migration</i>	15,833	880	6,683	371	11,619	645	10,623	590	3,779	210
Labour force growth	3,729	207	-2,643	-147	810	45	796	44	-5,028	-279
Job growth	3,716	206	-2,633	-146	808	45	794	44	-5,010	-278
Households	6,829	379	2,497	139	4,847	269	4,334	241	1,028	57
Dwellings	7,171	398	2,622	146	5,089	283	4,551	253	1,080	60

Source: Lichfields using PopGroup

Scenario C: 2022-based SNPP 2023 MYE adjust

- 6.48 This scenario mirrors Scenario B but pins the 2023 population figure to the 2023 MYE figure of 158,335, which is slightly higher than the SNPP figure of 158,021. This results in a fall in population of 1,962, with an increase in jobs of 804, households of 4,678 and

dwellings of 4,912 at 273 dpa.

Table 6.4 Summary of outcomes - Scenarios C: 2022-based SNPP 2023 MYE adjust

2025-2043	Total Growth 2025-2043	Annual
Population change	-1,962	-109
<i>Of which natural change</i>	-12,891	-716
<i>Of which net migration</i>	10,929	607
Labour force growth	807	45
Job growth	804	45
Households	4,678	260
Dwellings	4,912	273

Source:

Future Jobs-led Scenarios

- 6.49 Chapter 5 of the NPPF²⁴ focuses on the need for planning policies and decisions to create conditions to help support economic growth.
- 6.50 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

- 6.51 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 ONS. This shows that the Borough's unemployment rate averaged 3.7% in between April 2024 and March 2025, which is a slight uptick from the two previous years but significantly lower than levels seen during and pre-Covid-19. Unemployment has been held constant at this rate 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 (which remain the latest edition). 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 2025 gives an estimate of the total labour force as at 2025, less unemployed workers. This is then compared with the total number of jobs (as given by Experian in its June 2025 projection) to create the labour force ratio (of 0.966) 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 2022-based SNPP and 2018-SNHP. Given that the 2018-SNHP remains the latest edition, the household formation rates have been pinned to 2021 rates from the Census. 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 D: Experian Baseline June 2025

6.52

This scenario considers a net workforce jobs growth of +4,600 over the plan period in line with the Experian baseline June 2025 projections. Table 6.5 summarises those sectors expected to experience the largest absolute increases or decreases in employment for North East Lincolnshire over the Plan period. Experian projects a growth of 4,600 net jobs between 2025-2043, driven by Education (+900); Health (+1,500); Land Transport, Storage and Post (+900); Professional Services (+900); and Residential Care & 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 6.5 Job Change across North East Lincolnshire (2025 to 2043)

Sector	2025	2043	Difference
Accommodation and Food Services	5,400	5,700	+300
Admin and Supportive Services	4,500	5,100	+600
Agriculture, Forestry and Fishing	100	100	0
Air and Water Transport	0	0	0
Computing and Information Services	0	0	0
Construction	4,100	4,200	+100
Education	6,400	7,300	+900
Extraction and Mining	0	0	0
Finance	600	600	0
Fuel Refining	0	0	0
Health	7,100	9,000	+1,900
Insurance and Pensions	0	0	0
Land Transport, Storage and Post	6,800	7,500	+700
Manufacturing	10,000	8,500	-1,500
Media Activities	200	200	0
Other Private Services	1,700	1,700	0
Professional Services	3,800	4,600	+800
Public Administration and Defence	1,700	1,700	0
Real Estate	1,000	1,200	+200
Recreation	1,700	1,800	+100
Residential Care and Social Work	6,100	7,200	+1,100
Retail	6,900	6,700	-200
Telecoms	0	0	0
Utilities	900	900	0
Wholesale	4,500	4,100	-400
TOTAL	73,500	78,100	+4,600

Source: Experian (June 2025)

6.53 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 2025 and 2043, an increase in the population of 4,621 would be required, equal to +7,410 households and 7,781 dwellings (or 432 dpa).

6.54 A summary of the Experian baseline June 2025 economic scenario is set out in Table 6.6:

Table 6.6 Summary of outcomes - Scenario D: Experian Baseline

2025-2043	Total Growth 2025-2043	Annual
Population change	4,621	257
<i>Of which natural change</i>	-12,566	-698
<i>Of which net migration</i>	17,187	955
Labour force growth	4,616	256
Job growth	4,600	256
Households	7,410	412
Dwellings	7,781	432

Source: Lichfields using PopGroup

Scenario E: Experian Economic Growth

6.55 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 Council Officers regarding the scale and types of jobs that the Freeport proposals, and new industries coming to the Borough (such as renewables, hydrogen generation, carbon capture), are likely to support and how this can align with housing requirements.

6.56 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, SHIIP, and other infrastructure investment works.

6.57 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 2025 to 2043 (excluding temporary construction jobs):

- **Humber Zero:** Part of the Zero Carbon Humber vision involving Hydrogen production. This is on target to start construction in 2025 and will look to remove up to 8 million tonnes of CO₂ annually by 2030 from the Immingham industrial cluster. The site's website notes that the initial engineering designs have been completed and the delivery is continuing to develop towards making final investment decisions on the projects at VPI's Immingham plant and the Phillips 66 Limited Humber Refinery. It is a collaboration between the Phillips 66 Limited Humber Refinery and the nearby VPI Immingham combined heat and power plant⁵²: **+200 jobs** (excluding 2,500 temporary

⁵² [Project on course to start build in 2023 - Humber Zero](#)

construction jobs), with the expectation that it will be operational from 2028/29 onwards;

- **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 region⁵³. This is still progressing and is shortlisted for HAR2: **+150 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 region⁵⁴: **+250 jobs**;
- **RWE Stallingborough CCGT CCP** a new gas-fired power station with carbon capture technology. This will produce up to 800MW of decarbonised, secure, flexible energy – enough to potentially power 1 million homes, and 2Mt/year of CO2 capture, and potential to support at least 100 high quality, long term operational jobs and thousands of jobs during construction and the supply chain. Working towards obtaining Development Consent Order and construction to align with grid connection 2035: **+100 jobs**;
- **Velocys/Altalto** – Planning permission granted in 2020 for a waste to jet fuel facility. £500m investment, FID expected 2027 with a 3-year construction timeline. 50-100 jobs once fully operational: **+75 jobs assumed**.
- **TOTAL: +775 jobs**⁵⁵

6.58 In addition to these specific projects, the area benefits 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”⁵⁶.

6.59 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.

6.60 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.

⁵³ [Uniper and Shell award contracts on the Humber H2ub project](#)

⁵⁴ [rsted-economic-impact-in-humber---may-2022---v9.ashx \(azureedge.net\)](#)

⁵⁵ Note that the 2024 HEDNA included the Gigastack (green hydrogen) site, which has now been cancelled; the Immingham Green Energy Terminal Hydrogen production which is now on hold; the RWE Grimsby Wind Farm Hub which has recently been constructed and is opening later this month; and the Hornsea Wind Energy which have all been removed

⁵⁶ <https://www.nelincs.gov.uk/multi-million-pound-landmark-boost-for-north-east-lincolnshire/>

- 6.61 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 town⁵⁷.
- 6.62 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 Lane⁵⁸. 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.
- 6.63 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 4,600 net job growth baseline projected by Experian, this results in a net increase of **+5,375 jobs** over the 18 years to 2043. In order to support this higher level of jobs growth between 2025 and 2043, 8,423 dwellings (468 dpa) would be required.
- 6.64 A summary of the outputs for this scenario is set out in Table 6.7:

Table 6.7 Summary of outcomes - Scenario E: Experian Economic Growth

2025-2043	Total Growth 2025-2043	Annual
Population change	6,049	336
<i>Of which natural change</i>	<i>-12,381</i>	<i>-688</i>
<i>Of which net migration</i>	<i>18,430</i>	<i>1,024</i>
Labour force growth	5,394	300
Job growth	5,375	299
Households	8,022	446
Dwellings	8,423	468

Source: Lichfields using PopGroup

Scenario F: Existing Local Plan Requirement (512 dpa)

- 6.65 The scenario considers the demographic and economic implications of maintaining the current Local Plan housing requirement as set out in the adopted Local Plan (2018) for North East Lincolnshire. In this regard, keeping a housing requirement of 512 dpa would require a high level of population growth equal to 7,559 over the next 18 years. This would also sustain a net job growth of 6,085, above even the Economic Growth level of job growth modelled above. A summary of this scenario is set out in Table 6.8.

⁵⁷ <https://www.nelincs.gov.uk/business-and-investment/town-deal/#:~:text=In%20March%202021%20Government%20announced,cultural%20benefits%20for%20the%20town>

⁵⁸ <https://www.nelincs.gov.uk/multi-million-pound-landmark-boost-for-north-east-lincolnshire/>

Table 6.8 Summary of outcomes - Scenario E: Existing Local Plan Housing Requirement (512 dpa)

2025-2043	Total Growth 2025-2043	Annual
Population change	7,559	420
<i>Of which natural change</i>	<i>-11,789</i>	<i>-655</i>
<i>Of which net migration</i>	<i>19,347</i>	<i>1,075</i>
Labour force growth	6,107	339
Job growth	6,085	338
Households	8,777	488
Dwellings	9,216	512

Source: Lichfields using PopGroup

Scenario G: Past Housing Delivery Rates (375 dpa)

- 6.66 NE Lincolnshire has delivered 4,551 homes (net) at an average of **375 dpa between 2013/14 to 2024/25**. 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 lead to an increase in the population equal to 2,111 over the next 18 years. This would also potentially result in growth of 3,053 jobs. A summary of this scenario is set out in Table 6.9:

Table 6.9 Summary of outcomes - Scenario I: Past Housing Delivery Rates (375 dpa)

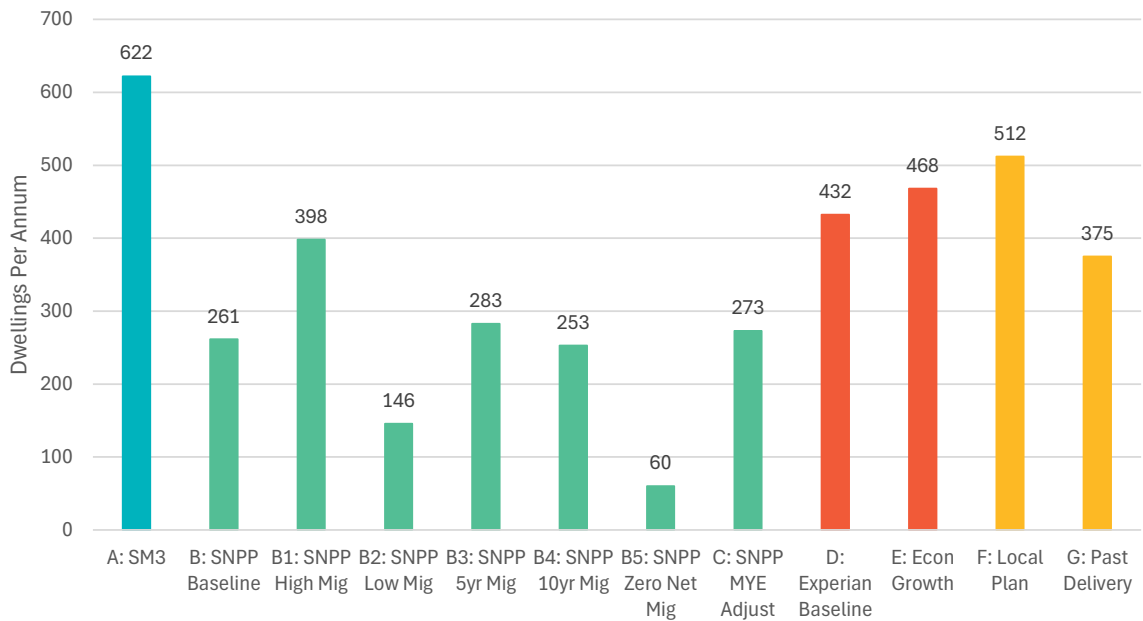
2025-2043	Total Growth 2025-2043	Annual
Population change	2,111	117
<i>Of which natural change</i>	<i>-12,407</i>	<i>-689</i>
<i>Of which net migration</i>	<i>14,516</i>	<i>806</i>
Labour force growth	3,064	170
Job growth	3,053	170
Households	6,428	357
Dwellings	6,750	375

Source: Lichfields using PopGroup

Modelling Summary

- 6.67 A summary of the scenarios assessed are presented in Figure 6.5. Compared to the SM3 minimum starting point of 622 dpa, the demographic-based scenarios B-C all produce a much lower housing requirement over the forecasting period: 261 dpa under the baseline Scenario B, to a low of 60 dpa for the net zero migration Scenario B5, up to 398 dpa under the high migration Scenario B1.
- 6.68 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 an Economic Growth scenario that factors in likely renewable energy projects and other key investment schemes in the Borough. The Experian June 2025 Scenario (D) forecasts an increase in jobs of 4,600 over the plan period, which would result in need for 432 dpa. However, the Experian Economic Growth Scenario (E) projects a higher level of job growth equal to +5,375 jobs over the 18-year plan period. This would require 468 dpa to sustain this level of employment growth.

Figure 6.5 Summary of Housing Need Scenarios for North East Lincolnshire Borough, 2025-2043



Source: Lichfields

Emerging Housing Need

6.69 As summarised in detail above, the standard method figure of 622 dpa is a minimum and should not be taken forward without question. However, the PPG states that authorities should consider the merits of planning for higher growth, such as to reflect economic growth ambitions, or provision for neighbouring areas.⁵⁹

6.70 These considerations are discussed further below.

Economic Growth Strategies

6.71 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 stock-based figure generated by SM3).

6.72 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.

⁵⁹ 2a-040-20241212

- 6.73 The Council'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.
- 6.74 The vision within the adopted Local Plan sets out the aspiration for the Borough. As already discussed, it identifies the importance of growth in key sectors such as food, energy, chemicals, ports and logistics, as well as a strong tourism and leisure offer. To facilitate this, it acknowledges the need to address housing need and sustainable economic growth.
- 6.75 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.
- 6.76 Neither the ambitious employment or housing requirements are currently on track to be achieved. According to Experian, between 2014 and 2024, the number of workforce jobs based in North East Lincolnshire grew by just 600 jobs, whilst over the past 11 years average housing delivery has averaged 375 dpa (net).
- 6.77 In this context, it is an important part of responding to both the NPPF24 and the PPG that the Local Plan should consider the extent to which the SM3 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.
- 6.78 As set out above, the modelling indicates that an LHN in line with the SM3 figure of 622 dpa for North East Lincolnshire could result in a net growth of 8,602 jobs over the next 18 years, which is well above the level of growth projected by the Experian June 2025 (+4,600 jobs) and even the Economic Growth (+5,375) job growth forecasts, which would sustain between 432 dpa and 468 dpa. On the basis that the Council decides to pursue a higher level of job growth and the additional employment land that this could require, then the SM3 figure of 622 dpa would still be capable of supporting sufficient economic growth in line with either current forecasts, investment opportunities or the current objectives of the adopted Local Plan (2018).
- 6.79 **Therefore, the minimum 622 dpa LHN as generated by SM3 could sustain a level of jobs growth above even the Experian Economic Growth forecast of +5,375 and the employment land allocations this could sustain. It is considered that no further uplift to the SM3 figure would be necessary to align with economic growth objectives**

Unmet Need from Elsewhere

- 6.80 As set out in Section 4.0, Officers have confirmed that there is no unmet housing need from neighbouring 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.

Conclusions on North East Lincolnshire Borough's LHN

- 6.81 The LHN for North East Lincolnshire Borough, as calculated using the Government's SM3, is 622 dpa, which represents a substantial uplift on the previous SM2 housing need figure of 203 dpa reported in the original 2023 HEDNA due to a move away from a demographic-led projection to a stock-based one. 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.
- 6.82 However, the standard method generates a minimum annual housing need figure. It does not produce a housing requirement, which is for the Council to identify and robustly justify in its Local Plan. This HEDNA Update has provided an overview of the evidence needed for the Council to determine whether it would be appropriate for it to deviate from the 622 dpa LHN figure.
- 6.83 The PPG states that the standard method should be used to assess housing needs. However, it recognises that there are some specific circumstances in which an alternative approach could be justified, although the examples referred to in the PPG relate to circumstances that would not apply to North East Lincolnshire Borough, i.e. National Parks.⁶⁰
- 6.84 The NPPF explains that the housing requirement may be higher than the identified housing need, and authorities should consider the merits of planning for higher growth if, for example, this would seek to reflect economic growth aspirations or if the LPA is taking on board unmet need from neighbouring areas.
- 6.85 The analysis summarised in this section indicates that the SM3 figure of 622 dpa would exceed the level of growth under all of the demographic-led scenarios using the most recent 2022-based SNPP and its variants; it would also be able to sustain a level of job growth in excess of even the most optimistic job forecast of +5,375 over the next 18 years; and Council Officers reported that there is no unmet housing need from neighbouring areas that should be met in North East Lincolnshire.
- 6.86 **On this basis, it is concluded that the LHN generated by the Government's SM3 of 622 dpa would be appropriate for North East Lincolnshire moving forward.**
- 6.87 Furthermore, the PPG suggests an increase in the total housing figures included in a Local Plan may need to be considered by the Council where it could help deliver the required number of affordable homes. It is for the Council to consider the evidence contained in this HEDNA Update when identifying a housing requirement which would support the strategy underpinning the emerging plan and whether an uplift beyond even the SM3 is appropriate. An analysis of the Borough's affordable housing need and its implications for the LHN are set out in detail in Section 7.0.

⁶⁰ 2a-014-20241212

7.0 Affordable Housing Needs

Number of Current and Future Households in Need

- 7.1 On 2nd July 2025 the new Labour Government announced its ambitions for a ‘social rent revolution’ through its new £39 billion Social and Affordable Homes Programme. The Government announced its intention to deliver around 300,000 new social and affordable homes, through the £39 billion new Social and Affordable Homes Programme announced at the Spending Review. Through this, the Government set an ambitious target that at least 60% of homes will be for social rent which is linked to local incomes – achieving this would mean delivering around 180,000 homes for social rent, which is six times more than the decade up to 2024⁶¹.
- 7.2 Homes England will be responsible for delivering the majority of the funding, with up to 30% of funding (up to £11.7bn over the 10 years) being used to support housing delivery from the Greater London Authority in the capital. The last five-year programme (2021-26) averaged £2.3 billion per year, but the new Government aims to double this spending on affordable housing investment by the end of this Parliament (£4bn in 2029/30). They stated:
- “The government has also set out a package of wider reforms to the Right to Buy scheme to protect vital housing stock and to enable councils to ramp up delivery of new homes. This follows the reduction in maximum cash discounts that was implemented in November 2024”⁶².*
- 7.3 It is clear the Government is taking the issue of affordability seriously and is seeking to boost delivery of affordable homes, with a specific focus on social rented properties.

Overarching Approach

- 7.4 Within this section, a calculation of affordable housing need, in accordance with the PPG on affordable housing needs assessment⁶³, 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.
- 7.5 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.
- 7.6 This PPG requirement states that as part of the calculation needed to understand the current unmet gross need for affordable housing, this should include 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.

⁶¹ [https://www.gov.uk/government/news/hundreds-of-thousands-to-get-secure-roof-over-their-heads#:~:text=The%20last%20five%20year%202021,4bn%20in%202029%2F30\).](https://www.gov.uk/government/news/hundreds-of-thousands-to-get-secure-roof-over-their-heads#:~:text=The%20last%20five%20year%202021,4bn%20in%202029%2F30).)

⁶² Ibid

⁶³ Reference ID 2a-018-20190220 to 2a-024-20190220

7.7 The over-arching approach is set out in Figure 7.1:

Figure 7.1 Net Housing Need Methodology



Source: Lichfields

Background

7.8 Affordable housing is defined within Annex 2 to the NPPF24 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:

- **Social Rent:** *meets all of the following conditions: (a) the rent is set in accordance with the Government’s rent policy for Social Rent; (b) the landlord is a registered provider; and (c) it includes provisions to remain at an affordable price for future eligible households, or for the subsidy to be recycled for alternative affordable housing provision.*
- **Other affordable housing for rent:** *meets all of the following conditions: (a) the rent is set in accordance with the Government’s rent policy for Affordable Rent, or is at least 20% below local market rents (including service charges where applicable); (b) the landlord is a registered provider, except where it is included as part of a Build to Rent scheme (in which case the landlord need not be a registered provider); and (c) it includes provisions to remain at an affordable price for future eligible households, or for the subsidy to be recycled for alternative affordable housing provision. For Build to Rent schemes affordable housing for rent is expected to be the normal form of affordable housing provision (and, in this context, is known as Affordable Private Rent).*
- **Discounted market sales housing:** *is that sold at a discount of at least 20% below local market value. Eligibility is determined with regard to local incomes and local house prices. Provisions should be in place to ensure housing remains at a discount for future eligible households.*
- **Other affordable routes to home ownership:** *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 sale (at a price equivalent to at least 20% below local market value) and rent to buy (which includes a period of intermediate rent). Where public grant funding is provided, there should be provisions for the homes to remain at an affordable price for future eligible households, or for any receipts to be recycled for*

alternative affordable housing provision, or refunded to Government or the relevant authority specified in the funding agreement”.

- 7.9 With regards to the incorporation of affordable housing needs into the total housing figures included in Local Plans, the PPG 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.

Affordable Housing Needs Calculation

Lower Quartile House Prices

- 7.10 HM Land Registry ‘Price Paid’ data indicates that LQ house prices for the year ending September 2024 averaged £105,000 in North East Lincolnshire. This is well below the equivalent median figure for the Borough, which was significantly higher at £155,750.
- 7.11 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 3 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 & 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.
- 7.12 By way of comparison, the average LQ house price for England was £187,50⁶⁴ in the year to September 2025, 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).

Table 7.1 House Prices in North East Lincolnshire (2024)

	Lower Quartile	Median
North East Lincolnshire	£105,000	£155,750
Urban Area	£94,260	£128,900
Estuary Zone	£137,220	£161,120
Western and Southern Arc	£203,740	£230,940
Rural Area	£202,840	£248,390

Source: HM Land Registry ‘Price Paid’ data for yr/ending September 2024 (HPSSA Datasets 9 and 15)

Lower Quartile Rents

- 7.13 The ONS publishes private rental market statistics by local authority. The most recent figures relate to April 2025 and suggest that for North East Lincolnshire the average rental price for a property is £596 a week, which is less than half the national rate (£1,390) and also well below Yorkshire & The Humber’s level of £816.

⁶⁴ ONS (2025): HPSSA Dataset 15. Lower quartile price paid for administrative geographies, data for the year to September 2024.

Table 7.2 Private Rental Market Statistics in North East Lincolnshire (April 2025)

Monthly Rental Price (weighted geometric mean)	One Bed	Two Bed	Three Bed	Four Bed+	All
North East Lincolnshire	£418	£536	£627	£893	£596
Yorkshire & The Humber	£577	£723	£858	£1,262	£816
England	£1,137	£1,269	£1,411	£2,076	£1,390

Source: ONS (2025): Price Index of Private Rents, UK: monthly price statistics

- 7.14 Until 2024⁶⁵, ONS also produced quartile and median rental statistics for every authority in England and Wales; however, the production of this dataset ceased from March 2024 onwards (with the exception of Greater London, with the Greater London Authority publishing its quartile data in the London rents map).
- 7.15 Lower Quartile private rental data was last published for North East Lincolnshire for the year ending September 2023. This indicated that the lower quartile rental price across all types of housing for the period 1 October 2022 to 30 September 2023 was **£450 per month** in North East Lincolnshire (**equivalent to £5,400 per annum**)⁶⁶. This was around 82% of the Mean rent, of £551 per month.
- 7.16 As noted above, the current Mean rent in North East Lincolnshire is **£596 per month**; if it is assumed that LQ rents remain at a similar ratio to the mean as in 2023 (i.e. around 18% lower), then this would suggest that the average LQ private rent was around **£487** per month, which would equate to around £5,840 a year (i.e. an increase of around 8%).
- 7.17 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 May 2025 showed that 236 properties were available, with LQ and median rents summarised in Table 7.3:

Table 7.3 Private Rental Prices in North East Lincolnshire Borough (May 2025)

	LQ Rents	Median Rents	LQ Rents as a % of Borough Total
Urban Area	£498.00	£585	95.1%
Estuary Zone	£575.00	£685	109.8%
Western and Southern Arc	£750.00	£895	143.2%
Rural Area	£725.00	£895	138.4%
North East Lincolnshire	£523.75	£650	100.0%

Source: Lichfields search of property websites, May 2025

- 7.18 It indicates that LQ private sector rents are highest in the Western and Southern Arc at £750 per calendar month [pcm], or 143% of the Borough-wide total. Similarly, LQ rents in the Rural Area were 138% of the Borough-wide total. There is a notable drop in LQ private sector rents in the Estuary Zone (£575) and particularly the Urban Area which, at £498, were below the Borough-wide average and have barely increased from the level reported

⁶⁵ ONS was approached regarding the unavailability of LQ and median rental level data for individual authorities as part of this study. It replied that other users had also requested rent price at median and lower, upper quartiles and median rent at local level, by property type and bedroom category. ONS stated that it is engaging with other government departments on how to address those needs.

⁶⁶ ONS (December 2023): Private Rental Market Statistics Summary – Table 2.7

back in 2023 (at £495 per month). Again, it is relevant to note that the LQ rents recorded are around 81% of the median rents.

- 7.19 For the purposes of this sub-area assessment, we have applied the sub-area LQ rents pegged to the (adjusted) ONS LQ Borough-wide rental level of £487 per month.

Income Profiles

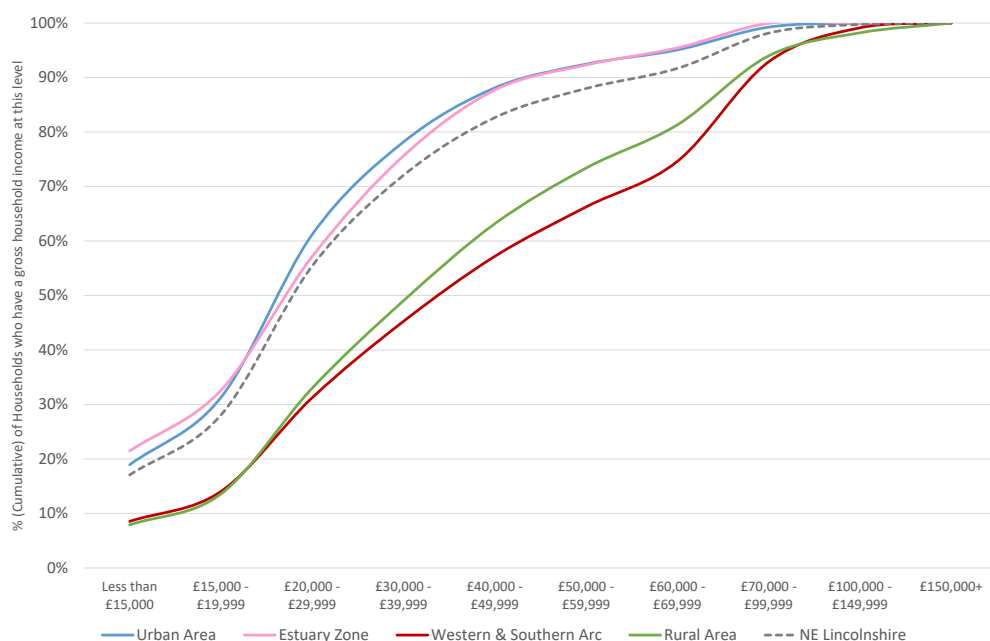
- 7.20 To understand how affordable (or unaffordable) local housing is to local residents, the analysis requires an understanding of local household incomes. The average (median) household income in North East Lincolnshire is £28,730, with the lower quartile income falling to £19,315, as shown in Table 7.4. 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 the Western & Southern Arc. The distribution of household incomes for North East Lincolnshire and its component sub-areas are illustrated in Figure 7.2.

Table 7.4 Comparison of average household incomes – North East Lincolnshire (2024)

	LQ Incomes	Median Incomes
Urban Area	£17,460	£26,255
Estuary Zone	£17,480	£27,085
Western and Southern Arc	£26,375	£43,970
Rural Area	£25,875	£40,590
North East Lincolnshire	£19,315	£28,730

Source: Experian (2025)

Figure 7.2 Household income profile – North East Lincolnshire and Sub-Areas (2024)



Source: Experian (2025)

Affordability

- 7.21 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.
- 7.22 Drawing upon the review of current house prices and private rental values, LQ prices for a house (£105,000 price paid for a Lower Quartile dwelling – all property types – in North East Lincolnshire (2024) and a rental property (c.£5,840 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.
- 7.23 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.
- 7.24 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.
- 7.25 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% LTV⁶⁷. More generally, income multipliers of between 4 and 4.5-times a borrower's income are fairly standard in the industry.
- 7.26 Lichfields has complemented this with evidence from the Council of Mortgage Lenders⁶⁸, 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.
- 7.27 More recently, and according to the EHS 2023/24 (November 2024), the average (mean) deposit of a first time buyer in 2023-24 was **£55,372 (£32,700 median)**. In 2023-24, most first-time buyers (40%) paid a deposit between 10-19% of the property price and 22%

⁶⁷ <https://www.which.co.uk/news/2021/11/how-much-can-you-borrow-when-taking-out-a-mortgage/>

⁶⁸ [Median loan to value ratio for first time buyers - data.gov.uk](#)

paid a deposit between 20-29%. Table 7.5 indicates that the median first-time buyer deposit was somewhere between 10% and 19%, and in all likelihood, around 16-17%:

Table 7.5 Deposit and type of mortgage, recent first time buyers in England, 2023-24

Percentage of purchase price paid	Thousands of households	%
0%	30,000	3.4%
1-9%	146,000	16.3%
10-19%	361,000	40.5%
20-29%	192,000	21.6%
30-99%	117,000	13.2%
100%	45,000	5.0%
Total	891,000	100.0%

Source: EHS 2023/23 (2024) Annex Table 2.1

- 7.28 Furthermore, Halifax released a press release in February 2025 regarding the recovery of the first-time buyers market⁶⁹. It stated that:
- “In 2024, the average cost of a first-time buyer home was £311,034 (up +8% vs 2023), with **deposits averaging 20% of the purchase price**. This means a typical new buyer is putting down a deposit of £61,090, around £7,500 (+14%) more than in 2023.”*
- 7.29 This suggests that the average deposit placed by a first-time buyer has gradually crept up in recent years and is likely to sit somewhere between 15% and 20%, no doubt in response to the ever-increasing growth in house prices.
- 7.30 **For the purposes of this modelling exercise, and to ensure the findings are as robust as possible to reflect the fact that finding a 20% deposit remains highly challenging for most first time buyers with external assistance (such as the bank of Mum and Dad), we have retained the 15% deposit assumption.**
- 7.31 As for the loan to income multiple, most lenders typically allow households to borrow between 4 to 4.5 times their household income for a mortgage, although they may be eligible for a smaller or larger mortgage than this. There are examples, however, of the loan to income multiple increasing from this range.
- 7.32 To take a high-profile example, in August 2024, Lloyds Banking Group launched a new proposition called First-time Buyer Boost. This enhanced the maximum loan to income multiple to 5.5 times for eligible first-time buyers who take out a mortgage with Halifax or Lloyds Bank with a loan-to-value of 90% or less. Previously, the maximum amount Lloyds Banking Group lent to these customers was 4.49 times their income. First-time Buyer Boost enables them to lend eligible customers up to 22% more⁷⁰. Another example is Nationwide, which stated in September 2024 that new borrowers could request a mortgage up to six times their income with a 5% deposit, although this would only be available for those taking out a five or 10-year fixed-rate deal⁷¹.

⁶⁹ www.lloydsbankinggroup.com/assets/pdfs/media/press-releases/2025-press-releases/halifax/250214-halifax-first-time-buyer-market-rebounds.pdf

⁷⁰ <https://www.lloydsbankinggroup.com/insights/giving-first-time-buyers-a-boost.html>

⁷¹ <https://www.bbc.co.uk/news/articles/c5y947573k5o>

- 7.33 **On balance, and given that for now the higher income multiples remain the exception rather than the rule, we have retained our 2023 HEDNA assumption that households can borrow between 4x and 4.5x their annual income when buying housing, with a 15% deposit secured.**
- 7.34 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.
- 7.35 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%.
- 7.36 For example, data released more recently estimates that nationally, private renters spent 32.3% of their income on rent (inclusive of housing support), higher than the proportion spent by social renters (26.5%) and higher than mortgagors paid for their mortgage (17.8%). Over the past ten years, the proportion of household income that private renters spent remained similar (34% in 2012-13 and 32% in 2022-23)⁷².
- 7.37 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 32% of their annual income on rent.**
- 7.38 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.

Table 7.6 Income Thresholds for Entry Level Market Housing in North East Lincolnshire

	Market	Product	Cost	Basis	Income Threshold
North East Lincolnshire	Private Purchase	LQ House Prices	£105,000	4 x income and 15% deposit	£22,313
				4.5 x income and 15% deposit	£19,833
	Private Rent	LQ Rental Prices	£5,842 per annum	25% income	£23,366
				32% income	£18,255

⁷² DLUHC English Housing Survey 2022/23 – Headline Report Chapter 2: Housing costs and affordability, Annex Table 2.5: Mortgage/rent as a proportion of household income (including and excluding housing support), by tenure, 2010-11 to 2022-23

	Market	Product	Cost	Basis	Income Threshold
Urban Area	Private Purchase	LQ House Prices	£94,261	4 x income and 15% deposit	£20,030
				4.5 x income and 15% deposit	£17,805
	Private Rent	LQ Rental Prices	£5,555 per annum	25% income	£22,219
				32% income	£17,359
Estuary Zone	Private Purchase	LQ House Prices	£137,216	4 x income and 15% deposit	£29,158
				4.5 x income and 15% deposit	£25,919
	Private Rent	LQ Rental Prices	£6,413 per annum	25% income	£25,651
				32% income	£20,040
Western and Southern Arc	Private Purchase	LQ House Prices	£203,736	4 x income and 15% deposit	£43,294
				4.5 x income and 15% deposit	£38,483
	Private Rent	LQ Rental Prices	£8,365 per annum	25% income	£33,461
				32% income	£26,141
Rural Area	Private Purchase	LQ House Prices	£202,841	4 x income and 15% deposit	£43,104
				4.5 x income and 15% deposit	£38,314
	Private Rent	LQ Rental Prices	£8,087 per annum	25% income	£32,347
				32% income	£25,271

Source: SHMA Guidance, CML, English Housing Survey, HM Land Registry, ONS and Lichfields analysis

7.39

The income distribution of newly forming households is different from total households, reflecting their lesser incomes compared to the average.⁷³ 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

7.40

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 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 PPG⁷⁴ provides an indication of the types of housing that should be considered unsuitable which are set out below:

- The number of homeless households;

⁷³ 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.

⁷⁴ ID 2a-020-20190220

- 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.

7.41 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.

7.42 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.

7.43 According to the Council there are 7,493 households on the Housing Register as of May 2025. Of this total, a very substantial 6,585 are identified as being 'low priority' for housing, leaving the remaining 909 as being classified as being in priority need of social housing. This is up from 851 reported in the 2023 HEDNA (relating to data from February 2023). The latest data is summarised in Table 7.7.

7.44 Further information provided by the Council suggests that just under two thirds of all applications are for households wishing to live in the Grimsby/Cleethorpes Urban Area, followed by 25% in the Western and Southern Arc; 7% in the Rural Area and the remaining 3% in the Estuary Zone of Immingham.

Table 7.7 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)					281
Band 2 (High Priority)					330
Band 3 (Medium Priority)					297
Band 4 (Low Priority)					6,585
TOTAL	65%	3	25%	7%	7,493
Band 1-3 TOTAL*					908

Source: NELC (May 2025). *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.

7.45 According to Council Housing Officers, of these 908 Bands 1-3 households, 268 were already living in social housing in the Borough and would represent transfers seeking to move to alternative social housing. This leaves **640** households in priority need who are

not already living in social housing. When applied to the stated preferences in Table 7.7, this would suggest that 593 are in the Urban Area and just 41 in the Estuary Zone.

Table 7.8 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)	416	19	160	45	640

Source: Households in priority bandings not already living in social housing – NELC Housing Officers

- 7.46 The figures only include those people who have applied for and are eligible for social or affordable rent housing in accordance with the Council'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).
- 7.47 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.
- 7.48 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.
- 7.49 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 7.9 and suggest that the current backlog could be higher than the Housing Waiting List suggests, at around 640 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 640 households, based on the latest Housing Waiting List.**

Table 7.9 Step 1.4: Current Backlog of Housing Need in North East Lincolnshire Borough

	Number		Source/Notes
Homeless Households	337		DLUHC Statutory Homeless Live Tables – Local Authority data October to December 2024
Households in temporary accommodation	97		
Overcrowded households	<i>Owned</i>	627 (174)	Census 2011 (LC4108EW) – households with an occupancy rating of -1 or less by tenure in the local area. For overcrowded owner-occupiers, 72% are assumed to be able to meet their needs once equity taken into account @4.5 income multiplier, based on Lichfields’ affordability modelling below.
	<i>Private</i>	636	
	<i>Social</i>	477 (0)	
Existing affordable housing tenants in affordable need	-363		NELC Housing Register – Households in Priority Need who are already living in social housing (May 2025)
Concealed Households	393		Census 2011 (LC1110EW) – concealed households in the local area (age 50 and under)
Total	1,274 (excluding those already living in social housing)		

Stage 2: Future Need Steps 2.1 to 2.3

- 7.50 Future housing need is split into two components. The PPG⁷⁵ 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.
- 7.51 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)

- 7.52 The PPG⁷⁶ 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 households forming who are under the age of 45, which is consistent with the former 2007

⁷⁵ 2a-021-20190220

⁷⁶ 2a-021-20190220

SHMA Guidance (Annex B) which notes that after 45 years of age, household formation rates ‘plateau’⁷⁷.

- 7.53 For the purposes of considering future newly forming households, the modelling underpinning the SM3 calculation of 622 dpa as set out in Section 6.0 has been used. This generates a household requirement of 592 hpa, which is a net figure, and 1,400 hpa figure gross⁷⁸.
- 7.54 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 7.10 Gross newly-forming households North East Lincolnshire Borough over 18 years

	No. newly forming households annually (gross)
North East Lincolnshire Borough	1,400

Source: Lichfields analysis

Those unable to rent or buy (Step 2.2)

- 7.55 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 ONS⁷⁹.
- 7.56 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 2024 and equal to £105,000) and a rental property (£487 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.
- 7.57 The income distribution of newly forming households is different from total households, reflecting their lesser incomes compared to the average⁸⁰. 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.

⁷⁷ This is supported by the EHS data for 2021/22 (*Annex Table 1.8: Demographic and economic characteristics, recent first time buyers, 2021-22*), which indicates that 90.3% of First Time Buyers are aged between 16 and 44, with 51.4% aged between 25 and 34.

⁷⁸ 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 2025 position for North East Lincolnshire Borough and trending this forward 18 years to 2043 would generate a gross annual household formation of 1,166 hpa, which is not dissimilar to the 1,400 hpa recorded above.

⁷⁹ ONS (December 2023): Private Rental Market Statistics Summary – Table 2.7

⁸⁰ 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.

- 7.58 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 32% gross income threshold is modelled rather than 25%⁸¹.
- 7.59 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.
- 7.60 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.
- 7.61 In summary, the components of the future affordable housing need for the Borough are set out in Table 7.11.

Table 7.11 Future Affordable Housing Needs for North East Lincolnshire Borough

Component	North East Lincolnshire Borough		Source/Calculation
	25% Income Threshold	32% Income Threshold	
Newly forming households (Gross per annum)	1,400		Lichfields modelling of SM3 housing need of 622 dpa
% unable to rent or buy in the private market	39.7%	27.7%	Lichfields' Affordability Modelling
Newly forming households unable to afford market housing (per annum)	556	388	Newly forming households (Gross per annum) x % unable to rent or buy in the private market
Existing households falling into need (annual average)	265		CORE 2019/20 to 2023/24.
Estimate of Future Housing Need (p.a.)	821	654	Newly forming households unable to afford market housing (per annum) + Existing households falling into need (annual average)

Source: CORE Data and Lichfields analysis

- 7.62 Sub-Area data is provided in Table 7.12. 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 2021 Census). It should be noted that for the Urban Area and the Borough as a whole, it is 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.

⁸¹ Note: As has been well publicised the country remains 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 7.12 Future Affordable Housing Needs by Sub-Area

Component	North East Lincolnshire Borough		Urban Area		Estuary Zone		Western and Southern Arc		Rural Area	
	25%	32%	25%	32%	25%	32%	25%	32%	25%	32%
% 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)	1,400		1,040		74		224		62	
% unable to rent or buy in the private market	39.7%	27.7%	36.6%	28.5%	52.0%	37.0%	40.2%	28.5%	41.3%	28.1%
Newly forming households unable to afford market housing (per annum) *	556	388	396	284	40	26	94	61	27	17
Existing households falling into need (annual average) **	265		172		8		66		19	
Estimate of Future Housing Need (p.a.)	821	654	568	456	48	34	160	128	45	35

Source: SM3 modelling, 2021 Census TS003 - Household composition, DLUHC Local Authority Live Table, CORE Data and Lichfields analysis

*Balanced to sum. *Note: for the Urban Area and Borough as a whole, 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.

- 7.63 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

- 7.1 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)

- 7.2 The PPG⁸² 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).

⁸² 2a-022-20190220

- 7.3 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)

- 7.4 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)

- 7.5 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.
- 7.6 An analysis has been undertaken utilising vacancy level data. This indicates a social housing vacancy level of 4.2% in 2024⁸³, with 407 vacant social properties, up from 156 just two 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. However, of the 407, some 201 are categorised as '*Private Registered Provider Vacants Not Available for Lettings*', i.e. they are dwellings which are not available for immediate letting, often because they are awaiting essential repairs. Such cases are sometimes referred to as 'non-management vacants'.
- 7.7 If these are removed from the vacancy figure, it reduces down to 206 units immediately available. This would equate to a vacancy rate of 2.1%, which is well below the 3% rate recommended by the former SHMA guidance.
- 7.8 **Therefore, a surplus stock rate of zero has been included within the model.**

Committed Supply of New Affordable Housing (Step 3.3)

- 7.9 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 the Council (Table 7.13) and suggests that potentially, there has been a significant uptick in the amount of affordable housing currently in the development pipeline compared to the previous HEDNA. This is equal to 339 across the Borough as a whole (237 for social rent, 35 for affordable/intermediate rent, 53 shared ownership and the remaining 14 for First Homes).
- 7.10 For the purposes of this calculation, a forward supply of **272** has been included (social rent and affordable/intermediate rent) with the shared ownership properties considered in the second calculation below.

⁸³ DLUHC Data: Table 100 (2024) and Table 615 (2024)

Table 7.13: 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 as of 31 st March 2024	272	58	6	200	8

Source: Local Authority Information provided by NELC Officers in June 2025

Units to be taken out of Management (Step 3.4)

- 7.11 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).
- 7.12 Discussions with Housing Officers at the Council indicated that no major estate regeneration projects or other council house losses were on the horizon at the time of writing, hence a figure of 0 has been incorporated into the model.

Total Affordable Housing Stock Available (Step 3.5)

- 7.13 Table 7.14 sets out these current components of supply in North East Lincolnshire.

Table 7.14: 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 – 363 units)	Housing Register May 2025
PLUS Step 3.2 (Surplus Stock) – Vacant but available for letting	0	NELC as at 31 st March 2024
PLUS Step 3.3 (Committed Supply of New Affordable Housing to Rent)	272	NELC as at 31 st March 2024
MINUS Step 3.4 (Units to be taken out of management) – Vacant but not available for letting	0	NELC as of July 2025
EQUALS Step 3.5 Current Supply of Affordable Housing	272	

Source: NELC 2025

Future Affordable Housing Supply (Steps 3.6 to 3.7)

- 7.14 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.
- 7.15 Social re-lets data has been obtained from 5 years-worth of CORE data (for 2019/20 to 2023/24). The data obtained for this component is set out in Table 7.15. The four sub-area figures have been calculated on the basis of the size of the existing social housing stock in each sub-area, based on 2021 Census data.

Table 7.15: Future Annual Supply of Social Re-lets

	Social re-lets
2019/20	486
2020/21	737
2021/22	625
2022/23	412
2023/24	319
Average	516

Source: 2019/20 -2023/24 CORE Data

- 7.16 It should be noted that CORE does not capture any information about the location to where a 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.
- 7.17 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 Borough. If this was the case (which is very unlikely), then the future annual supply of social re-lets would **increase from 516 to 577**. 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

- 7.18 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 the Council’s 18-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).
- 7.19 Table 7.16 sets out the calculation of net annual affordable housing need.
- 7.20 This illustrates that net annual need based on current data over the period 2025 to 2043 amounts to **between 211 and 379 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.
- 7.21 **If the backlog were to be removed over the full 18-year plan period (rather than in the first 5 years of the Plan), then the net annual affordable housing need would reduce to between 158 and 326 dpa.**

- 7.22 If the annual supply of social re-lets is increased substantially (from 516 p.a. to 577 p.a., an increase in supply of 61 dpa) to take into account the uncertainty regarding internal transfers, then the annual requirement could fall still further, to **between 150 and 318 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).
- 7.23 This compares to the 586 dpa affordable requirement identified in the 2013 North East Lincolnshire SHMA and the 177-302 dpa identified in the 2023 HEDNA Report. The latest figures are slightly higher at the top end of the range, primarily because at the time of the 2023 HEDNA, there were 560 households on the Housing Register in Bands 1-3 (excluding transfers), which has risen to 640 in 2025. Although the number of social/affordable rented housing commitments has increased substantially (from 73 previously, to 272 in July 2025), this was insufficient to outweigh the other demand side increases.

Table 7.16 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	32% income	25%+	32%	25%	32%	25%	32%	25%	32%
Stage 1: Current Need (Gross)											
1.1-1.3 Current Need (including Backlog)	Housing Register May 2025	640		415		19		160		45	
Stage 2: Future Need											
2.1 New household formation (gross p.a.)	ONS 2022-SNPP/2018-SNHP SM3 modelling	1,400		1,040		74		224		62	
2.2 Proportion of new households unable to buy or rent in the market	Unable to afford LQ rents	39.7%	27.7%	36.6 %	28.5 %	52.0%	37.0 %	40.2 %	28.5 %	41.3 %	28.1 %
2.3 Existing households falling into need	3-year average to 2024 CORE data	265		172		8		66		19	
2.4 Total newly arising housing need (gross p.a.)	(2.1 x 2.2) + 2.3	821	654	568	456	48	34	160	128	45	35
Stage 3. Affordable Housing Supply											
Current Supply											
3.1 Affordable dwellings occupied by households in need	Housing Register May 2025	0 (363 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 2025)	272		58		6		200		8	
3.4 Units to be taken out of management (Vacant but not available for letting)	(LHP as at 2024)	0		0		0		0		0	
3.5 Total affordable housing stock available	3.1+3.2+3.3-3.4	272		58		6		200		8	
Future Supply											
3.6 Annual supply of social re-lets (net)	5-year average from 2019/20 to 2023/24 CORE data	516		434		41		33		8	
3.8 Annual supply of affordable housing		516		434		41		33		8	
Net Annual Affordable Housing Need	1.3 – 3.5 (annualised over 5 years)+2.4-(3.1+3.2+3.4)-3.8	379	211	206	94	10	-4	119	86	44	34

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.

Affordable Homes for Purchase

7.24

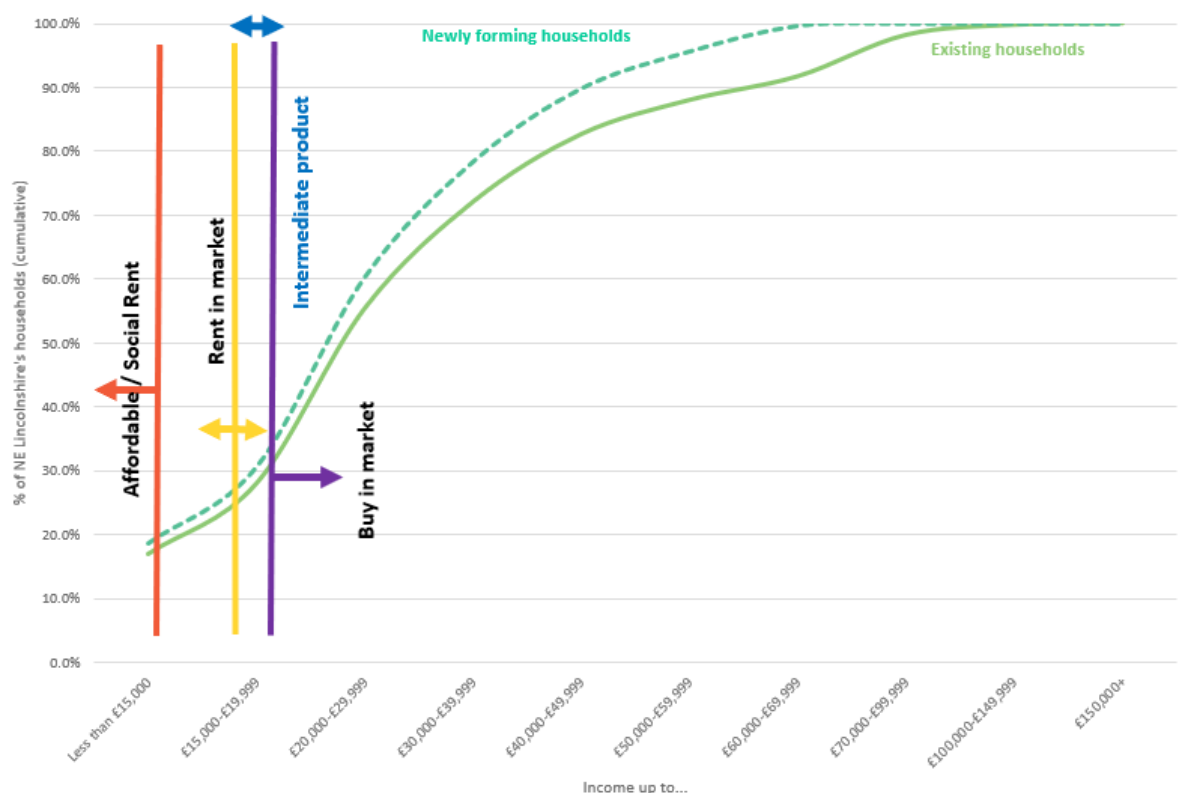
The latest version of the PPG states that the affordable housing need assessment should include an estimate of those that cannot afford their own home to rent or to own their home

where that is their aspiration⁸⁴. 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).

7.25 As with the 2023 HEDNA, 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).

7.26 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).

Figure 7.3 Income Distribution and Product Affordability in North East Lincolnshire Borough



Source: Experian (2025). Figures are calculated on the basis of 4.5x income multiples for home ownership and 32% of gross annual earnings for rentals.

7.27 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 income⁸⁵. We have assumed that households which cannot afford more than 80% of market

⁸⁴ PPG ID: 2a-020-20190220

⁸⁵ English Housing Survey (2015/16) Housing costs and affordability – Annex Table 2.1: Mean and median income by age of

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.

7.28 This results in a household income distribution for North East Lincolnshire as shown in Figure 7.3.

7.29 This indicates that, based on 4.5x income multiples for home ownership and 32% of gross annual earnings for rentals:

- 19.0% of newly forming North East Lincolnshire households have income levels below the threshold likely to afford affordable rent (and 18.3% cannot afford social rent);
- 27.7% of newly forming North East Lincolnshire households cannot afford to rent privately; and,
- 32.3% of newly forming North East Lincolnshire households cannot afford to buy a property on the open market.

7.30 For the local area, the potential additional demand for intermediate housing is therefore very narrow and ranges from households with an income of between £18,255 (the income needed to access lower quartile market rents @32%) and £19,833 (the income needed to buy at lower quartile prices @4.5x income multiplier). Any newly forming 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 £22,313 and £23,366 if the lower thresholds of 25% income threshold for renting and 4x income multiplier for purchase are applied for dual earners (although at this level the roles are switched, and it is marginally more affordable to buy then rent in North East Lincolnshire).

7.31 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 3.5% of all existing households in the local area can afford market rents but are unable to buy at 4.5/32%, rising to 4.6% for newly forming households, as shown in Table 7.17. This represents a substantial portion of the local population that are unable to purchase their own home. However, this actually switches if the lower income multiplier is used, with more people being able to rent than buy.

7.32 As indicated in the Table, the gap is particularly wide in the Rural Areas (which has very high LQ house prices in particular) and to a lesser extent the Western and Southern Arc towns, 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 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).

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

Table 7.17: 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%	-2.9%	-6.6%	8.6%	13.1%	16.7%
	4.5x / 32%	3.5%	1.1%	14.4%	18.5%	22.5%
Newly Forming Households	4x / 25%	-3.1%	-7.1%	8.3%	13.5%	17.4%
	4.5x / 32%	4.6%	1.2%	15.7%	18.9%	23.3%

Source: Lichfields analysis of Experian/VOA/ONS data

- 7.33 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.
- 7.34 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 18-year Plan period. For the purposes of this assessment, we have projected household growth using the SM3 housing need of 622 dpa as modelled in Section 6.0 in PopGroup.
- 7.35 The assessment of need has been restricted to under 45s on the basis that this the age most newly forming households form⁸⁶ (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 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.
- 7.36 With the above caveat, and when applied to the household growth from the SM3 modelling, this could suggest that there will be an annual pool averaging **1,102 households over the period 2025-2043** who can afford to rent but not buy privately (based on the 4.5x/32% income multipliers; the figure would actually turn negative, to -743 households per annum if the lower multiples in Table 7.17 are applied).
- 7.37 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.
- 7.38 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 1,109 households over 18 years, to **744** households.

⁸⁶ 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

- 7.39 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.
- 7.40 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%).
- 7.41 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 annum⁸⁷. 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 buyers⁸⁸. This is shown in Table 7.18 and equates to **11.6%**.

Table 7.18: 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

- 7.42 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

⁸⁷ Source: English Housing Survey 2019/20 Annex Table 1.20: Buying expectations, social and private renters, 2019-20. Refers to privately renting households

⁸⁸ 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.

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%**.

- 7.43 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.
- 7.44 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).
- 7.45 This calculation of need is shown in Table 7.19. 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 7.19: Estimate of existing and future demand for intermediate housing: NE Lincolnshire and Zones – 4.5x / 32%

	North East Lincolnshire Total	Urban Area	Estuary Zone	Western and Southern Arc	Rural Area
(a) Annual Average households aged under 45	24,102	17,905	1,275	3,859	1,063
(b) Percentage who can afford LQ market rent but are unable to purchase (@ 4.5x income / 32% annual income)	4.6%	1.2%	15.7%	18.9%	23.3%
(c) Number of households who can afford LQ market rent but are unable to purchase (a * b)	1,102	214	199	725	246
(d) Supply (current shared ownership units)	358	259	8	82	9
(e) 'Pool' of potential demand (net) (c-d)	744	-45	191	643	237
(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.	38	-2	10	32	12
Potential gross need for affordable housing to purchase, annual average (e * f), balanced and excluding Urban Area	38	-	7	23	8

Source: Lichfields' analysis

- 7.46 If the income ratio decreases to 4x income and a 25% of annual income being spent on rent, then the level of intermediate housing need reduces, as the costs of buying a home increase at a lower rate than the rental costs, with the result that it is actually more affordable to buy a property than to rent one in the Borough as a whole (although not in the more expensive parts of the Borough, notably the Western and Southern Arc and the surrounding Rural areas). As a result, the potential gross annual need under this test would be negative (-55).

Table 7.20: Estimate of existing and future demand for intermediate housing: North East Lincolnshire – 4x/25%

	North East Lincolnshire Total	Urban Area	Estuary Zone	Western and Southern Arc	Rural Area
(a) Annual Average households aged under 45	24,102	17,905	1,275	3,859	1,063
(b) Percentage who can afford LQ market rent but are unable to purchase (@ 4.5x income / 31% annual income)	-3.1%	-7.1%	8.3%	13.5%	17.4%
(c) Number of households who can afford LQ market rent but are unable to purchase (a * b)	-743	-1,264	105	518	184
(d) Supply (current shared ownership units)	358	259	8	82	9
(e) 'Pool' of potential demand (net) (c-d)	-1,101	-1,523	97	436	175
(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.	-55	-76	5	22	9
Potential gross need for affordable housing to purchase, annual average (e * f), balanced excluding Urban Area	-55	-76	3	13	5

Source: Lichfields' analysis.

- 7.47 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).

- 7.48 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 2.1% (if dwellings not immediately available for immediate lettings are excluded) 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.

- 7.49 Regarding the committed supply of new affordable homes, data on committed supply of affordable housing has been provided by the Council (Table 7.21) and suggests that potentially, there are some shared ownership/first homes currently in the development pipeline, equal to around 67 across the Borough as a whole, the vast majority of which are likely to come forward in the Western and Southern Arc (50).

Table 7.21: 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) 2025	67	13	0	50	4

Source: Local Authority Information provided by NELC Officers in 2025

- 7.50 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 7.15. As can be seen, there has been an average of 13 intermediate re-sales annually since 2009/10.

Table 7.22: 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

- 7.51 These shared ownership homes are likely to meet some of the need for entry-level homes suitable for newly forming households. Netting off the **67** existing affordable housing to buy supply in the immediate pipeline from the 2025 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 **+22 dpa**. This breaks down to -10 dpa in the Urban Area; 6 dpa in the Estuary Zone; 17 dpa in the Western and Southern Arc and 8 dpa in the Rural Area⁸⁹.
- 7.52 If this supply is netted off in the lower income ratios test set out in Table 7.20, then the net requirement for intermediate housing decreases to **-71 dpa** due to the reduced gap between people's ability to afford private rent and market purchase. This breaks down to -86 dpa in the Urban Area; 3 dpa in the Estuary Zone; 7 dpa in the Western and Southern Arc and 5 dpa in the Rural Area.

⁸⁹ 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.

- 7.53 Table 7.23 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 **308 dpa** based on 4x / 25% income multipliers, falling to **233 dpa** based on 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 latter having a particularly strong need for affordable properties available to rent.

Table 7.23 North East Lincolnshire Borough Affordable Housing Need Calculation – To Rent and Purchase

	North East Lincolnshire		Urban Area		Estuary Zone		Western and Southern Arc		Rural Area	
Stage and step in calculation	25% income	32% income	25%	32%	25%	32%	25%	32%	25%	32%
Net Annual Affordable Housing Need for Rent	379	211	206	94	10	-4	119	86	44	34
Net Annual Affordable Housing Need for Sale	-71	22	-86	-10	3	6	7	17	5	8
Overall Net Annual Affordable Housing Need	308	233	120	84	13	2	126	103	49	42

Source: NELC, Local Authority Live Tables, CORE Data and Lichfields analysis. Sums may not add due to rounding errors.

Types of Affordable Housing Needed

- 7.54 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 were also included in the definition and are considered in further detail below, although it is noted that the latest version of the NPPF²⁴ removes the former requirement that 25% of affordable housing units delivered through section 106 planning obligations should be First Homes. However, the option to deliver First Homes both through section 106 planning obligations and exception sites does remain in place “*where LPAs judge that they meet local need*” [footnote 31].
- 7.55 The income required for each of the alternative tenure options, and the assumptions underpinning these figures, is set out in Table 7.24 and discussed in further detail below.

Table 7.24: Annual Rents and Costs

	Cost Assumption	Price Assumptions	Affordability Requirements	Income Required
LQ Private Purchase	£105,000	HM Land Registry Existing LQ Price Paid 15% deposit on sales value	4-times income / 4.5-times income	£22,313 / £19,833
Lower Quartile Rental	£5,842 per annum	LQ Market Price 2025	25% / 32% of Income	£23,366 / £18,255
Social Rent	£4,579 per annum	CORE data 2023/24	25% / 32% of Income	£18,316 / £14,310
Affordable Rent	£4,673 per annum	80% of LQ rent	25% / 32% of Income	£18,693 / £14,604

	Cost Assumption	Price Assumptions	Affordability Requirements	Income Required
Shared ownership (25% Share)	£160,000	LQ Shared ownership properties currently on the market in the vicinity of NE Lincs (as of August 2025). Deposit 10% of the share value.	4-times income / 4.5-times income for equity. 25% / 32% of Income for rent	£23,064 / £18,988
Shared ownership (50% Share)	£160,000	Monthly mortgage costs @ 4.42% over 25 years. Rental Costs per Month @2.75% of retained equity. Service Charge @£18 per month.		£27,664 / £23,550
First Homes (30% discount)	£171,950, discounted to £120,365	LQ Newly built Market Price HPSSA dataset yr/e Sept 2024 (based on semi-detached properties – no flatted development newbuild prices available). 15% deposit on sales value.	4-times income / 4.5-times income	£25,578 / £22,736

Source: CORE 2023/24, VOA and Lichfields' analysis

Social and Affordable Rent Housing

- 7.56 The new NPPF24 has moved away from requiring a minimum of 25% of affordable housing as First Homes, and has instead refocused housing provision on social rented properties. The NPPF24 requires LPAs to consider the particular needs of those households requiring social rented accommodation and specifically requires planning policies to specify the type of affordable housing required including the minimum proportion of Social Rent homes required [paragraph 64]. Indeed, the Government has re-emphasised the importance of social rent by defining it separately in the Annex 2 Glossary to the NPPF:
- “Social Rent:** meets all of the following conditions: (a) the rent is set in accordance with the Government’s rent policy for Social Rent; (b) the landlord is a registered provider; and (c) it includes provisions to remain at an affordable price for future eligible households, or for the subsidy to be recycled for alternative affordable housing provision.”
- 7.57 Affordable rent is included separately in the definition of affordable housing in Annex 2, within the “Other affordable housing for rent” category.
- 7.58 The key modelling assumptions were as follows:
- 1 **Social Rent** – CORE Social Housing lettings (PRP owned) – Rents and charges 2023/24. Average weekly rent by dwelling in North East Lincolnshire Borough is £88.06, including service charges, or £4,579 per annum.
 - 2 **Affordable Housing for Rent** – This is defined in the NPPF Annex 2 as “the rent is set in accordance with the Government’s rent policy for Affordable Rent, or is at least 20% below local market rents (including service charges where applicable)”. Average LQ market rents in the Borough are estimated at £487 per month, or £5,842 per annum⁹⁰, 80% of this means affordable rent can be no more than £4,673 per annum.
- 7.59 Based on these assumptions, and as summarised in Table 7.25, given the close similarity in prices, the need for affordable rented housing can be taken as the need for both affordable and social rented housing and represents over 90% of the overall affordable housing need

⁹⁰ Source: ONS (2025): Price Index of Private Rents, UK: monthly price statistics, adjusted for LQ from 2023 data.

based on the higher 32% income multiplier. At the lower income multiplier, there is 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 96.25%.

Table 7.25 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	379	100%	211	90.5%
Net Annual Affordable Housing Need for Sale	-71	0%	22	9.5%
Overall Net Annual Affordable Housing Need	308	100%	233	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

- 7.60 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 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.
- 7.61 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.⁹¹
- 7.62 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

- 7.63 Intermediate housing and shared ownership are included in the definition of ‘Other affordable routes to home ownership’ in Annex 2 of the December 2024 version of the NPPF as follows:

“Other affordable routes to home ownership: 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

⁹¹ 2. Rent to Buy - Capital Funding Guide - Guidance - GOV.UK (www.gov.uk)

sale (at a price equivalent to at least 20% below local market value) and rent to buy (which includes a period of intermediate rent).

- 7.64 It therefore 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 original 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.”

- 7.65 On the basis of the earlier definition, this type of housing must be more expensive than social rent (established to be £4,579 per annum) and not include affordable rent. As per the above affordable needs calculation, the average LQ market rent is £5,842 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 £4,579 and £5,842 which could be filled by more intermediate properties.

- 7.66 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.sharetobuy.com has been obtained. At the time of writing (August 2025) there are nine properties available for shared ownership in North East Lincolnshire, spread across three development sites at Ferriby Fields and Hopkinson Way, both in Scartho Top; and Weightman Close in New Waltham. Prices ranged from £160,000 for a 2-bedroom house in Hopkinson Way, to £339,995 for a 4-bed house in Ferriby Fields, Scartho Top.

Table 7.26: Properties advertised within 30 miles of Grimsby/Cleethorpes Urban Area

Address	Size	Description	Full Price	Share Percentage	Deposit	Website's Monthly cost calculator
Ferriby Fields, Scartho Top, North East Lincolnshire, DN33 3SW	4 bedroom house	Shared ownership (New Build)	£339,995	25%	At least 5% of share value (£4,250)	@25%, purchase price £84,999, £4,250 Min Deposit. Mortgage calculated using a rate of 4.78% over 25 years (£462). Rent = 2.75% of remaining equity (£575). Service charge = £39. Total Monthly cost = £1,076
Ferriby Fields, Scartho Top, North East Lincolnshire, DN33 3SW	4 bedroom house	Shared ownership (New Build)	£334,995	25%	At least 5% of share value (£4,188)	@25%, purchase price £83,749, £4,188 Min Deposit. Mortgage calculated using a rate of 4.78% over 25 years (£455). Rent = 2.75% of remaining equity (£566). Service charge = £39. Total Monthly cost = £1,060
Ferriby Fields, Scartho Top, North East Lincolnshire, DN33 3SW	4 bedroom house	Shared ownership (New Build)	£339,995	40%	At least 5% of share value (£6,800)	@40%, purchase price £135,998, £6,800 Min Deposit. Mortgage calculated using a rate of 4.78% over 25 years (£739). Rent = 2.75% of remaining equity (£451). Service charge = £13. Total Monthly cost = £1,203

Address	Size	Description	Full Price	Share Percentage	Deposit	Website's Monthly cost calculator
Ferriby Fields, Scartho Top, North East Lincolnshire, DN33 3SW	4 bedroom house	Shared ownership (New Build)	£334,995	40%	At least 5% of share value (£6,700)	@40%, purchase price £133,998, £6,700 Min Deposit. Mortgage calculated using a rate of 4.78% over 25 years (£728). Rent = 2.75% of remaining equity (£445). Service charge = £13. Total Monthly cost = £1,186
Ferriby Fields, Scartho Top, North East Lincolnshire, DN33 3SW	4 bedroom house	Shared ownership (New Build)	£324,995	25%	At least 5% of share value (£4,062)	@25%, purchase price £81,249, £4,062 Min Deposit. Mortgage calculated using a rate of 4.78% over 25 years (£441). Rent = 2.75% of remaining equity (£549). Service charge = £45. Total Monthly cost = £1,035
16 Hopkinson Way, Scartho Top DN33 3FS	2 bedroom house	Shared ownership (New Build)	£160,000	40%	At least 10% of share value (£6,400 min)	@40%, purchase price £64,000, £6,400 Min Deposit. Mortgage calculated using a rate of 4.42% over 25 years (£318). Rent = £220 Service charge = £16.25. Total monthly cost = £554.25
8 Hopkinson Way, Scartho Top DN33 3FS	3 bedroom house	Shared ownership (New Build)	£205,000	40%	At least 10% of share value (£8,200 min)	@40%, purchase price £82,000, £8,200 Min Deposit. Mortgage calculated using a rate of 4.42% over 25 years (£407). Rent = £282 Service charge = £18. Total monthly cost = £707
10 Hopkinson Way, Scartho Top DN33 3FS	3 bedroom house	Shared ownership (New Build)	£205,000	40%	At least 10% of share value (£8,200 min)	@40%, purchase price £82,000, £8,200 Min Deposit. Mortgage calculated using a rate of 4.42% over 25 years (£407). Rent = £352 Service charge = £18. Total monthly cost = £777
18 Weightman Close, New Waltham DN36 4RN	3 bedroom house	Shared ownership (New Build)	£175,000	50%	At least 5% of share value (£4,375 min)	@50%, purchase price £87,500, £4,375 Min Deposit. Mortgage calculated using a rate of 4.78% over 25 years (£475). Rent = £201 Service charge = £50. Total monthly cost = £726

Source: www.sharetobuy.com/properties (August 2025)

- 7.67 The most affordable property relates to the Hopkinson Way homes. The most affordable of these is currently available for a total annual cost of £6,651, due to the low cost of the property despite a 40% share price.
- 7.68 A further analysis of shared ownership affordability, as summarised in Table 7.24, suggests that whilst at either 40% or 50% share price, intermediate housing would be less affordable than the LQ market purchase of a home, this would not necessarily be the case when the equity share reduced to 25%, at least based on a 4.4-times income/32% rent multiplier. The annual payment for this would sit above the social/affordable rent (£4,579/£4,673) and the LQ rental prices (£5,842), but below the LQ market purchase of an existing home, 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.

- 7.69 **Table 7.25 identified that up to 8.5% 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 £18,988 based on a 32% income multiplier, which is in excess of the £18,255 annual household income (again based on the 32% income multiplier) that it was estimated to be required to rent privately in North East Lincolnshire.
- 7.70 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 to 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*'.
- 7.71 The gap between the cost of renting and buying in North East Lincolnshire is very modest, but still significant for low earners. To afford entry level market rents using 25% of income, a household income of £23,366 is required (as previously established, falling to £18,255 if a higher proportion of income - 32% - is allowed for). However, to afford to buy an existing entry level home (lower-quartile), at £105,000 (assuming a 15% deposit and that a household can borrow up to 4 x its income) requires a housing income of £22,313 (as shown in Table 7.27, falling to £19,833 if a 4.5x income multiple is used).

Table 7.27 Gap between cost of renting and buying in the market

Measure	Cost	Income required @ 4 x income / 25%	Income required @ 4.5 x income / 32%
Lower Quartile Market Rent	£5,842 (p.a.)	£23,366	£18,255
Shared ownership (25% Share)	£160,000 (£4,000 deposit @10% of share value, £36,000 mortgage, rental costs of £275 per month plus £18 monthly service charge)	£23,064	£18,988
Shared ownership (50% Share)	£160,000 (£8,000 deposit @10%, £72,000 mortgage, rental costs of £183 per month plus £18 monthly service charge)	£27,664	£23,550
Lower Quartile House Price (Existing)	£105,000 (£15,750 (15%) deposit, £89,250 mortgage over 25 years)	£22,313	£19,833
Lower Quartile House Price (New, Semi-Detached)	£171,950 (£25,793 (15%) deposit, £145,158 mortgage)	£36,539	£32,479

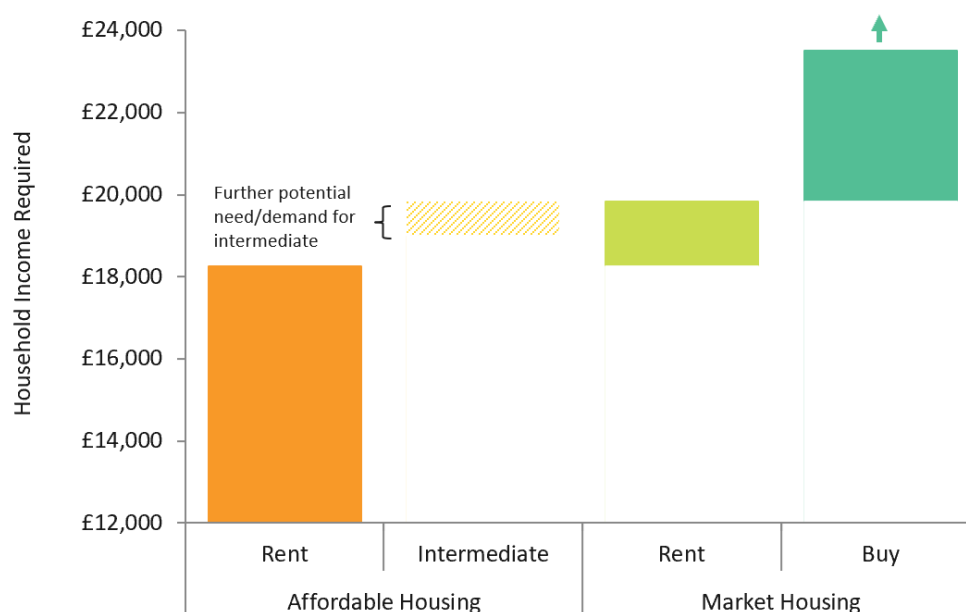
Source: Lichfields based on VOA/ONS

- 7.72 This means any household with an income between £18,255 and £19,833 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.

7.73

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 7.4 for dual income households using the higher multiples of 32% annual income for rent and 4.5x annual income to buy, as the shared ownership figures are above both the LQ rental and LQ house prices under the lower multipliers.

Figure 7.4: Household income and tenure – potential further need for intermediate housing in North East Lincolnshire Borough for Dual Income Households: @32% / 4.5x income multipliers



Source: Lichfields based on ONS/VOA

First Homes

7.74

Under the recent Conservative Government, First Homes were the preferred discounted market tenure and were intended to account for **at least 25% of all affordable housing units** delivered by developers through planning obligations. However, as set out above, the advent of the new Labour Government and the NPPF24 has reduced the prominence of First Homes as an affordable tenure. Footnote 31 of the NPPF24 states that the requirement to deliver a minimum of 25% of affordable housing as First Homes, as set out in 'Affordable Homes Update' Written Ministerial Statement dated 24th May 2021, no longer applies. The NPPF24 does state that the delivery of First Homes can, however, continue where LPAs judge that they meet local need.

7.75

As defined in the PPG⁹², 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

⁹² ID: 70-001-20210524

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).

- 7.76 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.
- 7.77 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. LPAs are also encouraged to make the development requirements for First Homes clear for their area.
- 7.78 Aspects of this HEDNA'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.
- 7.79 Notwithstanding their reduced prominence under the new Labour Government, 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.
- 7.80 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 semi-detached properties at a cost of £171,950⁹³, 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 £25,578 and £22,736 per annum depending on whether a 4 or 4.5-times single earner/dual income multiplier is used.
- 7.81 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 2025-2043. This process is summarised in Table 7.28, with sensitives applied with a 40% and 50% discount.

⁹³ LQ Newly built Market Price HPSSA dataset yr/e Sept 2024 (based on semi-detached properties – no flatted development newbuild prices available).

Table 7.28 Potential First Home Demand in North East Lincolnshire (2025-2043)

		Potential Pool of First Time Buyers 2025-43	% 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 £120,365)	Existing Households with a HRP* under 45	12,262*	56.7%	64.4%	386	439
	Newly Forming Households with a HRP* under 45	25,203	50.6%	59.0%	708	827
	TOTAL	37,465	-	-	1,094	1,266
With a 40% Discount (reduced purchase price of £103,170)	Existing Households with a HRP* under 45	12,262*	66.7%	73.1%	454	498
	Newly Forming Households with a HRP* under 45	25,203	61.4%	68.7%	860	962
	TOTAL	37,465	-	-	1,315	1,460
With a 50% Discount (reduced purchase price of £85,975)	Existing Households with a HRP* under 45	12,262*	75.7%	80.2%	516	546
	Newly Forming Households with a HRP* under 45	25,203	72.2%	77.1%	1,011	1,079
	TOTAL	37,465	-	-	1,527	1,626

Source: 2011 / 2021 Census Land Registry Data; HPSSA Dataset 16, Year ending 2024; Experian Income Data (2025); SM3 PopGroup modelling

*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.

7.82 Table 7.28 indicates that as a worst-case scenario, with a 30% discount and a 4x income multiple, this would typically price out 43% of existing households with a Household Reference Person [HRP] under 45, and nearly 50% 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 **1,094 households** (both existing and emerging) over the next 18 years who would be eligible and theoretically able to purchase a First Home, rising to 1,266 if a more generous 4.5x income threshold is applied.

7.83 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 1,527 p.a. with a 50% discount and a 4x income multiplier, and as high as 1,626 p.a. with a 4.5x income multiplier.

7.84 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 still 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

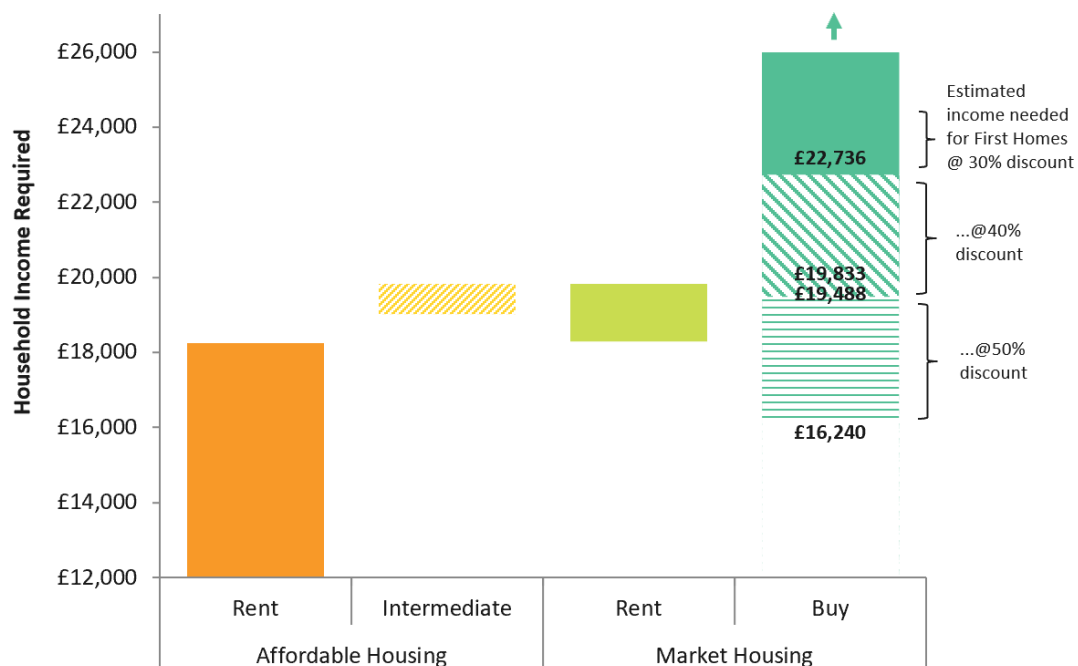
occupiers. Conversely, the product may be of less interest in the less affordable parts of the Borough, particularly in the Rural and Western and Southern arc sub-areas (noting that the PPG requires that minimum discounts should apply to the entire local plan area (except if Neighbourhood Plans are in place in certain areas) and should not be changed on a site-by-site basis)⁹⁴.

- 7.85 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.
- 7.86 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 higher premium than is often seen elsewhere. Hence the average price of an LQ existing property in North East Lincolnshire, of £100,000 (as opposed to all dwellings, which is £105,000), is less than half (47%) of a new build LQ property (at £212,462). This is a much lower proportion than is typically seen elsewhere – nationally, existing LQ house prices, at £185,000, are 69% of new build LQ property prices (£266,995) which are attracting more of a premium⁹⁵.
- 7.87 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 7.5 (which relates to a 4.5x income multiple only, as the figures only work at a 50% discount using the lower income multiple), First Homes with a discount of 30% would be accessible to households with an income of over £22,736, which is above the £19,833 required to access LQ existing market housing. However, the required income level falls to £19,488 if the discount rises to 40%, and as low as £16,240 if the discount increases to half the market price.
- 7.88 It is almost certain therefore 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%+.

⁹⁴ PPG ID: 70-004-20210524

⁹⁵ ONS (2025): HPSSA dataset 16: Lower quartile price paid for administrative geographies (newly-built dwellings) year ending to September 2024 and ONS (2025): HPSSA dataset 17: Lower quartile price paid for administrative geographies (existing dwellings) year ending to September 2024

Figure 7.5: 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

- 7.89 Our analysis shows that First Homes have some potential to bring new households into home ownership, although given the comparatively low price of existing properties, the level of discount would have to be at least 40%, and more probably 50%, for it to represent an attractive alternative to private home ownership on the open market. Applying a 4.5x income multiplier, the 50% discount should be sufficient to plug this gap between affordable rent, intermediate properties to buy and market housing.
- 7.90 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.
- 7.91 It is expected that if the Council judge it is still required in the light of the new Government policy towards the tenure as set out in NPPF24, First Homes will be funded through a reduced contribution of other types of affordable housing. Despite the affordable housing needs assessment (earlier in this Section) identifying a very low level of need for affordable housing to buy, 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 the Council not to significantly reduce its affordable housing requirements in lieu of First Homes.
- 7.92 In our view, the mandatory minimum 40% discount appears to be appropriate given the affordability of the North East Lincolnshire housing market; however, an increase to 50% may help plug the modest gap in affordability between intermediate housing to buy and affordable rent. This may present significant viability issues however.
- 7.93 This should be market tested given that these still remain early days for the product and the market has yet to be tested in North East Lincolnshire. As such, the Council 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%, or potentially even 50%, is appropriate and indeed viable in North East Lincolnshire Borough.

Suggested Affordable Housing Split

- 7.94 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 64]. 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.”*
- 7.95 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.*”⁹⁶
- 7.96 However as noted above the Government has now made clear that more needs to be done to delivery additional homes for social rent, removing the 25% requirement on First Homes from the NPPF24 and clearly stipulating that LPAs should consider the particular needs of those who require Social Rent when undertaking needs assessments and setting policies on affordable housing requirements.
- 7.97 There is therefore a clear expectation from Government that the delivery of social rented properties ought to be prioritised, although the delivery of First Homes can continue where LPAs judge that they meet local need [NPPF24, footnote 31].
- 7.98 In summary therefore, our recommended split of affordable housing to rent/buy is summarised in Table 7.29. The Table reflects the fact that affordable and social rent are 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. Given the Government’s changing policy parameters and guidelines that seek to promote the delivery of social rented property, and the limited affordability of First Homes or shared ownership properties more generally, it is considered that social rented properties should be prioritised in Policy.
- 7.99 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 curtailing of capital/grant funding for social housing, with a move to revenue funding of affordable rent products through housing benefit – means there has been a move away from social rented towards affordable rented tenure provision in recent years. However, noting the Government’s recent changes to the NPPF, the tide appears to have turned to facilitate the provision of social rented properties at the expense of other forms of affordable dwellings and this has informed the indicative policy split as a consequence.

⁹⁶ PPG Reference ID: 70-001-20210524

Table 7.29 Suggested Social/Affordable Rent and Intermediate Split

	Measure	Annual Housing Need (net)		Split of households in need (rounded)	Indicative Policy Split (%)
		25% / 4x income	32% / 4.5x income		
Affordable Homes to Rent	Social Rent	379	211	90.5%	90%
	Affordable Rent				
Affordable Homes to Purchase	First Homes	-71	22	9.5%	10%
	Intermediate housing including shared ownership				
ALL		308	233	100%	100%

Source: Lichfields' analysis

- 7.100 In essence, the new NPPF24 has removed the previous national requirements relating to affordable home ownership, giving greater control to local areas by the Council. This means that the requirement to deliver at least 10% of the total number of homes on major sites as affordable home ownership, as well as the requirement that 25% of affordable housing units delivered through section 106 planning obligations should be First Homes, both no longer apply. Local policy can reflect the affordable tenure need that is most pressing, e.g. affordable home ownership or in the case of North East Lincolnshire Borough, social rented accommodation.
- 7.101 In terms of the overall levels of affordable housing that should be sought as a percentage of the overall housing delivery on a site, this is complicated 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. The Council may wish to seek a higher proportion of affordable housing on more viable sites. 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.
- 7.102 Discussions with the Council indicated that viability assessments must also consider mandatory Biodiversity Net-Gain [BNG] requirements, building regulations as well as the addition of SEN education contributions. This may well make it difficult for the Council to raise affordable contributions in the near future.
- 7.103 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 favouring more shared ownership / First Home provision may be more appropriate.

Affordable Housing Needs – Influence on Housing Requirement

- 7.104 Total affordable needs are in the range between 233 and 308 affordable homes per annum 2025 to 2043. This is between 37% and 50% of the LHN based on the standard method (622 dpa).
- 7.105 NPPF24 goes on to state that where major development involving the provision of housing is proposed, planning policies and decisions should expect that the mix of affordable housing required meets identified local needs, across Social Rent, other affordable housing for rent and affordable home ownership tenures.

- 7.106 The PPG remains 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 233 and 308 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 38 dpa since 2013/14.
- 7.107 The PPG⁹⁷ 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.
- 7.108 In line with the approach envisaged by the NPPF²⁴, the affordable housing needs are an important component of the overall need for housing and the Council should seek to use its planning policy to maximise delivery of affordable housing given the scale of need identified.
- 7.109 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 need figure of 622 dpa is already considerably greater than the 512 dpa in the adopted Local Plan (2018).
- 7.110 It is for the Council to consider the evidence contained in this HEDNA 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”⁹⁸.*

⁹⁷ 2a-024-20190220

⁹⁸ 2a-015-20190220

8.0 Sub-Area Housing Dynamics

- 8.1 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.
- 8.2 It goes on to note that 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 [§70]
- 8.3 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.
- 8.4 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.
- 8.5 This section therefore seeks to provide some indicative recommendations regarding how the LHN derived in Section 6.0 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 Borough level (or other wider geography) and apportions this to the local area according to what proportion of the overall population / household it represents.
 - 2 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 the Council's Brownfield Land Register for 2022 (the Council's 2023 SHELAA was incomplete at the time of writing).
- 8.6 The overall distribution of the North East Lincolnshire LHN is of course a policy choice for the Council to make on the basis of the evidence contained within this document, aligned to its planning policy aspirations.

Apportionment of Borough-Wide Requirement

- 8.7 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 data.
- 8.8 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 8.1.

Table 8.1 Sub Area Population as a percentage of North East Lincolnshire Borough Total (2021)

Sub Area	Sub Area Population	Sub area as % of NEL	SM3	
			dpa	Total 2025 -2043
Urban Area	115,820	73.8%	459	8,261
Estuary Zone	8,585	5.5%	34	612
Western and Southern Arc	25,450	16.2%	101	1,815
Rural Area	7,112	4.5%	28	507
NE Lincolnshire Borough Total	156,966	100.0%	622	11,196

Source: ONS 2021 Census / Lichfields' analysis

- 8.9 The Grimsby/Cleethorpes Urban Area has by far the largest share of the Borough's population, at 74%, which would equate to 459 dpa of the SM3 target of 622 dpa on a proportional share. This is much higher than the next largest sub-area, the villages in the Western and Southern Arc (101 dpa), and well above the Estuary Zone's share (34 dpa) and the Rural Area (28 dpa). These figures are of course much higher than all other housing need scenarios modelled in Section 7.0, including the economic growth scenario.

Local Housing Dynamics

- 8.10 There are also a number of alternative approaches to assessing local housing dynamics which require further consideration by the Council 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.
- 8.11 It is not the role of this study to assess the availability of land going forward, which is within the scope of the SHELAA. 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

- 8.12 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 2024, which highlights the potential future supply on pdl sites across the Borough. This is shown in Table 8.2.

Table 8.2 Potential Housing Yield by Sub-Market

	Net Dwellings	% of net total
Urban Area	1,346	96.3%
Estuary Zone	25	1.8%
Western and Southern Arc	11	0.8%
Rural Area	16	1.1%
NE Lincolnshire Borough Total	1,398	100.0%

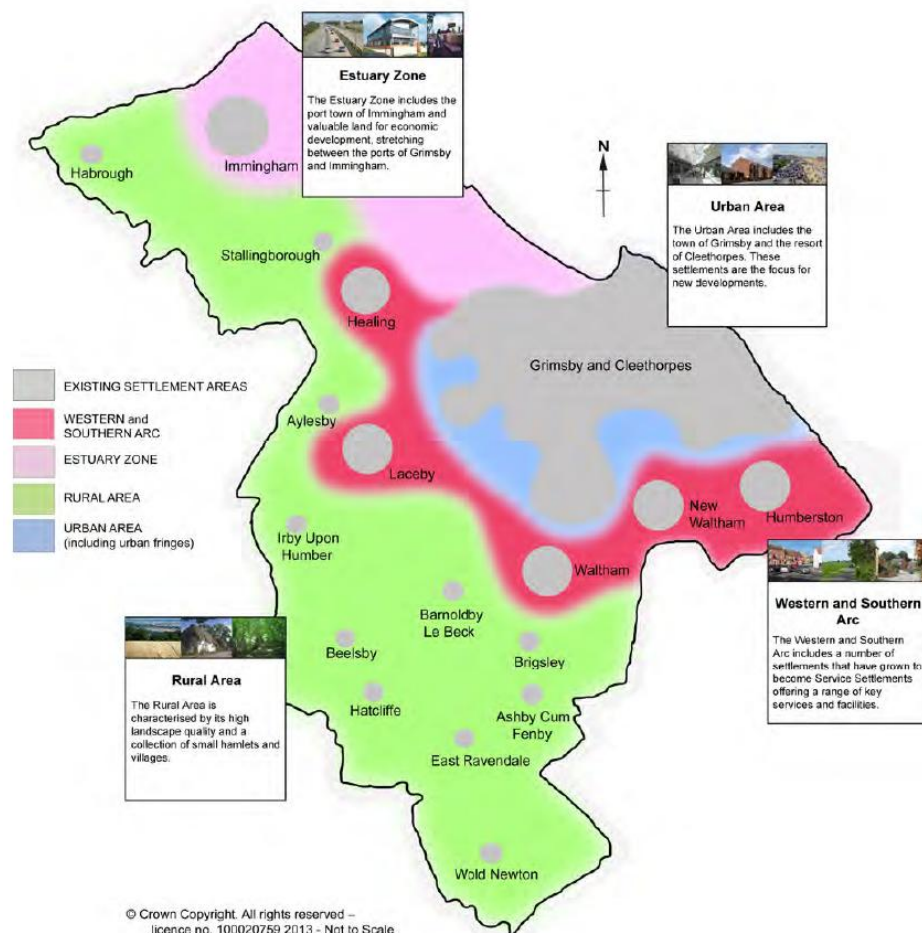
Source: North East Lincolnshire Brownfield Land Database (2024)

- 8.13 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. Discussions with the Council has highlighted that there are likely to be significant viability challenges that may present difficulties in bringing forward some of these brownfield sites.
- 8.14 Table 8.2 highlights that (perhaps unsurprisingly) 96.3%, or 1,346 of North East Lincolnshire's 1,398 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 25 units in Immingham (the Estuary Zone), 11 in the Western and Southern Arc, and the remaining 16 in Ashby Cum Fenby (the Rural Area).

Sub Area Characteristics

- 8.15 Within the adopted 2018 Local Plan (2013-2032), the Council 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 8.1: NE Lincolnshire Local Plan Spatial Zones



Source: NELC (2018): Local Plan 2013-2032, Figure 5.1

Urban Area

- 8.16 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.
- 8.17 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.
- 8.18 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

- 8.19 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.
- 8.20 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.
- 8.21 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.
- 8.22 Policy 4 states that **between 5-10% of new homes will be constructed in and on the fringes of Immingham.**

Western and Southern Arc

- 8.23 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.

8.24 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.

8.25 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

8.26 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:

8.27 The settlements in the Rural Area fall within Level 3 and 4 of the Local Plan settlement hierarchy in Policy 3.

8.28 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.**

8.29 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

8.30 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

8.31 To establish the broad range of housing which may be appropriate for each area over the Plan period, the district-wide figure has been apportioned by sub-area based on its 'fair share', or the proportion of the resident population living there as recorded in the 2021 Census.

8.32 This was dominated by the Grimsby/Cleethorpes Urban Area, at 74%, which would equate to 459 dpa of the LHN target of 622 dpa on a proportional share. This is much higher than the next largest sub-area, the villages in the Western and Southern Arc (101 dpa), and well above the Estuary Zone's share (34 dpa) and the Rural Area (28 dpa).

8.33 The Brownfield Land Register indicated that around 96.3% 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 1,346 units, followed by 25 units in Immingham (the

Estuary Zone), 11 in the Western and Southern Arc, and the remaining 16 in Ashby cum Fenby (the Rural Area).

- 8.34 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).
- 8.35 When considering how much weight can be given to the suggested sub-area split in Table 8.3, 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.
- 8.36 It is therefore for the Council 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 the Council to consider. The Council should therefore avoid being overly prescriptive with regards to any of the suggested sub-area targets set out below.

Table 8.3 Summary of Potential Sub-area Housing Share

Sub Area	Proportional share (2021 Census split)	Housing Land Supply	Local Plan Policy Support	Overall Recommendation
Urban Area	74%	96%	60-65%	65%-80%
Estuary Zone	6%	2%	5-10%	5%-10%
Western and Southern Arc	16%	1%	30-35%	15%-30%
Rural Area	5%	1%	1-2%	<5%
NE Lincolnshire Total	100%	100%	100%	100%

Source: ONS 2021 Census / Lichfields' analysis using PopGroup

9.0 **Type, Tenure and Size of Housing Required**

- 9.1 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.
- 9.2 In addition to establishing the overall scale of housing needed, the NPPF24 requires and encourages plan-makers to also consider the need and demand for different types of housing.

Housing Size and Type

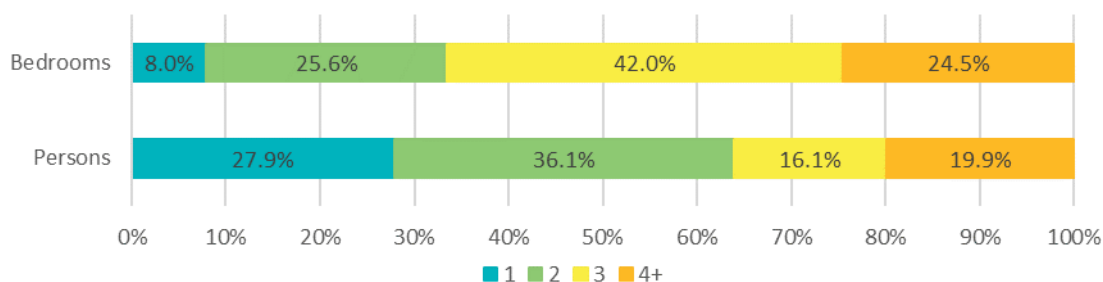
- 9.3 This section provides further context on how North East Lincolnshire's housing market operates. It demonstrates that:
- 1 Locally and nationally, households tend to occupy housing which they can afford, rather than 'need', resulting in a high-level of under-occupation, particularly amongst older 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

- 9.4 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')⁹⁹.
- 9.5 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).
- 9.6 Figure 9.1 compares the profile of England's 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.

⁹⁹ 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 9.1 Comparison of dwelling mix (number of bedrooms) and household size (number of persons) in England



Source: Census 2021 (excludes social rented households)

9.7 Table 9.1 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.

9.8 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 9.1 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

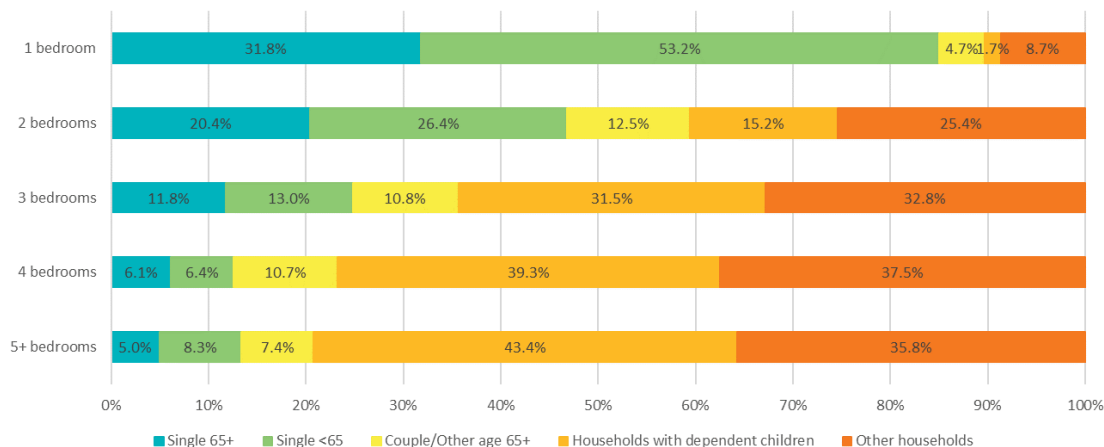
9.9 Figure 9.2 shows how different household types in North East Lincolnshire occupy housing according to Census 2021 data. It shows that 1-bedroom properties are most likely to be occupied by single people, with single people aged below 66 occupying 53.1% of these properties, whilst single people aged 66 and above occupy a further 31.8%.

9.10 2-bedroom properties are most likely to be occupied by single people aged under 66 (26.4% of such properties), whilst 20.9% are occupied by households with children, which may indicate a degree of market pressure.

9.11 Larger properties are generally occupied by households with children, who occupy over a third (31.5%) of 3-bedroom homes, 39.3% of 4-bedroom homes and 43.4% of 5+ bedroom homes. However, a significant proportion of these larger properties are occupied by single people households, at 24.8% of 3-bedroom homes, 12.5% of 4-bedroom homes and 13.3% 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 32.8% of 3-bedroom properties, 37.5% of 4-bedroom properties and 35.8% of 5+ bedroom properties. More than a third (35.6%) 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 9.2: Household Type by Number of Bedrooms in North East Lincolnshire (All Households)



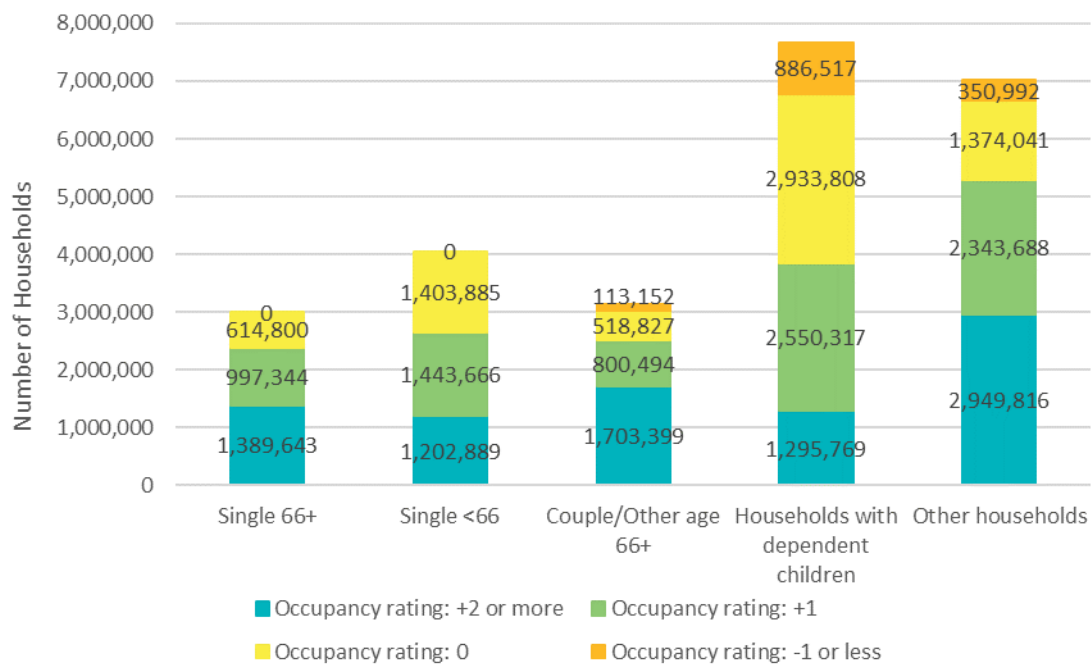
Source: Census (2021): TS003 – Household Composition; TS050 – Number of Bedrooms

- 9.12 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

- 9.13 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.
- 9.14 However, as shown in Figure 9.3, 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 9.3 Occupational patterns in England by household type



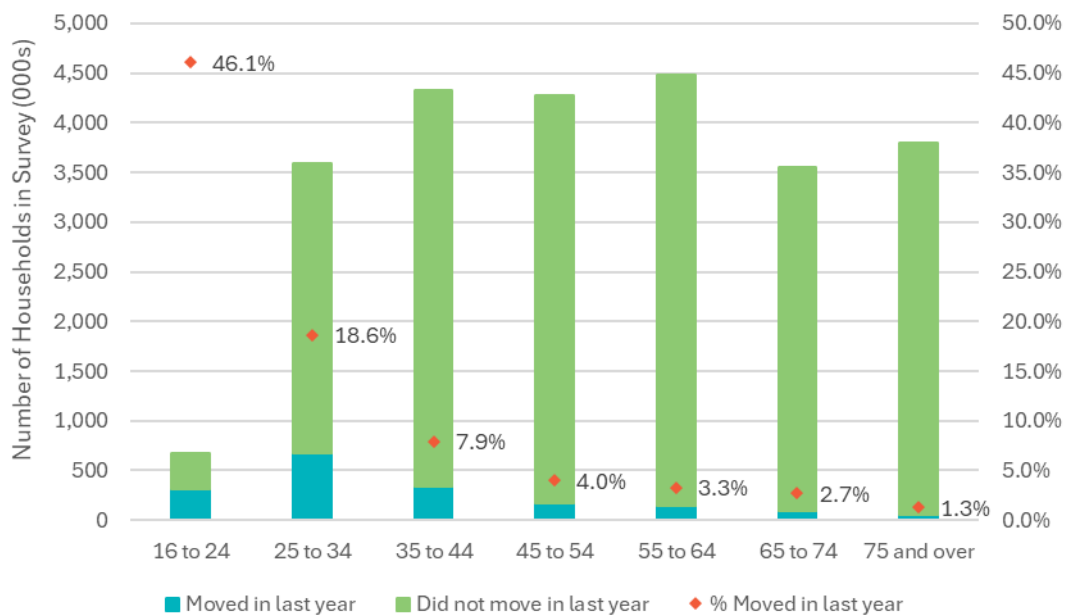
Source: Census 2021

- 9.15 Research¹⁰⁰ 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]¹⁰¹ showed that 85% of larger housing released by older people is released due to death, as opposed to choosing to downsize.
- 9.16 The 2023/24 EHS further supports these findings by showing that older households are the least likely to move, with just 2.7% of households aged between 65 and 74 and 1.3% 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 19% of households age 25-34 moving each year.

¹⁰⁰Communities and Local Government (February 2008): Housing Choices and Aspirations of Older People, Research from the New Horizons Programme

¹⁰¹ Supported housing for older people in the UK: An Evidence Review (December 2012)

Figure 9.4 Demographic characteristics of moving households



Source: 2023/24 English Housing Survey, Table FA4121

- 9.17 These patterns are reflected in the EHS data on household moves by employment status: only 1.7% of retired households moved in the 12 months prior to the 2023/24 Survey, compared to 15.6% of households where the household reference person was employed in full or part time work.
- 9.18 In addition to the factors identified above, these patterns of households moving are also likely to reflect different households' satisfaction with their housing. The 2022/23 EHS¹⁰² also shows that households which are most satisfied with their housing are those which are:
- 1 Aged 75 and over (94.9% are satisfied or very satisfied with their housing);
 - 2 Own outright or are buying with a mortgage (93.8%)
 - 3 Retired (93.8%);
 - 4 Have no dependent children (92.7%); and,
 - 5 Under-occupy housing (92.2%).
- 9.19 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.
- 9.20 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.
- 9.21 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 JRF¹⁰³ also highlighted the potentially misleading nature of any discussion which assumes that older

¹⁰² Table FA5401

¹⁰³ 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 Report¹⁰⁴ 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.

- 9.22 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

- 9.23 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. Whilst the highest rates of home working experienced during the peak of lockdown have not been sustained, the working practices that were forced upon many people have nevertheless led to a structural shift, with fewer people working from offices full time and more choosing to work from home on a part time, if not full time, basis.
- 9.24 The ONS Labour Force Survey shows that there has been a steady rise in the proportion of people in employment that work from home over time. This has been accelerated by the COVID-19 pandemic which resulted in a shift towards more flexible patterns of working in many sectors, with a hybrid approach, incorporating some home-working, now common amongst many office-based workers. Homeworking typically increases with age, (increasing from 6% of those age 16-24 exclusively working from home compared to 24% of those aged 65 and over)¹⁰⁵.
- 9.25 Of those who have the choice between working remotely and not, the ONS Opinions and Lifestyle Survey shows a lower proportion of the younger group choose to work from home (14% compared to 8-11% of all older working age groups). Older workers are more likely to live in a home suitable for homeworking and have caring responsibilities which cause them to benefit more from the ability to work flexibly. Therefore, an aging population is likely to lead to further increases in homeworking over time, and a higher proportion of working age people will expect to live in a home which supports this. Furthermore, changes in the state retirement age are resulting in a greater number of older people still in employment.

¹⁰⁴ Mapping the supply and demand of Britain's retirement housing in 2017 and beyond

¹⁰⁵ Characteristics of homeworkers, Great Britain: September 2022 to January 2023 (February 2023) ONS

- 9.26 Changes in working patterns and the rate of people that regularly work from home will have an impact on the demand for different types of housing by driving demand for suitable (larger) homes that offer appropriate space and facilities to work effectively from home. We are aware that housebuilders are starting to consider the implications of this key trend on the design and layout of their products.
- 9.27 Research by London School of Economics/Acas¹⁰⁶ found that the majority of homeworkers surveyed use 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.
- 9.28 Research undertaken by property search engine Zoopla found that 22% of 2,000 home hunters surveyed considered that having an office area has become more of a priority. The ONS’ public opinion and social trends series on working arrangements shows that in the year to June 2025, around 16% of workers had worked exclusively from home whilst around 25% had worked both from home and from their place of work in any one month, meaning around 41% of workers had regularly worked from home over this period¹⁰⁷. This has fallen from a peak of around 47% in January 2021 during the Covid-19 lockdown period.
- 9.29 Although there are clear differences in the scale of the likely increase in home working, it is widely agreed one-long term effect of the Covid-19 pandemic will be that it will increase substantially. This is expected to have a direct impact on the demand for housing as people seek to ensure that they have appropriate space and facilities to work effectively from home.
- 9.30 Further evidence that this shift towards home working is a sustained, long-term change is the Government support for such measures. New Flexible Working regulations give employees the right to request changes to several factors in their job, including the location from which they work. This came into force on 6th April 2024 and highlights the growing mainstream recognition that working patterns have changed, and that measures protecting flexibility benefit the workforce, and subsequently the economy.

Future Needs

- 9.31 In assessing future household growth by type, the most recent 2018-based SNHP for North East Lincolnshire have been used, alongside the 2022-based SNPP. 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.
- 9.32 Figure 9.5 shows the change in projected household type between 2025 and 2043 in North East Lincolnshire incorporating the SM3 scenario as modelled in PopGroup. 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.

¹⁰⁶ Home is where the work is: A new study of homeworking in Acas –and beyond (2013). London School of Economics

¹⁰⁷<https://www.ons.gov.uk/peoplepopulationandcommunity/wellbeing/datasets/publicopinionsandsocialtrendsgreatbritainworkingarrangements>

- 9.33 The numbers of all household types are expected to increase in North East Lincolnshire up to 2043. The greatest increase is likely to be seen in single person households over the age of 65, which is projected to increase by 3,742, followed by couple and other households over the age of 65 which increase by 3,223. Households with dependent children are projected to grow by 2,017, and single person households under the age of 65 by 942. Other households aged under 65 are expected to grow by 729.

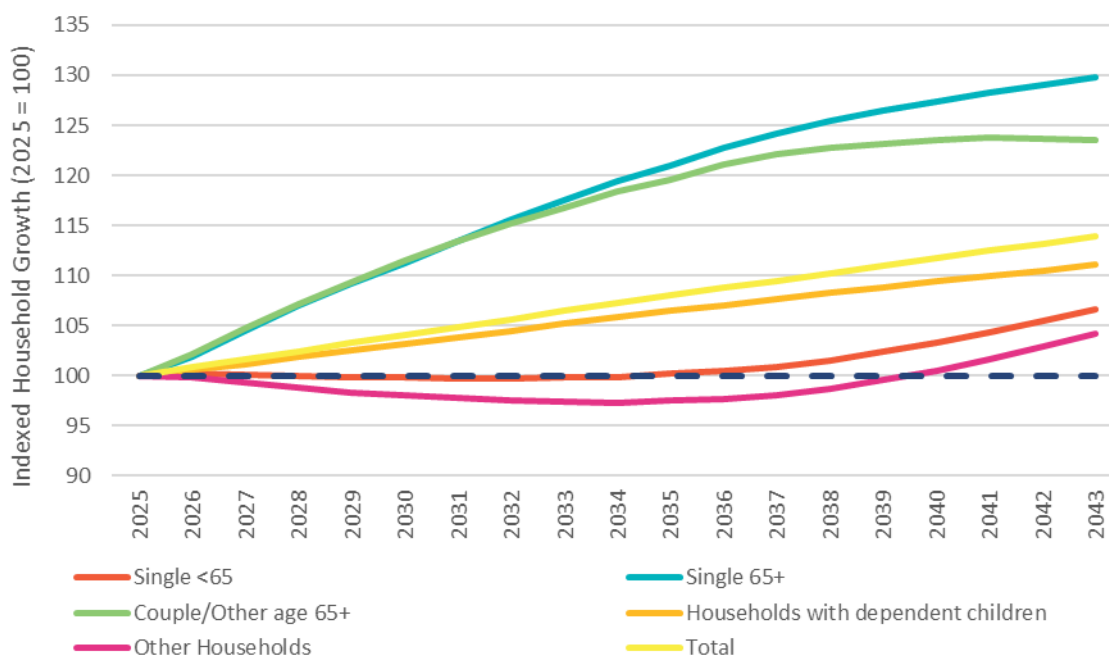
Table 9.2 Household Change associated with the SM3 Scenario by Type for North East Lincolnshire

	2025	2043	Net Change
Single <65	13,913	14,855	942
Single 65+	10,949	14,701	3,752
Couple/Other age 65+	12,255	15,479	3,223
Households with dependent children	17,261	19,278	2,017
Other Households <65	17,187	17,916	729
Total	71,565	82,228	10,663

Source: 2018-based SNHP / 2022-based SNPP / 2023 MYE / PopGroup

- 9.34 In line with wider trends, older households are projected to grow the most over this period, with single and couple/other households aged 65 and above growing by 34.3% and 26.3% respectively to 2043. Growth of households with younger single people is expected to be 6.8%, whilst the number of families with children is projected to increase, by 11.7% and other household types by 4.2%. Overall household growth is projected to be around 14.9% over the period 2025-2043.

Figure 9.5: Indexed Household Growth by Type – North East Lincolnshire Borough



Source: Lichfields PopGroup modelling

- 9.35 Household occupancy patterns by type in North East Lincolnshire is shown in Table 9.3.

Table 9.3 Occupancy by Household Composition in North East Lincolnshire

	Number of bedrooms				
	1	2	3	4	5+
Single, <65	25.0%	30.2%	39.3%	4.5%	0.9%
Single 65+	22.3%	29.5%	43.5%	3.9%	0.7%
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 2011¹⁰⁸

9.36 The household occupancy patterns in North East Lincolnshire (Table 9.3) are applied to the projected household growth by type (Table 9.2) to establish the required housing by number of bedrooms (Table 9.4).

9.37 The numbers of all household types are expected to increase in North East Lincolnshire up to 2043. The greatest increase is likely to be seen in single person over the age of 65 households, which is projected to increase by 4,817, closely followed by couple and other households over the age of 65 which would increase by 4,186. Households with dependent children are expected to grow by 957, single person households under 65 by 407, and other groups by 295.

Table 9.4 North East Lincolnshire Projected Household Growth by bedroom size – net change 2025-2043

	1	2	3	4+	Total
Single <65	235	285	371	52	942
Single 65+	838	1,107	1,634	173	3,752
Couple/Other Households	157	878	1,816	372	3,223
Households with dependent children	29	258	1,285	445	2,017
Other Households	26	144	432	127	729
Total	1,284	2,672	5,538	1,168	10,663
%	12.0%	25.1%	51.9%	11.0%	100.0%

Source: Lichfields using DLUHC/Census 2011

9.38 The results indicate that the projected household growth in North East Lincolnshire is likely to be predominantly 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 9.5).

¹⁰⁸ Census data which separates "Other Households" into students, those over 65 etc. is not available from the 2021 Census at MSOA level, and so 2011 Census data has been used for this step.

Table 9.5 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.

- 9.39 These ratios are applied to the projected household growth by bedroom size as set out in Table 9.4.
- 9.40 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.
- 9.41 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 based on Zoopla research which suggests a 22% uplift to 2- and 3-bed properties to also include an additional bedroom to be used as a home office. A secondary, higher adjustment is also made which applies a 40% uplift based on the share of regular homeworkers according to ONS public opinion and social trends data. This is applied in Table 9.6.
- 9.42 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 9.6 shows that after the adjustments for homeworking, 75-80% 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 (60-65%) than larger 3 and 4-bed properties (35-40%).

Table 9.6 Sizemix for North East Lincolnshire Borough

		1 bedroom	2 bedrooms	3 bedrooms	4+ bedrooms
Market Housing	Mix prior to market adjustment	6%	25%	56%	13%
	Low Adjustment (22%)	6%	19%	49%	25%
	High Adjustment (34%)	6%	15%	44%	35%
	OVERALL MIX	20-25%		75-80%	
Social Housing	Mix prior to market adjustment	43%	27%	28%	2%
	Low Adjustment (22%)	43%	21%	28%	8%
	High Adjustment (34%)	43%	16%	28%	13%
	OVERALL MIX	60-65%		35-40%	

Source: Lichfields Analysis using DLUHC/Census 2021 Data

- 9.43 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 the SM3 figure of 622 dpa is successfully delivered over time, then this may result in an influx of inward migrants who are more likely to comprise working families. This could point to a requirement for an even higher proportion of 3 and 4 bedrooomed properties than is summarised in the Table above.

Sub-Area Housing Mix

- 9.44 To assess future need in the local area, we have used a combination of 2011/2021 Census data (depending upon availability at Lower/Middle Super Output Area at the time of writing) and the ONS 2018-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.
- 9.45 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 9.7.

Table 9.7 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	7%	24%	59%	10%
		Low Adjustment (22%)	7%	19%	51%	23%
		High Adjustment (34%)	7%	14%	45%	34%
		OVERALL MIX	20-30%		70-80%	
	Social Housing	Mix prior to adjustment	44%	26%	28%	2%
		Low Adjustment (22%)	44%	20%	27%	8%
		High Adjustment (34%)	44%	15%	27%	13%
		OVERALL MIX	60-65%		35-40%	
Estuary Zone	Market Housing	Mix prior to adjustment	3%	24%	62%	10%
		Low Adjustment (22%)	3%	19%	54%	24%
		High Adjustment (34%)	3%	14%	47%	35%
		OVERALL MIX	15-20%		75-85%	
	Social Housing	Mix prior to adjustment	30%	24%	42%	4%
		Low Adjustment (22%)	30%	19%	38%	13%
		High Adjustment (34%)	30%	15%	35%	21%
		OVERALL MIX	45-50%		50-55%	
Western and Southern Arc	Market Housing	Mix prior to adjustment	4%	31%	50%	16%
		Low Adjustment (22%)	4%	24%	46%	27%
		High Adjustment (34%)	4%	18%	42%	36%
		OVERALL MIX	20-30%		70-80%	
	Social Housing	Mix prior to adjustment	39%	41%	19%	1%
		Low Adjustment (22%)	39%	32%	24%	5%
		High Adjustment (34%)	39%	24%	28%	9%
		OVERALL MIX	65-70%		30-35%	
Rural Area	Market Housing	Mix prior to adjustment	4%	24%	48%	23%
		Low Adjustment (22%)	4%	19%	43%	34%
		High Adjustment (34%)	4%	15%	38%	43%
		OVERALL MIX	20-25%		75-80%	
	Social Housing	Mix prior to adjustment	50%	30%	19%	2%
		Low Adjustment (22%)	50%	23%	21%	6%
		High Adjustment (34%)	50%	18%	23%	9%
		OVERALL MIX	65-80%		20-35%	

Source: Lichfields Analysis using DLUHC/Census 2011/Census 2021 Data

9.46 This evidence maintains the clear Borough-wide orientation towards larger households requiring bigger properties in the private sector, ranging from a need for 70-80% of all homes to be 3-bed and larger in the Urban Area and Western and Southern Arc to 75-80% in the Estuary Zone and Rural Area.

9.47 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 9.8. 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 9.8 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* - unadjusted	6%	25%	56%	13%
Suggested range - adjusted	5-15%	15-25%	45-60%	15-35%

Source: Lichfields based on DLUHC/ONS *totals may not sum due to rounding

Social Housing Property Type and Size Preferences

9.48 Data on affordable housing from North East Lincolnshire's Housing Register as of May 2025 shows that of the 7,089 households on the waiting list (including those requesting a transfer), 56% had a requirement for a 1-bedroom property; 26.5% for 2-bedrooms; 14% for 3 bedrooms and just 4% for 4+ bedrooms, as shown in Table 9.9.

9.49 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 (36%) and higher needs for larger dwellings and particularly 4-bedroom dwellings (14%) 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 9.9 Housing Register Bedroom Preferences in North East Lincolnshire

	All Bands (including transfers)	Band A-C	Band D
1 bedroom	3,952 (55.8%)	324 (35.7%)	3,628 (58.7%)
2 bedrooms	1,879 (26.5%)	249 (27.4%)	1,630 (26.4%)
3 bedrooms	1,005 (14.2%)	161 (17.7%)	844 (13.7%)
4 bedrooms	199 (2.8%)	129 (14.2%)	70 (1.1%)
5 bedrooms+	54 (0.8%)	45 (4.9%)	9 (0.1%)
Total	7,089	908	6,181

Source: NELC Officers: Housing Register data (extracted May 2025)

9.50 Whilst the Housing Register data is not collated by bedrooms and locational preferences together, the Urban Area received 65% of all requests, followed by the Western and Southern Arc at 25%, whilst the Estuary and Rural Areas were much lower at 3% and 7% 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 9.10 Housing Register Location Preferences in North East Lincolnshire

	Share of Preferences
Urban Area	65.0%
Estuary Zone	3.0%
Western and Southern Arc	25.0%
Rural Area	7.0%

Source: NELC Officers: Housing Register data (extracted May 2025)

9.51 It is also relevant to note that of the applicants, 26.4% are aged 70 and over, of whom 98.1% 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.

9.52 When compared with the SizeMix analysis set out in Table 9.6, 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 82% of households requiring social housing need either 1 or 2 bedrooms, this falls to 70% based on SizeMix, and as low as 59% when adjusted for homeworking. Conversely, the need for larger 3, 4 and 5 bed properties is around 18% of all households based on the Housing Register, compared to 30% based on the modelling work and up to 41% when adjusted. 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 9.11 Comparable Mix Requirements for Social Housing

	Waiting List All Bands	Waiting List Bands A-C	SizeMix - unadjusted	SizeMix - adjusted
1 bedroom	55.8%	35.7%	43%	43%
2 bedrooms	26.5%	27.4%	27%	16-21%
1/2 bedrooms	82.3%	63.2%	70%	59-64%
3 bedrooms	14.2%	17.7%	28%	28%
4+ bedrooms	3.6%	19.1%	2%	8-13%
3 bedrooms +	17.7%	36.8%	30%	36-41%

Source: NELC Officers: Housing Register data (extracted May 2025) / Lichfields' modelling

9.53 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 9.12. 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.

9.54 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 9.12 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	36%	27%	18%	19%
SizeMix - unadjusted	43%	27%	28%	2%
SizeMix - adjusted	43%	16-21%	28%	8-13%
Suggested range	35-45%	20-30%	15-30%	5-20%

Source: Lichfields based on DLUHC/ONS

Summary

9.55

This section has explored the different types of housing which are likely to be required in North East Lincolnshire up to 2043. Our findings can be summarised as follows:

- In line with wider trends, older household groups are projected to see the fastest growth in North East Lincolnshire, with older single and couple/other households increasing by 34% and 26% respectively between 2025 and 2043. Households with dependent children are projected to grow by 11.7%, and single person households under the age of 65 by 6.8%. Other households aged under 65 are expected to grow by 4.2%.
- 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 20% and 40% 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 9.13 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	5-15%	15-25%	45-60%	15-35%
Suggested range for Social Housing	35-45%	20-30%	15-30%	5-20%

Source: Lichfields based on DLUHC/ONS

10.0 Needs of Specific Groups

10.1 Paragraph 63 of the NPPF²⁴ 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 (including Social Rent); families with children; looked after children; older people (including those who require retirement housing, housing-with-care and care homes); students; people with disabilities; service families; travellers; people who rent their homes and people wishing to commission or build their own homes.

10.2 The needs of these particular groups in North East Lincolnshire are set out in detail below.

Private Rented Sector

10.3 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 housing¹⁰⁹.

10.4 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 broadly stable between 2019-20 and 2022-23. In 2022-23, PRS accounted for 4.6 million (19%) of all households in England, unchanged from 2019-20, but lower than in 2015-16 (20%). While the sector has doubled in size since the early 2000s, the rate has remained around 19% or 20% since 2013-14¹¹⁰.

10.5 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.

10.6 As discussed in Section 7.0, in North East Lincolnshire those households that are not eligible for affordable or intermediate 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 £18,255 and £19,833 (based on 32% income) and represents around 3.5% of all households in the Borough.

As at 2021¹¹¹, there were 15,639 households in North East Lincolnshire living in the PRS, representing 22.4% of all households in the Borough. 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).

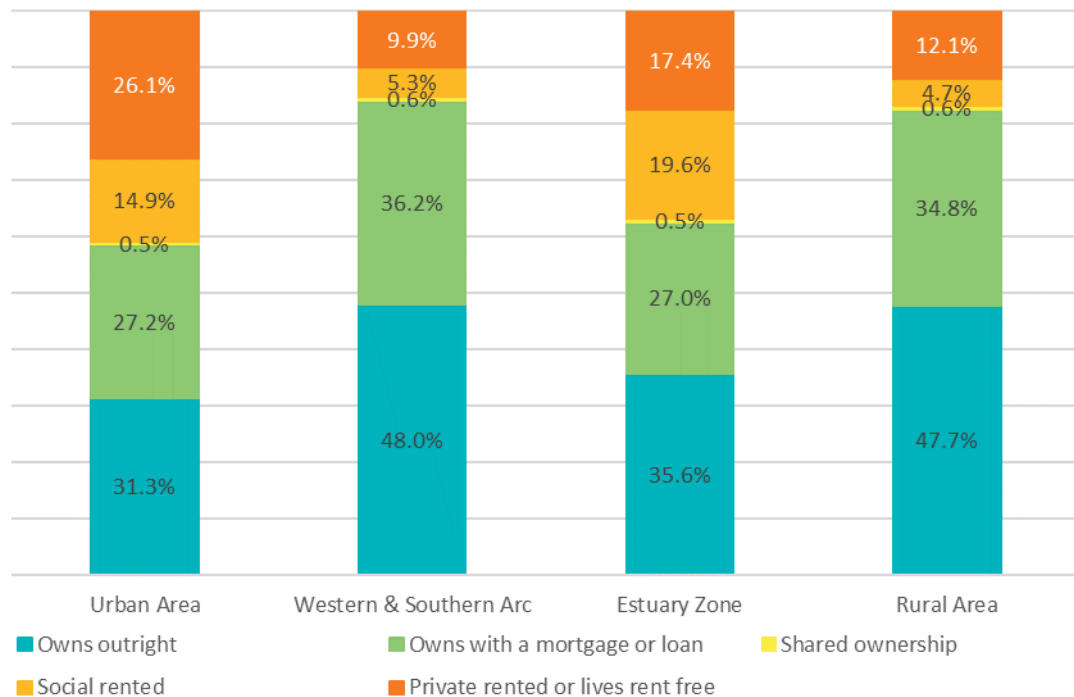
¹⁰⁹ PPG: ID: 67-002-20190722

¹¹⁰ Source: English Housing Survey 2022-23

¹¹¹ 2021 Census Table rm136

Figure 10.1 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.

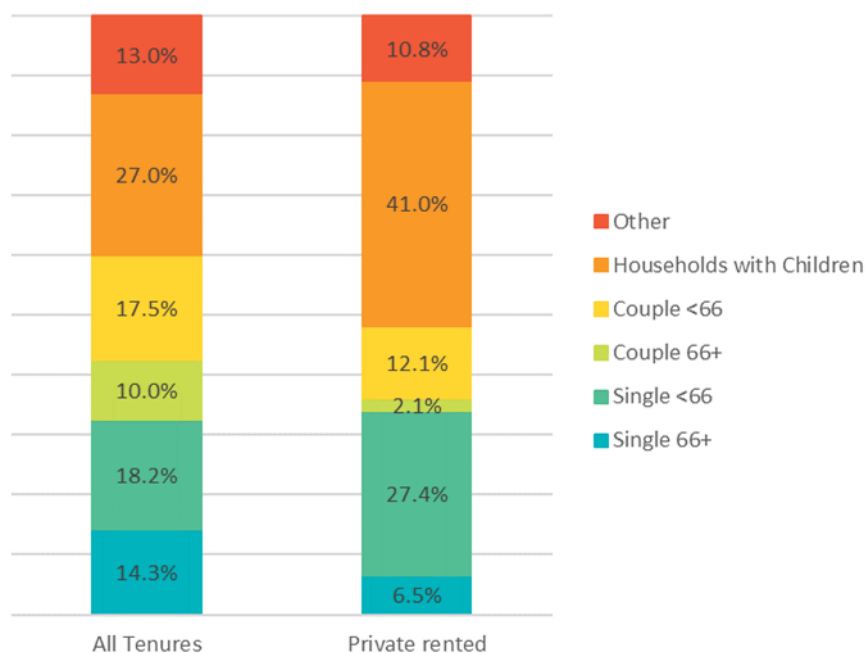
Figure 10.1 Household Tenure – North East Lincolnshire by Sub-Area



Source: Census 2021: RM136 - Tenure by household size by number of bedrooms

- 10.7 The composition of households living in PRS is different to the Borough's overall tenure composition, as shown in Figure 10.2. 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.
- 10.8 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 10.2 Household Composition – North East Lincolnshire - All households and Private Rented Households



Source: Census 2021: RM135 - Tenure by household composition

- 10.9 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.
- 10.10 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.
- 10.11 According to the 2023/24 EHS, private renters live at their current address for less time than other tenures, on average 4.6 years¹¹². For private renters who had been resident for less than 1 year in 2023/24, 74% were in private rented housing previously¹¹³.
- 10.12 In 2023/24, 19.9% 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 tenure¹¹⁴. Applying this figure to the number of households in PRS accommodation (15,644, as reported in the 2021 Census) implies an annual turnover of 3,113 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.
- 10.13 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 May 2025¹¹⁵, there were 4,760 housing benefits claimants in North East Lincolnshire, of whom 1,466 are currently meeting their needs in the private rental market in the Borough. This equates to 30.7% of all claimants and clearly indicates that in North East

¹¹² English Housing Survey 2023/24 Annex Table 3.6

¹¹³ English Housing Survey 2023/24 Annex Table 3.7

¹¹⁴ English Housing Survey 2023/24 Annex Table 2.1

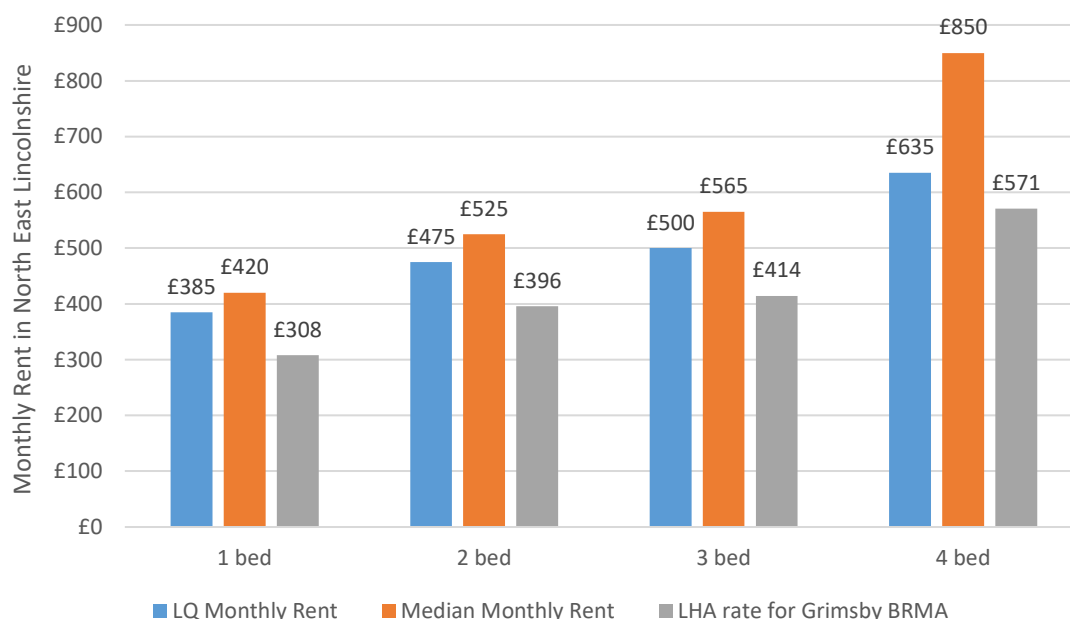
¹¹⁵ <https://stat-xplore.dwp.gov.uk/>

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.

10.14 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.

10.15 There is also a disparity between the level of Local Housing Allowance [LHA] and private sector rents in many parts of the Borough. Figure 10.3 highlights the gap and issues in respect of meeting needs in the private rented sector (in 2023, as this is the last date for which ONS provides comparable LQ rental data by district). For 2 and 3-bedroom properties, LQ private sector rents in North East Lincolnshire were £475 and £500 respectively, compared to LHA rates of £396 and £414.

Figure 10.3 Comparison of Median / Lower Private Rents and Local Housing Allowance in North East Lincolnshire



Source: ONS Private Rental Market Data (Oct 22 to Sep 23)/Directgov LHA rates (Sept 2023) BRMA = Broad Rental Market Area

Note: All of North East Lincolnshire falls within the 'Grimsby' BRMA

Build to Rent [BtR]

10.16 BtR is a distinct asset class within PRS and has been defined in the NPPF24 glossary, to simplify its treatment within the planning system (as well as being included in the new paragraph on the benefits of mixed tenure sites). 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 rent¹¹⁶.

¹¹⁶ ID: 60-001-20180913

- 10.17 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 longer tenancy agreements of three years or more, and will typically be professionally managed stock in single ownership and management control.”*
- 10.18 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.
- 10.19 Research by the British Property Federation in 2024¹¹⁷ found that the BtR sector pipeline grew by 24% in between Q2 2023 and Q2 2024, and indicated that construction in regional cities in the UK was 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.
- 10.20 According to BPF/Savills' data on BtR schemes¹¹⁸, as of July 2025 **there are now around 293,000 BtR homes in the UK**, of which over 132,000 are complete, 51,000 under construction and 110,000 in planning. However, more than 100,000 of these units are in London, with the vast majority of remaining units outside the capital being located in the larger provincial towns and cities. Consequently, it is unsurprising perhaps that North East Lincolnshire is yet to see a large influx of investment into BtR units. The Q2 2024 BPF/Savills mapping suggests that North East Lincolnshire Borough has 16 completed BtR units completed to date, all within a single scheme outside of Aylesby.
- 10.21 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 between 1.5 and 2 in London, whereas lettings' rates can be around 10 to 15 units per week¹¹⁹.
- 10.22 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, the Council 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.

¹¹⁷ <https://bpf.org.uk/about-real-estate/build-to-rent/>

¹¹⁸ Savills Build to rent Market Update H1 2025

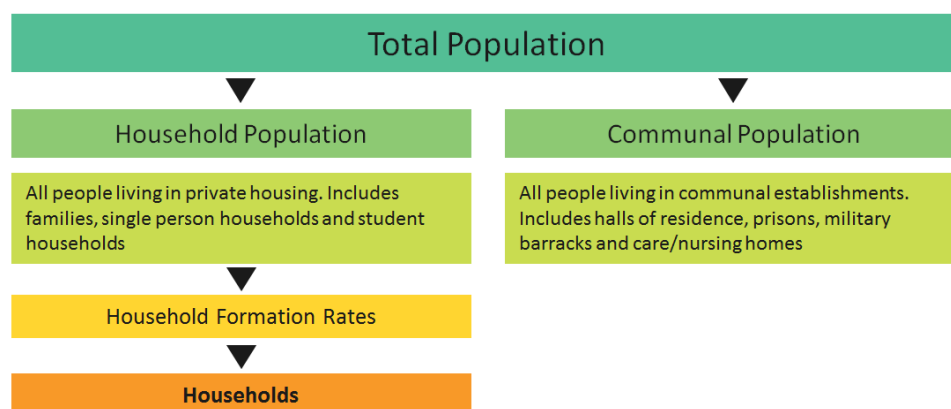
¹¹⁹ Investment Property Forum, 'Mind the viability gap: Achieving more large-scale, built-to-rent housing. A briefing paper, September 2015

- 10.23 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 , there is expected to be a very modest growth in the number of young single person households under 66 years of age (+942) and an increase in number of younger households with children (+2,017) and other households under 66 (+729); this suggests that any BtR schemes in the Borough should be modest in scale, and should be broadly weighted towards meeting the needs of smaller households suited to single persons and as well as households with children.
- 10.24 **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 the Council wishes to set a different proportion given the challenges facing viability more generally in the Borough, it should justify this using the evidence emerging from their local housing need assessment and set the policy out in their emerging Local Plan. Similarly, the guidance on viability permits developers, in exception, the opportunity to make a case seeking to differ from this benchmark.
- 10.25 National affordable housing policy¹²⁰ 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]

- 10.26 Students living in halls of residence (and other non-household populations) are projected by ONS as part of the ‘not in household’ population in the 2018-based Sub-National Household Projections. This means that they are removed from the total population projection before any assumptions around household formation are applied (as shown in Figure 10.4). 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.

Figure 10.4 Household and communal populations in the projections



Source: Lichfields

¹²⁰ Paragraph: 002 Reference ID: 60-002-20180913

- 10.27 ONS'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 ONS 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.
- 10.28 The main HE presence in the Borough is the Grimsby Institute, which is a Further Education college, apprenticeship provider and Higher Education [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.
- 10.29 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 students¹²¹. 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%).
- 10.30 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 the Council to include a Policy specific to provision of student housing within the emerging Local Plan.

Households and Families with Children

- 10.31 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.
- 10.32 Households with children most commonly live in housing which, on average, has 3 bedrooms. Table 10.1 shows that a relatively small percentage (13.1%) live in 1 / 2 bedrooms homes, and just 3.3% live in homes with 5 or more bedrooms. The majority live in homes with 3 bedrooms, with 15,787 of North East Lincolnshire's 24,438 households with children living in such properties, with a further 19.0% living in 4-bedroom properties.

Table 10.1 Households with children by number of bedrooms – North East Lincolnshire (2021)

	Total	1 bedroom	2 bedrooms	3 bedrooms	4 bedrooms	5+ bedrooms
Households with children	24,438	138	3,068	15,787	4,633	812
	~	0.6%	12.6%	64.6%	19.0%	3.3%

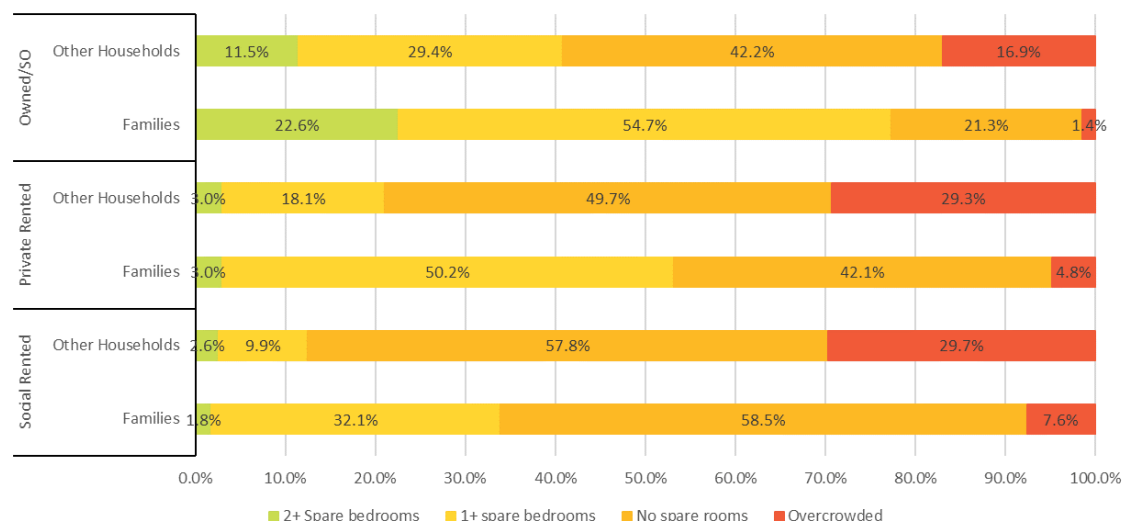
Source: Census 2021. Refers to households with dependent children

- 10.33 Existing rates of overcrowding in households with children are lowest in families in the owner-occupied sector – only 1.4% of households in this group are living in overcrowded conditions (as shown in Figure 10.5), rising to 4.8% of families with children living in PRS accommodation. However, overcrowding rates among other households with children in

¹²¹ In line with HESA data guidelines, all student data has been rounded to the nearest 5.

the private and social rented sectors are much higher, at 29.3% and 29.7% respectively. By way of contrast, just 1.8% of families living in the social rented sector had 2 or more bedrooms spare, compared to 22.6% of families living in properties that they owned (likely to be due to the under-occupancy penalty).

Figure 10.5 Overcrowding in family households and other households with children



Source: Census 2021: Tenure by occupancy rating (bedrooms) by household composition

Table 10.2 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 privately rented sector, equating to 460 households in total and is a higher percentage of the total of households in the sector (2.1%), compared to the Social Rented Sector (302 over-crowded households, but equal to 8.8% of all households living in this form of tenure).

Table 10.2 Overcrowding and Under-occupancy – households with children

		2+ spare bedrooms	1 spare bedroom	No spare rooms	Overcrowded
Social Rented	Families	58	1,034	1,886	245
	Other h'holds with children	5	19	111	57
Private Rented	Families	206	3,473	2,911	332
	Other h'holds with children	13	79	217	128
Owned/SO	Families	3,229	7,817	3,039	198
	Other h'holds with children	82	210	302	121

Source: Census 2021

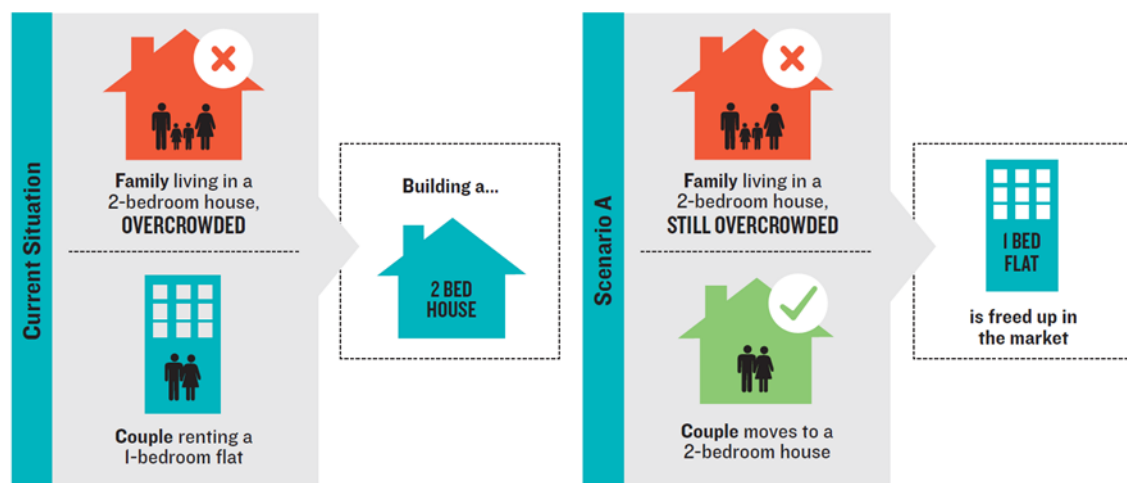
10.34

Under the SM3 scenario modelled in PopGroup, the number of households with children in North East Lincolnshire overall is forecast to increase by 2,017 or 11.7% from 2025 to 2043. The largest projected increase is likely to be larger families with three or more children, which are expected to grow by 12.6%, compared to 12.4% for households with two children and 10.9% for those with just one child.

The wider role of family housing in the market

- 10.35 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'.
- 10.36 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 2002¹²², 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.
- 10.37 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 10.6 and Figure 10.7. 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.
- 10.38 Table 10.8 illustrates the potential impact of building a 2-bedroom home in an area where there is already a need/demand for larger housing.

Figure 10.6 Housing ladder outcomes: Scenario A – building a 2-bed house



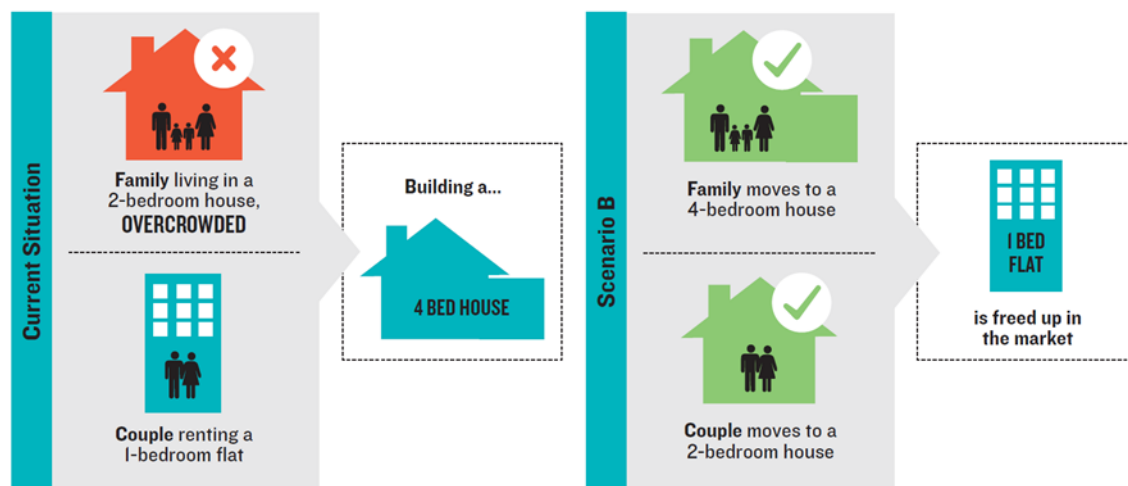
Source: Lichfields

- 10.39 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.

¹²² 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>

10.40 Table 10.9 demonstrates the potential impact of building a 4-bedroom home in this same housing market scenario.

Figure 10.7 Housing Ladder outcomes: Scenario B – building a 4-bed house



Source: Lichfields

10.41 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.

10.42 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/upscale within the market – this again also results in the freeing up of smaller housing further down the ladder.

10.43 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 families¹²³.

Households and Families with Children Summary

10.44 The number of families and other households with children is expected to increase by around 11.7% in North East Lincolnshire by 2043. 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

¹²³ 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.

scale of demand for larger housing across North East Lincolnshire in meeting the needs of families was discussed in Section 9.0.

- 10.45 In the social rented sector, the rate of over-crowding among families is significantly higher, and the Council 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 even 5-bed, to address existing problems of overcrowding in the market.

The need for specialist accommodation for Older People

National Context

- 10.46 The NPPF²⁴ Glossary defines ‘Older People’ as:

***“Older people:** People over or approaching retirement age, including the active, newly retired through to the very frail elderly; and whose housing needs can encompass accessible, adaptable general needs housing through to the full range of retirement and specialised housing for those with support or care needs.”*

- 10.47 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. The 2022-based SNPP shows that there were 1.5 million people aged 85 and over in 2025 representing 2.5% of the population; by 2043 this is projected to rise to 2.5 million and 3.9% of the population.

- 10.48 At present, 35% of all households consist of an older person either living alone or in a couple, yet only 7% of older people live in specialised housing¹²⁴. Annually, poor quality housing costs the NHS £7.5 billion per year, and exacerbates poor health amongst older people due to loneliness, inability to heat their homes and increased risk of falls in the home.

- 10.49 Despite the ageing population and frequency of older people living in unsuitable homes, there are a number of barriers to older people moving, this is most often a combination of practical, financial and emotional barriers that prevent, or delay the process¹²⁵ and many older people are unwilling to give up their ‘prime asset’ which they may wish to pass on to the next generation, or sell to pay for acute care later in life. In addition to these reasons, there is also an acute lack of suitable housing for an older person to move in to. Only 2.8% of all new housing development is retirement housing, and the current housing stock is also insufficient to meet the needs of an ageing population. Fewer than 1 in 10 homes have accessibility features for people with disabilities¹²⁶ and over half of the non-specialised housing stock is estimated to require significant structural adaptations to provide suitable access to older people, and over a quarter of inaccessible homes are not adaptable to change.

¹²⁴ Future of ageing population, Government office for Science: [future-of-an-ageing-population.pdf](#)

¹²⁵ Housing for older People, second report of session 2017-19, House of commons Communities and Local Government Committee [Housing for older people](#)

¹²⁶ The state of ageing 2022, Centre for better action: [Summary | The State of Ageing 2022 | Centre for Ageing Better](#)

- 10.50 A culmination of the above barriers to suitably housing older people has led to an acute shortfall of 15,000-25,000 units per year in specialist housing for older people, estimated by Government¹²⁷. These changes in demand are also occurring in the context of a historic fall in overall house building rates in the past decade, further limiting the provision for older people and exacerbating the socio-economic impact of older people living in unsuitable housing
- 10.51 To address this looming crisis, the PPG (*Housing for older and disabled people*) states that:
*“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”*¹²⁸.
- 10.52 In the context of an ageing population, the importance of catering sufficiently for the needs and demands of elderly households is therefore clear, given specific attention in national policy and guidance. The PPG also highlights the need for varying types of housing for older people, for those who are recently retired and who may still be fairly active and independent, through to the very elderly and frail who may require 24-hour nursing care. Ensuring an adequate supply is key in ensuring elderly residents have choice in their accommodation options throughout their life.
- 10.53 Specifically, under ‘*what are the different types of specialist housing for older people?*’ where the PPG states:
“There are different types of specialist housing designed to meet the diverse needs of older people, which can include:
- **Age-restricted general market housing:** *This type of housing is generally for people aged 55 and over and the active elderly. It may include some shared amenities such as communal gardens, but does not include support or care services.*
 - **Retirement living or sheltered housing:** *This usually consists of purpose-built flats or bungalows with limited communal facilities such as a lounge, laundry room and guest room. It does not generally provide care services, but provides some support to enable residents to live independently. This can include 24 hour on-site assistance (alarm) and a warden or house manager.*
 - **Extra care housing or housing-with-care:** *This usually consists of purpose-built or adapted flats or bungalows with a medium to high level of care available if required, through an onsite care agency registered through the Care Quality Commission (CQC). Residents are able to live independently with 24 hour access to support services and staff, and meals are also available. There are often extensive communal areas, such as space to socialise or a wellbeing centre. In some cases, these developments are known as retirement communities or villages - the intention is for residents to benefit from varying levels of care as time progresses.*
 - **Residential care homes and nursing homes:** *These have individual rooms within a residential building and provide a high level of care meeting all activities of*

¹²⁷ Future of ageing population, Government office for Science: [future-of-an-ageing-population.pdf](#)

¹²⁸ PPG: 63-001-20190626

daily living. They do not usually include support services for independent living. This type of housing can also include dementia care homes.¹²⁹

Local Context

- 10.54 In line with national trends, the number of people aged 65 and over is projected to increase by 27.0% under the SM3 scenario in North East Lincolnshire, with major rises in those aged 80-84 (58.0%), 85-89 (46.4%) and 90+ (87.2%). 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 2043 (and beyond).

Table 10.3 Projected Population change by broad age group under SM3 – North East Lincolnshire

	2025	2043	Change	Change (%)
65-69	9,770	9,089	-681	-7.0%
70-74	8,110	10,404	2,294	28.3%
75-79	7,694	9,886	2,191	28.5%
80-84	4,858	7,677	2,820	58.0%
85-89	3,076	4,502	1,426	46.4%
90+	1,627	3,046	1,419	87.2%
Total Over 65s	35,134	44,603	9,469	27.0%

Source: Lichfields using PopGroup

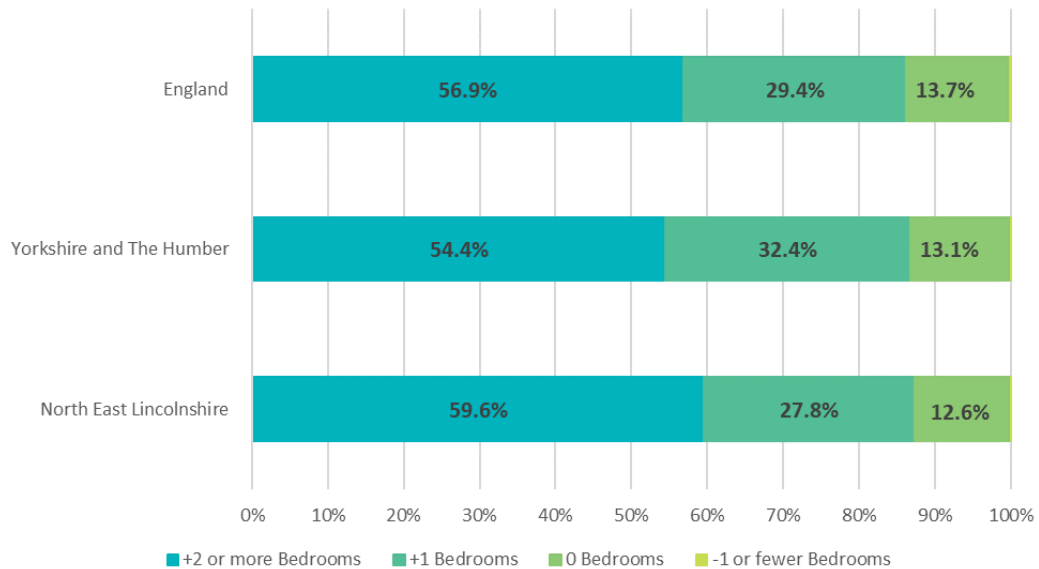
- 10.55 The specific accommodation needs of older people fall within two different groups:
- 1 Those in need of communal establishment accommodation (i.e. bedspaces), including residential care homes or specialist nursing homes; and,
 - 2 Older people living in private housing (and are recorded in the 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).

Occupancy patterns and housing market activity

- 10.56 As shown in Figure 10.8, older 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%) averages. This is further highlighted by the fact that the data indicates that hardly any (0.01%) elderly households are under-occupying homes.

¹²⁹ Reference ID: 63-010-20190626

Figure 10.8 occupancy rating among households over the age of 66 – North East Lincolnshire and Comparator Areas.



Source: Census 2021 (TS052)

10.57

This is further emphasised when we analyse the number of bedrooms in residential properties occupied by households over the age of 66. Figure 10.9 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 10.9 Number of Bedrooms among households over the age of 66 – North East Lincolnshire and Comparator Areas



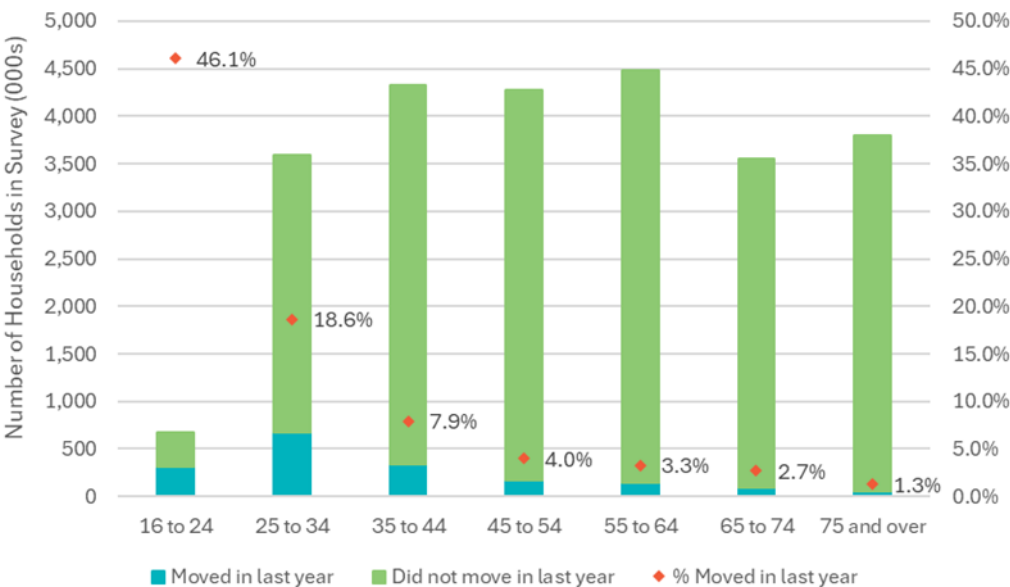
Source: Census (2021) RM059

10.58

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 10.10, the likelihood of moving house decreases with age. 2023/24 EHS data regarding elderly households

shows that the likelihood of moving each year is 46.1% for those aged 16 to 24, reducing to just 1.3% for those aged 75 and over.

Figure 10.10 Proportion of households who moved in the last year (2023/24) by age of Household Reference Person



Source: English Housing Survey (2023/24) – Table FA4121.

10.59 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

10.60 The SNHP 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). For the purposes of this HEDNA, this accommodation is referred to as 'C2' uses.

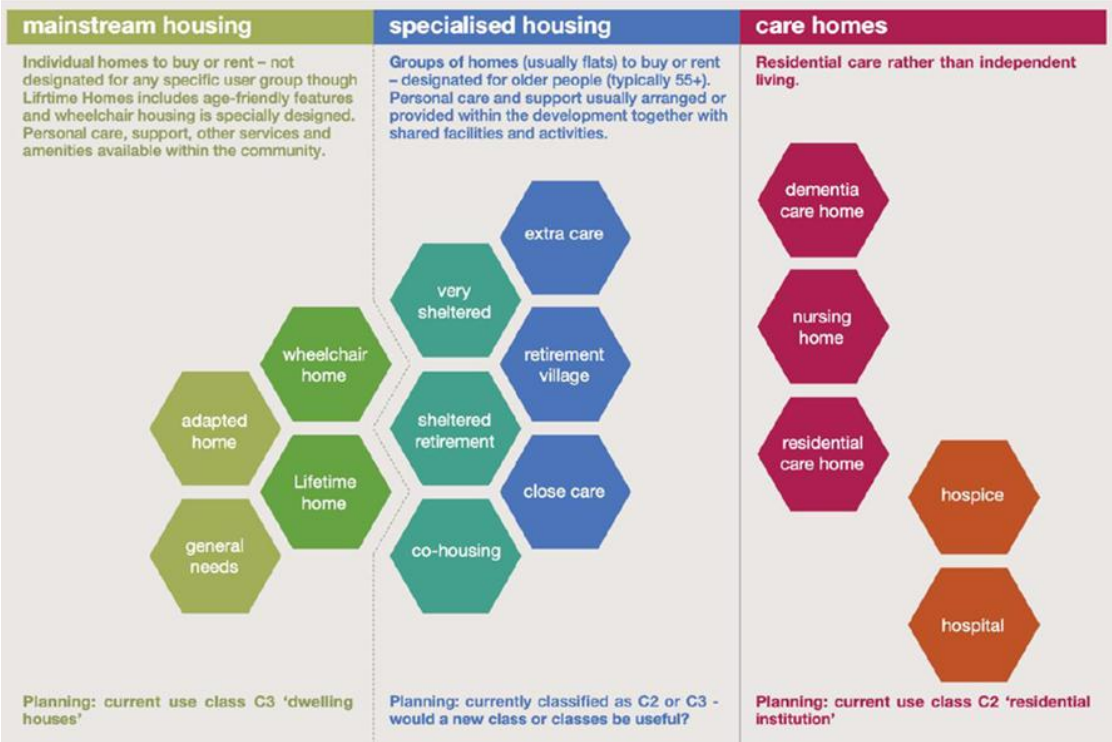
10.61 For planning purposes, some forms of housing which provide an element of care could also fall under C2 use, for example some of the numerous accommodation types falling under the term 'extra care housing'. However, as these may provide self-contained units for occupation by households, they are considered part of general housing needs, i.e. C3 for the purposes of assessing housing need in this HEDNA. These units meet the needs associated with households, and therefore are included within the LHN. Supply of these types of housing units can therefore be counted as housing supply against the LHN.

- 10.62 The PPG¹³⁰ 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.
- 10.63 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.”*
- 10.64 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.
- 10.65 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.
- 10.66 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 context¹³¹ with the diagram below illustrating the blurred lines between many products:

¹³⁰ PPG: 63-016a-20190626

¹³¹ Cambridge Centre for Housing and Planning Research (April 2021): *Understanding Supply, demand and investment in the market for investment housing communities in England*

Figure 10.11 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

10.67 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:

Figure 10.12 Different types of elderly accommodation



Source: Elderly Accommodation Council National Housing Database (2014)

- 10.68 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.¹³²
- 10.69 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). Key issues in determining the appropriate Use Class include the levels of care provided and the extent of shared facilities.
- 10.70 This issue was considered in the High Court case of *Rectory Homes v Secretary of State for Housing, Communities and Local Government*¹³³. 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

¹³² Cambridge Centre for Housing and Planning Research (April 2021): *Understanding Supply, demand and investment in the market for investment housing communities in England*

¹³³ (2020), EWHC2098 (Admin)

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.

- 10.71 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’.”

- 10.72 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 cases¹³⁴:

“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).

- 10.73 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 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].

- 10.74 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].

¹³⁴ Gravesham p. 146; Moore v Secretary of State for the Environment, Transport and the Regions (1998) 77 P and CR 114

Extra Care and Sheltered Accommodation (C3)

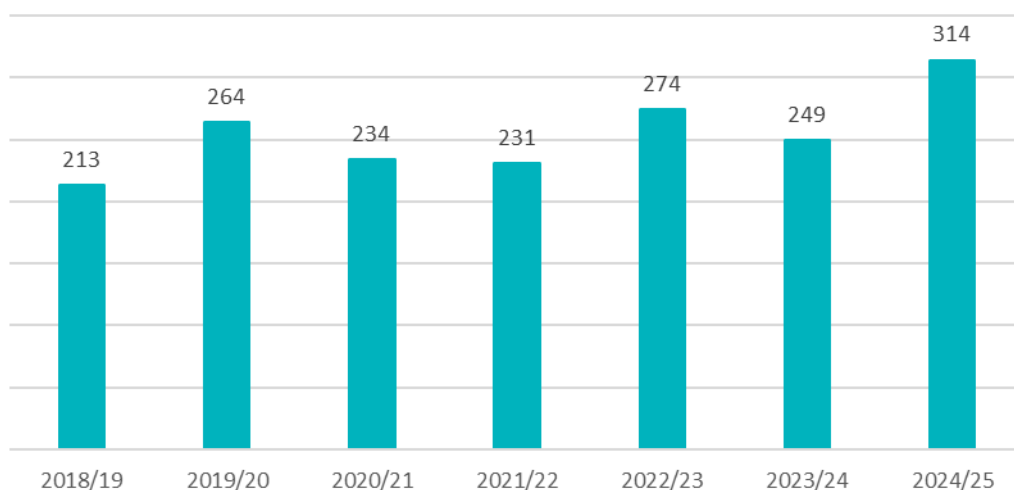
10.75 Collectively, Extra Care and Sheltered Housing specifically targeted at older households are referred to as ‘elderly housing’ for the purposes of this study. The PPG clarifies what type of evidence plan-makers need to consider when identifying the housing needs of older people:

“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”¹³⁵.

10.76 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.

10.77 Data for the years not included in the JSNA have been provided by the NHS Humber and North Yorkshire Integrated Care Board. The data shows that North East Lincolnshire had a total of 314 permanent admissions to residential and nursing care homes in the year to March 2025, up from 249 in 2023/24, 274 in 2022/23, and 101 admissions higher than in 2018/19.

Figure 10.13 New Admissions to Permanent Care in North East Lincolnshire (2019/19 – 2024/25)



Source: North East Lincolnshire Joint Strategic Needs Assessment (2021)

10.78 Based on our analysis, statistics published by the Elderly Accommodation Council¹³⁶ [EAC] show that the supply of specialist housing in North East Lincolnshire Borough is below the

¹³⁵ PPG: 63-004-20190626

¹³⁶ Statistics on specialist housing provision for older people in England – EAC (March 2015)

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 10.4 Current supply of elderly accommodation (specialist housing)

	Housing with support	Housing with care	All specialist housing units
<i>Supply per 1,000 residents age 75+</i>			
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
<i>Total number of units</i>			
North East Lincolnshire	1,421	60	1,481

Source: Elderly Accommodation Council (2015)

10.79 The level of provision in North East Lincolnshire Borough is also 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]¹³⁷, comprising 145 units of sheltered housing and 25 units of extra care per 1,000 people aged over 75.

10.80 Other data sources, such as that proposed by DLP in its report entitled “*The Older Persons Housing Needs Model* (April 2022), indicate even higher national standard ratios of 275 units of older persons accommodation per 1,000 people aged over 75 (comprising 202 sheltered housing and 73 Extra Care¹³⁸).

Current Need

10.81 There are currently 17,255 people over the age of 75 living in North East Lincolnshire (based on 2021 Census data trended forward to 2025 based on the MYE and the SM3 scenario), of whom 12,754 (73.9%) live in the Urban Area, 943 (5.5%) live in the Estuary Zone, 2,781 (5.9%) live in the Western and Southern Arc and the remaining 777 (4.5%) live in the Rural Area. Based on the EAC national rate of 139.2 specialised units per 1,000 residents over 75, this would equate to a need for **2,402** specialist units across the whole of North East Lincolnshire.

10.82 Table 10.5 illustrates this need by Spatial Zone, with 1,775 units needed in the Urban Area, 131 in the Estuary Zone, 387 units in the Western & Southern Arc, and the remaining 108 in the Rural Area.

¹³⁷ Extra Care housing – what is it in 2015? – HLIN (November 2015)

¹³⁸ The Older Persons Housing Needs Model (April 2022)

Table 10.5 Existing need for specialist C3 accommodation for older people in North East Lincolnshire Borough

Location	Population over 75 (2025)	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)	
Urban Area	12,754	Sheltered	123.0	139.2	1,569	1,775	125	170	1,594	2,168
		Extra Care	16.2		207		45		574	
Estuary Zone	943	Sheltered	123.0	139.2	116	131	125	170	118	160
		Extra Care	16.2		15		45		42	
Western & Southern Arc	2,781	Sheltered	123.0	139.2	342	387	125	170	348	473
		Extra Care	16.2		45		45		125	
Rural Area	777	Sheltered	123.0	139.2	96	108	125	170	97	132
		Extra Care	16.2		13		45		35	
North East Lincolnshire	17,255	Sheltered	123.0	139.2	2,122	2,402	125	170	2,157	2,933
		Extra Care	16.2		280		45		776	

Source: Lichfields analysis, based on Census 2021 Population data, EAC 2015. Totals may not sum due to rounding errors.

- 10.83 Alternatively, and based on the higher Housing LIN¹³⁹ 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 **2,933**. Splitting this need across the Spatial-Zones results in a need of 2,168 units in the Urban Area, 160 in the Estuary Zone, 473 in the Western & Southern Arc, and the remaining 132 in the Rural Area.

Current Supply

- 10.84 There are currently a number of specialist care facilities within North East Lincolnshire. A database of facilities produced by the Elderly Accommodation Counsel [EAC]¹⁴⁰, which is publicly available and provides a robust and reasonable baseline dataset, demonstrates that the supply of sheltered and retirement housing in North East Lincolnshire is below the national average, with 1,362 units at an average of **78.9 units per 1,000 residents aged 75+**, compared to the national average of 120.2 and the regional average of 123.0. This is shown in Table 10.6 which demonstrates that more than half, or 824 units (60.5%), are in the Urban Area with a further 404 (29.7%) located in the Western & Southern Arc. The Estuary Zone is particularly underprovided for, comprising 134 (9.8%) of total units, whilst the surrounding Rural Area has no units at all.
- 10.85 In terms of Extra Care housing, North East Lincolnshire fares particularly 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 **7.0 units per 1,000 residents aged 75+**, compared to the national average of 13.5 units across Yorkshire & The Humber and 16.1 across England.¹⁴¹

¹³⁹ 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"

¹⁴⁰ Statistics on specialist housing provision for older people in England – EAC (March 2015)

¹⁴¹ 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.

Table 10.6 Supply of elderly accommodation (specialist housing) for North East Lincolnshire Borough as of 2025

		Population aged 75+ (2025)	Units	Share of Units (%)	Per 1,000 population over 75
Retirement Homes / Close Care / Sheltered Housing	Urban Area	12,754	824	60.5%	64.6
	Estuary Zone	943	134	9.8%	142.2
	Western & Southern Arc	2,781	404	29.7%	145.3
	Rural Area	777	0	0.0%	-
	North East Lincolnshire	17,255	1,362		78.9
Age Exclusive / Sheltered Housing / Retirement Housing	Yorkshire & The Humber*	465,438	57,269		123.0
	England*	4,719,178	567,463		120.2
Assisted Living and Extra Care Housing	Urban Area	12,754	120	100.0%	9.4
	Estuary Zone	943	0	0.0%	-
	Western & Southern Arc	2,781	0	0.0%	-
	Rural Area	777	0	0.0%	-
	North East Lincolnshire	17,255	120		7.0
Housing with Care	Yorkshire & The Humber*	465,438	6,264		13.5
	England*	4,719,178	76,156		16.1

Source: Elderly Accommodation Counsel (EAC): National Database of Housing for Older People, August 2025

*EAC Stats December 2019 including units under construction – Population Data 2019 MYE. Newer data unavailable.

- 10.86 Based on the National EAC prevalence rate, Table 10.7 illustrates that this current supply suggests that there is a residual need for 760 additional Sheltered units in North East Lincolnshire with varying levels of residual need across each of the four Spatial-Zones. Table 10.7 illustrates that the Western & Southern Arc and the Estuary Zone can more than meet their own needs with an oversupply of 18 and 62 units respectively. On the other hand, the level of residual need for sheltered accommodation is much higher across the Rural Area (+96 units) and substantially higher across the Urban Area (+745 units).
- 10.87 Residual need for Extra Care units follows a similar pattern to that of Sheltered Accommodation albeit the need is relatively more evenly distributed. Table 10.7 illustrates a residual need of 15 Extra Care units in the Estuary Zone and 13 in the Rural Area, with the level of residual need increasing to 45 in the Western & Southern Arc and 87 in the Urban Area. The need is much greater if the higher HLIN National Standard is used.
- 10.88 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 10.7 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	1,569	+745	1,594	+770
	Extra Care	120	207	+87	574	+454
	Total	944	1,775	+831	2,168	+1,224
Estuary Zone	Sheltered	134	116	-18	118	-16
	Extra Care	0	15	+15	42	+42
	Total	134	131	-3	160	26
Western & Southern Arc	Sheltered	404	342	-62	348	-56
	Extra Care	0	45	+45	125	+125
	Total	404	387	-17	473	+69
Rural Area	Sheltered	-	96	+96	97	+97
	Extra Care	0	13	+13	35	+35
	Total	-	108	+108	132	+132
North East Lincolnshire	Sheltered	1,362	2,122	+760	2,157	+795
	Extra Care	120	280	+160	776	+656
	Total	1,482	2,402	+920	2,933	+1,451

Source: Lichfields Analysis. Totals may not sum due to rounding errors.

Emerging Need

- 10.89 Between 2025-2043, the number of residents aged 75 and over living in North East Lincolnshire is projected to increase by 7,856 or 45.5% under the SM3 scenario as modelled in PopGroup. Applying both the EAC and HLIN ratios to the net increase in residents suggests that between 2025 and 2043, the estimated need for elderly C3 housing units would be between 1,094 and 1,336 units in North East Lincolnshire.
- 10.90 Table 10.8 apports this need out by Spatial-Zone and illustrates that there is a need for elderly C3 housing units of between:
- 809 to 988 units in the Urban Area;
 - 59 to 73 units in the Estuary Zone;
 - 176 to 215 units in the Western & Southern Arc; and,
 - 49 to 60 units in the Rural Area.

Table 10.8 Specialist C3 Accommodation Required in North East Lincolnshire (2025 – 2043)

	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: 5,811 Additional Residents over 75	Sheltered	123.0	715	125	726
	Extra Care	16.2	94	45	261
	Total	139.2	809	170.0	988
Estuary Zone: 427 Additional Residents over 75	Sheltered	123.0	53	125	53
	Extra Care	16.2	7	45	19
	Total	139.2	59	170.0	73
Western & Southern Arc: 1,267 Additional Residents over 75	Sheltered	123.0	156	125	158
	Extra Care	16.2	21	45	57
	Total	139.2	176	170.0	215
Rural Area: 352 Additional Residents over 75	Sheltered	123.0	43	125	44
	Extra Care	16.2	6	45	16
	Total	139.2	49	170.0	60
North East Lincolnshire: 7,856 additional residents over 75	Sheltered	123.0	966	125	982
	Extra Care	16.2	127	45	354
	Total	139.2	1,094	170.0	1,336

Source: Lichfields analysis / 2015 EAC. Totals may not sum due to rounding errors.

- 10.91 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 it claims 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).
- 10.92 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.
- 10.93 Table 10.9 applies DLP's proposed national prevalence rates going forward as a sensitivity test and illustrates a potential emerging need over the next 18 years as high as 2,160 C3 sheltered / Extra Care units across North East Lincolnshire. Apportioning this to the four Spatial-Zones indicates an emerging need of up to:
- 1,598 units in the Urban Area;
 - 117 units in the Estuary Zone;
 - 348 units in the Western & Southern Arc; and,
 - 97 units in the Rural Area.
- 10.94 Most of this need would be Sheltered Accommodation rather than Extra Care.

Table 10.9 Specialist C3 accommodation required in North East Lincolnshire 2025 – 2043 (DLP Sensitivity)

	Type of Accommodation	DLP Rate	DLP Units Required (2025 – 2043)
Urban Area: 5,811 Additional Residents over 75	Sheltered	202	1,174
	Extra Care	73	424
	Total	275	1,598
Estuary Zone: 427 Additional Residents over 75	Sheltered	202	86
	Extra Care	73	31
	Total	275	117
Western & Southern Arc: 1,267 Additional Residents over 75	Sheltered	202	256
	Extra Care	73	92
	Total	275	348
Rural Area: 352 Additional Residents over 75	Sheltered	202	71
	Extra Care	73	26
	Total	275	97
North East Lincolnshire: 7,856 additional residents over 75	Sheltered	202	1,587
	Extra Care	73	573
	Total	275	2,160

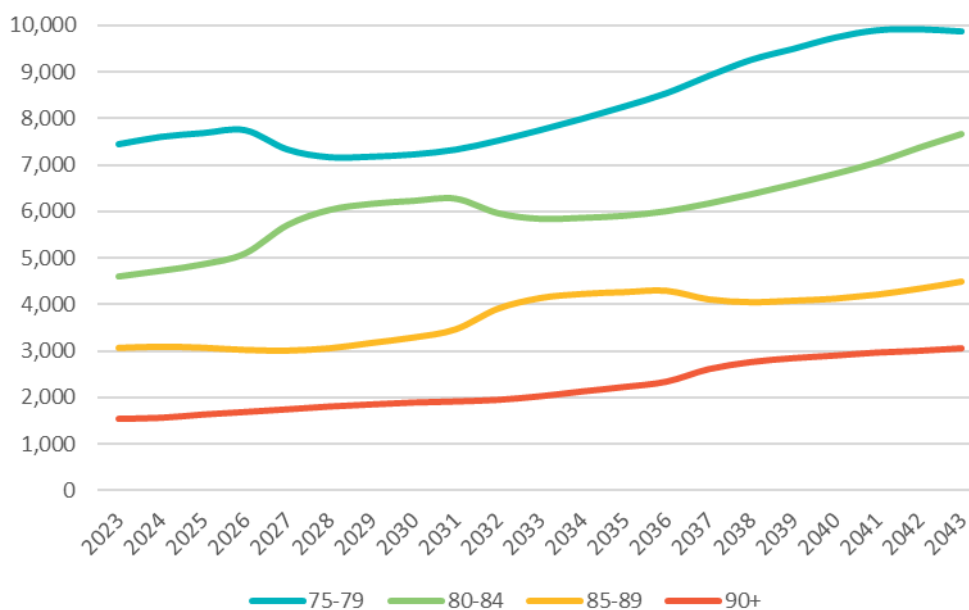
Source: Lichfields analysis / Census 2021 / DLP 2022. Totals may not sum due to rounding errors.

- 10.95 The figures in Table 10.8 and Table 10.9 do not consider the current undersupply in Sheltered / Extra Care accommodation summarised above for most areas.
- 10.96 When combined together, the current undersupply – plus the likely future net need – could range from **between 2,014 (1,094 + 920) and 2,787 (1,336 + 1,451)** across the whole of North East Lincolnshire. The level of undersupply by Spatial-Zone is between:
- 1,640 (809 + 831) and 2,212 (988 + 1,224) in the Urban Area;
 - 57 (59 - 3) and 99 (73 + 26) in the Estuary Zone;
 - 159 (176 - 17) and 284 (215 + 69) in the Western & Southern Arc; and,
 - 157 (49 + 108) and 192 (60 + 132) in the Rural Area.
- 10.97 The numbers would be commensurately higher if the proposed national prevalence rate used by DLP for determining future needs is applied.
- 10.98 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)

- 10.99 As noted above, the population over 75 years of age living in North East Lincolnshire is expected to increase by 7,856 (to 25,111) between 2025 and 2043 under the SM3 scenario as modelled in PopGroup. Growth is expected to be particularly high amongst the over 90s, an age group expected to grow by 1,419 residents, or 87.2%, over the next 18 years.

Figure 10.14 Projected change in population age 75+ in North East Lincolnshire – 2025-43



Source: Lichfields using PopGroup

- 10.100 The 2021 Census identified that there were 844 people over the age of 75 who were residents in communal establishments in North East Lincolnshire. 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 nursing¹⁴². 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.
- 10.101 The EAC accommodation database¹⁴³ indicates that there are currently 33 residential care homes based in North East Lincolnshire, of which 18 are located in the Urban Area, 11 in the Western and Southern Arc, three 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.
- 10.102 Table 10.10 indicates that these 33 residential care homes provide 1,302 bedspaces in total, across 1,191 rooms (with a number of shared spaces).
- 10.103 Similar analysis of the EAC database for summer 2025 indicates that there are also nine Nursing Homes¹⁴⁴ located in North East Lincolnshire, of which six are located in the Urban Area and one in each of the other three sub-areas. 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.

¹⁴² 2021 data split by type of establishment is not available at the time of writing

¹⁴³ [Residential care homes in North East Lincolnshire, Lincolnshire : HousingCare](#)

¹⁴⁴ 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.

These homes are for people who are physically or mentally frail or people who need regular attention from a nurse.

- 10.104 Table 10.10 indicates that these seven nursing homes provide 309 bedspaces in total, across 260 rooms (with a number of shared spaces). This means that of the 1,548 residents living in these care/nursing homes, 80% live in care homes without nursing, and the remaining 20% 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 nursing¹⁴⁵.

Table 10.10: Supply of residential care homes / nursing homes in North East Lincolnshire as of 2025

	Area	Population aged 75+ (2025)	Beds	Rooms
Residential Care Home	Urban Area	12,754	607	540
	Estuary Zone	943	108	108
	Western & Southern Arc	2,781	490	451
	Rural Area	777	34	29
	North East Lincolnshire	17,255	1,239	1,128
Nursing Home	Urban Area	12,754	209	199
	Estuary Zone	943	-	-
	Western & Southern Arc	2,781	-	-
	Rural Area	777	100	61
	North East Lincolnshire	17,255	309	260

Source: Elderly Accommodation Counsel [EAC]: National Database of Housing for Older People, August 2025

- 10.105 This projected rate of residents living in communal establishments has been applied to the SM3 scenario (re-based to the 2021 Census) to assess the future need for care home bedspaces. The projection shows that in 2025 there would be a need for 956 communal bedspaces for residents aged 75+, which is well below the 1,548 residential care home/nursing home bedspaces that are listed by EAC in the Borough in 2025. This implies (assuming all beds are occupied) that many of these beds are occupied by people under the age of 75.
- 10.106 Over the period 2025 to 2043, based on the SM3 scenario as modelled in PopGroup, there is projected to be a net increase of **435** 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 (22:78 split as per the 2021 Census) this would suggest a need to 2043 for a net additional:
- **96** bedspaces in care homes with nursing; and,
 - **339** bedspaces in care homes without nursing.

¹⁴⁵ Census 2021 Table TS048

Medical and Care Establishments (C2) for under 75s

- 10.107 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 provide this breakdown 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 10.11 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

- 10.108 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 2043 who are likely to require C2 nursing/care home accommodation, as shown in Table 10.12. 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.
- 10.109 This shows that there is likely to be only a modest change in the need for C2 accommodation for groups under 75. Collectively below the age of 75, there is estimated to be **a shortfall of 35 spaces going forward.**
- 10.110 This would bring the total need for care home spaces with and without nursing to **470 bedspaces**, in order to meet the need of those above and below the age of 75 (i.e. 435 + 35).

Table 10.12 Residents under 75 in need of C2 accommodation – North East Lincolnshire

	Net Change
0-15	-1
16-24	2
25-34	10
35-49	12
50-64	-3
65-74	15
Total	35

Source: Lichfields analysis / 2018-based SNPP rebased to 2021 Census / Census 2011

Adaptable and Accessible Homes

- 10.111 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.
- 10.112 In 2019/20 the English Housing Survey [EHS] produced a report on ‘Home Adaptations’¹⁴⁶. Its key findings included:
- 1.9m (8%) of all households have at least one person with a long-standing physical or mental health condition who said they required adaptations in their home;
 - Of these, 81% felt their current home was suitable for their needs, and 19% did not;
 - Households with a person under age 55 who required an adaptation were more likely to report that their accommodation was unsuitable (30%) than those in older age groups;
 - 17% of households with some under 55 who required an adaptation wanted to move to more suitable accommodation (i.e. more than half of the 30% who said their current home was unsuitable for their needs); and,
 - The proportion of those requiring adaptations who reported their accommodation was unsuitable ranges from 17% for owner-occupiers, 25% of private renters, 21% of housing association renters and 25% for local authority renters.
- 10.113 This demonstrates the broader scale to which housing needs of disabled people are continuing to go unmet in all tenures nationwide.
- 10.114 The PPG¹⁴⁷ 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.
- 10.115 The PPG¹⁴⁸ goes on to state 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].

¹⁴⁶ English Housing Survey Home Adaptations Report 2019/20¹⁴⁷ PPG ID: 63-002-20190626¹⁴⁸ PPG ID: 63-005-20190626

- 10.116 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: Visitable 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.
- 10.117 Based on their housing needs assessment and other available datasets, the PPG¹⁴⁹ 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 LPAs 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.
- 10.118 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).
- 10.119 The 2021 Census indicates that there were 26,041 owner occupiers aged 65 and over in North East Lincolnshire. Of this number, 14.4% (3,757) had a long-term health problem or disability [LTHPD] which limited their day-to-day activities a lot and a further 17.9% (4,672) with a long-term health problem or disability which limited their day-to-day activities a little. This equates to almost a third (32.4%) of all owner-occupiers.
- 10.120 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). 43.9% 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 56.1% for those older residents living in social rented accommodation. **In total, 35.8% of all of North East Lincolnshire’s residents aged 65 and over have a long-term health problem or disability.**
- 10.121 Table 10.13 shows that this figure is slightly above both the regional (35.2%) figure and national (33.8%) rate.

¹⁴⁹ PPG ID: 56-007-20150327

Table 10.13 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+)	26,041	3,433	2,373	799,724	147,933	64,347	8,149,810	1,333,262	633,072
Day-to-day activities limited a lot	3,757	1,093	571	109,541	44,938	13,009	1,067,311	385,875	119,149
	14.4%	31.8%	24.1%	13.7%	30.4%	20.2%	13.1%	28.9%	18.8%
Day-to-day activities limited a little	4,672	832	471	142,463	33,828	12,715	1,427,338	295,214	119,945
	17.9%	24.2%	19.8%	17.8%	22.9%	19.8%	17.5%	22.1%	18.9%
Total with LTHPD	35.8%			35.2%			33.8%		

Source: Lichfields based on 2021 Census. *For the purposes of the Census this includes owned outright, owned with a mortgage/loan and shared ownership.

- 10.122 The number of single households over the age of 65 which contain at least 1 person with an LTHPD in North East Lincolnshire stood at 41.8% (4,197), in line with the regional rate of 41.5% but slightly above that across England of 39.7%. In terms of couples/other households over the age of 65+, 47.0% of these households contain at least 1 person with an LTHPD in North East Lincolnshire – above both the regional (45.6%) and national (42.7%) rates (see Table 10.14).

Table 10.14 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+	10,030	5,833	4,197	41.8%	41.5%	39.7%
Couple/Other 65+	8,681	4,605	4,076	47.0%	45.6%	42.7%

Source: Lichfields based on 2021 Census.

- 10.123 As set out above, older households are expected to make up the vast majority of the future household growth in North East Lincolnshire with single and couple/other households aged 65 and above accounting for 65.4% of growth to 2043. Applying the assumption (based on Census data) that around 44% of these households will have at least 1 person with a LTHPD, this would equate to c.28.9% of all future household growth in the Borough, as shown in Table 10.15.

Table 10.15 Estimated growth in older households with LTHPD in North East Lincolnshire to 2042

	As a % of total change 2025-43	Estimated Future households with LTHPD
Single Person 65+	35.2%	41.8%
Couple/Other 65+	30.2%	47.0%
Others	34.6%	-
Total	100%	28.9%

Source: Lichfields based on PopGroup SM3 modelling / Census 2021

- 10.124 Whilst this would, taken at face value, suggest that there is a significant need for adaptable and accessible homes, the Council 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.
- 10.125 On the basis of the above, with up to 30% 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.30% 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).
- M4(3) – Wheelchair user dwellings**
- 10.126 The PPG¹⁵⁰ states that:
- “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.”*
- 10.127 In this context, the need for wheelchair accessible homes has only been assessed in reference to the affordable sector.
- 10.128 Data from the Housing Register for North East Lincolnshire shows that of the households in Priority Need (Bands 1-3), 13.6% of households required adaptations to be made to their social accommodation to enable them to live in it. The figure falls to 7.5% if this was expanded to include all households on the Housing Register (including Band 4).

¹⁵⁰ PPG: ID: 56-009-20150327

- 10.129 However, not all households on the waiting list will need to move due to the need for wheelchair accessibility, similarly not all people with a LTHPD will need to be in a home which is wheelchair accessible.
- 10.130 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.
- 10.131 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.
- 10.132 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.
- 10.133 PIP is replacing the Disability Living Allowance [DLA] for most adults¹⁵¹ 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 10.16.
- 10.134 This demonstrates that 79.7% of all PIP claimants are claiming either for enhanced or standard mobility issues, at 10,488 claimants, a significant increase from the 7,866 claimants reported in January 2023 (see Table 10.16 in the 2023 HEDNA for a comparison).

Table 10.16: PIP claimants by mobility award– North East Lincolnshire April 2025

	Total	%
Mobility Award – Enhanced	6,542	49.7%
Mobility Award – Standard	3,946	30.0%
Mobility Award – Nil	2,677	20.3%
Total	13,165	100%

Source: stat-xplore.dwp.gov.uk/

- 10.135 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.
- 10.136 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 report provides information at a national and regional level, although more weight is given to the national data.

¹⁵¹ Claimants still keep receiving DLA if they are under 16 or they were born on or before 8th April 1948

- 10.137 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 that for the Yorkshire and The Humber, the proportion of all households that were 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 adapted properties, around 13% of the total. This figure fell to 11% for Yorkshire and the Humber.
- 10.138 Applying these figures to the SM3 projections for the Borough indicates a current unmet need for 205 wheelchair accessible homes, rising by another 277 by 2043. This would equate to circa 4.3% of identified future housing need based on the SM3.

Table 10.17 Estimate of future wheelchair need across North East Lincolnshire Borough (2025 to 2043)

North East Lincolnshire	Current Need	Projected Need (2025 to 2043)	Total
LHN (622 dpa)	205	277	482 (27 p.a.)

Source: Household Projections based on Standard Method /Habinteg Prevalence Rates

- 10.139 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 renters¹⁵². This evidence should be considered when formulating Local Plan policies in respect of the proportion of homes in different tenures which should be developed.
- 10.140 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. The Council should keep the Housing Register under review, and if possible, collect information on whether a household specifically needs a wheelchair accessible dwelling.

Self-build and custom build

- 10.141 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.
- 10.142 Paragraph 63 of the NPPF requires LPAs to plan for a mix of housing for people wishing to commission or 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.”¹⁵³*
- 10.143 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

¹⁵² English Housing Survey 2018-19, Adaptions and accessibility factsheet¹⁵³ PPG ID: 57-011-20210208

Register¹⁵⁴. 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 [NPPF24 footnote 28].

- 10.144 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 area¹⁵⁵. 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 agents¹⁵⁶.
- 10.145 In the context of North East Lincolnshire, as of the end of October 2024, the Council had **52 individuals and 5 groups on the register**. Of these, 3 individual applications for the register were made in the October 2023-October 2024 monitoring period, with 11 planning permissions for serviced plots suitable for self-build granted in this time.
- 10.146 It is understood that NELBC Officers have written to everyone currently on the register in an attempt to 'cleanse' the entries, i.e. to remove those who have completed dwellings or are no longer seeking to self build. Unfortunately, the response has been poor. The number on the register may therefore not be accurate reflection of self-build need.
- 10.147 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 Council 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 the Council should consider the provision of self-build plots as a part of its overall housing mix in the Local Plan.

Service Families

- 10.148 The Council 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.
- 10.149 By re-signing the Covenant, the Council 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.

¹⁵⁴ PPG ID: 57-001-20170728

¹⁵⁵ PPG ID:57-011-20210208

¹⁵⁶ PPG ID: 67-003-20190722

- 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 Council 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.

10.150 There are currently no military bases in North East Lincolnshire, whilst the Council Tax Base Statistics for 2024 identifies that there is no armed forces' accommodation in the Borough. Furthermore, the Ministry of Defence's [MOD] Annual Personnel Location Statistics for April 2024 indicates that there are currently no military or civilian personnel stationed in the Borough.

10.151 **It is therefore considered that at the current time, there is no need to identify any specific requirements for Service Families in the Borough.**

Children Looked After & Care Leavers

10.152 Children Looked After [CLA] are children or young people who are being cared for by a Local Authority, be it through foster care, residential children's and young adults' homes or living in residential settings like schools or secure housing units. There are numerous reasons for children requiring care such as parents not being capable, intervention by children's services to prevent children from risk of harm, or children seeking asylum, also known as Unaccompanied Asylum-Seeking Children [UASC].

10.153 The latest statistics on CLA show that there were 469 children being looked after in North East Lincolnshire as of the 31st March 2024 at a rate of 141 per 10,000, with 252 or 53.7% of these being under the age of 16¹⁵⁷. This is lower than 4 years ago, in 2020, when there were 572 CLA at a rate of 171 per 10,000, but remains high compared to the regional and national comparators with 80 CLA per 10,000 regionally and 70 per 10,000 nationally. 359 CLA in North east Lincolnshire were in foster placements, 47 in secure homes and children's homes, and 13 CLA in the Borough were UASC as of March 2024.

10.154 The Council's latest *Children in Care and Care Leavers Sufficiency Strategy 2024-2027* was updated in March 2025 and sets out the Council's view on how to plan for future CLA needs. It states that despite the Council being an outlier in terms of regional and national comparators, there is a consistent trend in recent years of more children leaving care than entering it, and the aim is to reduce the number of children in care to around 400 during the 3-year period covered by the strategy.

10.155 The Council's key ambitions are:

- to reduce the overall number of children in care;

¹⁵⁷ DfE (2025): Statistics: looked-after children <https://www.gov.uk/government/collections/statistics-looked-after-children>

- to ensure that children in care grow up in stable homes with a loving family, close to their birth family and community;
- That the Council's own foster carers and residential settings provide the majority of the required placement capacity within the local area;
- That the Council has an adaptable post 16 accommodation and support offer for older children-in-care and care leavers; and
- That the Council develops and delivers a flexible accommodation offer for Care Leavers to access post 18 years old.

10.156 In terms of how these ambitions are being achieved, the current number of children in the Council's care is currently **438** (as at 31/03/25). This means that NELC is on track to reduce the number of children in its care to 400 by the end of March 2027.

10.157 Furthermore, the number of children who are placed in foster care or kinship care continues to increase, with over 74% of children (including those children placed for adoption or in early permanence) now in foster care or kinship care. Furthermore, around 55% of children in the Council's care are placed within in-house provision, which is continuing to improve. This performance increases to around 65% when factoring in children who are placed with their parents.

10.158 Regarding Placement type, the *Children in Care and Care Leavers Sufficiency Strategy 2024-2027* provides a Table (reproduced below) as an indication as to what the high-level placement mix might look like if the Council's plans and strategies come to a successful fruition over the next 3 years. The figures in the final column provide the actual figures at March 2025:

Table 10.18: Placement Type

Provision Type	Children in Care (500)	Provision Type by % (Mar 24)	Children in Care (400)	Provision Type by % (Mar 27)	Children in Care (438)	Provision Type by % (Mar 25)
Own Provision	267	53%	267	67%	238	54%
Private Provision	156	31%	83	21%	129	30%
Other Provision	77	15%	50	13%	71	16%

Source: *Children in Care and Care Leavers Sufficiency Strategy 2024-2027* (2025)

10.159 The Strategy sets out its key delivery areas for Sufficiency of Children in Care. Progress has been made on a number of key targets in this regard:

- Number of children entering care in 24/25 was 97, this is a reduction on the 102 who entered care in 23/24;
- In 2023-24 there were 144 children exiting care, this has reduced to 86 in 2024-25;
- In 2023-24 there were 49 children exiting care to be reunified with family, this has reduced to 15 in 2024-25;

- In March 25 the average days in care for children in the Council's care was 1,593, this is an increase from 1,446 in March 2024.

- 10.160 As outlined in the Council's Children Services Strategy 2022/25, the Council's overarching aim is to keep children and young people with their families and where that is not possible that that suitable foster placements are sought. Where children and young people have to be accommodated in a residential setting it is important that there is sufficient residential placements in North East Lincolnshire for them.
- 10.161 In March 2023 the Council was visited by a National Implementation Adviser for Care Leavers from the Department for Education, who reviewed the Council's operational model, the local offer and feedback from care leavers. It was acknowledged that housing for care leavers is one of the Council's biggest challenges. In discussions with the Council it was highlighted that there is currently only private provision of housing for care leavers on offer, which can also have preventative affordability requirements. The advisor also identified that the housing offer was not known by staff and care leavers, with little in the way of a centralised joined-up approach to accommodating young people as they leave care.
- 10.162 Several recommendations were made, including developing the specific offer to care leavers over 21yrs with a focus on UASC, care leavers entering and leaving custody and care leavers as parents.
- 10.163 A Children's Services Accommodation Strategy shared with Lichfields sets out the specific requirements for conversion of residential dwellings to allow for sufficient placements as set out in Table 10.19.

Table 10.19 Children's Services Housing Requirements

Additional Property requirements	Number of Properties Required	Increase in Residential Bed Provision
CHAD Respite/Decant	1	n/a
Specialist mental health (2-bed)	1	2
Parent & Baby (4-bed)	1	4
Pre-teen residential (3-bed)	2	6
Teenage residential units (4-bed)	6	24
Total	12	40

Source: NELC

- 10.164 The strategy identifies a requirement for 12 residential dwellings to be acquired for CLA and Care Leaver housing, increasing provision by 40 beds. The Strategy further sets out plans to develop a Young Person's, Children and Family Accommodation and Support Gateway.
- 10.165 It states:
- "This delivery model will manage supported accommodation for young people and vulnerable families who present with housing needs. The Gateway will be a collaboration between the Council's Children's Services and Housing Services and will act as the single point of entry into accommodation and support services for young people, regardless of the legal duty which is owed to them."*

The service will provide supported accommodation, for young people and families such as small, shared houses with 24-hour support, larger hostels, and independent flats in the community with lower-level support.

The Gateway will provide a consistent pathway into settled accommodation. By allowing visibility of all supported accommodation, it will broaden choice and increases the chance that young people will be placed in the accommodation most appropriate to their needs.”

11.0 Forward Housing Trajectory and Potential Phasing of Delivery

11.1 The adopted North East Lincolnshire Local Plan includes a stepped trajectory within Policy 2: The Housing Requirement, which commits to satisfying the full LHN requirement over the plan period, but reduces the delivery expectation in earlier years to account for market conditions and the difficulties in bringing forward key sites.

11.2 To determine whether a stepped requirement continues to be appropriate for North East Lincolnshire, there are several factors to consider according to the PPG:

“A stepped housing requirement may be appropriate where there is to be a significant change in the level of housing requirement between emerging and previous policies and / or where strategic sites will have a phased delivery or are likely to be delivered later in the plan period. Strategic policy-makers will need to identify the stepped requirement in strategic housing policy, and to set out evidence to support this approach, and not seek to unnecessarily delay meeting identified development needs. Stepped requirements will need to ensure that planned housing requirements are met fully within the plan period. In reviewing and revising policies, strategic policy-makers should ensure there is not continued delay in meeting identified development needs.

Where there is evidence to support a prioritisation of sites, local authorities may wish to identify priority sites which can be delivered earlier in the plan period, such as those on brownfield land and where there is supporting infrastructure in place e.g. transport hubs. These sites will provide additional flexibility and more certainty that authorities will be able to demonstrate a sufficient supply of deliverable sites against the housing requirement.”¹⁵⁸

11.3 This suggests that where there is a significant jump in housing requirements from previous policies, or where strategic sites are unlikely to deliver housing in the early part of a local plan period, a stepped trajectory may be an appropriate policy tool.

11.4 Wirral Council, in its Local Plan adopted on 31st March 2025, rely on a stepped housing requirement in Policy WS1, rising from 500 dwellings in 2022/23 to 2,043 dwellings for 2038/39-2039/40. This approach was accepted by the Inspector, who agreed with the logic given around the phasing of brownfield sites and alignment with the PPG guidance:

“Framework paragraph 68.b) envisages that there may be scenarios where it is legitimately not possible to identify broad locations for growth for years 11-15 of a plan. An annual housing figure of 800 dwellings over 5 years would indicate something in the order of 4,000 dwellings in that respect. That only 11,814 dwellings are, in our view, presently demonstrably deliverable or developable is not critical to the Plan’s overall soundness.

¹⁵⁸ Paragraph: 012 Reference ID: 68-021-20190722 Revision date: 22 07 2019

The Plan looks towards a significant change in the level of housing requirement relative to previous policies. A stepped trajectory is consistent with the premise upon which the Plan is founded, i.e. gaining momentum and improving development viability where previous plans have failed to achieve those objectives. ***Many strategic sites will inevitably deliver in phases or later in the plan period.*** Those are examples given in the PPG of circumstances where a stepped housing requirement may be appropriate (PPG Reference ID: 68-021-20190722).

In our view it would be logical for the Plan to incorporate a stepped trajectory starting at 500dpa for years 0 to 5 (2022/23 to 2027/28), rising to 850dpa for years 6 to 10 (2028/29 to 2032/33) and thereafter rising to 1,025 to meet the full requirement in the remainder of the plan period (years 11 to 17 being 2033/34 to 2039/40).¹⁵⁹

- 11.5 Similarly, The Places for Everyone joint development plan, which covers nine of the ten Greater Manchester Council's and was adopted in March 2024, includes a stepped housing requirement in Policy JP-H1. The main justification given is that delivery trends were significantly affected by the Covid-19 pandemic, leading to uncertainty within the housing sector in the short-term, as well as the difficulties of bringing forward brownfield sites in urban areas (see paragraphs 7.16-7.19 of PpE).
- 11.6 Again, this approach and the justification given was accepted by the Inspector:
- "In most cases this is justified and consistent with national policy guidance based on evidence showing that the proposed annual average delivery rate for each district would represent a significant increase (over 30%) compared to previous policies, and/or that a large proportion of supply (over 30%) is expected to come from strategic allocations in the Plan and/or large sites identified through its housing land availability assessment."¹⁶⁰*
- 11.7 Based on these justifications, there are several factors relevant to future housing delivery in North East Lincolnshire which may justify a stepped requirement:
- North East Lincolnshire's housing need is set to jump to 622 under SM3, which represents a 21.5% increase on the requirement of 512 dpa in the adopted Local Plan, and a 64.1% increase on the average net delivery figure of 375 dpa.
 - Net completions have only exceeded 500 dpa once in the past 12 years (in 2021/22), largely due to issues in bringing brownfield sites forward for development.
 - As acknowledged in the Greater Lincolnshire Housing Pipeline Evidence Base [GLHPEB] (March 2025), there is a limited 5YHLS in NE Lincs (3.6 years in 2024/25¹⁶¹), but NE Lincs has the largest long-term (year 6 onwards) pipeline in Greater Lincolnshire, with 9,416 dwellings or 15 years' worth of supply.
 - In particular, Weelsby Hall Farm (HOU074B) and Grimsby West Urban Extension (HOU342) which collectively are allocated for 4,747 dwellings in the adopted Local Plan are not expected to deliver housing within the next five years according to the GLHPEB (see page 77).

¹⁵⁹ Wirral Local Plan 2022-2040 Inspector's Report (13/03/25) – paragraph 438-441, emphasis Lichfields

¹⁶⁰ Places for Everyone Inspector's report (14/02/24) – paragraph 784

¹⁶¹ NELC (2025): Five Year Housing Land Supply Assessment June 2025

- There are viability and land assembly issues with several sites (such as in Grimsby Town Centre) that will likely require public sector intervention, complex mitigation and momentum to gather before they come forward. For example, the regeneration of Alexandra Dock is considered by the Council to have significant potential for the revitalisation of Grimsby and the town centre and could be the catalyst for future development. The Council is committed to the project and has already invested into the area by acquiring land and buildings, undertaking survey work, engaging with the community and preparing an overarching masterplan for the wider area. In addition, the Council has received substantial investment from Homes England in the form of the new Town Deal to support these initiatives and is preparing a Strategic Regeneration Framework [SRF] which will have the full support from landowners, stakeholders and the Council and will guide future development proposals therein.

11.8 These factors should be taken into consideration by the Council before coming to a view on whether a stepped or phased trajectory would be appropriate, mindful that the 622 dpa SM3 requirement must be delivered in full over the course of the Plan period.

12.0 **Commercial Property Market Signals and Intelligence**

Introduction

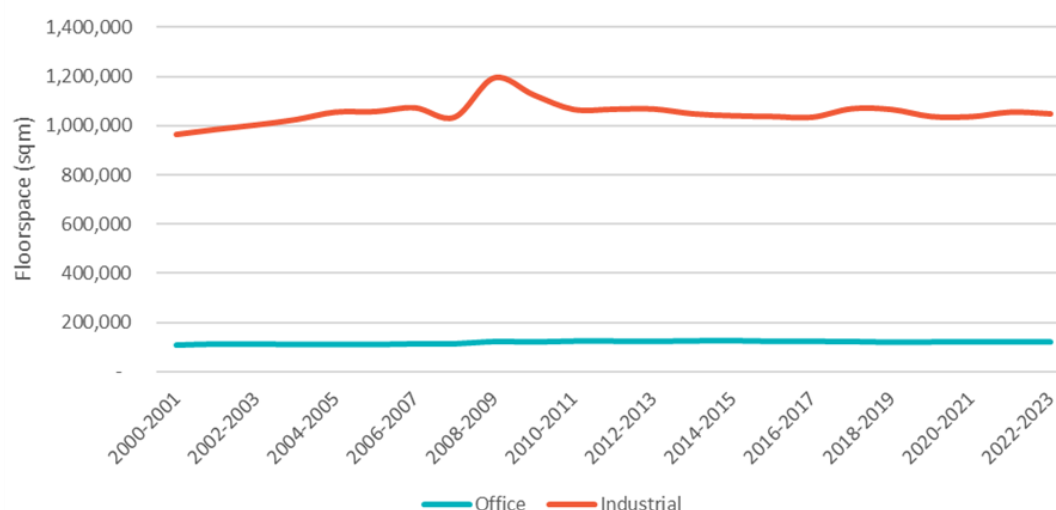
- 12.1 This section provides an overview of the current stock of employment space in the Borough, while also summarising latest trends and changes to the supply of this employment space. The amount of employment land and floorspace has been considered across the three main types of employment uses (i.e., office [E(g)(i)(ii)], manufacturing [E(g)(iii)/B2], and warehousing & distribution [B8]).
- 12.2 It then provides an overview of the property market from a national and local perspective. It looks at the key office and industrial employment locations in the Borough and provides a view on rents and land values. This has been informed by a review of market trends and secondary data, as well as consultations with several stakeholders such as commercial agents and developers active in the Borough and the wider area. This section also provides additional information from the stakeholder discussions.
- 12.3 This analysis uses data from the following sources:
- 1 Commercial floorspace data from the ONS and various datasets from the Valuation Office Agency [VOA];
 - 2 Monitoring data on commercial space from North East Lincolnshire Council;
 - 3 CoStar commercial property data; and,
 - 4 Discussions with a number of local agents and other commercial stakeholders.

Employment Space

- 12.4 Figure 12.1 and Table 12.1 show data on industrial and office floorspace from the VOA. In total, North East Lincolnshire has approximately 1.17 million sqm of employment floorspace, of which approximately 89.6% comprises factories/warehouses and 10.4% offices. Table 12.1 shows that over the period 2000/01 to 2022/23, commercial office space in North East Lincolnshire increased by around 14,000 sqm or 13.1% to reach approximately 121,000 sqm. However, this remains below the period peak of 127,000 sqm in 2014/15. In comparison, Yorkshire and The Humber, and England and Wales saw increases in office floorspace of 14.6% and 4.4% respectively over the same period.

- 12.5 Between 2000/01 and 2022/23, the total amount of industrial floorspace increased by 85,000 sqm or 8.8% to approximately 1.05 million sqm compared with a modest rise of 0.1% across Yorkshire and The Humber as a whole and a decline of -2.1% in England and Wales. The current floorspace across the Borough remains below that of the period peak of 1.2 million sqm in 2008/09 but above the period low of 963,000 sqm in 2000/01.

Figure 12.1 Stock of Employment Floorspace 2000-2023



Source: Valuation Office Agency (2024): NDR Floorspace Tables

Table 12.1 Growth in Employment Floorspace (2000/01 – 2022/23)

	Office			Industrial		
	Floorspace (sqm)	Change (2001-2023)	% Change (2001-2023)	Floorspace (sqm)	Change (2001-2023)	% Change (2001-2023)
North East Lincolnshire	121,000	14,000	13.1%	1,048,000	85,000	8.8%
Yorkshire and The Humber	6,457,000	823,000	14.6%	41,969,000	33,000	0.1%
England and Wales	83,070,000	3,529,000	4.4%	337,762,000	-7,170,000	-2.1%

Source: Valuation Office Agency (2024): NDR Floorspace Tables

- 12.6 Furthermore, the overall distribution of office and industrial floorspace has remained consistent over the period with office floorspace comprising 10.0% of total floorspace in 2000/01, peaking at 10.9% in 2014/15 and subsequently falling to 10.4% of total employment floorspace in 2022/23.

Spatial Distribution

- 12.7 Commercial property market data from CoStar provides insight on industrial and office floorspace. CoStar is an online commercial property database maintained by a team of market researchers which tracks in detail properties that appear on the market. Whilst this means that CoStar does not capture 100% of properties and floorspace as tracked by the

VOA, it is considered as relatively accurate for larger properties and provides insight and market analysis that would not otherwise be available.

- 12.8 Table 12.2 gives an indication of the spatial distribution of properties and floorspace across the four sub-areas of North East Lincolnshire. In terms of office space, there are a total of 244 office units across North East Lincolnshire with 79.5% (194 units) of office units located in the Urban Area. The Estuary Zone has the second highest with 12.7% (31 units) of the total office stock. The remaining stock includes 18 units (7.4%) distributed across the Western and Southern Arc and just a single unit (0.2%) in the Rural Area.
- 12.9 This trend remains consistent when analysing the amount of floorspace across the Spatial-Zones. 114,659 sqm or 72.5% of office floorspace is within the Urban Area however, relative to the number of units in the Estuary Zone, the share of floorspace is almost double at 22.9% (36,196 sqm) suggesting that of the 31 offices units that are in the Estuary Zone many of them are relatively large.
- 12.10 Conversely, the Western and Southern Arc accounts for just 4.4% (7,000 sqm) of office floorspace compared to 7.4% of units indicating many of the 18 units are relatively small in size. The single 356 sqm office unit in the Rural Area comprises just 0.2% of total office floorspace.
- 12.11 Regarding industrial floorspace, there are a total of 505 industrial units across North East Lincolnshire which continues to demonstrate a similar distribution to that of the Borough's office stock. 341 or 67.5% of all industrial properties are in the Urban Area with a further 131 or 25.9% located across the Estuary Zone. CoStar identifies a total of 28 industrial properties across the Western and Southern Arc Spatial-Zone comprising 5.5% of total industrial stock. Like the distribution of office stock, there are just three industrial properties within the Rural Area comprising just 0.4% of the Borough's industrial stock.
- 12.12 Overall, the Urban Area (71.4%) and Estuary Zone (21.6%) account for over 90% of employment properties and over 95% of total employment floorspace (52.1% in the Urban Area and 44.2% in the Estuary Zone) in the Borough. The Western and Southern Arc accounts for 6.1% of all employment properties compared to just 3.4% of employment floorspace whilst the Rural Area provides just 0.5% of employment properties and 0.3% of employment floorspace.

Table 12.2 Office and Industrial properties and floorspace by spatial-zone (2025)

	Estuary Zone	Rural Area	Urban Area	Western and Southern Arc	Total
Office					
Properties	31	1	194	18	244
Properties (%)	12.7%	0.4%	79.5%	7.4%	100.0%
Floorspace	36,196	356	114,659	7,000	158,211
Floorspace (%)	22.9%	0.2%	72.5%	4.4%	100.0%
Industrial					
Properties	131	3	341	28	505
Properties (%)	25.9%	0.6%	67.5%	5.5%	100.0%
Floorspace	475,390	2,660	488,160	32,318	998,527
Floorspace (%)	47.6%	0.3%	48.9%	3.2%	100.0%
Total					
Properties	162	4	535	46	749
Properties (%)	21.6%	0.5%	71.4%	6.1%	100.0%
Floorspace	511,586	3,016	602,819	39,318	1,156,738
Floorspace (%)	44.2%	0.3%	52.1%	3.4%	100.0%

Source: CoStar analysis (September 2025) / Lichfields Analysis

Quality of Premises

- 12.13 CoStar's star rating system uses market-tested criteria which allows for analysis of the quality of existing office and industrial stock. CoStar's criteria take account of architectural design, structures/systems, amenities, site/landscaping/exterior, and certifications. This analysis defines low quality properties as those rated 1-2 stars, average quality properties as those rated 3-stars and high quality properties as those rated 4-5 stars.
- 12.14 Table 12.3 presents a breakdown of office and industrial properties in North East Lincolnshire by star rating against the regional comparator. The data indicates that the Borough's stock is heavily skewed towards lower-quality office premises, with 1- and 2-star premises accounting for 59.8% of total office stock. This is a higher share of lower quality premises than can be found across Yorkshire and The Humber region (49.9%). 39.3% (96 properties) of office properties are of average quality compared to 47.6% across Yorkshire and The Humber. Furthermore, it is notable that just 0.8% of office stock across North East Lincolnshire is of very high quality compared to 2.5% across the region.
- 12.15 The table also illustrates the quality of industrial properties across North East Lincolnshire. Relative to the share of low-quality office space, the Borough has a lower – though still notable – share of low-quality industrial space. Of the industrial properties, 62.2% or 314 properties are of low quality compared to just 45.9% across Yorkshire and The Humber. There are 190 properties rated average in quality comprising a further 37.6% of industrial properties compared to 51.2% across the region. Also notable is the fact that CoStar identifies just one high quality industrial property in North East Lincolnshire – a 1,440 sqm unit at Stallingborough Business Park, Kiln Lane comprising just 0.2% of all industrial properties across North East Lincolnshire. This compares to 2.7% region-wide.

Table 12.3 Quality of Properties in North East Lincolnshire and Yorkshire and The Humber

	North East Lincolnshire		Yorkshire and The Humber
	Properties	%	%
Office			
1 - 2 Star	146	59.8%	49.9%
3 Star	96	39.3%	47.6%
4 - 5 Star	2	0.8%	2.5%
Industrial			
1 - 2 Star	314	62.2%	45.9%
3 Star	190	37.6%	51.2%
4 - 5 Star	1	0.2%	2.9%
Total			
1 - 2 Star	460	61.4%	47.5%
3 Star	286	38.2%	49.8%
4 - 5 Star	3	0.4%	2.7%

Source: CoStar Analysis (September 2025) / Lichfields Analysis

- 12.16 CoStar also facilitates an analysis of quality distribution across North East Lincolnshire by Spatial-Zone. Most of the office properties in the Urban and Rural Areas area are relatively low quality units, constituting 126 or 64.9% of office stock in the Urban Area and 100% of the office stock in the Rural Area although this does comprise just a single property. A further 12 office properties comprise 38.7% of total office stock in the Estuary Zone with a further 7 or 38.9% comprising the Western and Southern Arc.
- 12.17 Most of the office space in the Estuary Zone (61.3% or 19 properties) consists of average quality and the Western and Southern Arc (61.1% or 11 properties) compared to just 34.0% of office stock in the Urban Area. Across all four spatial-zones there were just two high quality office properties (4-and-5 star) located in the Urban Area – the Cartergate House in the St James area and Westgate Park to the north of West Marsh.¹⁶²
- 12.18 Regarding industrial properties, the distribution is comparable to that of North East Lincolnshire's office stock however industrial properties are generally of a lower quality. Most industrial properties in the Rural Area, Urban Area and Western and Southern Arc are all low-quality units comprising 100% (3 properties), 69.8% (238 properties), and 53.6% (15 properties) of the Spatial-Zones' respective industrial stock.

¹⁶² Please note that there are also 18 new offices within St James House located in the St James area which are understood to be fully let at the time of writing. However, they were not noted in the analysis above as they are rated by CoStar as 3-star quality.

Table 12.4 Quality of Properties by Spatial-Zone in North East Lincolnshire (2025)

	Estuary Zone		Rural Area		Urban Area		Western & S'thn Arc	
	Properties	%	Properties	%	Properties	%	Properties	%
Office								
1 - 2 Star	12	38.7%	1	100.0%	126	64.9%	7	38.9%
3 Star	19	61.3%	0	0.0%	66	34.0%	11	61.1%
4 - 5 Star	0	0.0%	0	0.0%	2	1.0%	0	0.0%
Industrial								
1 - 2 Star	57	43.5%	3	100.0%	238	69.8%	15	53.6%
3 Star	73	55.7%	0	0.0%	103	30.2%	13	46.4%
4 - 5 Star	1	0.8%	0	0.0%	0	0.0%	0	0.0%
Total								
1 - 2 Star	69	42.6%	4	100.0%	364	68.0%	22	47.8%
3 Star	92	56.8%	0	0.0%	169	31.6%	24	52.2%
4 - 5 Star	1	0.6%	0	0.0%	2	0.4%	0	0.0%

Source: CoStar Analysis (September 2025) / Lichfields Analysis

Floorspace Availability

- 12.19 Table 12.5 shows the availability of floorspace in each Spatial-Zone, comprising any space that is currently being actively marketed. The availability of office space is relatively mixed across North East Lincolnshire, with 618 sqm available or 8.1% of total office floorspace in the Western and Southern Arc, and 3,332 sqm or 8.4% in the Estuary Zone, compared to 4,379 sqm or 3.7% in the Urban Area. CoStar does not indicate that there is any marketed available office floorspace in the Rural Area.
- 12.20 **It is apparent that there is a significant lack of available industrial floorspace across the Borough.** A total of 11,516 sqm, or 2.3%, is available in the Urban Area, with no available industrial floorspace in either the Rural Area or the Western and Southern Arc. CoStar indicates that there is more availability in the Estuary Zone, with 38,571 sqm (7.5%).

Table 12.5 Floorspace availability by Spatial-Zone (sqm)

	Estuary Zone	Rural Area	Urban Area	Western & Southern Arc	Total
Office					
Floorspace	36,196	356	114,659	7,000	158,211
Available	3,332	-	4,379	618	8,330
Available (%)	8.4%	0.0%	3.7%	8.1%	5.0%
Industrial					
Floorspace	475,390	2,660	488,160	32,318	998,527
Available	38,571	-	11,516	-	50,087
Available (%)	7.5%	0.0%	2.3%	0.0%	4.8%
Total					
Floorspace	511,586	3,016	602,819	39,318	1,156,738
Available	41,903	-	15,895	618	58,416
Available (%)	7.6%	0.0%	2.6%	1.5%	4.8%

Source: CoStar Analysis (September 2025) / Lichfields Analysis

12.21

According to research by Council Officers, there are 45 commercial and industrial units currently being marketed or are otherwise available in the Borough, summarised in Table 12.6:

Table 12.6 Existing Employment Areas (Available Premises) Marketed 2nd April 2025

Area Location (Excludes town centre premises)	Comment – Current marketed buildings/land
Manby Road Business Park, Immingham + environs	Trade Yard 2.96 Acres. Consent in place for 21,600 sq. ft.). Industrial Unit 8,272 sq. ft. Office (OLG House) 4,708 sq. ft. Office 4,266 sq. ft.
Kiln Lane Business Park, Stallingborough	GWS Unit 8 49,028 sq. ft. GWS Unit 9 22,875 sq. ft. Block 4 Unit 9 3,759 sq. ft.
Europarc Grimsby	Genesis Way Ind Unit 20,000 sq. ft. HSI Office 475 sq. ft. HSI wing offices 6,906 sq. ft. HSI food unit 427 sq. ft. Origin 1 Office 2,416 sq. ft. Origin 2 Office 5,288 sq. ft. Origin 3 office 5,098 sq. ft. Origin 4 Suite 2 Office 2,174 sq. ft. Origin 5 Office 2,098 sq. ft. Unit 4 Pegasus Industrial Unit 1,491 sq. ft. (Planning for) Food Industrial Unit 126,328 sq. ft.
Great Grimsby Business Park, Grimsby	-
Acorn Business Park, Grimsby	-
South Humberside Industrial Estate, Grimsby	Est Rd 8 Unit 24 Industrial Unit 3,614 sq. ft. Est Rd 7 Unit 9-12 Industrial / Food Units 13,088 sq. ft. Est Rd 8 Unit 25 Industrial / Office 15,647 sq. ft. Est Rd 8, Topcat Unit 3, Industrial Unit 2,400 sq. ft. Est Rd 6 Industrial Unit 1,581 sq. ft.
Birchin Way Business Park, Grimsby	-
Ladysmith Road, Grimsby	Offices 3,188 sq. ft.
Wilton Road Industrial Estate, Humberston	Industrial Unit / Land 3,515 sq. ft. Cleethorpes Business Units Office 281 sq. ft.
Hewitts Circus Business Park, Humberston	Unit 6 Office 2,622 sq. ft. Unit 4 FF Office 1,284 sq. ft.
BT Exchange Grime St	Office 4,066-24,091 sq. ft. (not being marketed but remains empty)
Alexandra Dock	Alexandra Dock Business Centre: Suite 11 173 sq. ft. Suite 9 340 sq. ft. Suite 3 186 sq. ft.
Robinson Street	Ground Floor Industrial Unit 2,515 sq. ft.
Spencer Street (New Clee Industrial Estate)	1a Industrial Unit 4,476 sq. ft. Unit 3 841 sq. ft.
Hartwells Surplus Car showroom	4,464 sq. ft.
Grimsby Dock	South Quay Business Units 576 sq. ft. Site A Murrey St 29 Acres Kasbah Industrial Unit 1,938 sq. ft. Site B, Plot A, North Quat 0.34 acres

Area Location (Excludes town centre premises)	Comment – Current marketed buildings/land
	Land South Side 19.2 acres Building 17 Fish Dock Rd Office 717 sq. ft. Building 35 Fish Dock Rd 2,534 Sq. ft. 62 Hutton Rd Industrial Unit 13,532 sq. ft.
North Moss Lane Former Warehouse	Industrial Unit 101,168 sq. ft.
Civic Offices (Former Council Offices)	Offices 23,182 sq. ft.
Bridge House Offices	Offices 17,049 sq. ft.

Source: NELC Officers comments

Net Absorption

- 12.22 Net absorption is a term often used in commercial real estate and relates to the total amount of floorspace that has been leased to an occupier, less the amount of floorspace that has been vacated, during a given time period. In general terms, when the net absorption rate is positive over the defined time period, this means that more floorspace has been leased than has been vacated (and vice versa where the net absorption rate is negative).
- 12.23 As illustrated in Figure 12.2, net absorption of office and industrial floorspace almost reached 21,580 sqm and 43,130 over the past 14 years from 2010 (or 1,450 sqm and 9,050 sqm on average per annum). In the last five years, however, this figure has reduced to 1,948 sqm and -10,902 sqm for office and industrial, or 325 sqm and -1,817 sqm on average per annum.
- 12.24 2014 saw the highest level of net absorption on record for office in the area, reaching around 8,480 sqm with 2022 seeing the lowest level at -2,500 sqm. Whilst this is lower than both 2020 and 2021 levels, which reflect the height of the Covid-19 pandemic, given the lag between the pandemic and the shift towards homeworking and leases coming to an end, it is perhaps unsurprising it has taken a few years for this to materialise in net absorption rates. In fact, with the exception of 2023, net absorption has remained negative for the office sector since 2022 which potentially reflects a shift in the office market locally. This was a sentiment echoed by commercial agents and businesses who noticed that many companies with office-functions no longer required the same level of floorspace, with some companies preferred to operate their office staff remotely or from other locations outside the Borough.
- 12.25 In terms of the industrial sector, net absorption peaked in 2013 at 91,200 sqm. Given the previous year showed negative net absorption and the following year was significantly lower, this spike is likely to represent new floorspace coming available on the market, potentially from new development, which results in a one-off spike as it comes onto the market. However, given net absorption dramatically reduces in the following year, this would also point to strong demand for industrial floorspace when it does come available in North East Lincolnshire.
- 12.26 Recent years have seen negative net absorption in industrial floorspace, peaking at -23,497 sqm in 2024. However, consultations with commercial agents suggested this was not due to lack of demand but in fact lack of good quality or suitable size.

12.27

Generally speaking, industrial real estate markets tend to have a positive net absorption rate over any prolonged length of time. However, in instances where the vacancy rate is very low, and virtually no industrial floorspace is available on the market and no sites are under construction, then it is more likely that net absorption will turn negative as potential occupiers are forced to move out of the study area in search of premises better suiting their needs (either from a quality, size or cost perspective). This sentiment was suggested by agents who noted many businesses were either forced to remain in unsuitable units (particularly from a size or quality perspective) or forced to leave the Borough. However, as a number rely upon local labour supply, agents highlighted that this meant many businesses were unable to undertake growth or expansion ambitions due to lack of suitable sites or premises available.

Figure 12.2 Office and Industrial Net Absorption in North East Lincolnshire



Source: CoStar (September 2025)

Development Rates

Completions

12.28

Data on gross completions for the 15-year period 2009/10 to 2023/24 was analysed, based on the Council's Authority / Annual Monitoring Reports [AMRs] up to 2017/18; CoStar data for 2018/19, plus Council Officer's analysis for the most recent 5 years. Take up (i.e., completions) of land for employment development has been provided over this time period, broken down by Use Class and is set out in Table 12.7. Over this 15-year period, gross completions for B-Class uses in North East Lincolnshire amounted to 140,730 sqm, at an annual average of 9,382 sqm gross.

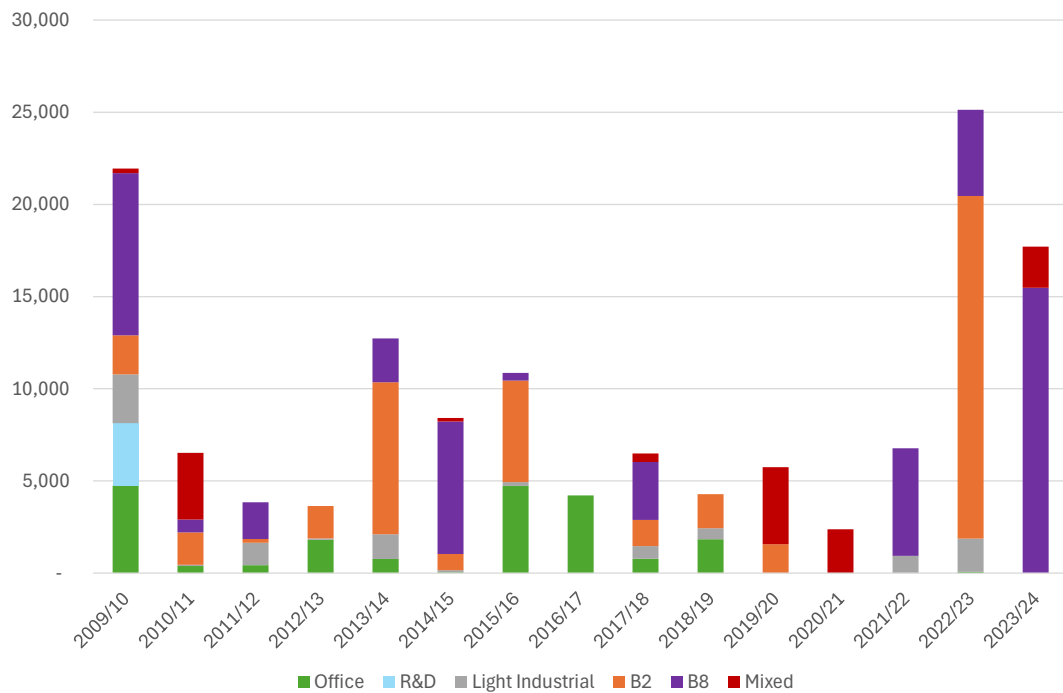
Table 12.7 Gross Employment Floorspace Developed across North East Lincolnshire by Use Class (sqm) (2009/10-2023/24)

Year	Office	Research & Development	Light Industry	General Industrial (B2)	Storage and Distribution (B8)	Flexible Consent	Annual Total	
							Floorspace	Share (%)
2009/10	4,755	3,375	2,652	2,116	8,803	248	21,949	15.6%
2010/11	384		65	1,756	704	3,614	6,524	4.6%
2011/12	431		1,216	206	1,990		3,843	2.7%
2012/13	1,808		81	1,749			3,638	2.6%
2013/14	767		1,346	8,247	2,375		12,734	9.0%
2014/15	44		119	878	7,187	192	8,420	6.0%
2015/16	4,735		201	5,511	416		10,863	7.7%
2016/17	4,218						4,218	3.0%
2017/18	774		692	1,422	3,146	460	6,494	4.6%
2018/19	1,835		595	1,858			4,288	3.0%
2019/20				1,570		4,181	5,751	4.1%
2020/21						2,384	2,384	1.7%
2021/22			932		5,841		6,773	4.8%
2022/23	70		1,806	18,585	4,675		25,136	17.9%
2023/24					15,486	2,230	17,716	12.6%
Total	19,822	3,375	9,704	43,897	50,623	13,309	140,730	100.0%

Source: North East Lincolnshire Council: Annual Monitoring Reports 2013/14 – 2017/18, Council Officers / CoStar.

- 12.29 As can be seen in Figure 12.3, delivery has fluctuated over time and until recently, had been on a downward trend, ranging from 21,949 sqm in 2009/10 to 3,638 sqm in 2012/13. Following an upturn between 2013/14 and 2015/16, take up has gradually declined before accelerating again towards the end of the monitoring period, peaking at 25,136 sqm in 2022/23. In general, of the specified Employment Use Class, 16.5% has come forward for office/R&D; 6.9% for light industrial uses; 31.2% for B2 general manufacturing and 36.0% for B8 warehousing and distribution. A further 9.5% has come forward for mixed / unspecified B/E(g)-class uses.
- 12.30 It should of course be noted that in common with most other parts of the UK, development since 2018 impacted by period of Brexit/exit from Europe, the Covid pandemic and cost increases due to the crisis in the Middle East and Ukraine over this period.

Figure 12.3 Gross Annual Employment Floorspace Completions in North East Lincolnshire 2009/10 – 2023/24 (sqm)



Source: NELC Annual Monitoring Reports / CoStar / NELC Offices 2025

Losses

12.31

Net completions are also recorded by the Council in its AMRs dating from 2009/10 to 2017/18, with further information provided by Officers since then which allows for the calculation of losses. As shown in Table 12.8, a total of 33,245 sqm was lost to alternative non-B/E(g) Class uses over this time period, at an average of 2,216 sqm a year.

Table 12.8 Employment Floorspace Lost across North East Lincolnshire by Use Class (sqm) (2009/10 – 2023/24)

Year	Office	R&D	Light Industry	B2	B8	Flexible Consent	Annual Total	
							Floorspace	Share (%)
2009/10	112	3,375	228	12	27	0	3,754	11.3%
2010/11	27	0	0	4	0	276	307	0.9%
2011/12	0	0	150	0	0	0	150	0.4%
2012/13	495	0	0	20	0	0	514	1.5%
2013/14	190	0	6	267	133	0	596	1.8%
2014/15	1	0	2	14	113	3	133	0.4%
2015/16	278	0	12	324	24	0	638	1.9%
2016/17	0	0	0	0	0	0	0	0.0%
2017/18	45	0	41	84	185	27	382	1.1%
2018/19	0	0	0	0	0	0	0	0.0%
2019/20	0	0	0	0	0	0	0	0.0%
2020/21	0	0	0	0	0	0	0	0.0%
2021/22	473	0	295	0	12,020	0	12,788	38.5%

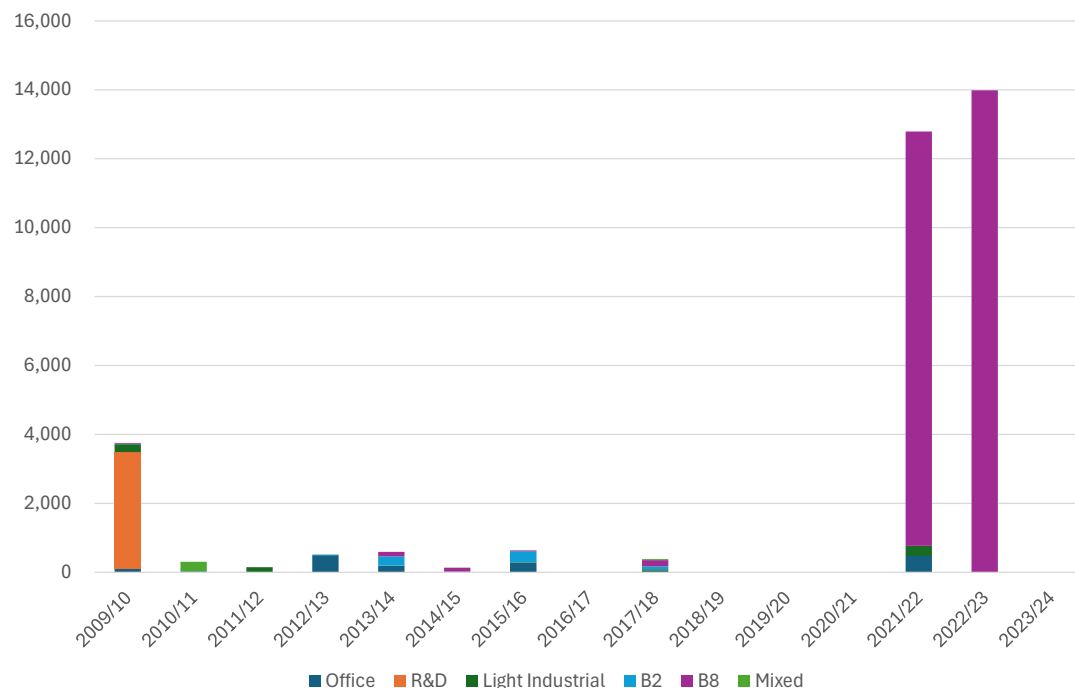
Year	Office	R&D	Light Industry	B2	B8	Flexible Consent	Annual Total	
							Floorspace	Share (%)
2022/23	0	0	0	0	13,985	0	13,985	42.1%
2023/24	0	0	0	0	0	0	0	0.0%
Total	1,621	3,375	733	723	26,487	306	33,245	100.0%

Source: NELC Annual Monitoring Reports / Officers comments

12.32

As shown in Figure 12.4, the majority of these losses were in 2021/22 and 2022/23 when 12,788 sqm and 13,985 sqm respectively of space was lost (almost all of which was B8 warehousing).

Figure 12.4 Employment Land Losses in North East Lincolnshire, 2009/10 to 2023/24



Source: NELC Annual Monitoring Reports / Officers comments

Development Pipeline

12.33

Whilst CoStar does not indicate any projects currently under construction in the Borough, it does list several proposed employment developments totalling around 438,943 sqm. The bulk of this pipeline consists of 12 proposed industrial units at The Trade Yard on Hall Park Road in the Estuary Zone. There are also proposed industrial units on land at Hewitts Avenue in the Urban Area, Estate Road in the Estuary Zone, and an office development at Newchase Court Phase 2 in the Urban Area. It is of course not guaranteed that these developments will ultimately come forward. In addition, we understand that Velocys is also taking significant parts of the Hobson Way Enterprise Zone, specifically 31.7 ha at the former Abengoa site.

Commercial Overview

Macro-Economic Drivers

- 12.34 Macro-economic trends are a critical influence on the future performance of North East Lincolnshire's economy. These shape the level of demand for the sale of goods and services. In turn this affects business formation and survival, investment decisions, recruitment, wages and productivity.
- 12.35 The outbreak of Covid-19 and resulting pandemic developed rapidly with far reaching impacts on the economy and business across the country. The series of lockdown measures led to unprecedented shutdowns of large parts of the economy simultaneously, with effects being transmitted rapidly across all sectors. With the exception of a brief (albeit sharp) dip in the two quarters of 2021, Gross Domestic Product [GDP] has continued to rise (most noticeably since October 2023).

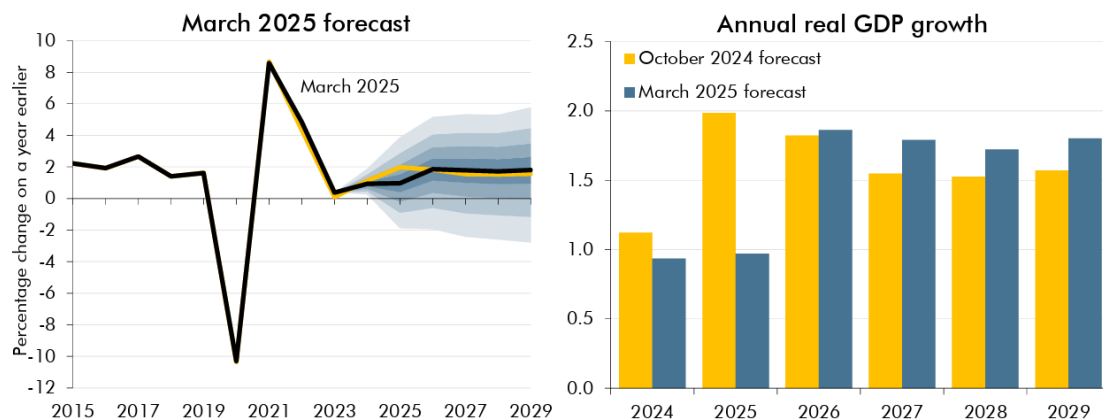
Figure 12.5 GDP Monthly Index, June 2007 – June 2025



Source: ONS (2025): GDP monthly estimate, UK: June 2025

- 12.36 The latest official figures from the ONS show that real GDP grew by 0.4% in June 2025, following a fall of 0.1% in May 2025. Across the quarter to June as a whole, real GDP is estimated to have grown by 0.3% compared with the three months to March 2025, although when compared with the quarter to June 2024, GDP was estimated to have increased by 1.2%.
- 12.37 The Office for Budget Responsibility's [OBR] latest Economic and Fiscal Outlook [EFO] for March 2025 reported that the economic and fiscal outlook has become more challenging since the new Labour Government's 2024 Autumn Budget. This has been exacerbated by energy price rises across Europe and geopolitical uncertainty which has placed upwards pressure on defence spending and global trade restrictions.

Figure 12.6 Real GDP 2018 – 2028 (forecast)



Note: Successive pairs of lighter-shaded areas around our forecast represent 20 per cent probability bands.

Source: ONS, OBR

Source: OBR (2023): Economic and Fiscal Outlook (March 2023) – Chart 1.2 Real GDP

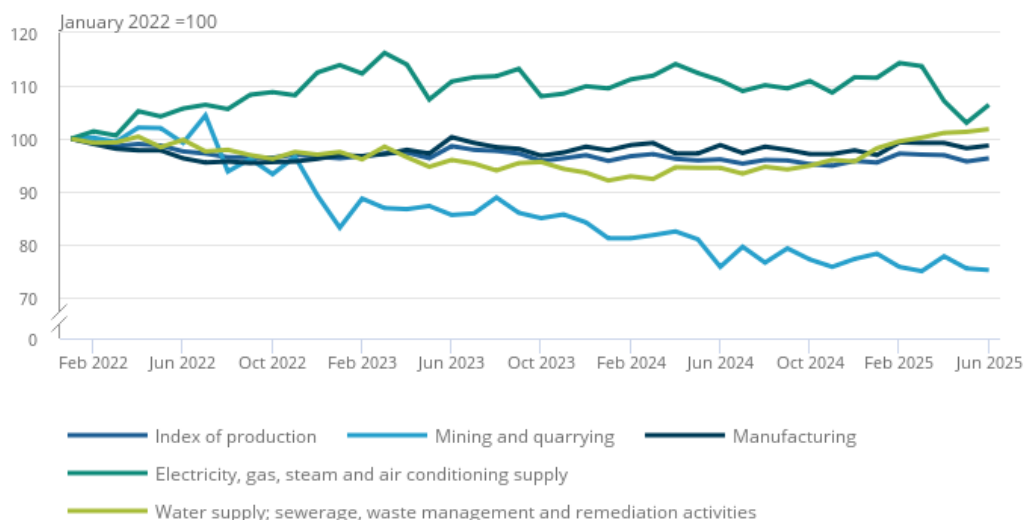
- 12.38 OBR forecasts anticipate that real GDP grew by 0.9% in 2024 which was 0.2 percentage points lower than anticipated in October forecasts. The OBR now expects a similar growth of 1.0% in 2025 which is half the 2.0% growth assumed in October. The main driving factors behind this difference is due to structural weakness in productivity which is expected to remain below the October forecasts and is not forecasted to return to the average levels seen before the global financial crisis until 2029.
- 12.39 The OBR states that both domestic and international uncertainty are largely behind challenges in GDP growth. Market expectations for interest rates remain particularly volatile due to ongoing uncertainty around the monetary and fiscal policy outlook.
- 12.40 The Consumer Price Index [CPI] inflation is forecast to rise from 2.5% in 2024 to 3.2% in 2025 but then fall to 2.0% from mid-2026 onwards. Monthly CPI inflation is expected to peak at around 3.8% in July 2025. This is being driven by increases in the Ofgem price cap due to higher energy prices, higher food prices due to an increase in domestic costs, and the increase in regulated water bills from April 2025.

UK Industrial Sector Growth Prospects

- 12.41 According to ONS GDP data for March 2025, the Service sector's output increased by 0.4% in the latest quarter following a growth of 0.7% in the previous quarter. When compared to the same quarter a year ago, it is estimated to be 1.2% higher. The largest positive contributor to growth was ICT, which increased by 2.0%. Within this subsector, the largest contributor was from computer programming, consultancy and related activities, which grew by 4.1%. The largest decrease was in wholesale and retail (including motor trade) which declined by 0.9%.
- 12.42 The construction sector increased by 1.2% in the quarter to June 2025, with a growth of 0.3% in the month to June following a fall of 0.5% in May. The increase in monthly output in June 2025 came solely from an increase in repair and maintenance (up 1.2%), as new work decreased by 0.4%.
- 12.43 Production fell by 0.3% in the quarter to June 2025, although in the month to June 2025 it had grown by 0.7% following a fall of 1.3% in May. The growth in June was predominantly driven by manufacturing output which increased by 0.5% and electricity, gas, steam and air

conditioning which increased by 3.3% (Figure 12.7).

Figure 12.7 Monthly Index of the Production Sector, February 2020 to February 2023



Source: ONS (2021): Monthly estimate of GDP March 2025

Commercial Property Market Stakeholder Engagement

- 12.44 One-to-one telephone discussions were conducted with commercial property agents to gain an understanding of the current characteristics of the Borough's commercial property market; the supply and demand of employment sites; and probable future trends.
- 12.45 Agents commented that on the whole there had been a dip in the market recently, with both enquiries and transactions slowing down. The factors underpinning this centred around inflation and wider economic uncertainty, lack of good quality stock, and challenges around utilities and energy supply.
- 12.46 Regarding industrial premises, agents noted that market activity has fallen over the past few years. Agents commented that there was a lack of available premises to encourage market activity which is worsened by the quality of available premises. For a number of premises, agents believed this created a distorted sense of demand as businesses were forced to occupy low quality stock whilst also paying above the true market rate for low-quality stock.
- 12.47 Agents emphasised that there was a lack of modern stock of appropriate size coming to the market. A big part of this is the rising challenge of viability which has become increasingly more challenging with inflation, build costs, and economic uncertainty deterring speculative development, particularly on remediating brownfield sites. With rising costs, the return on rental yields were commonly seen as making many developments unviable.
- 12.48 Due to unfavourable conditions for developing new units, agents commented that it was unviable to develop smaller units (e.g. around 600 – 2,000 sq ft) given the cost of development. Despite this, agents believed that the majority of demand was from start-ups and SME businesses who require smaller units or 'grow on space' to expand operations. As a result, this constrains the growth potential of businesses with many unable to relocate outside of the Borough given workforce availability and the reliance on being accessible to the local labour market.

- 12.49 Whilst agents stated there was a significant supply of employment sites overall, many commented that many of these sites were unavailable and owned by companies (such as ABP and Able) who had understandably safeguarded the sites for their future operations, or used them for additional low density services such as storage or manoeuvring of vehicles. Given the cost of development, many developers do not want to build out smaller units and instead reserve the sites for strategic-sized units over the longer term which can be used by larger occupiers.
- 12.50 A lack of land available for the development of smaller units was also highlighted, despite the Borough having a significant supply of employment sites overall. It was pointed out that most of these sites are either reserved for expansion of existing companies or large Europarc-style sites with private operators which are not available on the open market. They are instead essentially reserved for larger occupiers seeking design-and-build units. This leads to limited development of smaller modern industrial units which appeal to SMEs.
- 12.51 In terms of office space, agents commented that demand has continued to shift and decline. Although some agents felt that there was a minor 'return to the office', demand overall has continued to demand or plateau and unlikely to return to pre-Covid levels. Overall, agents said that most office activity was for smaller units, with demand for higher quality spaces, and less demand for larger units.
- 12.52 Whilst locations such as Europarc offer cheaper market rents for office space (which is the closest to available Grade-A rated office space that Grimsby has got), agents believed occupiers would prefer to pay more in towns and cities which were regarded as 'more desirable.' This was partly due to the labour market availability of Grimsby and the perceived lack of office staff in the town, as well as the perceptual challenges faced by Grimsby Town Centre and its wider environment.
- 12.53 Agents suggested that whilst more limited than industrial uses, there is still some demand for office space. Much like many other parts of the country, demand has shifted away from office space in out-of-town business parks, towards more centralised locations. The increased level of homeworking post-Covid-19 was also said to have had an impact on the demand for office, particularly concerning the desirability of out-of-centre locations.

13.0 Forecasting Future Employment Needs

Introduction

- 13.1 This section considers North East Lincolnshire's future quantitative economic growth needs. It models a range of scenarios over the Plan period 2025 to 2043. These scenarios consider the need for office and industrial (i.e. manufacturing and warehousing) floorspace. The final requirements are specified in floorspace (sqm) for E Class office (incorporating R&D), and land (in hectares) for E-Class light industrial, B2 and B8 uses.
- 13.2 As well as considering the baseline forecast growth using Experian's June 2025 econometric projections, we have also compared this more pessimistic model run with an Economic Growth scenario, as well as taking into account past delivery of employment space and the potential labour supply generated by housing growth scenarios set out in Section 6.0 of this report.
- 13.3 The forecast demand scenarios are based on a quantitative requirement and do not take into account qualitative factors that may influence the actual requirement.
- 13.4 **It should be noted that this HEDNA considers the 'indigenous' employment space needs arising from economic growth in North East Lincolnshire to 2043. It does not take account of wider 'footloose' or other strategic/inward investment needs or any other specific investment position that may arise from other areas or firms, other than to the extent that North East Lincolnshire has accommodated a share of these uses historically and accordingly they are now reflected in the trends which inform the various forecasts.**
- 13.5 For example, this would include larger-scale strategic distribution needs serving the wider region, although in the case of that specific sector, there is no evidence in the analysis of past take-up or market feedback set out above that this has been a particularly significant driver of the industrial market in North East Lincolnshire previously.
- 13.6 **To consider this issue, a wider assessment of strategic logistics needs would be necessitated which has regard to the interrelationship of North East Lincolnshire with logistics market areas and strategic freight routes.**

Methodology

- 13.7 The Government's PPG advises on how to calculate future employment land requirement and is set out in 2.0- Planning Practice Guidance.
- 13.8 The PPG also requires authorities to take account of longer-term economic cycles in assessing this data and consider and plan for the implications of alternative economic scenarios.
- 13.9 An aspirational 'regeneration-led' scenario has been included which takes into account additional demand that could be generated by key growth sectors, private sector developments and interventions.

- 13.10 The forecast employment land scenarios covering the 20-year Plan period from 2021 to 2041 are:
- 1 Baseline employment forecasts (**Labour Demand**), using Experian's Local Market Quarterly Forecast for June 2025, which indicates a net workforce job growth of 4,600 over the plan period.
 - 2 An **Economic Growth** projection which considers in more detail the key growth sectors identified in the LEP's SEP and Local Industrial Strategy. As set out in Section 6.0, this scenario has been derived in conjunction with North East Lincolnshire's Economic Development Officer [EDO] regarding key sites likely to come forward and generates a net additional job growth target of +5,375 over the 18-year plan period.
 - 3 A demographically-derived assessment of growth in the **Labour Supply**. This stage involves translating forecasts of population growth or planned housing levels (622 dpa for the standard methodology and 375 dpa based on past delivery rates) into numbers of working-age and economically active residents requiring jobs, splitting these into E(g)(i) B Class jobs and then applying job/floorspace ratios as for the job-based estimate.
 - 4 **Past Take-Up** of employment land. The final scenario would project forward past annual take-up rates of employment land by type using North East Lincolnshire Council's monitoring data, using longer term data (over the past 10 years or so) but avoiding distortions from constrained land supply or a few major developments.
- 13.11 All these approaches reflect different factors, and careful consideration needs to be given as to how appropriate each is to North East Lincolnshire's particular set of circumstances and policy aspirations. In addition, to be robust, the economic growth potential and likely demand for employment space needs to be assessed under different future sensitivities, to reflect lower or higher economic growth conditions arising in future.
- 13.12 The ultimate judgement regarding the level of employment need that the Council should plan for is not, therefore, simply shaped by a consideration of quantitative analysis. A range of qualitative factors should be considered, that would typically consider the quality and demand for existing premises, the spatial distribution of supply and demand for premises, and insights from commercial property agents and local businesses.
- 13.13 Experian econometric job forecasts were obtained by Lichfields to underpin this analysis. It should be emphasised that such forecasts tend to be most reliable at regional and national scales and consequently less so at the local economy level. Nevertheless, they provide a valuable input in respect of understanding future land needs by indicating the broad scale and direction of economic growth in different sectors.

Scenario 1: Experian Baseline June 2025

- 13.14 Experian's model takes account of the existing economic structure of each Local Authority (broken down by economic sector) and the historical relationship between the regional performance of an industry and the performance observed at the Local Authority level. The forecasts of job growth by sector used here reflect recent trends and economic growth projections at national and regional level, and how economic sectors in North East Lincolnshire have fared relative to the Yorkshire and The Humber region's growth in the past. They are not constrained by either labour supply or land availability.

13.15

Before presenting the job growth outcomes from the scenarios it is worth highlighting in broad terms, limitations in how these were generated:

- 1 They are predominantly trend-based estimates projecting historic growth patterns into the future.
- 2 For the Experian projections, the population data that underpinned the modelling comprises the ONS 2023 MYE and the ONS 2022-based population projections for England, with the regions and lower-level data using the 2018-based SNPP.
- 3 The forecasts do not consider policy influences and unforeseen impacts of individual business decisions.
- 4 There is not always a clear-cut relationship between employment change and employment land needs. Additional employment space may be required even if employment itself is falling; for example, if a manufacturing firm requires more space to enable greater automation and achieve job reductions through productivity gains.

Experian Scenario Assumptions: June 2025

Data published by the Office for National Statistics (ONS) data confirmed that GDP for the UK grew by a mere 0.1% in Q4 2024, unchanged from the initial estimate. However, minor upward revisions from Q4 2023 to Q2 2024 underpin stronger growth for 2024 (1.1% versus 0.9%). Looking ahead, the UK is projected to see a similar performance in 2025, given elevated borrowing costs, geopolitical tensions, and rising inflation.

Data from the Office for National Statistics (ONS) showed that UK GDP grew by a robust 0.7% in Q1 2025. However, the economy is expected to post similarly weak annual growth in 2025 as in 2024, amid a range of domestic and global headwinds.

UK economic activity strengthened in Q1 2025, with services output rising by 0.7% and retail sales supported by strong real income growth. Production also expanded, led by a 1.1% rise in output and a rebound in manufacturing. However, construction stalled on the quarter, despite year-on-year growth. Consumer caution remains evident amid ongoing economic uncertainty.

Business sentiment remains subdued amid global trade uncertainty and domestic weakness. The UK S&P Flash Composite PMI rose to 49.4 in May, up from 47.2, but remains in contraction. Services edged into growth at 50.2 from 49.0, while manufacturing slipped further to 45.1 from 45.4. Despite weaker order books manufacturing optimism improved slightly, while service sector confidence rebounded more strongly, supported by stabilising global financial conditions following recent rate cuts.

On the 26th March the Chancellor of the Exchequer Rachel Reeves delivered the 2025 Spring Statement against a challenging economic backdrop. The government remains steadfast to their fiscal rules, with no further changes announced to VAT, income tax, or employee National Insurance Contributions, necessitating tough decisions to balance the public finances. Economic growth has stagnated in recent months, prompting the Office for Budget Responsibility (OBR) to revise down their 2025 GDP forecast from 2% in October to 1% in March. The Treasury's minuscule fiscal headroom of £9.9bn by 2029-30, is unchanged since October, contingent on the measures announced today. Rising borrowing costs and geopolitical tensions complicate the situation further and given a

weakened GDP outlook alongside stringent fiscal constraints, tax hikes in the Autumn 2025 Budget are a distinct possibility.

Source: Experian UK Macro Economic Forecast June 2025

- 13.16 Reflecting the greater than usual degree of uncertainty and variability attached to the most recent forecasts, they may need to be re-considered closer to the Local Plan examination stage depending on how the economic situation changes in the intervening period.
- 13.17 A detailed breakdown of the various projections is provided in Table 13.1 for North East Lincolnshire (and comparator areas). The Table indicates that the June 2025 Experian baseline workforce employment projections reported a period of sustained employment growth since the depths of the last recession. Between 2015 and 2025, North East Lincolnshire's economy declined by 300 jobs, equal to a Compound Annual Growth Rate [CAGR] of -0.04%. This is a much lower level of growth than the positive regional rate of 0.66% over the same time period, and particularly the UK-wide figure of 0.86%. However, it is higher than the previous decade of 2005-2011, when the Borough actually lost 1,800 jobs.
- 13.18 Over the Plan period of 2025-2043, the June 2025 projections indicate that North East Lincolnshire's economy will grow by 4,600 jobs equal to a CAGR of 0.34%. Although this is below the regional and national growth forecasts, it nevertheless indicates a significant strengthening of the economy relative to the previous two decades when the total number of jobs fell by 2,100).

Table 13.1 Workforce Jobs Growth for North East Lincolnshire and comparator areas

	2005-2015		2015-2025		2025-2043	
	Net Job Growth	CAGR	Net Job Growth	CAGR	Net Job Growth	CAGR
United Kingdom	2,502,020	0.77%	3,029,090	0.86%	4,729,250	0.67%
Yorkshire and the Humber	115,630	0.44%	182,640	0.66%	256,420	0.48%
North East Lincolnshire	-1,800	-0.24%	-300	-0.04%	4,600	0.34%

Source: Experian UK Macro Economic Forecasts June 2025

- 13.19 Table 13.2 summarises those sectors expected to experience the largest absolute increases or decreases in employment for North East Lincolnshire over the Plan period. Experian projects a growth equal to 4,600 net jobs between 2025 and 2043, driven primarily by Health (+1,900); Land Transport, Storage and Post (+700); Education (+900); Residential Care & Social Work (+1,100); Administrative & Support Services (+500); Recreation (+200); and Agriculture Forestry & Fishing (+600). Job losses are predominantly concentrated in one sector – manufacturing – which is projected to fall by 1,500 jobs over the next 18 years due to ongoing structural changes in the economy (with 200 job losses also in Retail and 400 losses in Wholesale).

Table 13.2 Job Change across North East Lincolnshire (2025 to 2043)

	2025	2043	Net Change
Accommodation & Food Services	5,400	5,700	+300
Admin & Supportive Services	4,500	5,100	+600
Agriculture, Forestry & Fishing	100	100	0
Air & Water Transport	0	0	0
Computing & Information Services	0	0	0
Construction	4,100	4,200	+100
Education	6,400	7,300	+900
Extraction & Mining	0	0	0
Finance	600	600	0
Fuel Refining	0	0	0
Health	7,100	9,000	+1,900
Insurance & Pensions	0	0	0
Land Transport, Storage & Post	6,800	7,500	+700
Manufacturing	10,000	8,500	-1,500
Media Activities	200	200	0
Other Private Services	1,700	1,700	0
Professional Services	3,800	4,600	+800
Public Administration & Defence	1,700	1,700	0
Real Estate	1,000	1,200	+200
Recreation	1,700	1,800	+100
Residential Care & Social Work	6,100	7,200	+1,100
Retail	6,900	6,700	-200
Telecoms	0	0	0
Utilities	900	900	0
Wholesale	4,500	4,100	-400
TOTAL	73,500	78,100	+4,600

Source: Source: Experian (December 2022) / Lichfields' analysis

Key: **ORANGE** = Office/Industrial sector **GREEN** = Part Office/Industrial sector

- 13.20 In translating these jobs into employment land requirements, the analysis includes an allowance for jobs in other non-employment sectors that typically utilise industrial or office space, such as some construction uses, vehicle repair, courier services, road transport and cargo handling and some public administration activities. This is because a certain proportion of these jobs will occupy premises falling within the office/industrial sectors.
- 13.21 Using Experian's baseline forecasts (which are based to an extent on past trends and current representation across the industrial classifications relative to the national and regional averages), Table 13.3 indicates negative growth in E(g)/B-class jobs for North East Lincolnshire overall, equal to -244 between 2025 and 2043, with most of the growth in the non-B uses. There is, however, healthy growth in office-based activities (of 1,037) and modest growth of 99 in light industrial and +249 in B8 jobs, which is more than offset by decline in B2 general industrial (-1,610) employment.

Table 13.3 Forecast Employment Change in North East Lincolnshire 2025-2043 – Baseline Total Workforce Jobs

	Office*	Light Industrial**	B2 General Industrial***	B8 Warehousing****	Total Office / Industrial / Distribution Jobs	Other Jobs	Jobs in All Sectors
NE Lincs	+1,037	99	-1,610	+249	-244	+4,824	+4,600

Source: Experian June 2025 / Lichfields Analysis. Note: rounding means that sums to not always add.

*includes a proportion of public sector employment and administration & support services

**includes some manufacturing, vehicle repair and some construction activities

*** includes manufacturing and some construction/utilities

****includes elements of transport & communications sectors

- 13.22 To translate the resultant job forecasts into estimates of potential employment space it is necessary to allocate the level of employment change forecast for office, industrial, and wholesale / distribution uses as follows:
- 1 The office floorspace requirement is related to job growth / decline in the financial and business service sectors¹⁶³;
 - 2 The light industrial floorspace requirement is related to job growth / decline in some manufacturing sectors, specialised construction activities and some wholesale trades¹⁶⁴;
 - 3 The general industrial floorspace requirement is related to job growth / decline in most manufacturing sectors¹⁶⁵; and,
 - 4 The wholesale / distribution floorspace requirement is related to job growth / decline in the industrial sectors of wholesale and land transport, storage and postal services.¹⁶⁶
- 13.23 Lichfields has translated the resulting figures into employment land projections using standard employment densities that have been applied to the forecast job change figures (based upon the latest Homes and Communities Agency [HCA]¹⁶⁷ guidance on employment densities). These translate Full Time Equivalents [FTEs] into workforce jobs, and plot ratios by use class.
- 13.24 For the purposes of this HEDNA it has been assumed that:
- 1 One general office workforce job requires 12.5 sqm of employment floorspace (Gross External Area [GEA]);
 - 2 One light industrial job requires 47 sqm of employment floorspace (GEA);
 - 3 One general industrial workforce job requires 36 sqm of employment floorspace (GEA); and,
 - 4 One job per 64.5 sqm for general, smaller scale warehousing (assumed to account for around half of future space) and 1 job per 71 sqm for medium scale units (assumed to account for the remaining 50% of future space). CoStar indicates that no large scale/'big box' logistics units have been constructed in North East Lincolnshire at all since 2012.

¹⁶³ i.e. Majority of BRES Sectors 58-74, Office administration and support, some activities of membership organisations and a proportion of Public Administration and Defence

¹⁶⁴ Some printing and recording media; manufacture of computer and electronic products; some manufacture of furniture and repair & installation of machinery & equipment; majority of Specialised Construction Activities, plus car repair.

¹⁶⁵ Remaining Manufacturing sectors, plus some construction and waste and remediation activities.

¹⁶⁶ Wholesaling less car repairs retail car sales, plus post/couriers and land transport

¹⁶⁷ HCA (November 2015): *Employment Densities Guide, 3rd Edition*

- 13.25 The HCA Guidance takes account of recent trends in terms of the changing use of employment space, the main change being the more efficient utilisation of office space due to increased flexible working and hot-desking. This has resulted in a decrease in the amount of floorspace per office worker compared to previous guidance.
- 13.26 The Covid-19 pandemic dramatically altered working patterns. Throughout 2022 the percentage of working adults reporting having worked from home has varied between 25% and 40%, without a clear upward or downward trend, indicating that homeworking is proving resilient to pressures such as the end of lockdown restrictions and increases in the cost of living. UK-wide, in the year to January 2023, the proportion of working adults that had travelled to work (both exclusively and in combination with working from home) was 44%¹⁶⁸. Despite fluctuations, this proportion remains close to that seen during the height of the pandemic, with a peak of 49% of adults having worked from home in the last seven days in the first half of 2020.
- 13.27 Many commentators are suggesting that there will be a permanent shift towards home working and the greater flexibility this affords people, with the need for office space in particular falling significantly.
- 13.28 Whilst in our view it is quite likely that there will be some long-term shift in working patterns because of the pandemic, at the time of writing (July 2025) it is still too soon to say how this will impact upon employment floorspace requirements. We therefore propose to retain the aforementioned job densities, particularly as the HCA work already factors in an element of home working / hot desking into the calculations. That said, we have explored the potential impacts of any future need for Covid/health related measures in the sensitivity testing at the end of this chapter.
- 13.29 An adjustment has also been made to reflect the fact that a proportion of employment floorspace will always be vacant. Many sources are now suggesting that a figure of around 7.5%¹⁶⁹ / 8% should be used to calculate the normal, or equilibrium vacancy rate. However, CoStar data indicates that as of 2024 very little office and industrial units are available in North East Lincolnshire (with vacancy rates equalling 4.5% and 3.9% respectively). Whilst this figure for offices is above recent post-pandemic figures, it remains lower than the pre-pandemic average of 5.0% from 2014-2019. In terms of industrial premises, this figure is the highest vacancy rate faced since 2015 at 4.5%. Nevertheless, these still remain the normal equilibrium rate of 7.5 – 8%. Therefore, it is sensible to apply a degree of flexibility to allow for market fluctuations.
- 13.30 Based on this data and discussions with local agents it is reasonable to suggest that the lower end of the 8-10% 'ideal' vacancy rate typically used for HEDNAs across the country represents a robust benchmark for an appropriate level of available floorspace going forward.
- 13.31 Where a reduction in jobs is forecast (e.g. for manufacturing), the associated amount of negative floorspace has been halved (in line with common methodological practice amongst HEDNAs undertaken elsewhere across the country), to reflect the fact that job decline at a particular company does not automatically translate into a comparable loss of floorspace, at least not in the short-medium term.
- 13.32 The resultant floorspace estimates are provided in Table 13.4. It indicates that there could be an overall net gain of office/industrial floorspace in North East Lincolnshire of **8,314**

¹⁶⁸ ONS (2023): Characteristics of homeworkers, Great Britain: September 2022 to January 2023

¹⁶⁹ Welsh Government (August 2015): Practice Guidance – Building an Economic Development Evidence Base to Support a Local Development Plan

sqm between 2025 and 2043. This is driven by an increased demand for office and particularly B8 (due to growth in land transport, storage and post), with a continued fall in demand for general industrial floorspace.

Table 13.4 Forecast Net Floorspace Change (sqm) in North East Lincolnshire 2025-2043: Experian Baseline

	2025	2043	Net Requirement*
Office	85,772	98,736	14,001
Light Industrial	156,486	161,152	5,040
B2 General Industrial	401,191	343,240	-28,976**
B8 Logistics	461,997	478,894	18,249
Total Office / Industrial / Distribution	1,105,446	1,082,022	8,314

Source: Experian June 2025 / Lichfields Analysis. Note, sums do not always add due to rounding.

*Factoring in an 8% vacancy allowance where the net requirement is positive

**Net requirement halved as the job growth is negative. No vacancy adjustment applied in such instances.

Scenario 2) Experian Economic Growth

- 13.33 As set out in Section 6.0, 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 Council Officers regarding the scale and types of jobs that the Freeport proposals, and new industries coming to the Borough (such as renewables, hydrogen generation, carbon capture), are likely to support.
- 13.34 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 extra jobs are therefore net additional to the 4,600 net job growth baseline projected by Experian; this results in a net increase of **5,375 jobs** over the 18 years to 2043¹⁷⁰.
- 13.35 Table 13.5 shows the impact of these additional projects on the Experian baseline forecast. The greatest increase comes in B2 industrial sectors, which changes from a fall of 1,610 jobs over the period to a fall of 1,255, a difference of 355 jobs. The remainder of these additional jobs fall into other sectors which generally do not have employment land requirements, rising from +4,824 to +5,244.

Table 13.5 Forecast Employment Change in North East Lincolnshire 2025-2043 – Economic Growth Total Workforce Jobs

	Office*	Light Industrial**	B2 General Industrial**	B8 Warehousing*	Total Office / Industrial / Distribution Jobs	Other Jobs	Jobs in All Sectors
NE Lincs	+1,037	+99	-1,255	+249	+131	+5,244	+5,375

Source: Experian June 2025 / Lichfields Analysis. Note, sums do not always add due to rounding.

*Factoring in an 8% vacancy allowance where the net requirement is positive

**Net requirement halved as the job growth is negative. No vacancy adjustment applied in such instances

¹⁷⁰The Humber Industrial Cluster Plan states the following: “The region’s investment in decarbonisation will create up to 70,000 new jobs nationally, and over 20,000 in the Humber”. The figure is subsequently confirmed as 22,800. However, the figure covers all 4 Humber authorities alongside NE Lincolnshire and there is no breakdown as to what our share of the 22,800 jobs might be. There is no clarity as to whether these are net or gross; whether they are over and above the baseline; nor which sectors are they going to be in. Without this information, the approach that has been taken in this HEDNA is to use the Experian baseline figures and conservatively adjust it on the basis of known investment projects by industrial sector.

- 13.36 The resultant floorspace estimates are provided in Table 13.4. They indicate an overall net gain of office/industrial floorspace in North East Lincolnshire of 14,704 sqm between 2025 and 2043.

Table 13.6 Forecast Net Floorspace Change (sqm) in North East Lincolnshire 2025-2043: Experian Economic Growth

	2025	2043	Net Requirement*
Office	85,772	98,736	+14,001
Light Industrial	156,486	161,152	+5,040
B2 General Industrial	401,191	356,020	-22,586
B8 Logistics	461,997	478,894	+18,249
Total Office / Industrial / Distribution	1,105,446	1,094,802	+14,704

Source: Experian June 2025 / Lichfields Analysis. Note, sums do not always add due to rounding.

*Factoring in an 8% vacancy allowance where the net requirement is positive

**Net requirement halved as the job growth is negative. No vacancy adjustment applied in such instances

Scenario 3) Labour Supply

- 13.37 It is also important to consider how many jobs, and hence how much employment space, would be necessary to broadly align with the forecast growth of the resident workforce in North East Lincolnshire Borough. In contrast to the other approaches, this scenario focuses on the future supply of labour rather than the demand for labour. It estimates the number of new jobs that would be needed to align with the future working-age population, and how much employment space would be needed to accommodate these jobs.
- 13.38 Lichfields has modelled the employment growth that might be expected to be sustained under a series of demographic projections aligned with the Government's standard methodology for calculating housing need, as well as the other demographic-led scenarios set out in detail in Section 7.0 of this report.
- 13.39 On this basis, we have taken forward 2 labour force scenarios as follows:
- 1 SM3 (622 dpa): **+8,602** net job growth 2025-2043; and,
 - 2 375 dpa based on past delivery rates: **+3,053** net job growth 2025-2043.
- 13.40 To translate this job growth into employment floorspace requirements, similar assumptions concerning vacancy rates and employment densities as per the Experian Baseline Scenario 1 forecasting work were applied to the job projections. It has been assumed that the projected employment split of office / industrial and B8 jobs will mirror the Experian June 2025 projections in 2025 and 2043.

Table 13.7 Forecast Employment Change in North East Lincolnshire 2025-2043 – Labour Supply Total Workforce Jobs

	Office*	Light Industrial**	B2 General Industrial**	B8 Warehousing***	Total Office / Industrial / Distribution Jobs	Other Jobs	Jobs in All Sectors
SM3 622 dpa	1,442	275	-1,121	612	1,207	7,395	8,602
Past Housing Delivery 375 dpa	881	31	-1,799	109	-777	3,830	+3,053

Source: Source: Experian June 2025 / Lichfields Analysis. Note, sums do not always add due to rounding errors.

*Factoring in an 8% vacancy allowance where the net requirement is positive

**Net requirement halved as the job growth is negative. No vacancy adjustment applied in such instances

- 13.41 Under these scenarios, addressing the future employment requirements of local residents would result in a net requirement of between -10,890 sqm to +57,994 sqm of employment floorspace between 2025 and 2043 in North East Lincolnshire depending on the scale of housing provided. These results are shown in Table 13.8 and Table 13.9:

Table 13.8 Forecast Net Floorspace Change (sqm) in North East Lincolnshire 2025-2043 Labour Supply 622 dpa

	2025	2043	Net Requirement*
Office	85,772	103,796	+19,465
Light Industrial	156,486	169,410	+13,958
B2 General Industrial**	401,191	360,828	-20,181
B8 Logistics	461,997	503,433	+44,751
Total Office / Industrial / Distribution	1,105,446	1,137,467	+57,994

Source: Source: Experian June 2025 / Lichfields Analysis. Note, sums do not always add due to rounding.

*Factoring in an 8% vacancy allowance where the net requirement is positive

**Net requirement halved as the job growth is negative. No vacancy adjustment applied in such instances

Table 13.9 Forecast Net Floorspace Change (sqm) in North East Lincolnshire 2025-2043: Labour Supply 375 dpa

	2025	2043	Net Requirement*
Office	85,772	96,780	+11,889
Light Industrial	156,486	157,960	+1,593
B2 General Industrial**	401,191	336,441	-32,375
B8 Logistics	461,997	469,408	+8,004
Total Office / Industrial / Distribution	1,105,446	1,060,590	-10,890

Source: Source: Experian June 2025 / Lichfields Analysis. Note, sums do not always add due to rounding.

*Factoring in an 8% vacancy allowance where the net requirement is positive

**Net requirement halved as the job growth is negative. No vacancy adjustment applied in such instances

Scenario 4) Past Development Trends

- 13.42 Because they reflect market demand and actual development patterns on the ground, in some situations long term completion rates of employment floorspace can provide a reasonable basis for informing future land needs, particularly where land supply or demand has not been unduly constrained historically. However, the future demand picture may not necessarily reflect past trends and some adjustments may be needed.
- 13.43 Monitoring data on past completions and losses was provided by the Council up to 2017/18, which is when the Council's most recent AMR was published. This covered 13 years of completions data and 10 years of losses data. In addition, Council Officers provided a review of recent major employment site completions and losses since 2018 as summarised in Section 12.0. Over the 15-year period 2009/10-2023/24, gross completions for B-Class uses in North East Lincolnshire amounted to 140,730 sqm, at an annual average of 9,382 sqm gross.
- 13.44 Net completions are also recorded by the Council in its AMRs dating from 2009/10 to 2017/18, with further information provided by Officers since then which allows for the calculation of losses. A total of 33,245 sqm was lost to alternative non-B/E(g) Class uses over this time period, at an average of 2,216 sqm a year. On this basis, total net

completions were 107,485 sqm, or **7,166 sqm annually**.

Table 13.10 North East Lincolnshire Annual Average Take up / Losses of Employment Floorspace, 2009/10-2024/25 (sqm)

	Annual Gross Completions*	Annual Losses to alternative non B-Class uses	Annual Net Completions
E(g) (i) Office / E(g) (ii) R&D	1,708	336	1,372
E(g) (iii) Light Industrial	715	49	665
B2 General Industrial	3,232	49	3,184
B8 Warehousing	3,727	1,782	1,945
Total	9,382	2,216	7,166

Source: NELC Annual Monitoring Reports / NELC Officers (2025)

- 13.45 For the purposes of this scenario, we have trended forward this net annual figure over the 20-year plan period from 2025 to 2043. The data suggests that if past trends were replicated in future, then trending forward an annual net requirement of 10,504 sqm could justify the provision of around 169,000 sqm (net) over the next 18 years in North East Lincolnshire.

Table 13.11 Forecast Gross Floorspace Change (sqm) in North East Lincolnshire 2025-2043: Past Development Trends

	Gross Requirement	Net Requirement
Office	30,744	24,693
Light Industrial	12,862	11,974
B2 General Industrial	58,179	57,303
B8 Logistics	67,092	35,013
Total Office / Industrial / Distribution	168,876	128,982

Source: NELC / Lichfields Analysis. Note, sums do not always add due to rounding.

- 13.46 This approach assumes that past trends of development would continue unchanged, which may not fully reflect the future trajectory of the local economy. The Past Trends scenario produces a net requirement more than 9-times higher than the Economic Growth scenario.
- 13.47 Other factors suggest that past take up rates may not significantly increase in the future:
- The shift away from traditional manufacturing to a more high-tech economy through firms which may have significantly higher employment densities.
 - The continued restructuring of the traditional manufacturing economy with the potential for 'recycling' of older sites.
 - The E Use Class, which includes office, R&D and light industrial uses alongside retail, and the potential for greater levels of losses as a result without the need for planning permission (although conversely this could potentially increase the need for new floorspace).
 - The long-term impacts of the economic downturn from the Pandemic and the continued economic / political uncertainty.
 - Increased and sustained levels of homeworking for office-based sectors following the Pandemic.
 - The significant reduction in public sector spending available to deliver difficult brownfield sites.

- g The need to consider alternative uses for existing employment sites (i.e. for Sui Generis uses).

13.48 On balance, for North East Lincolnshire, it is suggested that the 9,382 sqm (or 2.35 ha based on a 40% plot ratio) annual past take up rate represents a realistic figure going forward over the remainder of the plan period. This should be regularly monitored by the Council and amended as necessary.

Estimating the Net Land Requirement

13.49 The next step involves translating floorspace into land requirements for office, industrial and warehousing uses. Land requirements have been calculated by applying appropriate plot ratio assumptions to the floorspace estimates:

- **Office/Industrial/Warehousing:** a plot ratio of 40% was applied, so that a 1 ha site would be needed to accommodate 4,000 sqm of employment floorspace for all of the main commercial / industrial uses.

13.50 The resulting net land requirements for the labour demand and labour supply scenarios are set out in Table 13.12. It ranges from a low of -2.72 ha (net) under the Past Housing delivery scenario (3b) up to as high as 32.25 ha net under the Past Take Up scenario.

Table 13.12 North East Lincolnshire net land requirements by labour demand and supply led scenarios (ha) 2025-43

Scenario	Offices	Light Industrial	General Industrial (B2)	Warehousing (B8)	Total
1) Experian June 2025 Baseline	3.50	1.26	-7.24	4.56	2.08
2) Economic Growth	3.50	1.26	-5.65	4.56	3.68
3a) SM3 622 dpa	4.87	3.49	-5.05	11.19	14.50
3b) Past Housing Delivery 375 dpa	2.97	0.40	-8.09	2.00	-2.72
4) Past Take Up	6.17	2.99	14.33	8.75	32.25

Source: Lichfields Analysis. Note: Numbers may not sum due to rounding.

Flexibility Factor

13.51 To estimate the overall requirement of employment space that should be planned for in allocating sites, and to allow some flexibility of provision, it is normal to add an allowance as a safety margin for factors such as delays in some sites coming forward for development.

13.52 This margin, or flexibility factor, is a contingency adjustment, providing a modest additional land buffer so that supply is not too tightly matched to estimated demand, and so that shortages of land do not arise if future demand turns out to be greater than the forecasts. Such flexibility is sensible given the uncertainties in the forecasting process and the scope for delays in developing employment space.¹⁷¹

13.53 The scale of the margin is a judgement call but tends to be reflective of the challenges in the local market based on past completions, ranging from 2 to 5 years. The former South-East England Planning Partnership Board [SEEPB] guidance on employment land assessments recommended an allowance that is equivalent to the average time for a site to gain planning permission and be developed, typically about two years.

¹⁷¹ This safety margin is separate from the consideration of the vacancy rate.

13.54 Whilst five years is towards the upper end of the scale when it comes to a flexibility margin, given the success of emerging sectors, ambitious economic aspirations of the Council and the desire to regenerate land-hungry industrial and dockland areas in the Borough, we consider that in this instance **it is appropriate to allow for a safety margin equivalent to five years of past take-up**. A gross figure has been used given the negative industrial use figure and the very substantial peaks and troughs observed in the Council's data

13.55 **A flexibility factor of 8,540 sqm of office floorspace (2.13 ha), 3,573 sqm light industrial floorspace (0.89 ha), and 34,798 sqm of industrial and warehousing floorspace (8.70 ha) was therefore applied over five years, as set out in Table 13.3.**

Table 13.13 North East Lincolnshire Flexibility Factor

Uses	Average Annual Take-up (ha)	5-year Safety Margin Added (ha)
Office and R&D	0.43	2.13
Light Industrial	0.18	0.89
General Industrial	0.81	4.04
Warehousing	0.93	4.66
Total	2.35	11.73

Source: NELC / Lichfields' Analysis. Note: numbers may not sum due to rounding

13.56 Drawing together the results from each of the economic scenarios, the following table summarises the net land requirements across the Plan period factoring in 5-years of flexibility uplift. They range from 9.01 ha (Labour Force under past delivery) up to 43.97 ha (Past Development Trends).

Table 13.14 Net Land Requirements for North East Lincolnshire (including flexibility factor) for 2025 to 2043 (ha)

		Offices / R&D (ha)	Light Industrial (ha)	General Industrial (ha)	Warehousing (ha)	Total (ha)
1) Experian June 2025 Baseline	Net	3.50	1.26	-7.24	4.56	2.08
	+ Flexibility Factor	5.64	2.15	-3.20	9.22	13.81
2) Economic Growth	Net	3.50	1.26	-5.65	4.56	3.68
	+ Flexibility Factor	5.64	2.15	-1.61	9.22	15.40
3a) Labour Force under SM3 (622 dpa)	Net	4.87	3.49	-5.05	11.19	14.50
	+ Flexibility Factor	7.00	4.38	-1.01	15.85	26.23
3b) Labour Force under past delivery (375 dpa)	Net	2.97	0.40	-8.09	2.00	-2.72
	+ Flexibility Factor	5.11	1.29	-4.05	6.66	9.01
4) Past Development Trends	Net	6.17	2.99	14.33	8.75	32.25
	+ Flexibility Factor	8.31	3.89	18.37	13.41	43.97

Source: Lichfields analysis

Convert Net to Gross Floorspace Requirements

- 13.57 While the net employment space requirements presented in Table 13.14 represent the minimum recommended quantum of employment space to plan for in North East Lincolnshire over the plan period, **the Council will need to take a view on the extent to which additional space should be planned for over and above the net requirements, in order to allow for replacement of ongoing losses of employment space during the Local Plan period.**
- 13.58 There is usually a need to ensure that the stock of employment land allocated factors in a suitable allowance for the replacement of future losses of employment space that may be developed for other (non-office/industrial) uses over the plan period. This would provide some protection against the erosion of employment space over the plan period. This is a widely accepted approach in planning for future employment land needs.
- 13.59 Not all losses need necessarily to be replaced however, as some will reflect restructuring in the local economy as less space may be needed in some sectors in future. Nevertheless, some replacement is needed to refresh the quality of the stock, provide choice and to avoid the employment land supply declining. This would be on the basis that the stock of employment land in North East Lincolnshire contains some older and/or poorer quality sites, that are less likely to meet future needs and are of a scale that reflect past industrial patterns rather than the amount of land needed in future.
- 13.60 As set out in Section 6.0, data provided to Lichfields by the Council indicates that losses have averaged **2,216 sqm, or 0.55 ha @40% plot ratio** per annum over the period 2009/10 to 2023/24.
- 13.61 It is important to question whether the past losses are of a scale that is generally reflective of the size of North East Lincolnshire's economy, and if not, whether this should be adjusted up/down to allow for a suitable degree of refurbishment to prevent the portfolio becoming increasingly unattractive to the market.
- 13.62 This alternative approach analyses the rate of 'churn', which would be equivalent to a proportion of North East Lincolnshire's existing stock per annum. A number of other ELRs have used a replacement figure of around 1% per annum¹⁷², which would be the equivalent of the area's entire stock being replaced over a period of 100 years. This has been acknowledged as a valid alternative approach (to adjusting for anticipated future losses) when translating net employment land needs into a gross planning requirement. A 0.5% replacement level would be the equivalent of the entire stock being replaced over 200 years.
- 13.63 To put this into context, a widely used rule of thumb in the development industry suggests that modern industrial units often have a much shorter shelf life of just 30-35 years before they become obsolete to modern occupiers and require substantial refurbishment if not demolition and rebuild.
- 13.64 Other ELR studies¹⁷³ have noted that approximately 20% of historic completions have been achieved through (former) B-Use Class redevelopment (i.e. the re-use of formerly B-Use Class employment sites), with the remainder requiring new sites. This suggests that there will likely be a requirement for a high proportion of replacement activity on new sites to deliver new employment land supply to meet modern occupier needs.

¹⁷² See, for example, Lichfield District Council's Employment Land Review 2014 Update and work covering the areas of: The West of England Updated Employment Evidence (Bath & North East Somerset, Bristol, North Somerset and South Gloucestershire) November 2018; Greater Exeter Economic Development Needs Assessment (Devon County, East Devon, Exeter, Mid-Devon, Teignbridge and Dartmoor National Park) March 2017 and Dartmoor National Park Employment Land Review, January 2018.

¹⁷³ West of England Joint Spatial Plan Area Updated Employment Evidence (2018)

- 13.65 Table 13.15 compares the rate of replacement needed for North East Lincolnshire's office/industrial stock. It assumes that 1% of the existing floorspace would be replaced per annum (based on the existing floorspace for the Borough using the latest Business Rates VOA data for 2023) and netting off a further 20% (assuming that 1 out of 5 sites will be recycled for employment use).

Table 13.15 North East Lincolnshire Loss Replacement Rate Analysis (2025)

	Annual Replacement at 1%*	Annual Replacement at 0.5%*
Office	968 sqm (0.24 ha)	484 sqm (0.12 ha)
Industrial & Warehousing	8,384 sqm (2.10 ha)	4,192 sqm (1.05 ha)
Total	9,352 sqm (2.34 ha)	2,908 sqm (1.17 ha)

Source: Lichfields analysis/VOA Business Floorspace (2025)

*Using a standard 40% plot ratio to translate office/industrial floorspace to land and netting off 20% on-site replacement.

- 13.66 The Table indicates that the long-term rate of losses, 0.55 ha, is much lower than the level that might be expected given the size of North East Lincolnshire's economy. Given its size, North East Lincolnshire would need to be replacing around **2.34 ha** of employment land per annum to refresh all of the stock in 100 years, whilst redeveloping **1.17 ha** per annum would take 200 years to regenerate all of the Borough's current stock, which is clearly a less than desirable outcome. The 0.55 ha past trend rate of loss is below even the lower end of this range. Furthermore, as discussed in Section 12.0, North East Lincolnshire has a relatively high proportion of poor-quality employment properties at 61.4% relative to the wider region (47.5%). This means that there may be a higher share of existing premises that will not be suitable for the types of modern sectors that have recently established themselves in the Borough and which future economic strategy will seek to target.
- 13.67 Balancing these considerations, it is accepted that factoring an element of future losses is not an exact science. The following factors have therefore been balanced in reaching a judgement as to the appropriate level of loss replacement:
- The current rate of loss, at 0.55 ha per annum, is much lower than the level of employment land that would need to be replaced and would equate to around 0.19% of the entirety of North East Lincolnshire's stock if it were to be replaced annually.
 - Historic losses have included a number of relatively small employment sites, including the piecemeal development of small infill parcels. Losses fluctuate from virtually nothing one year, to as high as 13,985 sqm / 3.49 ha in 2022/23. The loss of larger sites would potentially have a greater impact on the demand-supply balance at the local level.
 - Movements between the range of uses that fall within the E use class no longer require planning permission because they no longer constitute 'development', which could result in more office/light industrial land being lost than previously. The Permitted Development Rights streamlining 'office and light industrial E Classes to residential' conversion may therefore exacerbate losses over the short to medium term.
- 13.68 Mindful of the factors outlined above, it is considered that on balance, and, given the uncertainties involved, it is prudent to plan for a replacement figure equal to around **2.34 ha** in line with the 1% churn approach. This should be monitored by the Council over the coming years and adjusted as necessary.
- 13.69 This also takes into account the views of agents and developers on the need to replace and

rejuvenate North East Lincolnshire's existing floorspace over the course of the plan period. Over 18 years, this would see the replacement of **42.09 ha, the vast majority of which would need to be in industrial use.**

13.70 In summary, the demand-led range of total gross land requirements to 2042, factoring in a 5-year margin of choice and loss replacement, results in the following demand projections for North East Lincolnshire.

13.71 The scenarios range from a low of 51.09 ha (Labour Supply under past delivery) to the Past Take Up (Scenario 4) figure of 86.06 ha:

- 1 **Econometric demand-led projections: 55.89 ha – 57.49 ha;**
- 2 **Labour Supply projections: 51.09 ha – 68.31 ha; and,**
- 3 **Past Development Trends: 86.06 ha.**

Table 13.16 North East Lincolnshire Gross Employment Land Comparisons 2025-2043

		Offices / R&D (ha)	Light Industrial (ha)	General Industrial (ha)	Warehousing (ha)	Total (ha)
1) Experian June 2025 Baseline	Net	3.50	1.26	-7.24	4.56	2.08
	+ Flexibility Factor	5.64	2.15	-3.20	9.22	13.81
	+ Loss Replacement	9.99	5.67	12.69	27.55	55.89
2) Economic Growth	Net	3.50	1.26	-5.65	4.56	3.68
	+ Flexibility Factor	5.64	2.15	-1.61	9.22	15.40
	+ Loss Replacement	9.99	5.67	14.28	27.55	57.49
3a) Labour Force under SM3 (622 dpa)	Net	4.87	3.49	-5.05	11.19	14.50
	+ Flexibility Factor	7.00	4.38	-1.01	15.85	26.23
	+ Loss Replacement	11.36	7.90	14.89	34.17	68.31
3b) Labour Force under past delivery (375 dpa)	Net	2.97	0.40	-8.09	2.00	-2.72
	+ Flexibility Factor	5.11	1.29	-4.05	6.66	9.01
	+ Loss Replacement	9.46	4.80	11.84	24.98	51.09
4) Past Development Trends	Net	6.17	2.99	14.33	8.75	32.25
	+ Flexibility Factor	8.31	3.89	18.37	13.41	43.97
	+ Loss Replacement	12.66	7.40	34.26	31.74	86.06

Source: Lichfields' analysis

Reality Check

13.72 Clearly the levels of future demand for employment land projected by the various projections differ. The projections are largely trend-based; in particular, the past take up has been (at least partly) recorded during an unprecedented recession in the commercial market nationally. It is likely that the actual performance of North East Lincolnshire's economy and commercial property market will lie somewhere between the econometric and past trends projections.

13.73 To provide a clearer steer as to what level of growth North East Lincolnshire should be planning for, it is important to apply reality checks.

Replacement of Losses

- 13.74 The scenarios considered in the preceding paragraphs include an allowance for the replacement of losses at 100% of past trends. This is considered appropriate, having regard to the scale and nature of historic losses and the lack of large-scale employment losses in the pipeline.

Post Covid Impact on Employment Densities

- 13.75 As set out earlier in this Report, it is accepted that the current Covid-19 pandemic has dramatically altered working patterns, with the number of people working from home rising exponentially since lockdown. Many commentators are suggesting that there will be a permanent shift towards home working and the greater flexibility this affords people, with the need for office space in particular falling significantly. Examples could include the need for social distancing in terms of desk-spacing and layouts, less sharing of desks, and more communal space. Conversely, the impact may actually be to increase densities, with a higher proportion of the workforce working from home, and rotating the use of desk space to minimise the number of people in the office at any given point in time, which may actually have the effect of increasing densities.
- 13.76 The modelling currently assumes that one general office workforce job requires 12.5 sqm of employment floorspace [GEA]. If employment densities were to decrease by, say, 20%, to 15 sqm, then the land requirements would only increase by a maximum of 0.70 ha overall. Conversely, if more people were to work from home but still come into the office a few days a week, perhaps to a smaller office but with a similar number of staff as before, and employment densities actually increased by 20% (to 1 job per 10 sqm), then this would reduce the level of employment land needed by a similar amount.
- 13.77 Either way, our view remains that it is likely that there will be some long-term shift in working patterns as a result of the pandemic, it is still far too soon to say what the scale of that change on home working is likely to be. The sensitivity test demonstrates that there would have to be a fairly profound shift in office employment densities to have a significant impact on the level of employment land needed overall.

14.0 Forward Supply of Employment Land

Introduction

14.1 This study has analysed the different types of employment land that constitutes the Council's forward supply in order to distinguish between what meets local, or indigenous, need and what meets a wider 'strategic need'.

14.2 This section breaks down the available supply of employment land in North East Lincolnshire to help provide a clearer picture of what is realistically available for indigenous, local occupiers and what is for strategic 'bigger than local' needs. This has involved discussions with a number of agents and owners of some of the larger sites in question to understand what their future intentions are for a number of these sites. Where Lichfields was unable to speak with a developer or landowner regarding a site, professional judgement has been applied relating to whether it is likely to come forward for local or strategic need, as well as drawing upon information shared by the Council.

Strategic Employment Land Supply Compartmentalisation

14.3 North East Lincolnshire's 2023 HEDNA identified that there was some **252 ha of employment land available on allocated sites**. However, the HEDNA also noted that of this notional 252 ha, **only 5.04 ha actually related to general needs** whilst the remaining 165 ha was for strategic sites and 81 ha for port-specific uses.

14.4 Table 14.1 provides an updated overview of available employment sites which has been provided by the Council and supplemented with desk-based research and consultation. It indicates that, at the time of writing, there is **around 418.33 ha of employment land available on allocated sites / sites with extant planning permission for employment use**, plus 119.24 ha available employment land reserved for long-term business expansion; however, those sites which are reserved are most likely to come forward for strategic employment. In addition, there is also 12.88 ha of potential new sites.

14.5 However, of this 418.33 ha supply, the vast majority, or **409.62 ha, relates to strategic, 'bigger than local' sites or sites which are restricted to a very specific function such as food processing, energy, chemicals or port related activities. It is estimated that there is just 8.71 ha of land which relates to general needs**, which includes the potential 0.95 ha at Phase 3 Stallingborough (ELR016a&b).

14.6 Whilst there is 232.9 ha of port-specific, chemicals or energy-related available employment land supply in the Borough, this is unlikely to come forward for general business use. These sites are either identified for major energy projects (such as battery storage, energy from waste, or carbon capture), chemicals, or have specific port-related uses.

14.7 **Developable Land** – For the purpose of this document, 'developable land' refers to land available for development, which **may or may not have planning permission**. The point to note is that whilst it forms part of the forward supply of employment land, at the time of writing there is no development on the land currently, but it is expected to come forward at some point over the Plan period. Employment land already developed has been removed from this column.

Table 14.1 North East Lincolnshire – Available Employment Land Supply

Category	Allocation Reference/Settlement	Gross Site Area (ha)	Indicative Sector	Remaining Land 2025 (ha)	Comments (August 2025)
Strategic Sites	ELR016a&b Stallingborough Interchange <u>Confirmed site areas</u> ELR016a – 87.68 ha ELR016b – 5.62 ha Total: 93.3 ha	Phase 1a – 13.5 ha / 12.19 ha undeveloped	Ports and Logistics	12.19 ha	Phase 1a – Council owned DM/0105/18/FUL (approved for 62 ha) – Phase 1a, 1b and 2 Phases 1a, 1b and 2 as identified in original application are shown below, with Phase 1a comprising the land highlighted in yellow:  Constructed (Not developable land) - DM/0858/19/REM (MyEnergi) – 0.14ha - DM/0111/22/REM (HETA) – 1.17ha Not yet constructed - DM/0957/24/REM (DFDS – Office building) (approved with conditions Aug 2025). This has not yet been constructed – 2.9ha - DM/0122/24/FUL (Aegis – Green Energy Refuelling / Recharging facility) (outline planning consent approved December 2024) – 1.8ha. This was for

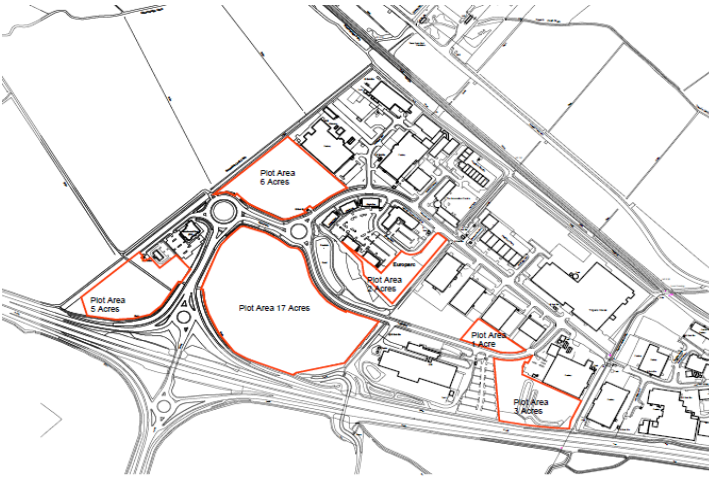
				the west of the site. This has not yet been constructed. The Map below shows the full site, ELR016A&B. It can be seen that a section of the original map (above) has been removed to reflect the MyEnergi and Heta developments that have been built out:
--	--	--	--	---

				was most likely going to serve a strategic use for ABP's future expansion needs. Whilst ABP acknowledged this could change depending on future customer needs, it was envisaged that this would most likely serve a strategic purpose either linked to port-related use or to potentially support the energy sector.  <i>Figure 2.1: Aerial view of the Site with indicative red line boundary (Source: Google Maps)</i> <i>Source: Stallingborough Interchange Plot 1 Planning Statement, Montague Evans (June 2025)</i> At the time of writing, there is no construction taking place and the site remains undeveloped. However, the remaining land (Pioneer Park) owned by the Council is actively marketed with support from InvestNEL Team. Conclusion: 19.28 ha of employment land remains available, of which 3.3 ha can be considered 'general' employment land, with the remaining 15.98 ha comprising a strategic site meeting the needs of the Ports and Logistics sector.
--	--	--	--	--

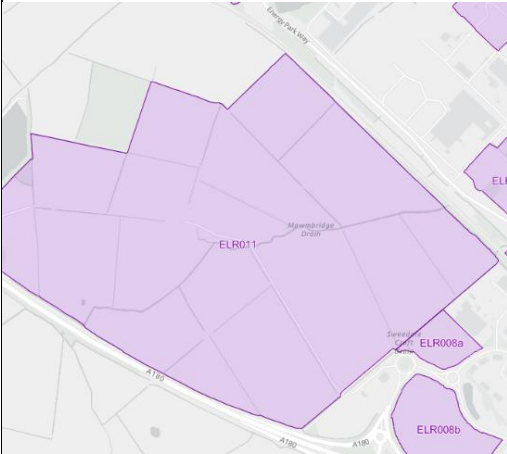
		Phase 2 – 26.8 ha		26.8 ha <u>Phase 2 – ABP owned</u> ABP submitted a Reserved Matters in July 2025 for 103,000 sq ft (0.95 ha) of multi-let industrial and logistics space which will be in the northeast corner of Phase 2. This is a speculative scheme which ABP envisaged will be general industrial. In terms of the remaining site, ABP expects that this will likely comprise a strategic site which provides port-related uses. Conclusion: 26.8 ha of employment land remains available. This comprises 0.95 ha which is likely to come forward for general industrial with the remaining 25.85 ha comprising a strategic site meeting the needs of the Ports and Logistics sector.
		Phase 3 – 39 ha		39 ha <u>Phase 3 – ABP owned</u> DM/1026/24/OUT – 39 ha An outline application was submitted on behalf of ABP in December 2024 for the change of use of land for the external storage and distribution of goods and products (Class B8) associated with port-related import/export activities, associated buildings, landscaping (including land for biodiversity net gain), infrastructure, ground mounted solar PVs and other associated works. The application is pending consideration by NELC. The Planning Statement that accompanied the planning application for Phase 3 states that the Proposed Development states in para 3.9 that ABP has recently acquired a significant part of the Stallingborough Interchange Strategic Employment Site from NELC, along with additional adjoining land from private landholders (together the “<i>Wider Stallingborough Interchange Site</i>”), to support the continued growth and investment of the Ports of Immingham and Grimsby. The Site subject to application DM/1026/24/OUT comprises circa 39 ha of undeveloped land, currently in agricultural use, that falls almost entirely within the Stallingborough Interchange Strategic Employment Site allocation (ELR016a of the NELC Local Plan), which allocates the Site, save for a small part to the east, for port-related employment uses. The Planning Statement goes on to note that the Proposed Development is intended to be used for automotive storage and for the preparation and distribution of vehicles imported / exported through the Ports of Grimsby and Immingham. It is

				proposed that a planning condition will be used to limit the above external storage and distribution use to automotive goods / products only [para 1.13]. <i>“The Proposed Development will provide much needed additional automotive storage space to support the growing automotive operations at the Ports of Grimsby and Immingham, whilst freeing up operational port land directly adjacent to the Ports for other port-related development”</i> [para 1.14]. Conclusion: 39 ha of employment land remains available, comprising a strategic site meeting the needs of the Ports and Logistics sector.
	ELR027 Land East of Queens Road, Immingham	15.27 ha	Renewable Energy, Ports and Logistics	15.27 ha North Beck Energy Centre DM/0026/18/FUL: <i>“Erect an Energy Recovery Facility with an electricity export capacity of up to 49.5MW and associated infrastructure including a stack to 90m high, parking areas, hard and soft landscaping, access road, weighbridge facility and drainage infrastructure”</i>. The Application Site, which has yet to begin construction, comprises approximately 6 ha of land, forming part of a wider area of undeveloped land on the southern bank of the Humber Estuary (approximately 925m from the shore). The Council considers that remainder of the Queens Road site is unlikely to come forward for car storage, but due to the poor quality of the land is likely to be a similar activity to the North Beck interest referred to above.  Conclusion: 15.27 ha of employment land remains available, comprising strategic sites meeting the needs of the Renewable Energy, Ports and Logistics sectors.

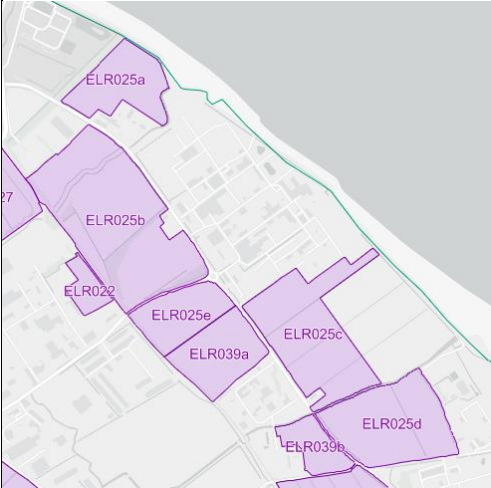
	ELR015a&b Moody Lane, Grimsby	22.73 ha (4.04 ha constructed)	Chemicals and process industries / Energy	18.69 ha	The site has received planning permission for various uses, including: Constructed: DM/1189/23/FUL – Approved HGV storage (constructed) – 4.04 ha Pending approval: DM/0451/25/FUL – Hazardous Waste Recycling Plant Planning Application April 2025 – 9.57 ha (Pending approval) Not constructed: DM/0329/18/FUL – Industrial building and adjoined two storey office/control room to create power plant (energy from waste) – 2.16 ha (Approved with conditions) DM/1103/22/FUL – Pyrolysis Plant – 4.04ha (Approved with conditions) The remainder of the site is being actively marketed by AbleUK and InvestNEL for industrial uses.  Conclusion: 18.69 ha of employment land remains available, comprising strategic sites meeting the needs of the Energy, Chemicals and process industries sectors.
	ELR008a-e Europarc Phase III, Grimsby	13.6 ha	Food processing	13.6 ha	Europarc III is marketed as a Food Enterprise Zone designed to attract businesses working within the food supply chain. The wider site has become a cluster for food companies due to its advantageous location, with the cluster of businesses helping to

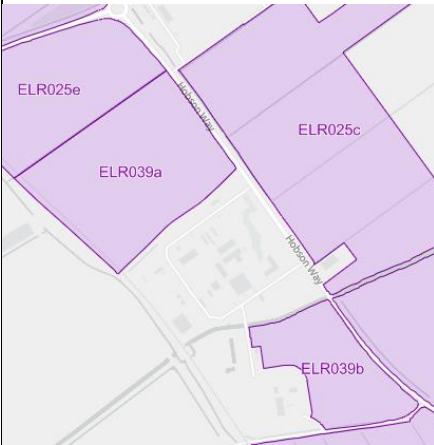
				attract investment. Existing schemes which have planning permission include a cold store (DM/0442/21/REM – 1.5ha) and three speculative industrial buildings (DM/0340/22/REM – 0.5ha). Wykeland owns the remaining developable plots on the Phase III site. It is understood that an application is currently being drawn up and NELC expects this to be submitted soon. The site represents an opportunity to continue the successful growth of Europarc and encourage the clustering of food businesses. Developable areas within Europarc are illustrated in the Figure below:  Source: Wykeland Limited / Quod (2025): <i>Statement of Suitability and Availability, Europarc, Grimsby, Phase III Location Plan</i> The site is advertised¹⁷⁴ by Wykeland as being “great for any national and multinational enterprise.” The marketing goes on to note that “Europarc in Grimsby
--	--	--	--	---

¹⁷⁴ [Europarc Grimsby | Enterprise Space | Wykeland Property Development](#)

					<i>offers 800,000 sq ft of premium enterprise space, catering for a wide range of businesses. There are opportunities for smaller scale operations and startups in the Innovation Centre, Grade A premises for larger established businesses and space for new, bespoke units”.</i> Conclusion: 13.6 ha of employment land remains available at Phase III, comprising sites related to food businesses ranging from small, serviced business space to larger food logistics industries.
	ELR011 Europark Phase IV, Grimsby	80 ha	Food processing	80 ha	It is understood that Wykeland has an agreement in place with the landowner to bring forward development at the Site. Interest shown by a food related investor relates to 10ha of the site. As with Phase III, Phase IV presents an opportunity to accommodate food production companies in addition to the existing businesses which has created a cluster of similar businesses.  Conclusion: 80 ha of employment land remains available at Phase IV, comprising sites related to food businesses.
	ELR025a-e Stallingborough Tronox, Laporte Road	102.28 ha (Reserved for Expansion)	Chemicals and processing / Energy	102.28 ha	The western part of this site (ELR025a) is used by ABP and will form part of its application for the wider Immingham Green Energy Terminal which was granted a DCO in February 2025¹⁷⁵. Under the DCO, ABP has temporary rights and has used this as a temporary construction compound. The site (Stallingborough Plant) is owned by

¹⁷⁵ [Immingham Green Energy Terminal development consent decision announced - GOV.UK](#)

					Tronox for chemical manufacturing. No construction has taken place. Given the size of the site, existing operations, and current plans, it is likely to come forward for existing business expansion as part of the Green Energy Terminal.  Conclusion: 102.28 ha of employment land remains available, comprising strategic sites meeting the needs of the Energy, Chemicals and process industries sectors.
	ELR039a&b Stallingborough	16.96 ha	Chemicals and processing	16.96 ha	In the North East Lincolnshire Local Plan (2013 to 2032) Adopted 2018, this site was reserved for expansion by BOC Gases for existing operations. However, there has been no activity in the last 5 years.

					 Conclusion: 16.96 ha of employment land remains available, comprising an expansion site to meet the needs of the Chemicals and process industry.
Renewables and Energy	ELR022 Plot Q, Kiln Lane, Stallingborough	3.43 ha	Renewables, Energy	3.43 ha	DM/0848/14/FUL – Waste to Energy Plant – 2.11 ha approved, not constructed. According to the Council, 1.32 ha remains undeveloped, although the land is intended to be used for a Battery Energy Storage System [BESS]. Given this use, it is unlikely that the site will come forward for general needs.  Conclusion: 3.43 ha of employment land remains available, meeting the needs of the Renewable Energy sector.

	EPUKi Energy Park Way, Moody Lane (significant investments)	21.8 ha	Renewables and Energy	21.8 ha	Waste to power plant approved previously (DM/1070/18/FUL). However, no construction has taken place. – 2.6ha. The permission has expired. However, the DCO for the remainder of the site is still live. NELC consider that it is a reasonable assumption that development will proceed for this use as discussions are still taking place with its promoters. Conclusion: 21.8 ha of employment land remains available, meeting the needs of the Renewable Energy sector.
	Netherlands Way (significant investments)	2.46 ha	Renewables and Energy	2.46 ha	Planning submitted for DM/0628/18/FUL for Energy from Waste Plant, approved in December 2018. The description of the development stated that this would involve <i>“Partially demolishing existing building and erect 20MWE waste to energy power generation facility, 65m stack and associated plant, machinery, parking and external works”</i>. This has not been constructed. However, the site is considered by NELC as being unlikely to come forward for general employment uses.¹⁷⁶ Conclusion: 2.46 ha of employment land remains available, meeting the needs of the Renewable Energy sector.
	ELR020 RWE Site, Hobson Way, Stallingborough	19.53 ha	Renewables and Energy	19.53 ha	RWE intends to develop the entire site for a Combined Cycle Gas Turbine and Carbon Capture Plant. A DCO has been submitted for the site.¹⁷⁷ DM/0164/24/DCO – pending consideration currently.

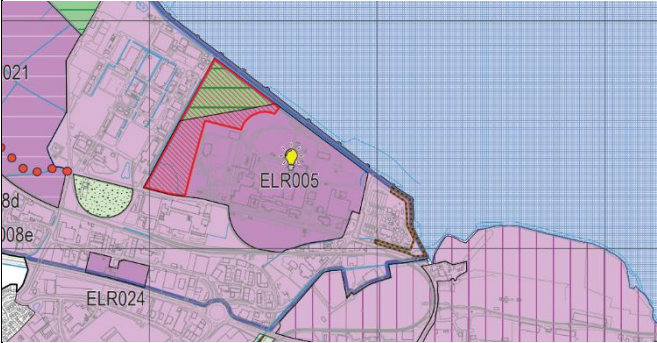
¹⁷⁶ [DM_0539_23_FUL-FINAL_PLANNING_STATEMENT_INCL_APPENDICES-1655162.pdf](#)

¹⁷⁷ [Report Stallingborough Combined Cycle Gas Turbine and Carbon Capture Plant 2024-01-22](#)

					 Conclusion: 19.53 ha of employment land remains available, meeting the needs of the Renewable Energy sector.
	ELR019 Stallingborough	32.78 ha	Renewables and Energy	32.78 ha	Velocys is developing a Sustainable Aviation Fuel [SAF] plant in collaboration with British Airways on the site. This has planning consent and has received funding from the Department for Transport. However, construction has yet to begin.  Conclusion: 32.78 ha of employment land remains available, meeting the needs of the Renewable Energy sector

	New Clee Sidings	4.07 ha	Aqua Culture salmon production and processing for human consumption	4.07 ha	DM/0539/23/FUL – permission was granted in 2023 for the erection of an onshore aquacultural farm including an energy centre and ancillary processing. Construction has not started. – 4.07 ha. There is an intention to begin construction. Conclusion: 4.07 ha of employment land remains available, meeting the needs of the food processing sector.
Port Specific	ELR042 Grimsby - Novartis Factory Site	37.7 ha	Chemicals and processing	37.7 ha	According to NELC, the former chemicals plant is currently being considered for a Strategic Aviation Fuelling Plant. However, Finsbury Infrastructure signed an agreement for the site in 2025 for 6 months.  There are existing laboratories and associated buildings on site which are identified as being suitable for chemical or pharmaceutical use. In an interview given by the site's owner IPP in 2025 to the 'Contract Pharma' website, IPP's aim is to sell the complete site to one manufacturer, ready for operation¹⁷⁸. Given IPP's ambitions for the wider site, it is considered unlikely that the undeveloped land will come forward for general use and is more likely to form a wider strategic use within the wider Novartis Factory Site. Conclusion: 37.7 ha of employment land remains available, meeting the needs of the Chemicals and processing sector
	ELR005 Former Huntsman Tioxide Site, Grimsby	45 ha	Ports and logistics	45 ha	<u>ABP own section for automotive storage</u> DM/0304/17/FUL – Facility for the storage and distribution of vehicles (Approved with conditions) - 45ha - Phase 1 operational, phase 2 eco mitigation complete, ABP expect phase 3 to commence construction at the start of 2026.

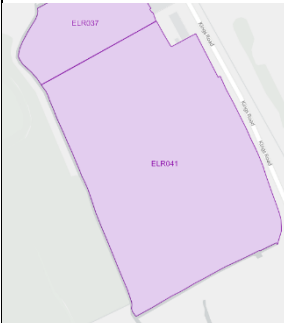
¹⁷⁸ [Breathing New Life into Grimsby: IPP's Vision for Sustainable Industrial Redevelopment | Contract Pharma](#)

					- Under construction ABP acquired 36 ha of the site. This has now been branded the 'Future Grimsby' site which can accommodate units ranging from 7,500 to 210,000 sq ft. This has been marketed as providing manufacturing and logistics development.¹⁷⁹ The site was previously considered by Roll-Royce for a 'heavy vessels' manufacturing site.¹⁸⁰ Whilst this did not ultimately occur, during Lichfields' discussions with ABP the site was mentioned as being likely to play a role in expanding Grimsby's automotive sector. This site is designated as a Customs Zone as part of the Humber Freeport. It is currently used for the storage of imported vehicles. Given the envisaged uses for the site, it is likely the site will come forward for strategic use. ABP is understood to be coming forward with plans for a new building for vehicle storage.  Conclusion: 45 ha of employment land remains available, meeting the needs of the Automotive Storage / Logistics sectors
	ELR001 Immingham, Kings Road	22.27 ha	Renewables, Energy / Ports and Logistics	22.27 ha	ABP will be developing a new roll-on roll-off terminal at the port which was approved in October 2024. It has not yet started construction, but ABP expects this to commence in 2026. A DCO [2025 No.143] was approved in 2025 with the site identified for a green energy and carbon capture facility. It is understood that ABP still intends on bringing the site

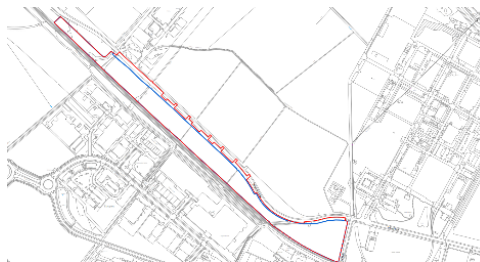
¹⁷⁹ [ABP Launches 1 million ft2 Grimsby site | Logistics Manager](#)

¹⁸⁰ [Grimsby on Shortlist for Rolls-Royce Factory | Greater Lincolnshire LEP](#)

					forward for a hydrogen production facility - DM/0290/25/DCODID. Conclusion: 22.27 ha of employment land remains available, meeting the needs of the Renewable Energy / Ports and Logistics sectors.
General Needs	ELR007, Immingham Land at Hall Park Way	2.83 ha	Mixed	2.83 ha	Part of the site has already been developed for offices (DM/0902/18/FUL) covering 1.07 ha, with the remainder of the site marketed as industrial and benefiting from planning permission for speculative units (DM/0469/21/FUL). DM/0959/22/FUL – Two single-storey units for Class B2, B8, E(C)(iii) & E(g) with sui generis trade counter – 0.71 ha – Approved with Conditions.  Conclusion: 2.83 ha of employment land remains available, meeting general employment land needs.
	ELR037 Land r/o Marlin House, Immingham	1.14 ha	Mixed	1.14 ha	The site remains undeveloped. Interest in it for commercial/ industrial offer. No evidence of development taking place.  Conclusion: 1.14 ha of employment land remains available, meeting general employment land needs.

	Murray St.	5.1 ha	Mixed Use	0.49 ha (for employment use)	DM/0865/23/LBC Entertainment Venue / Offices was approved in February 2024. Of the 5.1 ha site, around 4,877 sqm GIA, or 0.49 ha could provide office use.¹⁸¹ Started on site – construction taking place. Conclusion: 0.49 ha of employment land remains available, meeting general employment land needs.
Potential New Sites	ELR041, Immingham Land west of Kings Road	5.33	Light Industrial	5.33 ha	The site has been promoted for light industry. No construction has taken place. Brocklesby Estates owned, promoted through the 2022 call for sites.  Conclusion: 5.33 ha of land could potentially come forward to meet general employment land needs, but no planning in place at present.

¹⁸¹ [DM_0865_23_LBC-DESIGN_ACCESS STATEMENT_PT_1-1670532.pdf](#)

	Energy Park Way	7.55	Mixed Use	7.55 ha	DM/0089/25/FUL – pending consideration for the speculative development of industrial units. The description of development states: <i>“Erection of industrial units with external storage areas across 5 individual plots to include flexibility on use (Classes B2, B8 and E(g)(iii)) with accesses, drainage, landscaping, biodiversity enhancements and associated works”.</i> 
Summary					
Type		Gross Site Area (ha)		Remaining Land 2025 (ha)	
Port Specific		94.33 ha (13.5 + 15.98 + 25.85 + 39.0)		93.02 ha (12.19 + 15.98 + 25.85 + 39.0)	
Energy and Renewables / Port Logistics		82.54 ha (15.27 + 45 + 22.27)		82.54 ha (15.27 + 45 + 22.27)	
Chemicals and process industries / Energy		60.43 ha (22.73 + 37.7)		56.39 ha (18.69 + 37.7)	
Renewables, Energy		80.0 ha (3.43 + 21.8 + 2.46 + 19.53 + 32.78)		80.0 ha (3.43 + 21.8 + 2.46 + 19.53 + 32.78)	
Food Processing		97.67 ha (13.6 + 80 + 4.07)		97.67 ha (13.6 + 80 + 4.07)	
Total Strategic (excl. expansion land)		414.97 ha		409.62 ha	
General / Local Employment Land		13.32 ha (2.83 + 1.14 + 5.1 + 3.3 +0.95)		8.71 ha (2.83 + 1.14 + 0.49 + 3.3 +0.95)	
+ Reserved for Strategic Expansion		119.24 ha (102.28 + 16.96)		119.24 ha (102.28 + 16.96)	
+ Potential New Sites		12.88 ha (5.33 + 7.55)		12.88 ha (5.33 + 7.55)	

Source: NELC (2025) / Lichfields Analysis

Consultation

- 14.8 To inform the 2023 HEDNA, consultations were held with commercial agents to understand the strength of the commercial property market in North East Lincolnshire, and particularly to explore issues surrounding the availability of employment land in the Borough. As part of this updated 2025 study, Lichfields has undertaken fresh consultations with developers, businesses and commercial agents in the Borough to understand specific strategic employment land requirements in order to help distinguish between strategic employment needs and those of local, indigenous businesses.
- 14.9 A recurring theme from these discussions, and one that had arisen repeatedly in the 2023 consultation, was the complaint that although the Borough appeared to have huge quantities of employment land, most of it was either constrained or earmarked for very specific sector-based requirements. Constraints included being restricted by ecological mitigation measures, or land being reserved for long-term expansion of adjoining companies who also happened to occupy adjoining tracts of land. Many of the larger sites, whilst important for the area and reflecting North East Lincolnshire's strengths in chemical, energy and port-related industries, were clearly unavailable on the open market, being controlled by single operations for large, design-and-build style developments.
- 14.10 Many consultees in 2025 commented that available sites are more likely to come forward for large units rather than small to medium sized units which may be required by smaller SME occupiers. Agents generally agreed that most of the larger, strategic sites are retained by single operations with a view to either these for additional uses (such as storage), or to safeguard them for future expansion.
- 14.11 In particular, agents specified that large portions of strategic land are owned by major companies including ABP and Able UK.
- 14.12 Lichfields held discussions with ABP concerning its sites. Regarding site ELR001, ABP recently received a DCO for the 'green energy terminal' which it intends to bring forward as a hydrogen production facility along new marine infrastructure and with a riverside berth. ABP was confident that this site would help support energy transitioning, as well as supporting offshore wind and carbon capture.
- 14.13 Regarding ABP's other strategic site (ELR016a&b) at Stallingborough, ABP envisages that a third of the site will come forward for automotive with the remainder coming forward for port-related uses which ABP will consider as leasing to operators in general manufacturing or energy-related technology sectors. A small proportion of the site will come forward for general industrial which ABP were open to different occupiers.
- 14.14 Both commercial agents and businesses stated that land is also often used for non-employment purposes such as for storage, energy-use, or manoeuvring of vehicles. Whilst these sites might not directly support significant employment operations, they are seen as vital to supporting wider strategic operations, as well as port-uses.
- 14.15 ABP suggested that as less land becomes available around the ports in North East Lincolnshire, these sites would become important for relocating additional uses which can be carried away from strategic sites or port-related uses. ABP stated that whilst they had acquired strategic sites such as Stallingborough Interchange, they will require additional

sites in the future to expand operations, particularly as it was considered that there is limited land available within the port boundaries. This included land located alongside the South Humber Gateway which ABP felt could support strategic operations outside of both Immingham and Grimsby Ports but would require investment in improving local infrastructure including energy support and water supply.

- 14.16 Similarly, consultations were held with Orsted regarding existing operations in Grimsby. This reiterated the view held by ABP that find land outside or nearby to the ports for additional uses, such as open storage and vehicle parking, are vital to optimising port operations to ensure this limited supply can meet future demand. This includes current plans to identify land for a large warehousing (around 3,000 sqm) which could provide storage and consolidate existing covered storage delivered across multiple facilities currently. Whilst Orsted requires this to be located between Humberside Airport and Grimsby Docks, this would help contribute towards optimising existing port operations.
- 14.17 Orsted also highlighted that there is currently a lack of quay space of Crew Transfer Vessels [CTV] which, whilst they are working with local operators to address, could pose problems for future business needs should on-site investment and development not come forward. Whilst Orsted noted they were working closely with ABP to look into expansion and increase its CTV berthing capacity; this may displace other operations at the port.
- 14.18 As evident by the review of key economic sectors and occupiers in developing the Economic Growth scenario, the Borough is proving increasingly attractive to inward investment in sectors with significant geographical reach such as green energy and the automotive industry.
- 14.19 In addition, Grimsby and Immingham are also significant ports related to the import / export of vehicles which again results in significant land take that may not neatly fit within the 'traditional' B2/B8 use classes. During consultation with ABP, it was expressed that Grimsby Port has become the largest concentration of offshore wind maintenance bases which ABP expect to increase in the future. Both ABP and Orsted believed that there would continue to be a growing economic role for Grimsby Port and surrounding strategic sites given the hinterland connectivity, east coast location, and proximity to mainland Europe.
- 14.20 Overall, consultations with commercial agents and major businesses / landowners in North East Lincolnshire highlighted that the need for strategic employment sites is unique and must be treated separately to that of smaller, indigenous businesses. Whilst there is strategic employment land available, there will continue to be demand for additional land in the future, particularly as operations at strategic and port-related sites become more constrained.

Summary

- 14.21 This section has analysed the potential available supply of employment land in North East Lincolnshire. It has identified that there is **around 418.33 ha of employment land available on allocated sites / sites with extant planning permission for employment use**, plus 119.24 ha available employment land reserved for long-term business expansion; however, those sites which are reserved are most likely to come forward for strategic employment. In addition, there is also 12.88 ha of potential new sites which could be for general use rather than strategic.

- 14.22 However, of this 418.33 ha supply, the vast majority, or **409.62 ha, relates to strategic, ‘bigger than local’ sites or sites which are restricted to a very specific function such as food processing, energy, chemicals or port related. It is estimated that there is just 8.71 ha of land which would be suitable to meet general needs.**
- 14.23 Based on consultations with agents, landowners and major businesses, sites which are identified as strategic are unlikely to provide land for general employment needs. Similarly, energy and port-related sites are also unlikely to meet this need as these sites are either marketed towards national or multi-national companies or have ambitions for big, single occupier users, or major projects for existing landowners.

15.0 Supply/Demand Balance

- 15.1 As presented in Table 14.1 above, there is currently 418.33 ha of employment sites available on allocated sites (including port and energy related projects), plus 119.24 ha reserved for strategic expansion and 12.88 ha which could provide potential new sites (for general use). Of this, around **409.62 of available employment supply** could come forward for strategic or general employment use. Given the size and nature of the energy-related sites, these are unlikely to come forward for general employment use. Just 8.71 of the immediately available supply is considered to be available for general, or localised employment needs that is non-sector specific.
- 15.2 **The demand side assessment indicates that North East Lincolnshire Borough requires between 51.1 ha and 86.06 ha of employment land over the 20-year plan period to 2043.** This is a higher and broader range than the need figures from the 2014 ELR of 30.5 ha to 68.3 ha, but lower than the 2023 HEDNA range of 54 ha to 112 ha.
- 15.3 Therefore, whilst the forward supply of 418.33 ha would, theoretically, appear to be of a more than sufficient scale to meet even the upper end of the range, it is estimated that **only around 8.71 ha of land will come forward for general, non-sector specific employment use**, assuming that 0.95 ha at Stallingborough will come forward for general rather than the wider strategic employment provided on-site. Whilst there is of course no guarantee that all the identified source of strategic supply would necessarily come forward for that use, as things stand it seems likely that there would be a further need for employment land that could be available on the open market to meet local, or indigenous, needs.
- 15.4 It should also be noted that the forecasting approach in this HEDNA focusses on indigenous employment land needs. However, as already discussed, most of the strategic sites available are owned either by operators, such as ABP who have their own strategic plans for the sites or often earmarked by landowners for 'larger than local' businesses. These are, therefore, unlikely to come forward for general employment use.
- 15.5 However, during consultations with local businesses, even small businesses required land around their sites to be retained for additional uses or future expansion ambitions rather than other local businesses. Whilst some did not have immediate short-to-mediate term ambitions for expansion, they were still keen to retain land to help protect this interest, particularly over the next 10-15 years as they considered future plans. In addition, a number of businesses also noted they often needed land surrounding their sites for storage or manoeuvring of vehicles. Although businesses struggled to quantify this amount, it demonstrated the complexity of business requirements and the need to consider additional uses which might be required at sites beyond normal employment operations.
- 15.6 Agents commented that, due to businesses struggling to find suitable premises, many were forced into either operating out of premises which are too small for business requirements or of poor quality. Agents felt that many businesses were unlikely to relocate out of the area due to the need to retain their local labour supply; however, this results on hindered growth for many local businesses who would otherwise want to grow and expand operations. **This highlighted that the general needs of SME businesses can be complex and,**

whilst they are driving demand for sites in the Borough, there are likely to face a shortage of sites available or suitable for their business needs.

- 15.7 Given the constraints on land availability noted above, it is vital that the Local Plan economic policies and land allocations continue to support economic growth and provide choice and flexibility in the land and property market. This would assist in meeting latent market demands from smaller SME occupiers and assist with broadening the local economy.

16.0 Conclusions and Recommendations

- 16.1 This HEDNA Update has been prepared by Lichfields on behalf of North East Lincolnshire Borough Council to understand the requirements of the new NPPF²⁴ and accompanying PPG, as well as taking into account the implications of the new Greater Lincolnshire Combined Authority [GLCCA], of which North East Lincolnshire Council is one of the three constituent Councils alongside Lincolnshire County Council and North Lincolnshire.
- 16.2 This comprehensive HEDNA Update will form a key part of the needs case underpinning the emerging Local Plan's strategic policies over the emerging Plan period of 2025-2043, as well as analysing the strategic employment land supply.
- 16.3 The approach taken analyses the new SM3 housing need for the Borough and what this means for helping to ensure that each community in the Borough has access to the right type, size and tenure of housing. The report also identifies employment land requirements for the Borough, with a focus on office, industrial and warehousing needs over the next 18 years to 2043, with a comparison of the existing forward supply of employment land to understand whether there is presently a shortfall.
- 16.4 The key conclusions of the analysis are summarised below.

Local Housing Need

- 16.5 The LHN for the Borough as generated by the standard method in the NPPF and PPG results in a figure of **622 dpa over the period 2025-2043**. This represents the minimum starting point figure and delivering more than 622 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.
- 16.6 The HEDNA has considered whether exceptional circumstances exist to justify an alternative approach for North East Lincolnshire. It has considered whether the 2022-based SNPP, and 2018-SNHP, are robust for the Borough. The projections represent a reasonable assessment of likely future growth in the context of past trends and likely future change, however they no longer underpin the SM£ calculation.
- 16.7 The 2022-based SNPP forecasts the second weakest growth rate in the Country for North East Lincolnshire, with the population predicted to fall by around 2,400 people over the merging plan period. This is a weaker level of growth than shown in previous forecasts, and is in contrast to regional and national trends.
- 16.8 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 past delivery figure of 352 dpa.
- 16.9 The general message emerging from the projections is that, with the exception of 45-54 year olds, future population growth in North East Lincolnshire will be entirely driven by retirees, and particularly those aged 70 and above. In stark contrast, the number of residents in aged 0-19 year olds and those in their mid-50s and early 60s are projected to decline significantly over the next 20 years or so.

- 16.10 **Delivering at least the SM3 figure of 622 dpa will be essential if North East Lincolnshire is to mitigate extreme change and grasp the economic growth opportunities presented.**
- 16.11 In terms of alignment with the economic growth scenarios, two main projections were modelled, using the latest Experian baseline job growth projections (+4,600 jobs to 2043) and an Economic Growth scenario factoring a number of key regeneration projects programmed in for the Borough, which would raise the net job growth to 5,375. Both forecasts require a level of housing growth below that of the SM3 figure of 622 dpa.
- 16.12 **Given the strong regeneration and economic growth objectives being pursued by the Council, this would suggest that the LHN generated by the Government's standard methodology would be appropriate for North East Lincolnshire moving forward.**

Affordable Housing Needs

Net Annual Housing Need for Affordable/Social Rent

- 16.13 The net annual need based on current data over the period 2025 to 2043 amounts to **between 211 and 379 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 the Urban Area and the Western and Southern Arc, and are lowest in the Rural Area and particularly the Estuary Zone. If the backlog were to be removed over the full 18-year plan period (rather than in the first 5 years of the Plan), then the net annual affordable housing need would reduce to between **158 and 326 dpa**.
- 16.14 If the annual supply of social re-lets is increased substantially (from 516 p.a. to 577 p.a., an increase in supply of 61 dpa) to take into account the uncertainty regarding internal transfers, then the annual requirement could fall still further, to **between 150 and 318 dpa**.
- 16.15 This compares to the 586 dpa affordable requirement identified in the 2013 North East Lincolnshire SHMA and the 177-302 dpa identified in the 2023 HEDNA Report. The latest figures are higher at the upper end of the range, primarily because at the time of the 2023 HEDNA, there were 560 households on the Housing Register in Bands 1-3 (excluding transfers), which has risen to 640 in 2025. Although the number of social/affordable rented housing commitments has increased substantially (from 73 previously, to 272 in July 2025), this was insufficient to outweigh the other demand side increases.

Net Annual Affordable Housing Need for Purchase

- 16.16 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 annual requirement for intermediate housing equates to between -71 and +22 homes** based on the 4x / 25% and 4.5x / 32% dual income multipliers respectively. The increase is explained by the increasing gap between people's ability to afford private rent and market purchase.

- 16.17 The need for +22 dpa, broken down by sub-area, indicates a need for +6 in the Estuary Zone, +10 dpa in the Urban Area, +8 dpa in the Rural Area, and +17 dpa in the Western & Southern Arc.

Overall Net Annual Affordable Housing Need

- 16.18 Table 16.1 indicates that bringing the two types together results in an overall annual affordable housing need for **between 233 and 308 homes** based on the 4.5x / 32% and 4x / 25% income multipliers respectively. 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 16.1 North East Lincolnshire Borough Affordable Housing Need Calculation – To Rent and Purchase

	North East Lincolnshire		Urban Area		Estuary Zone		Western & Southern Arc		Rural Area	
Stage and step in calculation	25% income	32% income	25% income	32% income	25% income	32% income	25% income	32% income	25% income	32% income
Net Annual Affordable Housing Need for Rent	379	211	206	94	10	-4	119	86	44	35
Net Annual Affordable Housing Need for Sale	-71	22	-86	10	3	6	7	17	5	8
Overall Net Annual Affordable Housing Need	308	233	120	104	13	2	126	103	49	43

Source: NELC, Local Authority Live Tables, CORE Data and Lichfields analysis. Sums may not add due to rounding errors.

- 16.19 This requirement would be between 37% and 50% of the 622 dpa LHN based on the latest SM3 figures for the Borough. 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 233 dpa and 308 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 38 dpa since 2013/14).
- 16.20 The PPG 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.
- 16.21 In line with the approach envisaged by the NPPF24, the affordable housing needs are an important component of the overall need for housing and the Council should seek to use its planning policy to maximise delivery of affordable housing given the scale of need identified.
- 16.22 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 need figure of 622 dpa is already considerably greater than the past delivery rates of 375 dpa, or the current Local Plan target of 512 dpa.

- 16.23 It is for the Council to consider the evidence contained in this HEDNA 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

- 16.24 A proportional share approach for the four sub-areas within North East Lincolnshire has been used to establish the broad range of housing which may be appropriate for each area over the Plan period. Whilst it is for the Council to consider the evidence contained in this HEDNA 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

- 16.25 In line with wider trends, older households are projected to grow the most over this period, with single and couple/other households aged 65 and above growing by 34.3% and 26.3% respectively to 2043. Growth of households with younger single people is expected to be 6.8%, whilst the number of families with children is projected to increase, by 11.7% and other household types by 4.2%. Overall household growth is projected to be around 14.9% over the period 2025-2043.
- 16.26 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 considers 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'.
- 16.27 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.
- 16.28 In this context, and after adjustment for the effects of homeworking patterns, it is recommended that for market housing, between 20% and 40% 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

- 16.29 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 BtR scheme.

- 16.30 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.
- 16.31 The number of **families and other households with children** is expected to increase by around 11.4% in North East Lincolnshire by 2043. 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.
- 16.32 The number of **older people** aged 65+ living in North East Lincolnshire Borough is projected to increase by 27.0% by 2043. 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 2043 (and beyond).
- 16.33 Lichfields' analysis suggests that between 2025 and 2043, the estimated need for elderly C3 housing units would be **between 2,013 and 2,787 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 **470** elderly residents will reside in communal establishments (predominantly in care homes without nursing).
- 16.34 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.30% 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).
- 16.35 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. The Council should keep the housing waiting list under review, and if possible, collect information on whether a household specifically needs a wheelchair accessible dwelling.
- 16.36 Finally, with self/custom build, demand on the Council's register has generally increased each year as more people request to be added. As of the end of October 2022, the Council had **52 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 the Council may wish to consider the provision of self-build plots as a part of its overall housing mix in the Local Plan.

Future Employment Needs

- 16.37 Lichfields undertook an updated analysis of employment land needs in the Borough, beginning with an overview of the current economic context, supported by discussions with key stakeholders and local commercial agents.
- 16.38 Agents revealed that despite an abundance of employment land in the Borough, the types of properties most in demand are not available, with a real lack of good quality smaller industrial properties being developed. Those that are available tend to be poorer quality, older stock which is not attractive to the market.
- 16.39 Agents emphasised that there was a lack of modern stock of appropriate size coming to the market. A big part of this is the rising challenge of viability which has become increasingly more challenging with inflation, build costs, and economic uncertainty deterring speculative development, particularly on remediating brownfield sites. With rising costs, the return on rental yields were commonly seen as making many developments unviable.
- 16.40 Due to unfavourable conditions for developing new units, agents commented that it was unviable to develop smaller units (e.g. around 600 – 2,000 sq ft) given the cost of development. Despite this, agents believed that the majority of demand was from start-ups and SME businesses who require smaller units or ‘grow on space’ to expand operations.
- 16.41 Whilst agents stated there was a significant supply of employment sites overall, many commented that many of these sites were unavailable and owned by companies (such as ABP and Able) who had understandably safeguarded the sites for their future operations, or used them for additional low-density services such as storage or manoeuvring of vehicles. Given the cost of development, many developers do not want to build out smaller units and instead reserve the sites for strategic-sized units over the longer term which can be used by larger occupiers.
- 16.42 A lack of land available for the development of smaller units was also highlighted, despite the Borough having a significant supply of employment sites overall. It was pointed out that most of these sites are either reserved for expansion of existing companies or large Europarc-style sites with private operators which are not available on the open market. They are instead essentially reserved for larger occupiers seeking design-and-build units. This leads to limited development of smaller modern industrial units which appeal to SMEs.
- 16.43 In terms of office space, agents commented that demand has continued to shift and decline. Although some agents felt that there was a minor ‘return to the office’, demand overall has continued to demand or plateau and unlikely to return to pre-Covid levels. Overall, agents said that most office activity was for smaller units, with demand for higher quality spaces, and less demand for larger units.
- 16.44 This qualitative analysis was supplemented by a quantitative Economic Development Needs Assessment Exercise. In line with the requirements of the PPG, Lichfields modelled a range of scenarios including:
- projections of **demand-led** employment growth using Experian’s Local Market Quarterly Forecasts for June 2025.
 - an ‘**economic growth**’ projection based on accelerating growth in key growth sectors at a rate over and above the Experian baseline.

- estimated growth in the **local labour supply** and the jobs and employment space that this could be expected to support. This is based on the PopGroup demographic analysis relating to SM3.
- consideration of **past trends** in completions of employment space based on monitoring data collected by the Council, and how these trends might change in the future.

16.45 Making an allowance for losses in the order of around 2.34 ha per annum to translate net projections to gross requirements, as well as making a suitable adjustment for a margin of choice equal to five-years' worth of take up (11.73 ha in total), the demand-led range of total gross land requirements to 2043 results in the following demand projections for the Borough:

- 1 **Econometric demand-led projections: 55.89 ha – 57.49 ha;**
- 2 **Labour Supply projections: 51.09 ha – 68.31; and,**
- 3 **Past Development Trends: 86.06 ha.**

Table 16.2 North East Lincolnshire Gross Employment Land Comparisons 2025-2043

		Offices / R&D (ha)	Light Industrial (ha)	General Industrial (ha)	Warehousing (ha)	Total (ha)
1) Experian June 2025 Baseline	Net	3.50	1.26	-7.24	4.56	2.08
	+ Flexibility Factor	5.64	2.15	-3.20	9.22	13.81
	+ Loss Replacement	9.99	5.67	12.69	27.55	55.89
2) Economic Growth	Net	3.50	1.26	-5.65	4.56	3.68
	+ Flexibility Factor	5.64	2.15	-1.61	9.22	15.40
	+ Loss Replacement	9.99	5.67	14.28	27.55	57.49
3a) Labour Force under SM3 (622 dpa)	Net	4.87	3.49	-5.05	11.19	14.50
	+ Flexibility Factor	7.00	4.38	-1.01	15.85	26.23
	+ Loss Replacement	11.36	7.90	14.89	34.17	68.31
3b) Labour Force under past delivery (375 dpa)	Net	2.97	0.40	-8.09	2.00	-2.72
	+ Flexibility Factor	5.11	1.29	-4.05	6.66	9.01
	+ Loss Replacement	9.46	4.80	11.84	24.98	51.09
4) Past Take Up	Net	6.17	2.99	14.33	8.75	32.25
	+ Flexibility Factor	8.31	3.89	18.37	13.41	43.97
	+ Loss Replacement	12.66	7.40	34.26	31.74	86.06

Source: Lichfields analysis

16.46 The scenarios range from a low of 51.09 ha (Scenario 3b Labour Force under past delivery) to the Past Take Up (Scenario 4) figure of 86.06 ha.

16.47 At the time of writing there is around 418.33 ha available on strategic sites or to meet general needs (excluding expansion sites or new sites), which would, theoretically, appear

to be of a sufficient scale to meet even the upper end of the range, although there is of course no guarantee that all the identified source of supply would necessarily come forward for that use. This is in excess of the 68.3 ha figure that would align with the Council's housing need figure of 622 dpa (Scenario 3a).

- 16.48 However, supply is constrained by key sites being reserved for long-term owner usage (expansion land) and ecological mitigation area restrictions, reducing the amount of land which is available to the open market. Indeed, the 2014 ELR notes that "a significant portion of the assessed supply is unlikely to contribute to future supply because of ecological mitigation and ownership constraints."
- 16.49 The study has also assessed whether there are sufficient indigenous sites to meet the identified need, and whether the strategic sites are able to meet all or part of that need. This highlights that **only around 8.71 ha could potentially come forward for general business needs** with the remaining strategic, or sector-specific, sites unlikely to meet all or part of the identified need.
- 16.50 Based on discussions with commercial agents, landowners and major businesses, as well as desk-based research, it is also unlikely that sites identified for energy or port-related needs will provide employment land for general business need.
- 16.51 This HEDNA has looked purely at indigenous employment land needs and has not considered the need for strategic employment floorspace that serves a geographical area extending beyond the Borough's own boundaries. As evident by the review of key economic sectors and occupiers in developing the Economic Growth scenario, the area is proving attractive to inward investment in sectors with significant geographical reach such as green energy and remains an attractive location for large-scale logistics.
- 16.52 **Given the wider area of search and specific needs of key growth sectors (notably logistics, clean energy and port-related), an assessment of the scale of this non-indigenous need, including the needs of the modern economy as defined in NPPF24, would need to be subject to a separate study, potentially covering multiple neighbouring Local Authority districts.**
- 16.53 In addition, given some of the constraints on land availability noted above, it is vital that the Local Plan economic policies and land allocations continue to support economic growth and provide choice and flexibility in the land and property market. The provision of sites specifically to meet local, or indigenous needs that are not sector specific would assist with meeting latent market demands from smaller SME occupiers and assist with broadening the local economy.

Appendix 1 Lichfields' PopGroup Modelling Assumptions

	Standard Method (622 dpa)	2022-based SNPP	2022-based SNPP + Variants	2022-based SNPP 2023 MYE adjust	Experian Baseline June 2025	Experian Economic Growth	LP Housing Requireme nt 512 dpa	Past Housing Delivery
Model period	2025-2043, in line with the emerging plan period.							
Base population	2023 population by gender and single year of age projected forward from 2023 MYE.	2023 population by gender and single year of age projected forward from 2022- based SNPP.	2023 population by gender and single year of age as set out in 2022- based SNPP variants.	2023 population by gender and single year of age projected forward from 2023 MYE.	2023 population by gender and single year of age projected forward from 2023 MYE.			
Births	Calculated by PopGroup using Total Fertility Rate [TFR] taken from 2022- based SNPP.	Number of births (by gender) inputted from 2022-based SNPP.	Number of births (by gender) inputted from 2022-based SNPP variants.	Calculated by PopGroup using TFR taken from 2022-based SNPP.	Calculated by PopGroup using TFR taken from 2022- based SNPP.			
Deaths	Calculated by PopGroup using Standard Mortality Rate [SMR] taken from 2022-based SNPP.	Number of deaths (by age and gender) inputted from 2022- based SNPP.	Number of deaths (by age and gender) inputted from 2022-based SNPP variants.	Calculated by PopGroup using SMR taken from 2022-based SNPP.	Calculated by PopGroup using SMR taken from 2022- based SNPP.			
Domestic Migration	Calculated by PopGroup to achieve population growth required to reflect the stated housing constraints.	Number of in and out internal and cross border migrants (by age and gender) inputted from 2022- based SNPP.	Number of in and out internal and cross border migrants (by age and gender) inputted from 2022-based SNPP variants.	Number of in and out internal and cross border migrants (by age and gender) inputted from 2022-based SNPP.	Calculated by PopGroup to achieve population growth required to reflect the stated economic/housing constraints.			
Internationa l Migration	Calculated by PopGroup to achieve population growth required to reflect the stated housing constraints.	Based on number of in and out international migrants (by age and gender) inputted from 2022-based SNPP; PopGroup applied adjustment to reflect population constraint.	Based on number of in and out international migrants (by age and gender) inputted from 2022-based SNPP variants; PopGroup applied adjustment to reflect population constraint.	Based on number of in and out international migrants (by age and gender) inputted from 2022-based SNPP; PopGroup applied adjustment to reflect population constraint.	Calculated by PopGroup to achieve population growth required to reflect the stated economic/housing constraints.			
Household formation rates	2022-based Household formation rates.							
Population not in households	Institutional population taken from 2018-based SNHP. Figures provided as absolute numbers for those up to and including the age of 74 and percentages for people over that age. This allows for changes in the elderly population in institutional care where there is a change in the population over the age of 75.							

Second home / vacancy rate	Adjustment for second and vacant homes based on an assessment of Council Tax Base data for 2024. The figure for this period – 4.8% – has been held constant throughout the modelling period.						
Economic activity rate	Age and gender specific economic activity rates based on projections that were published by the Office for Budget Responsibility in July 2018 and adjusted to reflect the local baseline rates of economic activity.						
Labour Force (LF) ratio	The labour force ratio is worked out using the formula: (A) Number of employed workers living in area less unemployed ÷ (B) Number of workers who work in the area (number of jobs). 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 2025 gives an estimate of the total labour force as at 2025, less unemployed workers. This is then compared with the total number of jobs (as given by Experian in its June 2025 projection) to create the labour force ratio (of 0.966) which is held constant across the remainder of the period.						
Unemployment	Model-based estimates for unemployment for North East Lincolnshire have been obtained from ONS. This shows that the Borough’s unemployment rate averaged 3.7% in between April 2024 and March 2025, which is a slight uptick from the two previous years but significantly lower than levels seen during and pre-Covid-19. Unemployment has been held constant at this rate thereafter.						
Constraints	Dwellings constrained to reflect SM3 requirement for NE Lincs (622 dpa).	Population constrained to reflect 2022-based SNPP.	Population constrained to reflect 2022-based SNPP and variants.	No constraints applied after 2023 MYE.	Jobs constrained to reflect the level of growth identified by each of the forecast models for the period from 2025 to 2043, as summarised below:		Dwellings constrained to reflect LP Housing Target for NE Lincs (512 dpa).
					+4,600 jobs	+5,375 jobs	
							Dwellings constrained to reflect Past housing delivery in NE Lincs (375 dpa).

Birmingham
0121 713 1530
birmingham@lichfields.uk

Edinburgh
0131 285 0670
edinburgh@lichfields.uk

Manchester
0161 837 6130
manchester@lichfields.uk

Bristol
0117 403 1980
bristol@lichfields.uk

Leeds
0113 397 1397
leeds@lichfields.uk

Newcastle
0191 261 5685
newcastle@lichfields.uk

Cardiff
029 2043 5880
cardiff@lichfields.uk

London
020 7837 4477
london@lichfields.uk

Thames Valley
0118 334 1920
thamesvalley@lichfields.uk

@LichfieldsUK

lichfields.uk