Opinion Research Services

Excellent research for the public, voluntary and private sectors

East Lindsey Strategic Housing Needs Assessment

March 2021

Contents

1. Introducing the Study

Background to the project

Introduction

1.1 Opinion Research Services (ORS) was commissioned by East Lindsey District Council to prepare a Strategic Housing Market Assessment. The Council wanted to understand more about the nature and make-up of current and future housing needs across East Lindsey through all stages of life.

1.2 This study sits alongside two more studies undertaken by ORS and Three Dragons, namely a Housing Viability Assessment and a Housing Demand Study. These studies are published as separate documents.

1.3 This study was primarily addressed by the use, and interrogation of, secondary data including population projections, house prices and local incomes. It also builds upon the work undertaken by ORS in the East Lindsey Affordable Housing Needs Assessment Update 2016.

1.4 This work adheres to the requirements of the new National Planning Policy Framework (NPPF) published in July 2018 (and updated in February 2019) and the associated Planning Practice Guidance (PPG), in particular the section on housing and economic needs assessment.

2. Government Policy

An overview of the National Policy Planning Framework

Summary

2.1 This report, and the recommendations within it, have been completed in accordance with the current Government policy. This is informed by the revised National Policy Planning Framework (NPPF) published in February 2019, and the associated Planning Practice Guidance (PPG).

2.2 The Government prescribed standard methodology has been used as the basis for this analysis. This determines some key factors including:

» 2014-based household projections and affordability data are used as the basis for assessing need

» The standard method identifies a <u>minimum</u> number of homes – local authorities can set a higher number as part of their strategic planning

» The definition of affordable housing need now includes those who can afford market rent but have aspirations to buy and cannot afford to do so.

2.3 The remainder of this chapter provides more detail on Government Policy, the NPPF and the interpretation of policy.

Introduction

2.4 The Government published the National Policy Planning Framework (the Original NPPF) in 2012. This set out the planning policies for England and how these were expected to be applied.

2.5 The Original NPPF had a presumption in favour of sustainable development, and paragraph 47 stated that Local Plans should meet *"the full, objectively assessed needs for market and affordable housing in the housing market area"*. The responsibility for establishing housing need rested with the local planning authority and Paragraph 159 of the Original NPPF set out that they *"should prepare a Strategic Housing Market Assessment to assess their full housing needs, working with neighbouring authorities where housing market areas cross administrative boundaries"*.

2.6 A revised version of the National Policy Planning Framework (the Revised NPPF) was published in July 2018. Whilst the Revised NPPF maintains the underlying theme of sustainable development, several significant changes have been introduced in relation to identifying and meeting housing needs. The Revised NPPF was updated in February 2019 to incorporate a number of detailed changes following a technical consultation. Whilst most of the changes appear relatively minor, they may have a substantial impact on identifying and meeting housing needs in some areas. The results of the consultation were summarised in the document "Government response to the technical consultation on updates to national planning policy and guidance".

2.7 Under the Revised NPPF, local planning authorities are still responsible for assessing their local housing needs; however, Paragraph 60 identifies that *"strategic policies should be informed by a local housing need assessment, conducted using the standard method in national planning guidance – unless exceptional circumstances justify an alternative approach"*. This represents a significant change, as the standard method sets out a formulaic approach to determine the minimum Local Housing Need (LHN) figure and prescribes

the use of specific data for the calculation. Therefore, whilst the responsibility for establishing housing need continues to rest with the local planning authority, this is now constrained to a minimum figure that is determined centrally by the Government.

2.8 This focus on local area has led to a change in the Duty to Cooperate, where neighbouring authorities now have to produce Statements of Common Ground. Whilst HMAs are no longer mentioned explicitly in the Revised NPPF, Paragraph 60 identifies that *"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"*; and PPG identifies that HMAs are still one of the factors which must be considered when determining the relevant cross-boundary areas for plan-making [ID 61-010-20180913].

2.9 The Revised NPPF has also introduced a new definition for affordable housing. Whilst the Original NPPF identified (in the Glossary at Annex 2) that affordable housing should be provided for households *"whose needs are not met by the market"*, the Revised NPPF adds that this includes *"housing that provides a subsidised route to home ownership and/or is for essential local workers"*. This has led to a specific change in the Planning Practice Guidance (PPG) for assessing affordable housing need.

2.10 Under the Original NPPF, affordable housing need was based on those who could not afford to buy <u>or</u> rent in the market. Households who could afford market rent were not counted as in affordable housing need even if they would have preferred to buy and couldn't afford to do so. However, the latest PPG states that assessments must now include the needs of *"those that cannot afford their own homes, either to rent, or to own, where that is their aspiration"* [ID 2a-020-20190220]. On this basis, households able to afford market rent who aspire to but are unable to afford homeownership must now be counted as being in affordable housing need.

The Standard Method for Local Housing Need Assessment

2.11 The Original NPPF and associated PPG set out a methodology for establishing an Objectively Assessed Need for housing in a defined HMA. This methodology required that *"Household projections published by the Department for Communities and Local Government should provide the starting point estimate of overall housing need"*, but allowed for adjustment based on local factors: *"The household projection-based estimate of housing need may require adjustment to reflect factors affecting local demography and household formation rates which are not captured in past trends."* Adjustments could therefore be made if there were concerns around the quality of local data (e.g. inaccurate migration estimates), along with evidence-based judgements on other need elements such as market signals uplift and alignment of jobs and workers based on local circumstances.

2.12 On 14 September 2017, the Department of Communities and Local Government (CLG) published a consultation on potential revisions to the NPPF, including a standardised methodology for calculating the Local Housing Needs (LHN). This included a number of key proposals:

> » The starting point for calculating the LHN for any area should be the most up to date household projections published by CLG;
>
> » While, deviation from this starting point can be considered, the consultation proposals note that; *There should be very limited grounds for adopting an alternative method which results in a lower need*; and

> » The household projections published by CLG should be uplifted by a fixed affordability relationship based upon the ratio of house prices to earnings. The maximum uplift for a local authority area will be 40% above its CLG household projections or current Local plan housing target.

2.13 CLG produced a spreadsheet of indicative housing needs figures which covered every local authority area in England based on the most up to date data at the time, the 2014 based household projections.

2.14 The Revised NPPF confirms that planning authorities should use the standard methodology for plan-making, though alternative methodologies which result in a higher housing need figure may still be deemed appropriate. Therefore, the standard method identifies the minimum number of homes expected to be planned for. It does not produce a housing requirement figure. The LHN figure represents a minimum overall housing need, but local authorities can consider a higher figure for plan making if, for example, this reflects growth potential, or unmet need from elsewhere. This is confirmed by PPG, which states:

> ***When might it be appropriate to plan for a higher housing need figure than the standard method?***
>
> *The government is committed to ensuring that more homes are built and supports ambitious authorities who want to plan for growth. The standard method for assessing local housing need provides a minimum starting point in determining the number of homes needed in an area. It does not attempt to predict the impact that future government policies, changing economic circumstances or other factors might have on demographic behaviour. Therefore there will be circumstances where it is appropriate to consider whether actual housing need is higher than the standard method indicates.*
>
> *This will need to be assessed prior to, and separate from, considering how much of the overall need can be accommodated (and then translated into a housing requirement figure for the strategic policies in the plan). Circumstances where this may be appropriate include, but are not limited to, situations where increases in housing need are likely to exceed past trends because of:*
>
> » *growth strategies for the area that are likely to be deliverable, for example where funding is in place to promote and facilitate additional growth (e.g. Housing Deals);*
>
> » *strategic infrastructure improvements that are likely to drive an increase in the homes needed locally; or*
>
> » *an authority agreeing to take on unmet need from neighbouring authorities, as set out in a statement of common ground;*
>
> *There may, occasionally, also be situations where previous levels of housing delivery in an area, or previous assessments of need (such as a recently produced Strategic Housing Market Assessment) are significantly greater than the outcome from the standard method. Authorities will need to take this into account when considering whether it is appropriate to plan for a higher level of need than the standard model suggests.*
>
> **PPG Reference ID: 2a-010-20190220**

2.15 PPG also suggests that local planning authorities will need to calculate their local housing need figure at the start of the plan-making process but that this number should be kept under review and revised where appropriate. This assessment is produced in line with this approach. The housing need figure may change as the inputs are variable, it may therefore be prudent to consider a number that is higher than the minimum LHN to provide a buffer against possible future changes while reviewing local plans.

Changes to the Standard Method

2.16 Since the publication of the figures in September 2017 a range of new data has been released which allows for the calculation to be updated. This includes:

  » New affordability data released each;

  » New 2016-based and 2018 based sub-national population projections (SNPP); and

  » New 2016-based and 2018 based household projections.

2.17 The national housing need produced using these new data is lower than previous estimates, falling short of the Governments stated 300,000 dwelling per year target. As a consequence, the Ministry for Housing, Communities and Local Government (MHCLG) consulted on changes to the standard method approach, and on 26 October 2018 published ''Technical consultation on updates to national planning policy and guidance October 2018''.

2.18 At paragraph 19 of the document, MHCLG set out their planned changes to the standard method, explicitly stating that the lower housing numbers that are derived from application of the standard method to the ONS produced 2016-based household projections should not be used, and that these do not qualify as an exceptional circumstance to warrant deviation from the standard method outputs using the CLG 2014-based projections:

> 19. The Government considers that the best way of responding to the new ONS household projections and delivering on the three principles in paragraph 18 above is to make three changes:
>
>   » 1. For the short-term, to specify that _the 2014-based data will provide the demographic baseline for assessment of local housing need_.
>
>   » 2. To make clear in national planning practice guidance that _lower numbers through the 2016-based projections do not qualify as an exceptional circumstance_ that justifies a departure from the standard methodology; and
>
>   » 3. In the longer term, to review the formula with a view to establishing a new method that meets the principles in paragraph 18 above by the time the next projections are issued.

2.19 The "**Government response to the technical consultation on updates to national planning policy and guidance"** was published on 19 February 2019. Despite a majority of consultees disagreeing with the proposal at Question 1, the Government still considers that its proposed approach is the most appropriate in the short-term.

2.20 On this basis, it would appear that any deviation from the standard methodology should only be considered if exceptional circumstances can be demonstrated. Nevertheless, the revisions to PPG [ID 2a-015-20190220] clarify that an alternative approach that identifies a need higher than using the standard method will be considered sound, providing that it adequately reflects current and future demographic trends and market signals, given that it will have exceeded the minimum starting point. Any figure lower than that identified using the standard method will need to be justified through exceptional local circumstances.

2.21 The Government's response goes on to say:

> *Over the next 18 months we will review the formula and the way it is set using National Statistics data with a view to establish a new approach that balances the need for clarity, simplicity and transparency for local communities with the Government's aspirations for the housing market.*
>
> *A key consideration of the standard method is to provide a degree of continuity between assessments of housing need over time. The changes to underlying assumptions in the population projections and methodological improvements to the household projections had led to significant variations in housing need at a local level, something that needs addressing in the short term.*

2.22 The end of the 18-month period was August 2020 and at this point the Government consulted on a new standard method for LHN, but decided to leave the existing method in place.

2.23 The Government has made it clear that it does not doubt the accuracy of the ONS 2016-based projections, as stated in the consultation. However, the Government has also made it clear that the existence of the lower 2016-based projections is not a justification for a lower local housing need assessment, despite further disagreement from respondents to the consultation.

2.24 It seems likely that the concerns about not using the latest evidence will ultimately be tested in the courts. Whilst there are some uncertainties about the new method for calculating household formation that ONS has introduced for the 2016-based household projections, the 2016-based sub national population projections are based on a method that is largely consistent with that used for the 2014-based population projection but using more up-to-date data and based on improved mid-year population estimates. As part of the 2016-based household projections publication, the ONS included an output which applied the previous CLG 2014-based household formation rates to the new 2016-based population projection (variant output 2) which provides up-to-date figures using the previous method.

2.25 This report therefore follows the standard method, using 2014-based household projections as the minimum LHN, before exploring the size, type and tenure of housing needed for the community.

Assessing Housing Needs

2.26 The Revised NPPF no longer requires local planning authorities to produce an SHMA to establish housing need for HMAs, but instead requires local planning authorities:

> *60. To determine the minimum number of homes needed, strategic policies should be informed by a local housing need assessment, conducted using the standard method in national planning guidance – unless exceptional circumstances justify an alternative approach which also reflects current and future demographic trends and market signals. In addition to the local housing need figure, any needs that cannot be met within neighbouring areas should also be taken into account in establishing the amount of housing to be planned for.*
>
> *61. Within this context, the size, type and tenure of housing needed for different groups in the community should be assessed and reflected in planning policies (including, but not limited to, those who require affordable housing, families with children, older people, students, people with disabilities, service families, travellers, people who rent their homes and people wishing to commission or build their own homes.*
>
> *62. Where a need for affordable housing is identified, planning policies should specify the type of affordable housing required, and expect it to be met on-site unless:*
>
> *a) off-site provision or an appropriate financial contribution in lieu can be robustly justified; and*
>
> *b) the agreed approach contributes to the objective of creating mixed and balanced communities*
>
> **National Planning Policy Framework, February 2019**

2.27 The new NPPF does not contain any explicit reference to SHMAs and housing needs are to be established at a local authority level. However, a Housing Needs Assessment must now be prepared which will establish a minimum Local Housing Need (LHN) figure using the standard method set out in PPG [ID 2a-004-20190220], so we have continued to refer to this study as an SHMA. In addition, the SHMA will need to identify the size, type and tenure of housing needed for a range of different groups in the community, which is largely consistent with the scope for SHMAs that the Original NPPF identified.

2.28 Whilst the Original NPPF expected SHMAs to be undertaken to assess needs across Housing Market Areas (HMAs), the focus of the Revised NPPF is on the needs of individual Local Planning Authorities without any mention of HMAs.

2.29 In terms of plan-making, PPG has retained the concept of the HMA [ID 61-010-20180913] within the Duty to Co-operate context, where joint working continues to be required.

Duty to Co-operate

2.30 The Duty to Co-operate was introduced in the 2011 Localism Act and is a legal obligation.

2.31 The NPPF sets out an expectation that public bodies will co-operate with others on issues with any cross-boundary impact, in particular in relation to strategic priorities such as *"the homes and jobs needed in the area"*.

> *Maintaining effective cooperation*
>
> *24. Local planning authorities and county councils (in two-tier areas) are under a duty to cooperate with each other, and with other prescribed bodies, on strategic matters that cross administrative boundaries.*
>
> *25. Strategic policy-making authorities should collaborate to identify the relevant strategic matters which they need to address in their plans. They should also engage with their local communities and relevant bodies including Local Enterprise Partnerships, Local Nature Partnerships, the Marine Management Organisation, county councils, infrastructure providers, elected Mayors and combined authorities (in cases where Mayors or combined authorities do not have plan-making powers).*
>
> *26. Effective and on-going joint working between strategic policy-making authorities and relevant bodies is integral to the production of a positively prepared and justified strategy. In particular, joint working should help to determine where additional infrastructure is necessary, and whether development needs that cannot be met wholly within a particular plan area could be met elsewhere.*
>
> *27. In order to demonstrate effective and on-going joint working, strategic policymaking authorities should prepare and maintain one or more statements of common ground, documenting the cross-boundary matters being addressed and progress in cooperating to address these. These should be produced using the approach set out in national planning guidance and be made publicly available throughout the plan-making process to provide transparency.*
>
> **National Planning Policy Framework, February 2019**

2.32   The manner in which councils have complied with their legal requirements under the Duty to Co-operate will be considered when plans are submitted for examination. One key issue is how any unmet development and infrastructure requirements can be provided by co-operating with adjoining authorities (subject to tests of reasonableness and sustainability).

2.33   The PPG elaborates further on the requirement for a statement of common ground (in the section on Plan-Making, updated 23 July 2019):

> *Maintaining effective co-operation*
>
> *How are plan-making bodies expected to co-operate?*
>
> *Strategic policy-making authorities are required to co-operate with each other, and other bodies, when preparing, or supporting the preparation of policies which address strategic matters. This includes those policies contained in local plans (including minerals and waste plans), spatial development strategies, and marine plans.*
>
> *The National Planning Policy Framework sets out that these authorities should produce, maintain, and update one or more statement(s) of common ground, throughout the plan-making process. Local planning authorities are also bound by the statutory duty to co-operate. Neighbourhood Planning bodies are not bound by the duty to cooperate, nor are they required to produce or be involved in a statement of common ground.*
>
> **PPG Reference ID: 61-009-20190315**

2.34   In paragraph 61-017 entitled *"Which geographical area does a statement of common ground need to cover?"*, PPG explicitly discusses the appropriate functional geography to which the Statement of Common ground should apply: *"For example, housing market and travel to work areas, river catchments, or landscape areas*

may be a more appropriate basis on which to plan than individual local planning authority, county, or combined authority areas". It goes on to define housing market areas:

> **How can housing market areas be defined?**
>
> *A housing market area 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 to a new 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).*
>
> *Suggested data sources: Office for National Statistics (internal migration and travel to work areas statistics); Land Registry House Price Index and Price Paid data (including sales); data from estate agents and local newspapers about geographical coverage of houses advertised for sale and rent; Ministry of Housing, Communities and Local Government statistics including live tables on affordability (lower quartile house prices/lower quartile earnings); and neighbourhood data from the Census.*
>
> **PPG Reference ID: 61-018-20190315**

2.35 This definition of an HMA is almost identical to that in the original PPG relating to housing need.

3. Defining the Housing Market Area
An Evidence Base to Identify Functional Housing Markets

3.1   The National Planning Policy Framework (NPPF, July 2018) refers to the need for Local Plans to *"as a minimum, _provide for objectively assessed needs for housing_ and other uses, as well as any needs that cannot be met in other areas"* (paragraph 11, emphasis added). It should be noted that unlike the previous iteration of the NPPF (March 2012), the new version no longer makes reference to housing market areas for purposes of defining need, instead referencing the area of the Local planning Authority as the norm for assessment. It also refers to the standardised method in national planning guidance which itself assesses at a local authority level.

3.2   This assessment of housing market area follows the definitions set out in the March 2014 guidance. This PPG[1] required that *"Needs should be assessed in relation to the relevant functional area: i.e. housing market area…"* (PPG 2a-008). The identification of the Housing Market Area (HMA) is therefore the first relevant building block in the evidence for identifying housing needs for the study.

3.3   We would note that the Housing Market Areas of Lincolnshire were considered in detail in the Coastal Lincolnshire SHMA 2012 which reviewed the best available evidence from the 2001 Census. These have been reproduced below. This concluded that 5 different Housing Market Areas could be found in East Lindsey, but that the Lincoln, Grimsby and Boston Housing Market Areas only stretch into areas of East Lindsey with relatively low populations. However, the study did conclude that there were separate Housing Market Areas in Louth/Mablethorpe and Skegness, which lay entirely within East Lindsey.

---

[1] At the time of writing – Published Nov 2016, updated July 2018

Figure 1:   Housing Market Areas for Lincolnshire (Source: Coastal Lincolnshire SHMA 2012, Figure 6)
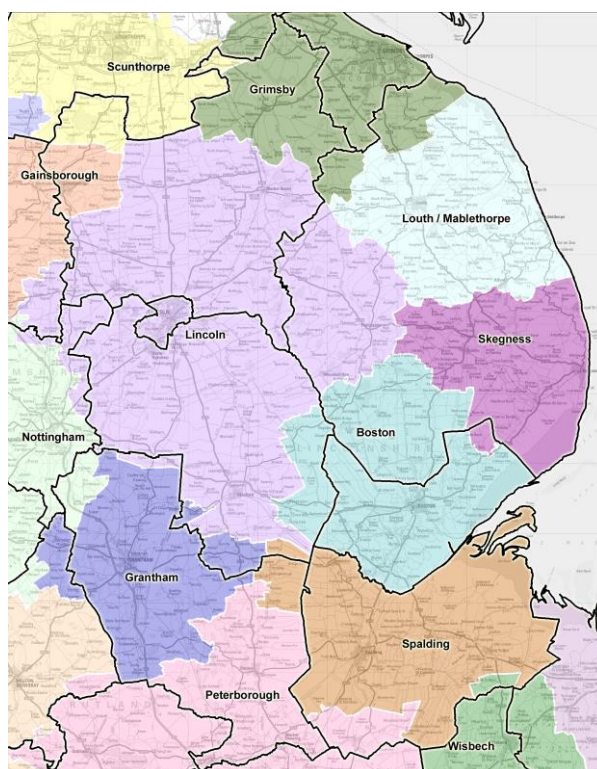
3.4   This chapter considers the historic and current evidence about housing market areas relating to East Lindsey, particularly in light of more recent data.

Functional Housing Market Areas

3.5   The definition of a functional housing market area is well-established as being *"...the geographical area in which a substantial majority of the employed population both live and work and where those moving house without changing employment choose to stay"* (Maclennan et al, 1998)[2].

Planning Practice Guidance

3.6   Planning Practice Guidance (PPG) on Plan Making (July 2019) reflects this existing concept, confirming that the underlying principles for defining housing markets are concerned with the functional areas in which people both live and work:

> *A housing market area 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.*
>
> **Planning Practice Guidance (July 2019), ID 61-009**

3.7   Therefore, PPG requires an understanding of the housing market area and says this can be defined using three different sources of information:

> »   House prices and rates of change in house prices

---

[2] Local Housing Systems Analysis: Best Practice Guide. Edinburgh: Scottish Homes

» Household migration and search patterns

» Contextual data (e.g. travel to work area boundaries, retail and school catchment areas).

3.8 These sources are well-established, being consistent with those previously identified in the CLG advice note "Identifying sub-regional housing market areas" published in 2007[3].

Geography of Housing Market Areas (NHPAU/CURDS)

3.9 CLG also published a report on the 'Geography of Housing Market Areas' in 2010[4] which was commissioned by the former National Housing and Planning Advice Unit (NHPAU) and undertaken by the Centre for Urban and Regional Development Studies (CURDS) at Newcastle University. This study explored a range of potential methods for calculating housing market areas for England and applied these methods to the whole country to show the range of housing markets which would be generated. The report also proposed three overlapping tiers of geography for housing markets:

» Tier 1: framework housing market areas defined by long distance commuting flows and the long-term spatial framework within which housing markets operate

» Tier 2: local housing market areas defined by migration patterns that determine the limits of short term spatial house price arbitrage: i.e. households moving without changing jobs

» Tier 3: sub-markets defined in terms of neighbourhoods or house type price premiums.

3.10 The report recognised that migration patterns and commuting flows were the most relevant information sources for identifying the upper tier housing market areas, with house prices only becoming relevant at a more local level and when establishing housing sub-markets. The report also outlined that no one single approach (nor one single data source) will provide a definitive solution to identifying local housing markets; but by using a range of available data, judgements on appropriate geography can be made.

3.11 Advice published in the Planning Advisory Service (PAS) technical advice note about Objectively Assessed Need (OAN) and Housing Targets (originally published in June 2014, with a second edition[5] in July 2015) also suggests that the main indicators will be migration and commuting (second edition, paragraph 5.4).

> *"The PPG provides a long list of possible indicators, comprising house prices, migration and search patterns and contextual data including travel-to-work areas, retail and school catchments. In practice, the main indicators used are migration and commuting."*

3.12 The PAS OAN technical advice note also suggests that analysis reported in the CLG report "Geography of Housing Market Areas" (CLG, November 2010) should provide a starting point for drawing HMAs (Figure 2).

3.13 Figure 2 shows the local authority boundary (in black) and compares these with the CURDS study (in blue) to consider their alignment. It is apparent that the CURDS study concluded that East Lindsey is split between a HMAs where Louth forms part of an HMA with Grimsby to the North, Skegness is the centre of a HMA and Lincoln HMA extends into East Lindsey).

---

[3] Identifying sub−regional housing market areas (CLG, March 2007); paragraph 1.6
[4] Geography of Housing Market Areas (CLG, November 2010)
[5] http://www.pas.gov.uk/documents/332612/6549918/OANupdatedadvicenote/f1bfb748-11fc-4d93-834c-a32c0d2c984d

Figure 2:   NHPAU Study – PAS OAN technical advice note 'Starting Point' (Source: NHPAU/CURDS 2010)

ONS Travel to Work Areas

3.14 PPG defines housing market areas on the basis that they will reflect *"the key functional linkages between places where people live and work"* (ID 2a-010). Furthermore, PPG 2014 identifies Office for National Statistics Travel to Work Areas (TTWAs) as one of the identified data sources that should be considered when establishing housing market areas.

> *Travel to work areas can provide information about commuting flows and the spatial structure of the labour market, which will influence household price and location. They can also provide information about the areas within which people move without changing other aspects of their lives (e.g. work or service use).*
>
> **Planning Practice Guidance (March 2014), ID 2a-011**

3.15 The Office for National Statistics (ONS) defines official Travel to Work Areas for those involved in labour market analysis and planning. These areas are also based on analysis of Census commuting flow data, and TTWAs based on data from the 2011 Census were published in August 2015. A total of 228 TTWAs were defined for the whole of the UK based on 2011 data, a reduction from the 243 TTWAs that were previously defined based on 2001 Census data.

3.16 Figure 3 shows the defined TTWAs (2015), in blue, and these are based on the commuting flow data from the 2011 Census. This places almost all of East Lindsey's main settlements in the same TTWA, with the exception of those in the South West of the authority and a small area to the North of the authority which lies in the Grimsby TTWA.

Figure 3:   ONS Travel to Work Areas (Source: ONS 2015)

Valuation Office Agency Broad Rental Market Areas

3.17 The Broad Rental Market Area (BRMA) is the geographical area used by the Valuation Office Agency (VOA) to determine the Local Housing Allowance rate (LHA), the allowance paid to Housing Benefit applicants. The BRMA area is based on an area where a person could reasonably be expected to live taking into account access to facilities and services for the purposes of health, education, recreation, personal banking and shopping.

3.18 When determining BRMAs the Rent Officer takes account of the distance of travel, by public and private transport, to and from these facilities and services. The boundaries of a BRMA do not have to match the boundaries of a local authority and BRMAs will often fall across more than one local authority area. Therefore, BRMAs are areas within which it would be reasonable to expect a household needing local housing allowance support to move to another settlement within the area in order to find suitable housing.

3.19 The BRMA areas for East Lindsey and surrounding areas are shown, in blue, in Figure 4. It is evident that there is a very close relationship between the Skegness BRMA and the whole of East Lindsey, with only a small area of the local authority falling in to other BRMAs. This implies that the VOA consider that East Lindsey is effectively a single HMA, with residents being able to access the same level of support for their private rents in any part of the authority.

Figure 4:   VOA Broad Rental Market Area Boundaries

Administrative Boundaries and Housing Market Areas

3.20   The NPPF recognises that housing market areas may cross administrative boundaries, and March 2014 PPG emphasises that housing market areas reflect functional linkages between places where people live and work. The previous 2007 CLG advice note[6] also established that functional housing market areas should not be constrained by administrative boundaries, nevertheless it suggested the need for a "best fit" approximation to local authority areas for developing evidence and policy (paragraph 9):

> *"The extent of sub-regional functional housing market areas identified will vary and many will in practice cut across local authority administrative boundaries. For these reasons, regions and local authorities will want to consider, for the purposes of developing evidence bases and policy, using a pragmatic approach that <u>groups local authority administrative areas together as an approximation for functional sub-regional housing market areas.</u>"*

3.21   This "best fit" approximation has also been suggested by the PAS OAN technical advice note, which suggests (second edition, paragraph 5.9):

> *"boundaries that straddle local authority areas are usually impractical, given that planning policy is mostly made at the local authority level, and many kinds of data are unavailable for smaller areas."*

3.22   This means there is a need for balance in methodological approach:

»   On the one hand, it is important that the process of **analysis and identification of the functional housing market areas should not be constrained by local authority boundaries**. This allows the full extent of each functional housing market to be properly understood and ensures that

---

[6] Identifying sub-regional housing market areas (CLG, March 2007)

all of the constituent local planning authorities can work together under the duty to co-operate, as set out in Guidance (PPG, ID 2a-010).

» On the other hand, and as suggested by the PAS OAN technical advice note (and the previous CLG advice note), it is also necessary to identify a "best fit" for each functional housing market area that is based on local planning authority boundaries. This "best fit" area provides an appropriate basis for analysing evidence and drafting policy and would normally represent the group of authorities that would take responsibility for undertaking a Strategic Housing Market Assessment.

3.23 In summary, therefore, the approach to defining housing market areas needs to balance robust analysis with pragmatic administrative requirements.

3.24 Based on the range of analysis that we have considered, it is evident that the geography of housing market areas around East Lindsey undoubtedly implies that the area is covered by more than one HMA. However, since the analysis in 2012, the new TTWA and BRMA show the majority of East Lindsey falls within a single self-contained HMA.

Key Statistics for East Lindsey HMA

Migration within the UK to and from East Lindsey

3.25 Figure 5 shows that a total of 7,868 residents currently living in East Lindsey had moved there from another address within East Lindsey in the 12 months prior to the Census. This amounts to 58.1% of all moves for people who moved to an address in East Lindsey between 2010 and 2011.

3.26 Figure 5 also identifies the current residence of those who previously lived in East Lindsey and moved in the 12 months prior to the Census. This analysis also shows that 58.8% of those residents of who moved stayed within the local authority area.

3.27 PPG identifies that a *"relatively high proportion of household moves"* will be contained within a housing market area; and suggests that this will be *"typically 70%"* or more; however, this *"excludes long-distance moves"* (ID 2a-011). While the level of self-containment in East Lindsey is not over 70%, it is an area which attracts migrants from a wide area for retirement. Therefore, we would not expect the level of moves in East Lindsey to be exceptional high for self-containment.

3.28 The definition for a Housing Market Area sets out that it is the area *"where most of those changing house without changing employment choose to stay"*. Unfortunately, no data is available that relates migration with changes in employment circumstances; but given that most working people will live relatively close to their job, it is reasonable to assume that those migrants moving longer distances will tend to also change their place of work or be retiring – so the containment rates for this group will inevitably be higher.

Figure 5:   **Previous Area of Residence (12 months prior to Census) by Current Area of Residence (Source: 2011 Census of Population)**

	Moved within LA	All Moves to LA	All moves from LA
East Lindsey	7,868	13,535	13,391
		Moves within as a percentage of moves to LA	Moves within as a percentage of moves from LA
East Lindsey		58.1%	58.8%

Travel to Work Patterns

3.29   Whilst housing market areas are defined predominantly in terms of the areas *"where most of those changing house without changing employment choose to stay"*, it is also relevant to consider them in the context of *"...the geographical area in which a substantial majority of the employed population both live and work"*. It is therefore important to consider the extent to which the resident population work in the area and the workplace population live in the area.

3.30   Figure 6 demonstrates the levels of self-containment in East Lindsey, i.e. those who live and work in the area. Overall, this shows that 77.1% of people who live in East Lindsey also work in the area. Looked at from the other perspective, 83.9% of those who work in East Lindsey also live there.

Figure 6:   Workplace Location by Area of Residence (Source: 2011 Census of Population)

	Workers that Reside and Work in the Area	Workers that Reside in the Area	Workers that Work in the Area
East Lindsey	43,894	56,911	52,306
		77.1%	83.9%

Summary of Containment within the Area

3.31   Figure 7 shows a summary of migration and travel to work patterns for East Lindsey.

Figure 7:   Migration and Workplace Location by Area of Residence for East Lindsey (Source: 2011 Census of Population)

	Workers that Reside and Work in the Area	Workers that Reside in the Area	Workers that Work in the Area
East Lindsey	43,894	56,911	52,306
		77.1%	83.9%
	Moved within area	**All Moves to area**	**All moves from area**
East Lindsey	7,868	13,535	13,391
		58.1%	58.8%

3.32   PPG identifies that a *"relatively high proportion of household moves"* will be contained within a housing market area, and suggests that this will be *"typically 70%"* or more; however, this *"excludes long-distance moves"* (ID 2a-011).

3.33   As the PAS OAN technical advice note confirms, *"what counts as a long-distance move is a matter of judgment"* (second edition, paragraph 5.16). Data from the English Housing Survey 2013-14 household report[7] (figure 6.4) shows that over 7 in every 8 moves in the UK involved distances of less than 50 miles, with almost 5 in every 6 involving distances of less than 20 miles. It would therefore seem appropriate for long-distance moves to include all moves of at least 50 miles, and for moves of 20 miles or more to also be considered.

3.34   The concept of excluding "*long-distance moves*" relates back to the early definition of a functional housing market area that was set out earlier in this chapter. That definition focused on "*those moving house without changing employment*", and long-distance moves will generally involve a change of job or other change of

---

[7] https://www.gov.uk/government/statistics/english-housing-survey-2013-to-2014-household-report

lifestyle (such as retirement). On balance, it seems unlikely that many people would move more than 20 miles in this part of the country without a change of job; so it would seem reasonable to consider moves of over 20 miles as being "long-distance" in the context of this specific area.

Conclusions

3.35   The ONS Travel to Work Areas and BRMAs both suggest that East Lindsey is predominately contained within a separate stand-alone HMAs. The migration and commuting data for East Lindsey alone also suggest that it is justifiable to consider this as a stand-alone HMA. Therefore, we would propose that East Lindsey is a single functional HMA.

4. Local Housing Market

## Housing trends and cost of housing in East Lindsey

Introduction

4.1   This chapter explores the cost of housing in East Lindsey and the incomes needed to rent or buy at market prices.

4.2   It highlights the potential income gaps and identify where and how people may fall into affordable housing need. This includes consideration of social and affordable rent and access to housing benefit for those in the rental sector as well as the potential impact of help-to-buy policies.

Housing Tenure Trends

4.3   When considering the local housing market, it is worth noting the changes to tenure over the past forty years.

4.4   The chart below shows how the most notable change has been the decline in the proportion of people in social rent, this has fallen during the period (from 17% to 11%). In contrast, private rent has seen a small growth. Between 1981 and 1991 there was a strong growth in owner occupiers, partly as a consequence of the introduction of right to buy policies. This peaked at 74% and is now falling slightly.

Figure 8:   Housing tenure trends (1981 – 2011). Source: UK Census of Population
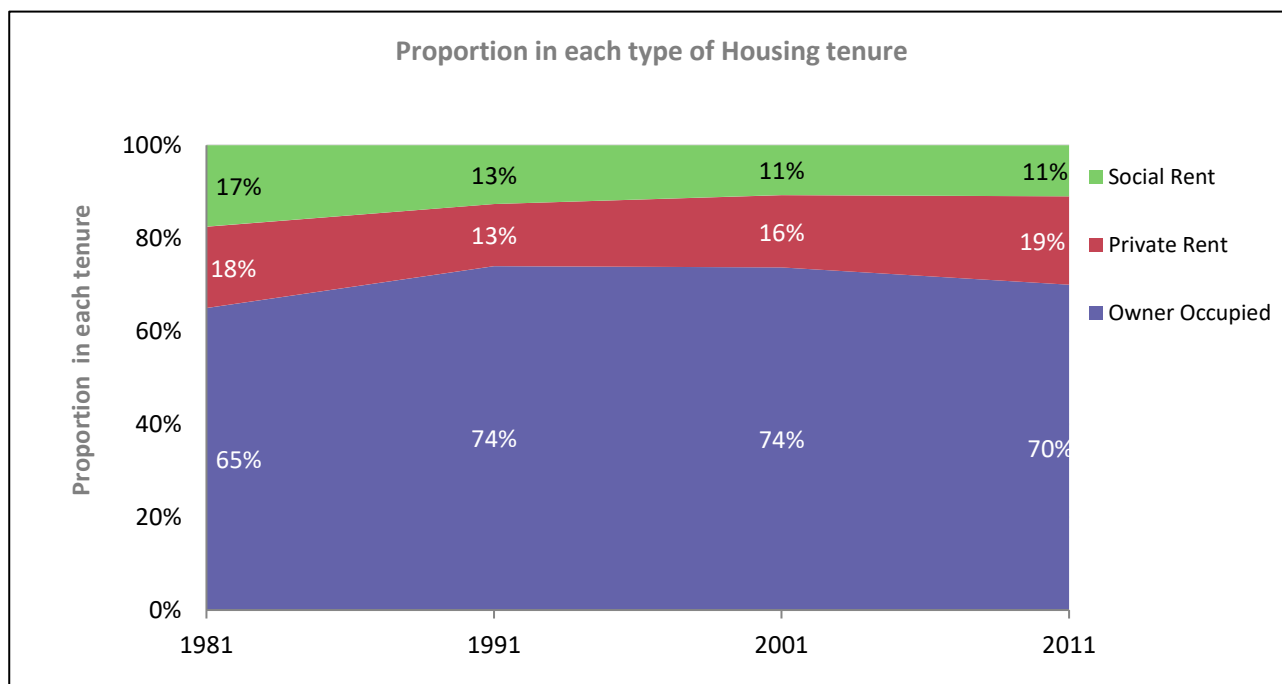
4.5   During the same period the actual volume of housing in East Lindsey has risen from 38,200 to 60,900 households. Importantly, the volume of households in social rent has barely changed from 6,889 to 6,705 households whilst other forms of tenure have increased in volume.

Figure 9: Housing tenure trends (1981 - 2011)
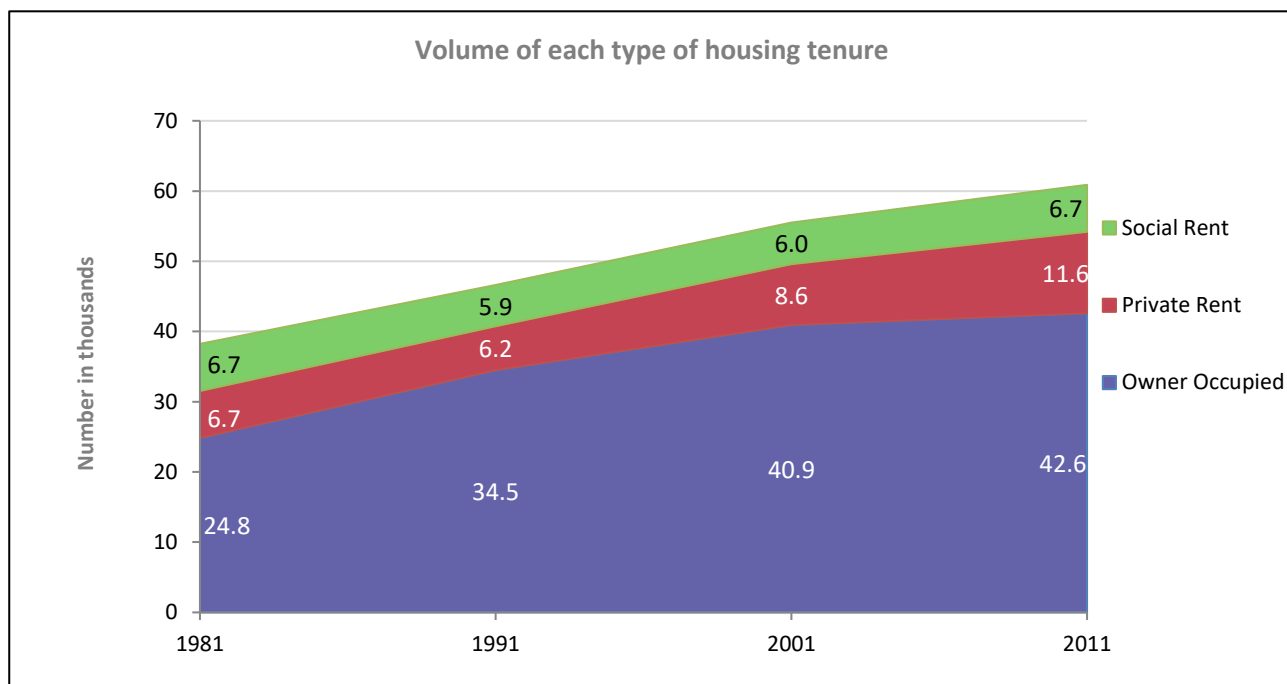
4.6 The table below provides the detailed data for the period.

Figure 10: Number of Households by Tenure 1981-2011 (Source: UK Census of Population)

	Number of Households				Net Change		
	1981	**1991**	**2001**	**2011**	**1981-1991**	**1991-2001**	**2001-2011**
Owner occupied	24,837	34,490	40,924	42,619	+9,653	+6,434	+1,695
Private rent	6,691	6,249	8,644	11,566	-442	+2,395	+2,922
Social rent	6,687	5,883	5,965	6,705	-804	-3,509	+4,331
TOTAL	**38,215**	**46,622**	**55,533**	**60,890**	**+8,407**	**+5,320**	**+8,948**

4.7 The growth in the private rented sector (PRS) in East Lindsey is consistent with national trends, with the English Housing Survey (EHS) 2016-17 identifying 20% (4.7 million) households renting from a private landlord, much higher than the 13% recorded 10 years ago in 2006-07. Outside of London, private rented is the third largest tenure and is now larger than social rented; 36% outright ownership, 29% buying with a mortgage, 19% private renting, and 16% social renting.

4.8 Given this context, PPG recognises the importance of understanding the likely future role of the private rented sector.

Tenure data from the Office for National Statistics can be used to understand the future need for private rented sector housing. However, this will be based on past trends. The level of changes in rents, (known as "market signals"), may reflect the demand in the area for private rented sector housing. Evidence can also be sourced from the English Housing Survey, Office for National Statistics Private Rental Index, the Valuation Office Agency, HomeLet Rental Index and other commercial sources.

Planning Practice Guidance, ID 67-002-20190722

4.9   Growth in the sector seems likely to continue, driven by a combination of demand and supply factors:

» Increasing demand from more households;

» Recent reductions in incomes (in real terms);

» Affordability of owner occupation reducing;

» Changing Bank lending practices;

» Pensions reform: pension drawdowns invested in BTL property.

4.10   The growth of the Sector has been acknowledged as both a growing and long-term option for meeting the nation's housing need. CLG (with the Intermediary Mortgage Lenders Association forecast) that the private rented sector will increase in size to 35% nationally by 2032.[8] On this basis, the number of households renting privately could double again over the next twenty years.

4.11   As the PRS expands and other sectors contract, it is clear that many households who would traditionally meet their housing needs in other sectors are now renting privately. This includes many households currently unable to afford their housing costs, which can be seen from the expansion of families receiving Housing Benefit in the sector, in particular since the start of the most recent recession.

4.12   The Office for Budget Responsibility analysis of the UK's public finances for Government explicitly recognises a likely growth in the share of housing benefit claimants in the private rented sector in its Economic and Fiscal Outlook (March 2014)[9]:

> *"The share of [housing benefit] spending accounted for by the private rented sector is forecast to rise from 30 per cent in 2007-08 to 40 per cent by 2018-19… We expect the share of claimants in the private rented sector to continue rising over the forecast period, but for average awards to rise more slowly than nominal GDP per capita due to policy, including on uprating." (paragraphs 4.152-154)*

4.13   The Government sees the PRS having an important and long-term role in meeting the housing need of the nation; and although the NPPF and PPG do not mention the current or future role of housing benefit, the policy to support low-income households in the private rented sector with housing benefit is long-standing and housing benefit is explicitly factored into the long-term forecasts for public spending.

4.14   Policy by both Government and Local Authorities is focused on improving Management and Maintenance in the sector (via licensing or self-regulation schemes) and expanding supply[10] (including the Build to Rent investment scheme[11]). The Government published *"Improving the Private Rented Sector and Tackling Bad Practice: A guide for local authorities"* in March 20112, and the Foreword by the Minister stated:

---

[8] http://news.rla.org.uk/rpi-rent-revolution/
[9] http://cdn.budgetresponsibility.org.uk/37839-OBR-Cm-8820-accessible-web-v2.pdf
[10] https://www.gov.uk/government/publications/private-rented-homes-review-of-the-barriers-to-institutional-investment
[11] https://www.gov.uk/government/publications/build-to-rent-round-2-initial-due-diligence
[12] https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/412921/Improving_private_rented_sector.pdf

> *"The private rented sector is an important and growing part of our housing market, housing 4.4 million households in England. The quality of housing in the sector has improved dramatically over the last decade. It is now the second largest tenure and this growth is forecast to continue growing. I am proud of this growth as it shows increasing choice, improving standards whilst helping to keep rents affordable. The Government supports a bigger and better private rented sector and wants to see this growth continue."*

4.15 It is important for local authorities to recognise the role of the private rented sector at a local level. Recent changes to letting polices and the reality of pressures on the housing stock make it less likely that single persons aged under 35 years will be allocated to a 1 bedroom social rented or affordable rented property. The private rented sector makes an important contribution towards providing affordable housing options

4.16 It is essential for local authorities to understand the full extent of the need for affordable housing in their areas.

4.17 The Housing and Planning Act 2016 contains proposals to further the Government's policy of encouraging home ownership through promoting Starter Homes. These Starter Homes are intended to provide affordable housing for first time buyers. Data from the English Housing Survey (discussed at Figure 36 and Figure 37 of this report) shows that many households residing in the private rented sector across the whole of England aspire to home ownership and if affordable Starter Homes could be provided for this group it would, potentially, reduce the size of the private rented sector.

4.18 However, Starter Homes regulations that would enable these to be built have not been published. As a result, no Starter Homes have been built, and the Government are now pursuing an alternative policy entitled First Homes[13].

4.19 The consultation for First Homes ran from February to May 2020 and indicates that they will be newbuild properties built as part of wider housing developments which will be sold with a discount of at least 30%, but this could be higher. In August 2020, MHCLG confirmed that they intend to proceed with First Homes as an affordable housing product. First Homes will be prioritised for first-time buyers, serving members and veterans of the Armed Forces, and key workers, such as nurses, police and teachers. The reduction of at least 30% will be in perpetuity, so the buyer will not own more than 70% of the property. When they wish to sell their property, the home will be independently valued and sold to someone from a waiting list held by the local authority with the discount being applied, so the property always remains below local house prices. There will be restrictions on the use of First Homes so that they cannot be used as buy to let or holiday homes.

4.20 There are many households residing in the private rented sector who aspire to home ownership and if affordable First Homes be provided for this group it would, potentially, reduce the size of the private rented sector. However, the funding for First Homes will be drawn from the same Section 106 funds which help to provide affordable rented homes. Developers would be expected to provide a proportion all properties on larger new developments and sell these at a discount of at least 30%, subject to viability constraints.

4.21 By taking part of the funding for affordable rented across in to the First Homes scheme, this could reduce the supply of social rented or affordable rented homes. If this happens, then young households, for whom First Homes remain out of reach, will have few other options than to enter the private rented sector.

---

[13] https://www.gov.uk/government/consultations/first-homes

Cost of Renting

4.22 When considering renting in East Lindsey it is important to reflect on the range of rental options available together with the impact of the housing benefit levels in the area. There are a number of rates to consider. There are four key definitions to consider when looking at the cost of renting in East Lindsey. This includes:

> » Median and lower quartile private rent;
>
> » Local Housing Allowance (LHA) for Wold and Coast BRMA[14];
>
> » Affordable rent; based on average rents charged for existing dwellings.

4.23 The Local Housing Allowance (LHA) is the maximum payment for claimants in receipt of housing benefit. These are based on broad rental market areas (BRMAs). The LHA was previously calculated on the 30th percentile private rent, however more recent increases have been based on CPI and rates were frozen in the July 2015 budget.

4.24 Figure 11 sets out the median weekly rents for different property sizes in East Lindsey together with the local housing allowances and the calculated affordable rent rates.

Figure 11: Weekly rent thresholds in East Lindsey (Source: Valuation Office Agency 2018-19; SDR 2019)

Weekly Rent £	Median Private Rent	Lower Quartile Private Rent	Local Housing Allowance Wolds and Coast BRMA	Affordable Rent	Social Rent
1 bedroom	£89.69	£82.79	£82.85	£74.97	£73.56
2 bedrooms	£113.61	£103.49	£104.14	£89.68	£81.30
3 bedrooms	£136.84	£120.74	£121.97	£102.50	£87.35
4+ bedrooms	£172.48	£149.49	£138.08	£119.02	£95.05

4.25 Across all property sizes, the median private rent is higher than the maximum LHA in East Lindsey.

4.26 Affordable rent is generally lower than the maximum LHA rate for the equivalent property. This means that households would currently be able to claim sufficient housing benefit to cover the full cost of affordable rent (where they were entitled to do so).

4.27 Households claiming out-of-work benefits are subject to a cap of £384 per week for lone parents and couples or £257 per week for single people. This could affect the amount of housing benefit received by some households (especially those with larger families needing larger properties). However, it is important to recognise that the benefit cap does not apply to working households (i.e. those eligible for Working Tax Credit, even if the eligibility amount is £0; and those on Universal Credit with monthly earnings varying from £291 to £542 or more, depending on age) or to households that receive various disability related benefits or armed forces pensions. Given that these households are exempt from the cap, they would be able to claim housing benefit up to the Local Housing Allowance for the size of property that they need in their BRMA.

---

[14] This represents the maximum amount of housing benefit that can be claimed. Previously based on the 30th percentile private rent, however more recent increases are based on Consumer Price index (CPI) and rates were frozen in the July 2015 Budget.

Income Needed to Rent Housing

4.28 The income needed to rent housing will depend on the monthly rent together with the income multiplier allowed for housing costs. The previous CLG Strategic Housing Market Assessments Practice Guidance (Version 2, August 2007)[15] stated:

> *"A household can be considered able to afford market house renting in cases where the rent payable was up to 25 per cent of their **gross** household income" (page 42)*

4.29 However, this previous Guidance was rescinded in March 2014 following the publication of the NPPF and the launch of the new Planning Practice Guidance (PPG). The PPG does not propose a specific multiplier for assessing housing costs; however, it notes that "care should be taken … to include only those households who cannot afford to access suitable housing in the market" (ID 2a-024, emphasis added).

4.30 The English Housing Survey (EHS) 2015-16[16] provides information about the percentage of gross household income that households currently spend on their housing costs[17]:

» For the total gross income (excluding housing benefit) of the Household Reference Person and partner, households renting privately spent on average 48% of their income on rent, whilst the average was 40% for households in social rent; and

» For the total gross income (excluding housing benefit) from all income earners in the household, irrespective of whether they contribute to the housing cost, households renting privately spent on average 41% of their income on rent, whilst the average was 37% for those in social rent.

4.31 The EHS thus demonstrates that many households, in both private and social rented properties, currently pay considerably more than 25% of gross household income on their housing costs. On this basis, it would be reasonable to assume that the proportion of household income allocated to housing costs should be at least 25% but no more than 45% of gross income. This leads to our judgement that 35% of income provides a reasonable basis for calculating what households should reasonably expect to pay for their housing costs. Whilst this is notably higher than the 25% proposed by the previous guidance, it is still lower than the 41% average that households renting privately actually pay.

4.32 As an example, we can establish the income needed to rent a 1-bedroom property in the private rented sector based on a 35% income multiplier:

» The median weekly rent recorded was £82.79;

» Based on a 35% income multiplier, a weekly income of £236.54 would be needed which equates to a gross annual income of £12,343.

4.33 To rent the same property based on a 25% income multiplier would increase the gross income required to £17,220 per year whereas households with an annual income of £9,567 per year could afford the rent if 45% of their income was allocated to housing costs.

4.34 Figure 12 shows the gross household incomes needed to afford median and lower quartile private rent, affordable rent and social rent if 35% is spent on housing.

---

[15] https://www.gov.uk/government/publications/strategic-housing-market-assessments-practice-guidance
[16] https://www.gov.uk/government/statistics/english-housing-survey-2015-to-2016-headline-report
[17] "Annex Table 1.13: Mortgage/rent as a proportion of household income (including and excluding housing benefit) by tenure, 2010-11 to 2015-16"

Figure 12: Annual income required to afford to rent proprieties at the lower quartile and median price based on 35% income multiplier by property size in East Lindsey (Source: ORS based on Valuation Office Agency data April 2018 to March 2019)

Annual Income £	Private Rent		Affordable Rent (SDR 2019)	Social Rent
	Median	Lower Quartile		
1 bedroom	£13,371	£12,343	£11,177	£10,966
2 bedrooms	£16,937	£15,429	£13,370	£12,120
3 bedrooms	£20,400	£18,000	£15,281	£13,022
4+ bedrooms	£25,714	£22,286	£17,744	£14,170

4.35 Although a rental income multiplier is helpful for benchmark purposes, it does not take account of the disposable income available to households after their housing costs have been paid; and it is "*housing that is too expensive compared to disposable income*" that the PPG references in the context of assessing the need for affordable housing (ID 2a-023).

4.36 Considering some examples of disposable income:

» A single person household with a gross income of £20,000 from employment would have £16,880 (£324 per week) after income tax and national insurance contributions. Housing costs at 35% of gross income would represent 41.4% of their net income and would leave £189 per week as disposable income to cover their other living expenses.

» A couple with two children with a gross income of £20,000 from employment would have up to £19,559 (£375 per week) after income tax and national insurance contributions (assuming both earned £10,000). Therefore, housing costs at 35% of gross income would represent 35.8% of their net income and would leave £241 per week as disposable income to cover their other living expenses.

4.37 We should also consider the differing potential levels of housing benefit:

» The maximum amount of weekly income that a single person household can receive before their income starts to affect their housing benefit is currently £73.10 for those aged 25 or over and £57.90 for those aged 16-24.

» The maximum amount of weekly income that a couple with two children can receive before their income starts to affect their housing benefit is currently £248.65 (if one or both are aged 18 or over).

4.38 When assessing affordable housing need, it is not appropriate to adopt a simplistic income multiplier as this does not take into account different household circumstances. It is better to consider housing benefit eligibility criteria set by the Department for Work and Pensions, which take full account of the different amounts of disposable income for various types of household on different incomes, based on the rents for suitable housing.

4.39 Eligibility for housing benefit will differ based on the type of household and the number of bedrooms needed. Figure 13 sets out the incomes for housing benefit eligibility for different types of households.

Figure 13: **Maximum income for households in receipt of housing benefit support by household type (Source: ORS based on Department for Work and Pensions data)**

		Wolds and Coast BRMA
ROOM ONLY	Single person aged 16-24	£8,591
	Single person aged 25-34	£9,384
1 BEDROOM PROPERTIES	Single person aged 35+	£10,465
	Couple (both aged under 18)	£11,216
	Couple (one or both aged 18 or over)	£12,643
2 BEDROOM PROPERTIES	Lone parent (aged 18 or over) with 1 child	£15,665
	Lone parent (aged 18 or over) with 2 children	£19,156
	Couple (aged 18 or over) with 1 child	£17,843
	Couple (aged 18 or over) with 2 children	£21,334

Cost of Home Ownership

4.40 When considering home ownership, it is worth reflecting on house prices during the past twenty years. House price trends (2001-2019) are shown in Figure 14. This is based on lower quartile prices and data is adjusted for inflation so that values reflect real changes in house prices since 2001.

4.41 Real house prices in East Lindsey, whilst slightly lower than the national average, have mirrored those in England as a whole. Overall prices increased substantially in the period 2001-2008 (from £66,000 to £155,000 at 2019 values). Values then reduced from the beginning of 2008 and fell to a low of £111,000 in 2013 since which they have grown steadily to £132,000 (Q4 2019).

Figure 14: Real House Price Trends: Lower Quartile Prices adjusted to 2020 values using CPI (Source: ONS; Bank of England)
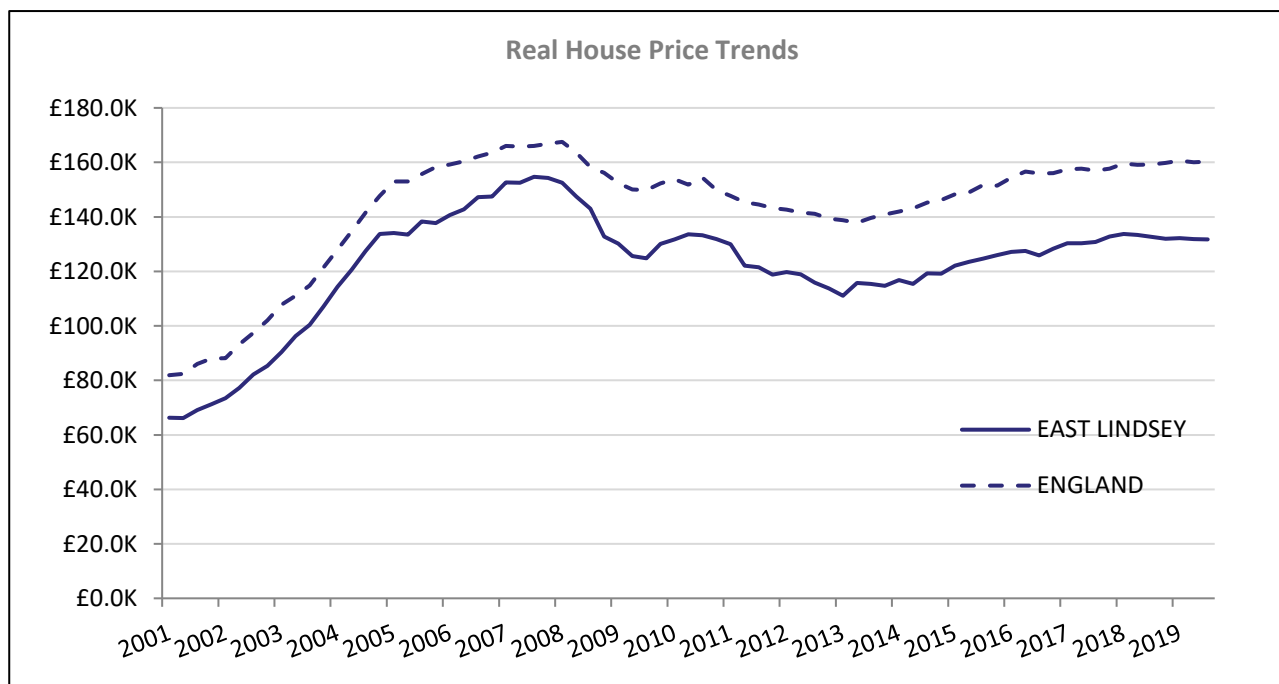
4.42 House prices clearly vary in accordance with a range of factors. An important component is the size of the property, with the number of bedrooms being key. Figure 15 shows lower quartile house prices in East Lindsey by bedroom size.

4.43 There is also a difference between existing properties and new build dwellings. New build dwellings generally attract a premium – except at the largest end of the property market. This difference is most marked for one-bedroom dwellings.
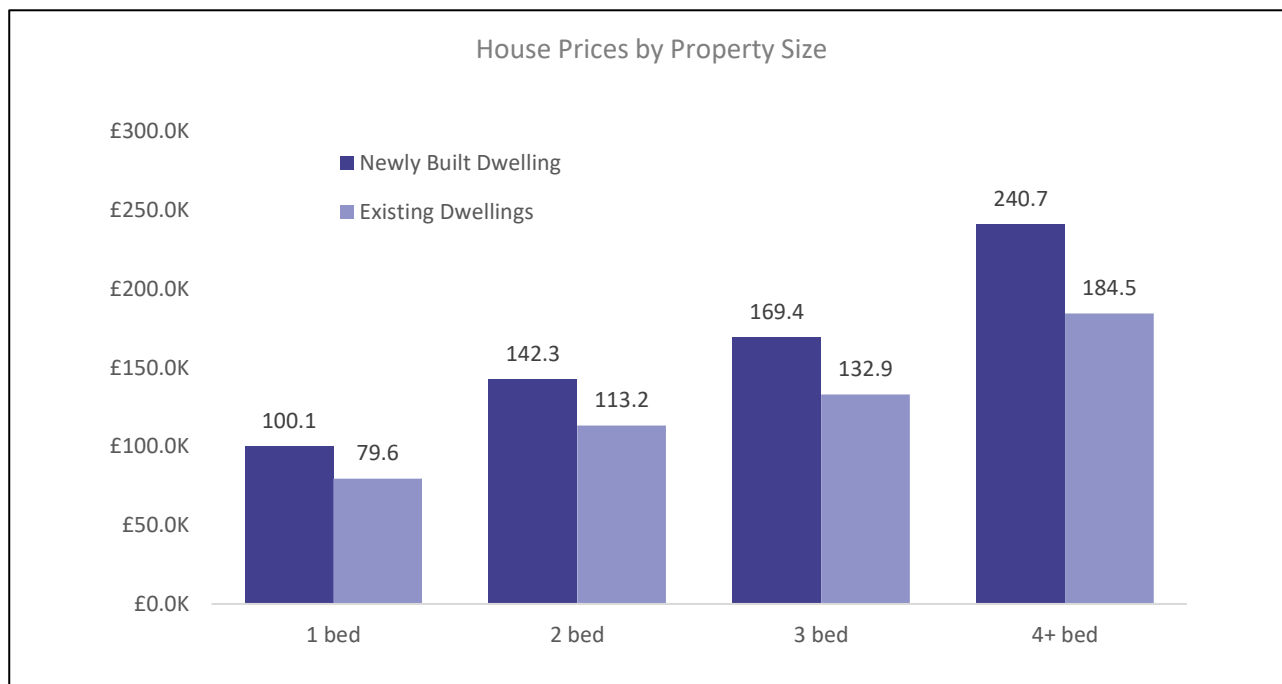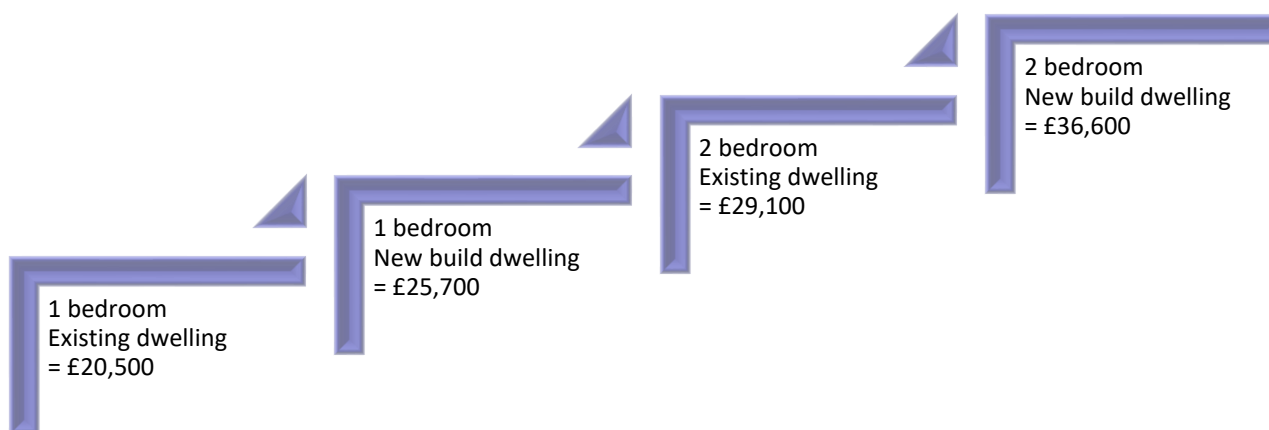
4.44 The difference in values between new build and existing properties is likely to be down to a range of factors which include the location of newbuild housing, the relative size of properties, gardens, the availability of parking, comparative quality and condition of existing stock, and other intangible issues such as character.

4.45 These differences in value are relevant if we are considering the affordability of the overall housing stock alongside the affordability of new build estates. First time buyers are particularly likely to be newly forming households and seeking one and two bed properties.

Income Needed for Home Ownership

4.46 The income needed to purchase market housing will depend on the house price together with the mortgage income multiplier and the available deposit (or percentage loan to value).

4.47 For example, if we consider a property costing £150,000, and assume the buyer could afford a deposit of 10%. The outstanding mortgage requirement would be £135,000. Using a typical income multiple of 3.5 we can calculate an income of £38,600 would be needed (38,600 x 3.5 = £135,100). If the buyer could only afford a 5% deposit (£7,500) then a larger mortgage and larger income would be needed.

4.48 Whilst some households will have higher deposits available and others will seek to extend their borrowing as far as possible, the initial assumptions of a 10% deposit and a 3.5 x mortgage multiplier provides a reasonable indication of the income that first-time buyer households are likely to need in order to buy a home in the area.

4.49 Based on these assumptions, Figure 16 shows the household income levels needed to buy 1 and 2-bedroom properties in terms of both existing and newly built properties. When purchasing larger homes, households

will typically have larger deposits available, often include equity from the sale of another property. On this basis, it is relatively artificial to consider incomes in isolation for larger properties.

Figure 16: **Annual income needed for 1 and 2-bedroom properties at lower quartile prices (assuming 10% deposit and 3.5x mortgage multiplier) (Source: ORS based on ONS House Price Statistics, Valuation Office Agency and Land Registry Price Paid Data)**

2 bedroom
New build dwelling
= £36,600

2 bedroom
Existing dwelling
= £29,100

1 bedroom
New build dwelling
= £25,700

1 bedroom
Existing dwelling
= £20,500

Identifying the Gap for Affordable Home Ownership

4.50 The NPPF encourages local authorities to widen opportunities for home ownership.

4.51 When identifying the need for Affordable Home Ownership (AHO) including potentially First Homes, it is necessary to consider the housing costs for both renting and buying market housing in order to understand the relative incomes required and establish the appropriate income range for AHO products and the associated purchase costs.

4.52 Figure 17 summarises the income thresholds for the range of different housing options based on the costs for home ownership and rents in East Lindsey which emphasises that owner occupation is much less affordable than renting.

Figure 17: **Annual income thresholds for different housing options, single bedroom and two bedroom (Source: ORS based on ONS House Price Statistics, Department for Work and Pensions, Valuation Office Agency and Land Registry Price Paid Data. Note: All figures rounded to nearest £100)**

Annual Income Needed to Own at Lower Quartile Prices		Single Bedroom Properties	Two Bedroom Properties
Minimum income needed to own with 10% deposit and 3.5x mortgage	Newly built dwelling	£25,700	£36,600
	Existing dwelling	£20,500	£29,100
Minimum income needed for rent to be less than 35% in East Lindsey	Median private rent	£13,400	£16,900
	Lower quartile private rent	£12,300	£15,400
	Affordable rent	£11,200	£13,400
	Social rent	£11,000	£12,100
Maximum income for Housing Benefit support in East Lindsey	Upper end of range	£12,600	£21,300
	Lower end of range	£10,500	£15,700

4.53 There is large income gap between being able to afford market rent (£12,300) and being able to afford home ownership (£20,500) which, in theory, leaves a large gap for affordable home ownership housing products (AHO's). The gap is even wider for two-bedroom properties (£15,400 - £29,100).

4.54 AHO products need to be aimed at this income gap, recognising that some households who could afford market rent would prefer to own their own home.

Low Cost Home Ownership

4.55 A range of Low-Cost Home Ownership (LCHO) products have also been developed to assist households into homeownership.

4.56 Figure 18 sets out the weekly costs associated with shared ownership properties of different sizes, taking account of the differential full market prices and based on the following assumptions:

- » 40% equity share purchased by the occupier;
- » 10% of the equity purchased is available as a deposit;
- » Mortgage costs base based on a 30-year repayment mortgage at 4.0% interest;
- » Rent based on 2.75% of the retained equity paid each year; and
- » Service charge of £10 per week.

4.57 This calculation demonstrates that the weekly costs for shared ownership are lower than the equivalent median private rent for all property sizes except for 4+ bedrooms.

Figure 18: **Shared ownership costs (Note: Mortgage costs based on a 30-year repayment mortgage at 4.0% interest. Rent based on 2.75% of the retained equity annually. Service charge assumed to be £10 per week)**

	Property Value	40% Equity Share	10% Deposit	Weekly Costs			
				Mortgage	Rent	Service Charge	TOTAL
1 bedroom	£100,100	£40,040	£4,004	£39.97	£31.68	£10.00	£81.64
2 bedrooms	£142,300	£56,920	£5,692	£56.82	£45.03	£10.00	£111.84
3 bedrooms	£169,400	£67,760	£6,776	£67.64	£53.60	£10.00	£131.24
4+ bedrooms	£240,700	£96,280	£9,628	£96.10	£76.17	£10.00	£182.27

4.58 Figure 19 shows the sensitivity of weekly costs to the equity share purchased and presents this relative to the equivalent local rents. This model uses a 4% interest rate for modelling purposes, if rates are lower in the future then shared ownership will be more affordable, conversely higher rates make it less affordable. As can be seen only the lowest equity share on the larger properties proves to be marginally cheaper than paying the median market rent for the same size property.

Figure 19: **Total weekly costs for shared ownership based on different equity shares (Note: Mortgage costs based on a 30-year repayment mortgage at 4.0% interest. Rent based on 2.75% of the retained equity annually. Service charge assumed to be £10 per week. Cells highlighted in orange are above the lower quartile private rent but below median private rent, cells in red are above the equivalent median private rent.)**

Total Weekly Cost £	Property Value	Equity Share					
		25%	**30%**	**35%**	**40%**	**45%**	**50%**
1 bedroom	£100,100	£74.57	£76.93	£79.29	£81.64	£84.00	£86.35
2 bedrooms	£142,300	£101.80	£105.15	£108.50	£111.84	£115.19	£118.54
3 bedrooms	£169,400	£119.28	£123.27	£127.25	£131.24	£135.23	£139.21
4+ bedrooms	£240,700	£165.27	£170.94	£176.60	£182.27	£187.94	£193.60

Summary of Housing Costs

4.59 This chapter has considered in some detail the cost of housing depending on tenure type and property size. Figure 20 summarises these costs for each property size (all costs are adjusted to 2019 levels, using the most recent data available).

Figure 20: **Comparison of weekly housing costs by property size (Source: Valuation Office Agency and Land Registry Price Paid Data)**
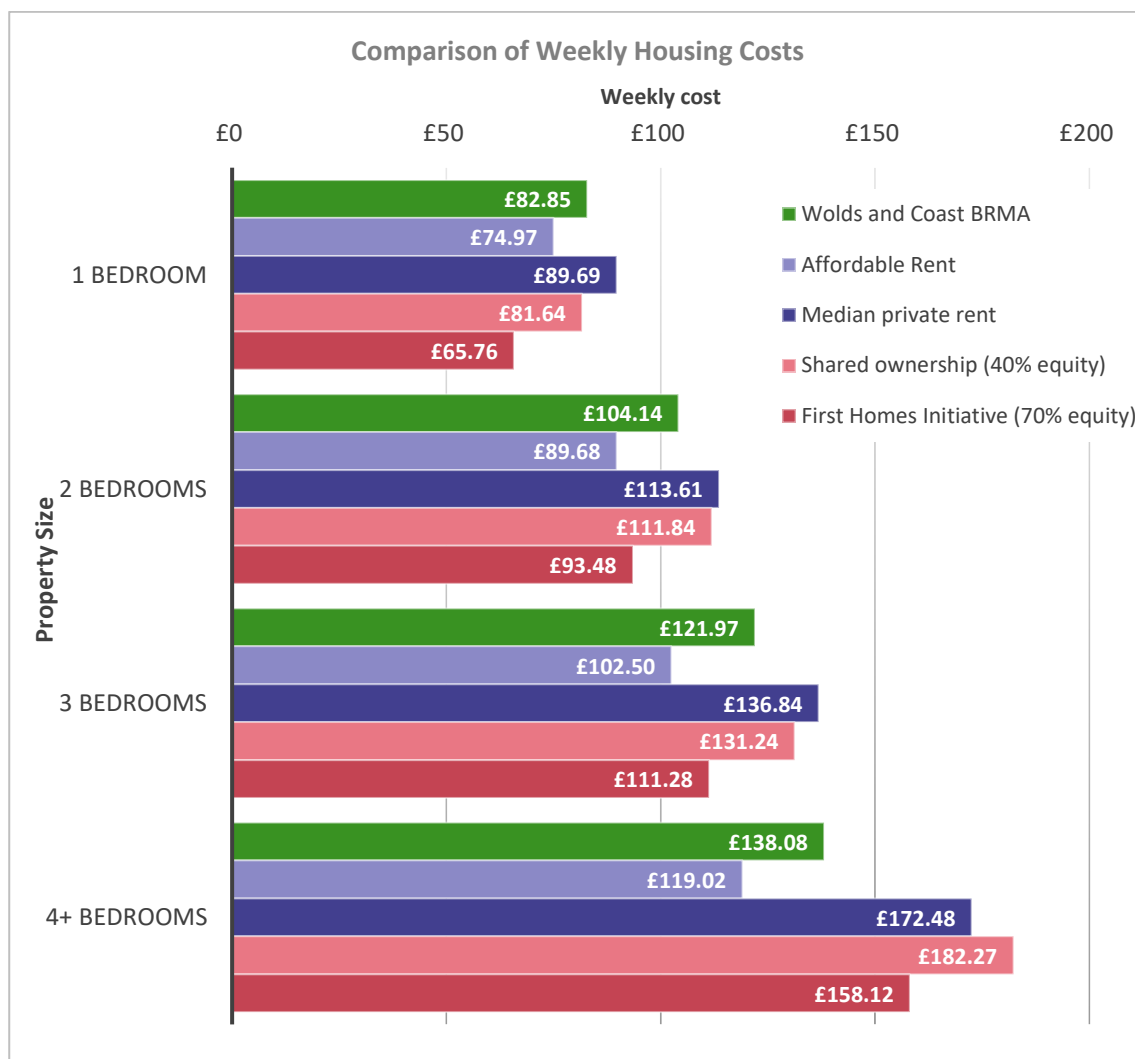
5. Demographic Projections
The baseline for establishing housing need

Introduction

5.1   This chapter uses the available population projections for East Lindsey to explain the predicted growth of households during the plan period.

Official Household Projections

5.2   Planning Practice Guidance revised in February 2019 identifies that the 2014-based Household Projections provide the baseline for determining the minimum Local Housing Needs figure.

> **Why are 2014-based household projections used as the baseline for the standard method?**
>
> *The 2014-based household projections are used within the standard method to provide stability for planning authorities and communities, ensure that historic under-delivery and declining affordability are reflected, and to be consistent with the Government's objective of significantly boosting the supply of homes.*
>
> **PPG ID 2a-005-20190220**

5.3   The first step in analysing housing needs must therefore be to identify the household projection for East Lindsey which is used as the basis for this report. Figure 21 sets out a range of the various household projections from both CLG and ONS methodologies, it includes the associated outputs using the sensitivity analysis approach.

Figure 21: Household projections 2020-30 (Source: CLG, ONS, ORS; Note: All figures presented unrounded for transparency)

	Migration trends	Change in Households 2020-2030	
		10-year change	Annual average
CLG Household Projections			
2014-based projection: 2014-based population and CLG 2014-based HH formation	2009-14	+3,639	+364
2012-based projection: 2012-based population and CLG 2012-based HH formation	2007-12	+4,277	+428
ONS 2016-based Projections			
Principal projection: 2016-based population and ONS 2016-based HH formation	2011-16	+3,254	+325
Sensitivity analysis 1: 2014-based population and ONS 2016-based HH formation	2009-14	+3,658	+366
Sensitivity analysis 2: 2016-based population and CLG 2014-based HH formation	2011-16	+3,177	+318
ONS 2018-based Projections			
Principal projection: 2018-based population and ONS 2018-based HH formation	2016-18	+6,327	+633

5.4 The 2016 and 2018 based household projections are shown for information only with potential implications for future revisions to the Planning Practice Guidance. We would note that the ONS changed the methodology used for calculating mid-year population estimates in 2016 and it is this data which has been used to underwrite the 2018 based population and household projections. The 2018 based population projection, which underwrite the 2018 based household projections, contain only 2 years' worth of migration data (2016-2018). At a national level they show a slight reduction on the figures in the 2016 based population projections, but at a local authority level the outcome is much more variable. In East Lindsey, the rate of projected growth on population is nearly twice at high in the 2018 based projection as it is in the 2016 based projections. However, this is driven by only 2 years' worth of data, so across the whole of England we are placing very little weight on the 2018 based population and household projections on their own.

Projected Household Size

5.5 The projected household size is calculated using the population and household projections rather than being a variable used to create them. The data (Figure 22) divides the population in the area by the associated household projection.

Figure 22: **Average household size estimates and projections for East Lindsey for the period 1991-2041 (Source: CLG 2014 based projections; ONS 2016 is 2016-based projections)**
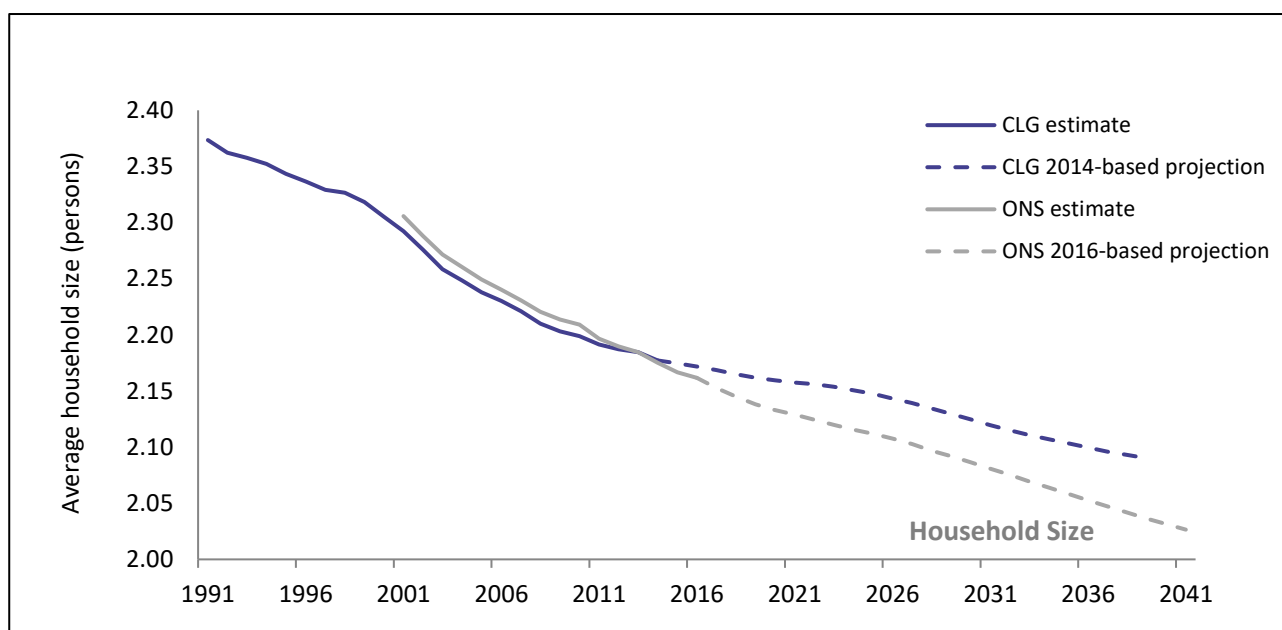
5.6 As the chart shows, average household sizes have steadily declined and are projected to continue falling in future. This can largely be ascribed to an ageing population, given that older persons tend to live in smaller households (typically single persons or couples without children).

5.7 The ONS projection suggests that household sizes will remain larger than previously projected by CLG. This difference in household sizes is the reason for the different projected household growth that the ONS 2016-based projections identify in "Sensitivity analysis 1".

Population and Household Projections for Affordable Housing Need

5.8   Although the LHN figures (discussed in more detail in Chapter 8) are informed by the trend-based household projections, the affordability adjustment means that the LHN figure is higher than the household projection-based estimate of housing need. This increase is designed to help respond to housing market pressures which may have suppressed past rates of household formation.

5.9   Given this context, delivering the number of homes that the minimum LHN identifies will yield a different population and household growth to that projected using past trends alone. In assessing the appropriate mix of housing, it is necessary to establish demographic projections to align with the number of homes identified by the standard method.

5.10   The demographic projections for this SHMA are based on the latest official projections and cover the 20-year period 2020-2040. They are informed by the latest ONS mid-year estimates,[18] and take account of the most up-to-date fertility and mortality rates and the latest migration trends. This yields a household growth over the period 2020-2040 of 5,986 households which is then reconciled with the LHN dwelling figure in Chapter 8.

---

[18] The ONS reissued the official estimates for mid-2012 to mid-2016 in March 2018 following methodological improvements

Projected Population Age Profile

5.11 Based upon a projected household growth of 5,896, the overall population is projected to grow by 6,369 from 141,533 people to 147,902 people.

5.12 The vast majority of growth is associated with the older population, with over 65s projected to increase by 12,957. This is a particularly important consideration when establishing the types of housing required and the need for housing specifically for older people.

Figure 23: Population projections 2020-40 by 5-year age cohort for East Lindsey (Source: 2018 MYE adjusted ONS sub-national projections 2016)
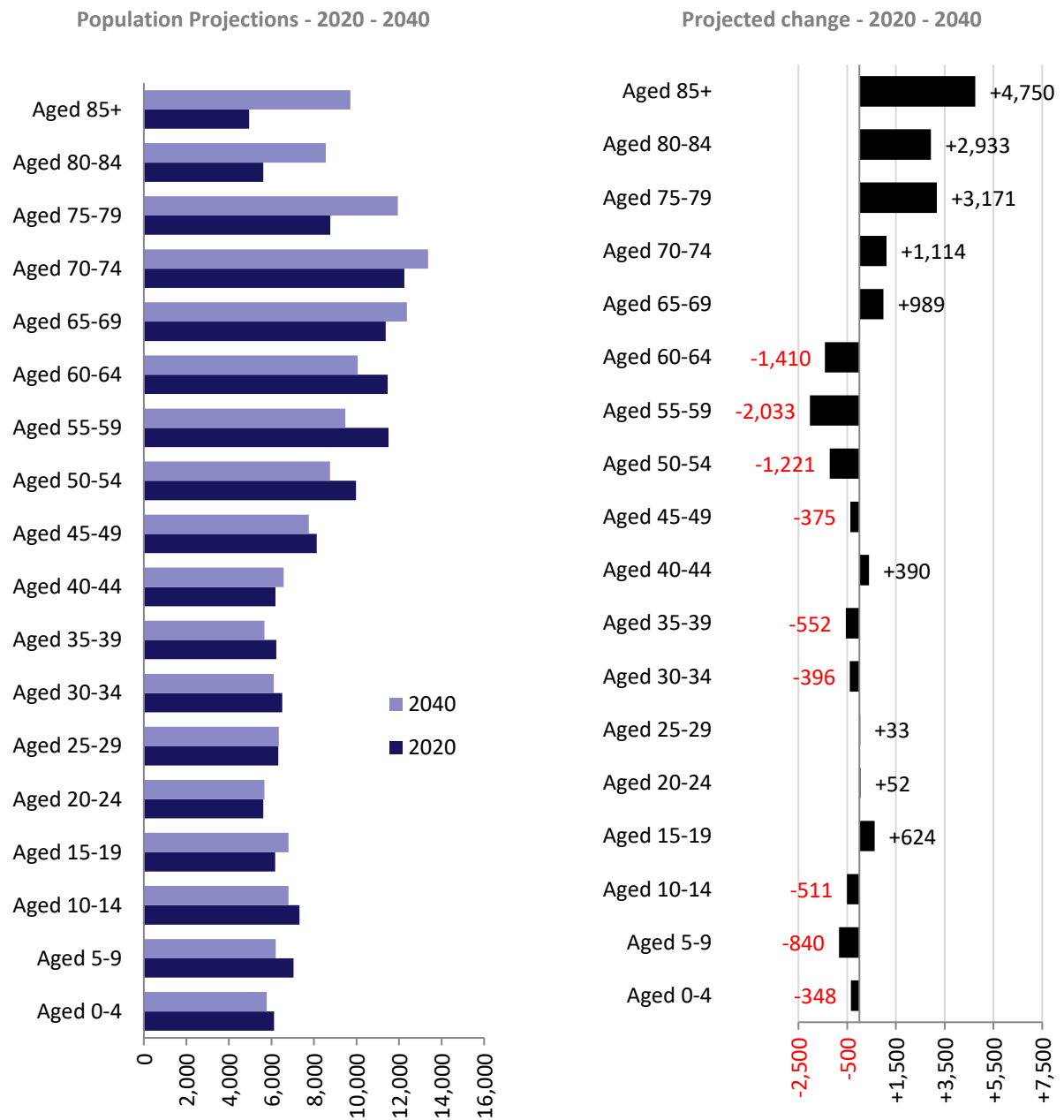
Household Projections by Age

5.13   An important point to understand in both the population and household growth is the extent to which growth is focused on older people and older households particularly amongst those over 65. The table below considers household projections categorised by the age of the household representative (HRP). Please note that throughout this section, figures in the tables are rounded to the nearest 100 to simplify interpretation although all calculations are made using unrounded data.

Figure 24: Total projected households in East Lindsey for 2020 and 2040 (Note: Figures may not sum due to rounding)

	Age of Household Representative								TOTAL
	15-24	**25-34**	**35-44**	**45-54**	**55-64**	**65-74**	**75-84**	**85+**	
2020	1,400	5,500	6,600	10,700	13,000	13,600	10,400	3,500	64,800
2040	1,500	5,400	6,600	9,800	11,000	14,700	14,900	6,800	70,700
CHANGE	+0	-100	+0	-900	-2,000	+1,100	+4,500	+3,400	+5,900

5.14   The table shows an overall increase of 5,900 households over the 20-year period 2020-2040 with all of this increase being households headed by somebody over the age of 65. Many of these older households will already be established and living in existing homes, they simply get older during the 20-year period.

5.15   It is important to consider household growth in relation to age cohorts. Figure 25 shows the projected number of households in each cohort, showing their age in both 2020 and 2040. Clearly, no household representatives are aged under 5 (in 2020), but children aged under 5 in 2020, or born before 2025, will be aged 15-24 in 2040, and thus will be potentially heads of a household.

Figure 25: Total projected households for 2020 and 2040 by age cohort of household representative (Note: Figures may not sum due to rounding)

	Age of Household Representative								TOTAL
Age in 2020	**<5**	**5-14**	**15-24**	**25-34**	**35-44**	**45-54**	**55-64**	**65+**	
Age in 2040	**15-24**	**25-34**	**35-44**	**45-54**	**55-64**	**65-74**	**75-84**	**85+**	
2020	-	-	1,400	5,500	6,600	10,700	13,000	27,500	64,800
2040	1,500	5,400	6,600	9,800	11,000	14,700	14,900	6,800	70,700
CHANGE	+1,500	+5,400	+5,200	+4,300	+4,400	+4,000	+1,900	-20,700	+5,900

5.16   For example, there were 5,500 households aged 25-34 in 2020 and these same households would be aged 45-54 in 2040. The trend-based projection identified that the total number of households aged 45-54 in 2040 would be 9,800. The projection shows, an extra 4,300 households: partly due to new household formations and partly due to net migration.

5.17   Based on the cohort analysis, around 26,600 extra households will be formed over the 20-year period 2020-40 by those who will be aged under 85 in 2040. These extra households are offset against a reduction of 20,700 households aged 85 or over. Most of this reduction is due to household dissolution following death (although some may be due to net migration).

5.18   Whilst the overall volume increase in households is largely due to a growing older population most of the newly forming households looking for housing will be in their twenties and thirties at the time that they form. Many of these households will buy or rent existing housing, perhaps vacated by an older existing household. New housing stock is not necessarily occupied by newly formed households.

Projected Household Types

5.19 When considering future need for different types of housing, it is important to understand that households of different ages are likely to have different needs. Similarly, households of different types (singles, couples and families) within each age group will also have different housing requirements.

5.20 Figure 26 shows the household numbers and net change for East Lindsey from 2020 to 2040 separated out by the age of the household representative person (HRP).

Figure 26: **Total projected households for 2020 and 2040 and change by household type and age of household representative (Note: Figures rounded to nearest 10; total figures rounded to nearest 100. All calculations based on unrounded data. Figures may not sum due to rounding)**

Household Type	Age of Household Representative								TOTAL
	15-24	25-34	35-44	45-54	55-64	65-74	75-84	85+	
Households 2020									
Single person	400	1,600	1,100	2,500	3,400	3,300	5,900	2,300	20,700
Couple without children	200	900	800	3,800	8,400	9,300	3,300	800	27,400
Families with child(ren)	700	3,000	4,600	4,100	800	300	100	0	13,600
Other households	100	100	100	300	400	700	1,100	300	3,200
TOTAL	1,400	5,500	6,600	10,700	13,000	13,600	10,400	3,500	64,800
Households 2040									
Single person	400	2,000	1,200	2,900	3,300	2,900	7,400	4,400	24,300
Couple without children	100	400	400	2,000	6,600	10,500	4,900	1,500	26,400
Families with child(ren)	900	3,000	4,900	4,800	1,000	500	300	100	15,700
Other households	100	0	100	100	200	800	2,300	800	4,400
TOTAL	1,500	5,400	6,600	9,800	11,000	14,700	14,900	6,800	70,700
Change 2020-2040									
Single person	-100	+400	+100	+300	-100	-500	+1,500	+2,100	+3,600
Couple without children	-100	-500	-400	-1,800	-1,800	+1,200	+1,600	+800	-1,000
Families with child(ren)	+200	+100	+400	+800	+200	+200	+200	+100	+2,100
Other households	+0	-100	-100	-200	-200	+100	+1,200	+500	+1,200
TOTAL CHANGE	+0	-100	+0	-900	-2,000	+1,100	+4,500	+3,400	+5,900

5.21 In summary over the 20-year period:

» Single person households are over 60% of the overall household growth. This includes 5,400 with a household representative aged over 75, while younger households are projected to decline;

» Families with dependent children make up over a third of the overall household growth: an increase of 2,100 households;

» Couples without dependent children are projected to fall by 1,000 households, but with an increase of 3,600 households all with a household representative aged over 65;

» The increase in "Other" households represents 1,200 households.[19]

5.22 More than 100% of the household growth is for households of single people or couples aged over 65 suggesting homes meeting older persons requirements are a priority.

---

[19] Other Households can be defined as: "multi-person households including unrelated adults sharing, student households, multi-family households and households of one family and other unrelated adults"

6. Jobs and Workers
Alignment of Future Jobs Growth with Resident Workers

Considering the basis for Adjusting the Local Housing Need

6.1 Whilst PPG sets out a standard approach for establishing local housing need [ID 2a-004-20190220], this is a minimum figure and the PPG also provides examples of a number of circumstances where it may be more appropriate to use a higher figure for plan-making [ID 2a-010-20190220].

> ***When might it be appropriate to plan for a higher housing need figure than the standard method indicates?***
>
> *The government is committed to ensuring that more homes are built and supports ambitious authorities who want to plan for growth. The standard method for assessing local housing need provides a minimum starting point in determining the number of homes needed in an area. It does not attempt to predict the impact that future government policies, changing economic circumstances or other factors might have on demographic behaviour. Therefore, there will be circumstances where it is appropriate to consider whether actual housing need is higher than the standard method indicates.*
>
> *This will need to be assessed prior to, and separate from, considering how much of the overall need can be accommodated (and then translated into a housing requirement figure for the strategic policies in the plan). Circumstances where this may be appropriate include, but are not limited to situations where increases in housing need are likely to exceed past trends because of:*
>
> » *growth strategies for the area that are likely to be deliverable, for example where funding is in place to promote and facilitate additional growth (e.g. Housing Deals);*
>
> » *strategic infrastructure improvements that are likely to drive an increase in the homes needed locally; or*
>
> » *an authority agreeing to take on unmet need from neighbouring authorities, as set out in a statement of common ground;*
>
> **Planning Practice Guidance, ID 2a-010-20190220**

6.2 The PPG is clear that only in exceptional circumstances should an alternative to the standard method that results in a lower figure should be used [ID 2a-015-20190220]; therefore, preparing plans that have the flexibility within the land supply to deliver a greater number of new homes than the current LHN will help to ensure that fluctuations in the LHN in future years are more likely to be accommodated without changes being needed, given that the housing requirement is only fixed for 2 years from the point at which plans are submitted.

6.3 When considering the factors that could justify an uplift to the LHN, one of the most important is ensuring that the number of new homes takes account of changes that are anticipated in the local economy as well as population trends. This section therefore looks at whether a housing number that is higher than the LHN may to be considered, and what alternative figure may be justified for the next steps of plan preparation. Ultimately, it will be for East Lindsey District Council to determine the extent of any increase when

establishing the housing requirement. This will involve evidence-based judgements over a range of different factors.

Future Labour Force Growth

6.4 We calculated the additional number of economically active workers who are projected to arise from the population growth associated with the LHN and this produced a figure of an additional 3,556 economically active people, or 178 per annum. The figure was calculated by considering the projected growth in population by age and adjusting the current rates of economic activity in line with those projected by the Office for Budget Responsibility who allow for a growth in projected rates in the future due to changes in the pension age and increases in female participation in the labour market.

6.5 The East Lindsey Local Plan Inspector's Report May 2018[20] contained the following overview of the jobs and workers balance in East Lindsey.

40. The 2016 study indicates that an annual increase in dwellings of 425/year would support an average annual employment growth of 124 jobs. A higher housing growth rate of 474/year (which is close to the OAN of 481) is said to support 179 jobs/year. However, the East Lindsey Economic Baseline study of 2016 refers to a jobs growth forecast of 240/year over a 25-year period. The PPG states that where the supply of economically active working age population is less than projected job growth this could result in unsustainable commuting patterns and a reduction in the resilience of local businesses. In this context, at first sight, the difference between these figures could be seen as significant.

41. However, the Council considers that the 240/year job growth figure is based on a set of interventions and a level of investment that is unlikely to happen. The Council's assumption is that, without such interventions, the economy is likely to continue to be characterised by low skills and wages. Whilst this might not be particularly aspirational, it is not an unreasonable position given there is no clear evidence that a full range of such interventions might take place. Furthermore, the allocation of employment land in the Plans (which is considered elsewhere in this report) is based on past take-up trends rather than any specific job forecast.

42. Assessing future economic performance and attempting to match that to housing need is a difficult and uncertain task. In East Lindsey the effects of the policies restraining housing growth in coastal area on the supply of potential workers are unclear and add to this uncertainty. Furthermore, this is a matter which can be reconsidered in the review of the plan, particularly if the level of job creation significantly exceeds that expected by the Council over the next few years. At this stage there is no clear justification for a further adjustment to the OAN figure.

6.6 Th evidence in this current report is that at LHN of 423 dwellings per annum will provide for an additional 178 workers per annum. However, this does not consider the impact of potential reductions in unemployment, that many workers will hold more than one job and also that commuting patterns will adjust if one area is more economically successful than another. Therefore, The LHN of 423 dwellings per annum is capable of supporting more than 200 jobs growth per annum in East Lindsey.

---

[20] https://www.e-lindsey.gov.uk/media/9021/East-Lindsey-Core-Strategy-and-Settlement-Proposals-DPD-Report-Final-May-2018/pdf/East_Lindsey_Core_Strategy_and_Settlement_Proposals_DPD_Report_-_Final_-_May_2018.pdf?m=636609511908600000

7. Affordable Housing Need
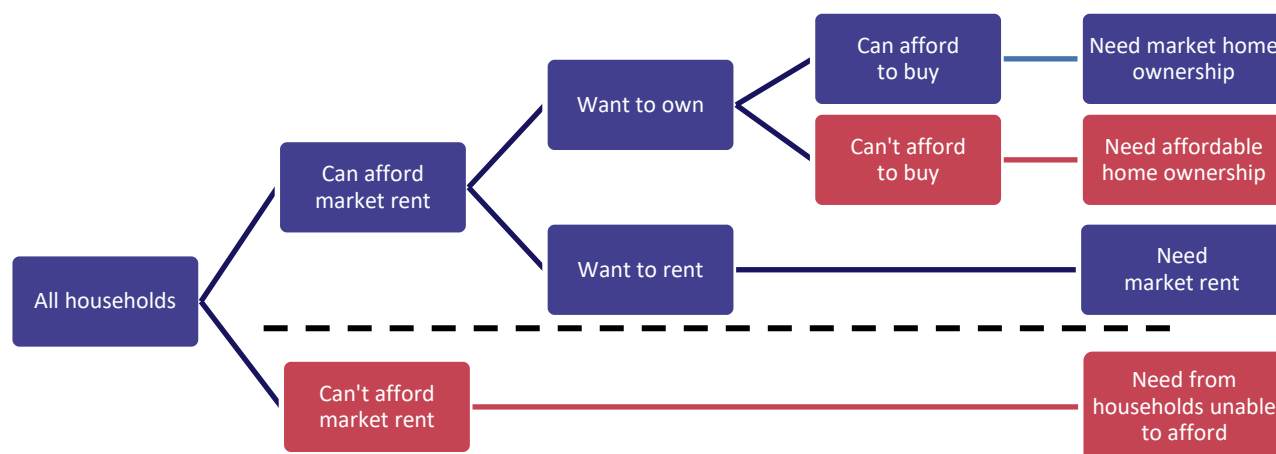## Identifying households who cannot afford market housing

Introduction

7.1 This section represents a technical exercise to comply with the requirements of the NPPF and the PPG. Demographic projections provide the basis for identifying the housing needs for all types of housing, including both market and affordable housing.

7.2 The definition of affordable housing was changed by the new National Planning Policy Framework (2018), with a specific emphasis now placed on affordable homeownership. Annex 2 of the Framework now defines affordable housing as being:

> *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)*
>
> **National Planning Policy Framework 2018, Annex 2**

7.3 To reflect this change, relevant paragraphs of PPG have also been updated to confirm that the types of household to be considered in housing need should include *"those that cannot afford their own homes, either to rent, or to own, where that is their aspiration"* [PPG ID 2a-020-20190220].

7.4 The assessment of affordable housing need therefore needs to consider both those who cannot afford to rent *and* those households who can afford to rent but would like to buy.

Figure 27: Establishing the need for market and affordable housing

7.5 There is a well-established method for assessing the needs of households who cannot afford to own *or* rent suitable market housing. However, PPG provides no guidance on how the needs of households who can afford to rent but would prefer to own, should be assessed.

Assessing Affordable Housing Needs

7.6 The ORS Housing Mix Model considers the need for market and affordable housing on a long-term basis that is consistent with household projections. The model uses a range of secondary data sources to build on existing household projections and profile how the housing stock will need to change in order to accommodate the projected future population.

7.7 The model provides robust and credible evidence about the required mix of housing over the full planning period and recognises how key housing market trends and drivers will impact on the appropriate housing mix.

7.8 The PPG identifies that "projections of affordable housing need will need to take into account new household formation, the proportion of newly forming households unable to buy or rent in the market area, and an estimation of the number of existing households falling into need" (ID 2a-021). **The ORS Model recognises that the proportion of households unable to buy or rent in the market area will not be the same for all types of household, and that this will also differ by age.** Therefore, the appropriate proportion is determined separately for each household type and age group.

7.9 The affordability percentages in Figure 28 are calculated using detailed information from the 2011 Census alongside data published by DWP about housing benefit claimants. For each type of household in each age group, the table identifies the percentage of households unable to afford their housing costs. This is the proportion of households in each group that either occupy affordable housing or receive housing benefit to enable them to afford market housing.

Figure 28: Assessing affordability by household type and age (Source: Census 2011 and DWP)

Percentage unable to afford market housing	Under 25	25-34	35-44	45-54	55-64	65+
Single person household	15%	13%	22%	18%	19%	22%
Couple family with no dependent children	8%	5%	9%	6%	7%	9%
Couple family with 1 or more dependent children	23%	20%	13%	9%	13%	18%
Lone parent family with 1 or more dependent children	38%	51%	41%	25%	32%	30%
Other household type	16%	47%	24%	16%	14%	10%

Current Unmet Needs of Households Unable to Afford

7.10 Any exploration of housing need in an area must first give consideration to existing unmet needs. The PPG states:

> *How should the current unmet gross need for affordable housing be calculated?*
>
> *Plan makers should establish unmet (gross) need for affordable housing by assessing past trends and recording 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 overcrowded housing;*
>
> » *the number of concealed households;*

> » *the number of existing affordable housing tenants in need (i.e. householders currently housed in unsuitable dwellings);*
>
> » *the number of households from other tenures in need and those that cannot afford their own homes.*
>
> *Care should be taken to avoid double-counting, which may be brought about with the same households being identified on more than one transfer list, and to include only those households who cannot afford to access suitable housing in the market.*
>
> **Planning Practice Guidance (February 2019), ID 2a-020-20190220**

7.11 Households assumed to be unable to afford housing include:

» All households that are currently **homeless**;

» All those currently housed in **temporary accommodation**; and

» People in a **reasonable preference category** on the housing register, where their needs have not already been counted.

7.12 Given this context, the model includes the needs of all these households when establishing the need for affordable housing at a base date of 2018.

7.13 The analysis counts the needs of all households living in overcrowded rented housing when establishing the affordable housing need (which could marginally overstate the requirements) but it does not count the needs of owner occupiers living in overcrowded housing (which can be offset against any previous over-counting). Student households are also excluded, given that their needs are assumed to be transient and do not count towards the need for affordable housing in East Lindsey.

7.14 **Concealed families** are an important part of unmet housing need. However, not all concealed families want separate housing. Those with older family representatives will often be living with another family member, perhaps for cultural reasons or in order to receive help or support due to poor health. However, those with younger family representatives are more likely to be experiencing affordability difficulties or other constraints (although even here not all will want to live independently).

7.15 Any concealed families in a reasonable preference category on the housing register will be counted regardless of age. The analysis also considers the additional growth of concealed families with family representatives aged under 55 (even when not on the housing register) and assumes that all such households are unlikely to be able to afford housing (otherwise they would have found a more suitable home).

7.16 The analysis does not count people occupying insanitary housing or otherwise living in unsatisfactory housing conditions as a need for additional affordable housing. These dwellings would be unsuitable for any household and enabling one household to move out would simply allow another to move in – so this would not reduce the overall number of households in housing need. This housing need should be resolved by improving the existing housing stock, and the Council have a range of statutory enforcement powers to improve housing conditions.

7.17 Figure 29 sets out the assessment of current affordable housing need for East Lindsey:

Figure 29: Assessing current unmet gross need for affordable housing (Source: ORS Housing Model)

	Affordable Housing			Current unmet Housing Need
	Gross Need	Supply	Net Need	
Homeless households in priority need [Source: CLG P1E returns 2018]				
Currently in temporary accommodation in communal establishments (Bed and breakfast or Hostels)	11		11	11
Currently in temporary accommodation in market housing (Private sector leased or Private landlord)	1		1	
Currently in temporary accommodation in affordable housing (Local Authority or RSL stock)	13	13	0	
Households accepted as homeless but without temporary accommodation provided	1		1	1
Concealed households [Source: Census 2001 and 2011]				
Growth in concealed families with family representatives aged under 55	105		105	105
Overcrowding based on the bedroom standard [Source: Census 2011 and English Housing Survey]				
Households living in overcrowded private rented housing	280		280	
Households living in overcrowded social rented housing	252	252	0	
Reduction in spare rooms [Source: DWP Housing Benefit Claimant Statistics 2018]				
Households likely to move from under-occupied social rented housing	420	420	0	
Other households living in unsuitable housing that cannot afford their own home [Source: CLG Local Authority Housing Statistics 2018]				
People who need to move on medical or welfare grounds, including grounds relating to a disability	389	33	356	
People who need to move to a particular locality in the district of the authority, where failure to meet that need would cause hardship (to themselves or to others)	6	1	5	
TOTAL	**1,478**	**719**	**759**	**117**

7.18 Based on a detailed review of both the past trends and current estimates, our analysis has concluded that 1,478 households are currently living in unsuitable housing and are unable to afford their own housing. This assessment is based on the criteria set out in the PPG and avoids double counting, as far as possible.

7.19 Of these households, 719 currently occupy affordable housing that does not meet the current householders' needs, mainly due to overcrowding. Providing more suitable housing for these households will enable them to vacate their existing affordable housing property, which can subsequently be allocated to another (smaller) household in need of affordable housing.

7.20 There is, therefore, a net affordable housing need of 759 households (1,478 less 719 = 759). However, depending on property types and size of households in need, a higher number of new homes _may_ be needed to ensure there is no overcrowding.

7.21 Providing the net affordable housing need for 759 households will release back into the market (mainly in the private rented sector) the dwellings currently occupied by a total of 642 households (759 less the 117 households which are homeless or concealed and thus do not release dwellings).

Projected Future Need of Households Unable to Afford

7.22 When considering the number of newly arising households likely to be in affordable housing need, the PPG recommends a *"gross annual estimate"* (ID 2a-021) suggesting that *"the total need for affordable housing should be converted into annual flows"* (ID 2a-024).

7.23 Figure 30 shows the age structure of each of the components of household change. This analysis is based on changes within each age cohort. Comparisons are based on households born in the same year and relate to their age at the end of the period. Therefore, all new households are properly counted, rather than only counting the increase in the number of households in each age group.

Figure 30: **Annual change in household numbers in each age cohort by age of HRP in East Lindsey (Source: ORS Housing Model)**
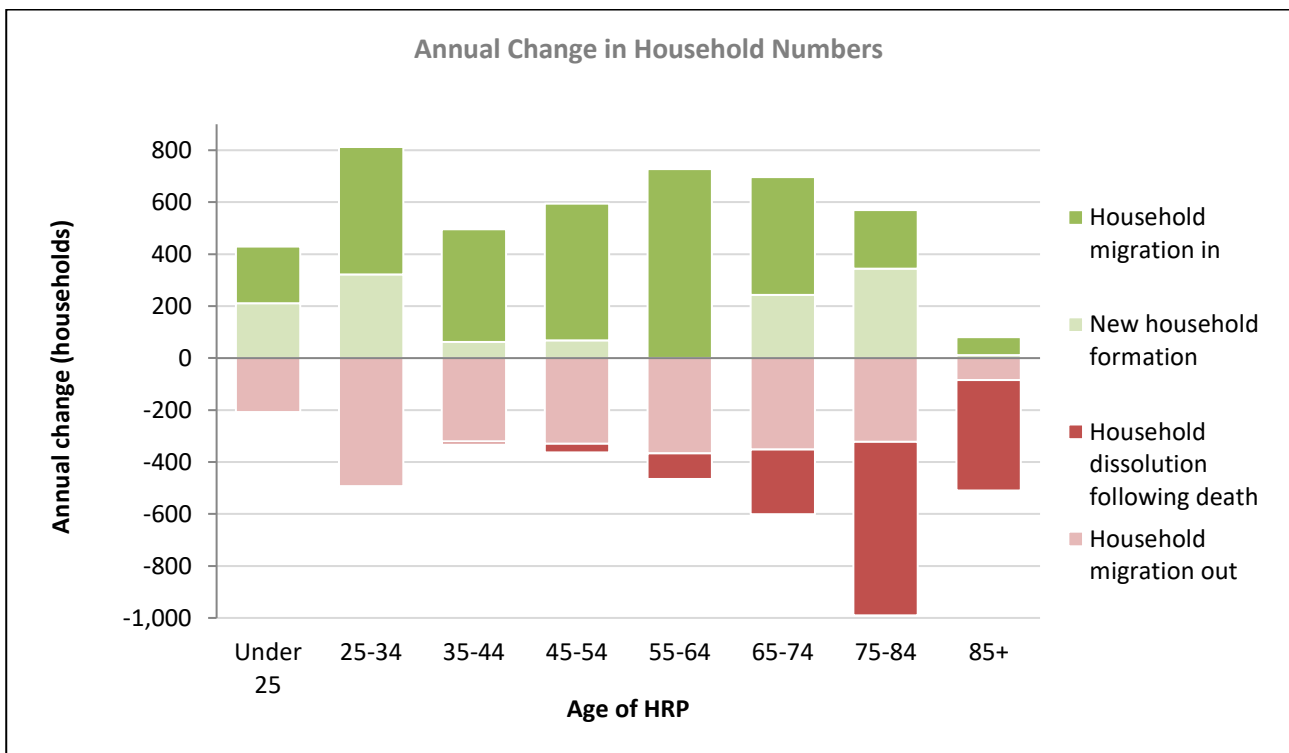
7.24 Together with information on household type, this provides a framework for the model to establish the proportion of households who are unable to afford their housing costs. The following tables look at the impact of different types of household.

Figure 31: **Annual components of Household Growth 2020-40 (Source: ORS Housing Model. Note: Figures may not sum due to rounding)**

	All households	Households able to afford housing costs	Households unable to afford housing costs	% unable to afford housing costs
Newly forming households	1,225	990	236	19%
Households migrating into the area	3,256	2,724	532	16%
All new households	**4,481**	**3,714**	**767**	**17%**

7.25 The ORS Model identifies 1,225 new households projected to form in East Lindsey each year, of which 19% will be unable to afford their housing costs. This amounts to 236 households each year.

7.26 The model also considers new households migrating to the area. The projection is for 3,256 households per annum of which 16% (532 households) will be unable to afford their housing costs.

7.27 **This results in a total of 767 <u>new</u> households in need of affordable housing**. (Figure 31).

Figure 32: **Annual components of Household Growth 2020-40 (Source: ORS Housing Model. Note: Figures may not sum due to rounding)**

	All households	Households able to afford housing costs	Households unable to afford housing costs	% unable to afford housing costs
Household dissolutions following death	1,644	1,373	271	16%
Households migrating <u>out</u> of the area	2,543	2,102	441	17%
All households no longer present	**4,186**	**3,475**	**711**	**17%**

7.28 PPG identifies that "there will be a current supply of housing stock that can be used to accommodate households in affordable housing need" and that it is necessary to establish "the number of affordable dwellings that are going to be vacated by current occupiers that are fit for use by other households in need" (ID 2a-022).

7.29 The model identifies 1,644 households are likely to dissolve following the death of all household members. Many of these households will own their homes outright however, 271 of these are likely to have been unable to afford market housing and will mostly be living in social rented housing.

7.30 In addition, some households that are unable to afford housing are will migrate away from the area, so their needs should be discounted to ensure consistency with the household projections. The model identifies that 2,543 households will migrate <u>out</u> of the area each year, including 441 households who are unable to afford their housing costs. A proportion of these will vacate rented affordable housing (which will become available for another household) whereas others that have not yet been allocated an affordable home will reduce the number of households waiting. (It should be noted that some might have chosen to stay if housing costs were cheaper or more affordable housing was available).

7.31 **Altogether, there are 711 households who will vacate affordable dwellings or will no longer be waiting for a home. (**Figure 32**).**

Figure 33:   Annual components of Household Growth 2020-40 (Source: ORS Housing Model. Note: Figures may not sum due to rounding)

	All households	Households able to afford housing costs	Households unable to afford housing costs	% unable to afford housing costs
Existing households falling into need	-	-198	+198	100%
Existing households climbing out of need	-	+170	-170	0%
Change in existing households	**-**	**-27**	**+27**	**-**

7.32   PPG also identifies that it is important to estimate *"the number of existing households falling into need"* (ID 2a-021). Whilst established households that continue to live in East Lindsey will not contribute to household growth, changes in household circumstances (such as separating from a partner or the birth of a child) can lead to households who were previously able to afford housing falling into need. The needs of these households are counted by the model, and it is estimated that 198 established households will fall into need in East Lindsey each year.

7.33   However, established households' circumstances can also improve. For example:

» When two single person households join together to form a couple, pooling their resources may enable them to jointly afford their housing costs (even if neither could afford separately).

» Households also tend to be more likely to afford housing as they get older, so young households forming in the early years of the projection may be able to afford later in the projection period.

7.34   These improved circumstances can therefore reduce the need for affordable housing over time. The model identifies that the circumstances of 170 households will improve such that they become able to afford their housing costs having previously being unable to afford.

7.35   Therefore, considering the changing needs of existing households overall, **there is a net <u>increase </u>of 27 existing households needing affordable housing each year**. (Figure 33).

7.36   The following table (Figure 34) summarises the overall impact of:

» new households adding to housing need;

» the households no longer present reducing housing need; and

» the changes in circumstances impacting existing households.

Figure 34:   Annual components of Household Growth 2020-40 (Source: ORS Housing Model)

		All households	Households able to afford housing costs	Households unable to afford housing costs
All new households		4,481	3,714	767
All households no longer present		4,186	3,475	711
Change in existing households		-	-27	+27
Future affordable housing need 2020-40	**Annual average**	**+295**	**+212**	**+83**
	20-year Total	**+5,897**	**+4,235**	**+1,662**

7.37   Overall reviewing the contribution of each element amounts **to an additional 1,662 households needing affordable housing over the 20-year period 2020-40.**

Needs of Households Aspiring to Homeownership

Home Ownership Trends

7.38 The new emphasis on households that cannot afford to own their home reflects Government concerns that the proportion of owner occupiers has reduced nationally over the last ten to fifteen years. Estimates from the English Housing Survey suggest that the proportion of owner occupiers reduced from around 69% in 2006 to 65% in 2011 and to 63% by 2016. Over the same period the proportion of households renting from a social landlord also reduced from 19% to 17% whilst the proportion renting privately increased from 12% to 20%.

7.39 The proportion of owner occupiers varies by age with younger age groups less likely to own their home than older households. The real change is in the extent to which younger age groups owning their property has fallen over recent years whilst at the upper end of the age scale (aged 65 or over) home ownership has been increasing (Figure 35).

Figure 35: Percentage of Owner Occupiers by Age Group 2001-2016 (Source: English Housing Survey)
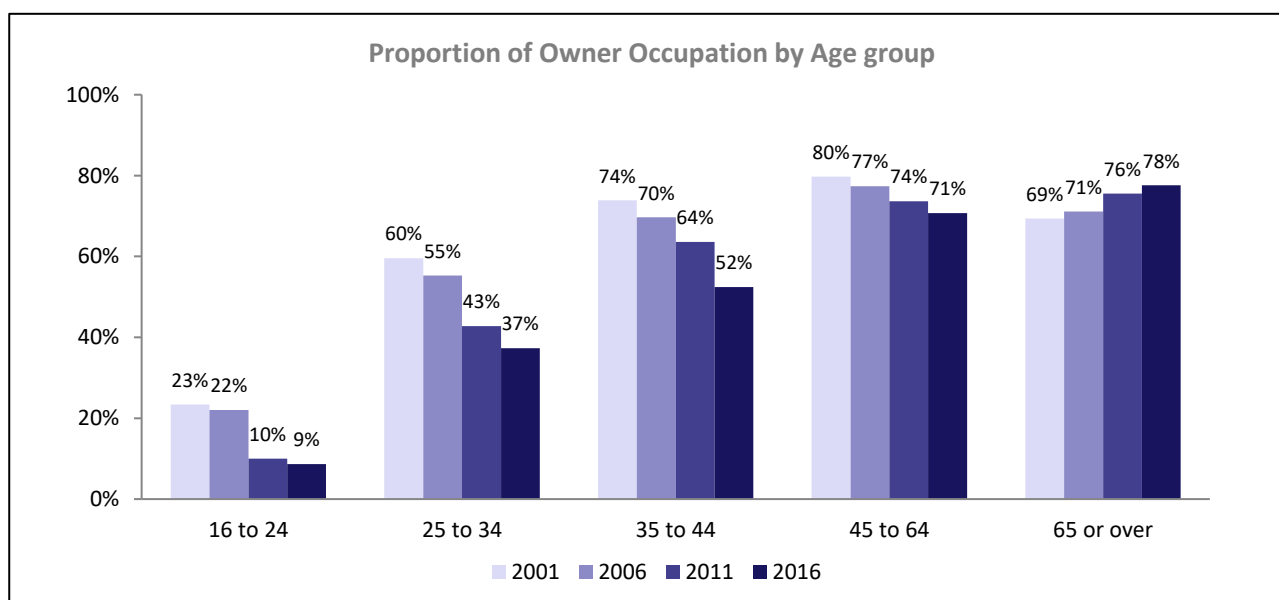
Establishing the number of households aspiring to home ownership

7.40 English Housing Survey data shows that, unsurprisingly, 96% of households who currently own their property wish to stay as owner occupiers in the long term. In terms of potential demand over half (54%) of households who rent privately and almost a fifth (18%) of those in social rented housing aspire to homeownership.

Figure 36: Long-term aspirations (Source: English Housing Survey 2013/4)

Current Tenure	Long-term Tenure Plan				
	Owner Occupier	Shared Ownership	Rent from Private Landlord	Rent from Social Landlord	Other
Owner occupied	96.1%	0.4%	0.7%	1.1%	1.6%
Private rent	53.5%	2.6%	28.8%	11.4%	3.8%
Social rent	18.1%	1.8%	1.9%	77.0%	1.1%

7.41 These figures relate to aspirations only and there is no test within the data as to whether this aspiration is affordable. It is therefore worth considering the responses of those currently in private rent in more detail with a view to understanding the types of household aspiring to buy.

7.42 The following chart (Figure 37) shows long-term tenure aspirations of those in private rent by household type as well as whether they are currently in receipt of housing benefit.

7.43 Almost two in three (65%) of those who are currently renting privately and NOT receiving housing benefit wish to buy their own home in the future. The proportion is much lower for those households with an HRP over 60 (averaging 15%) and slightly higher amongst couples under 60 (77% and 72% depending on whether or not there are dependent children in the household).

7.44 Just under three in ten (28%) of those households in the private rented sector and in receipt of housing benefit wish to buy their own home in the future. This increases to 53% of couples with dependent children.

Figure 37: Long-term Tenure Expectation for those in the Private Rented Sector with and without Housing Benefit support (Source: English Housing Survey 2013-14. Note: Own includes shared ownership)
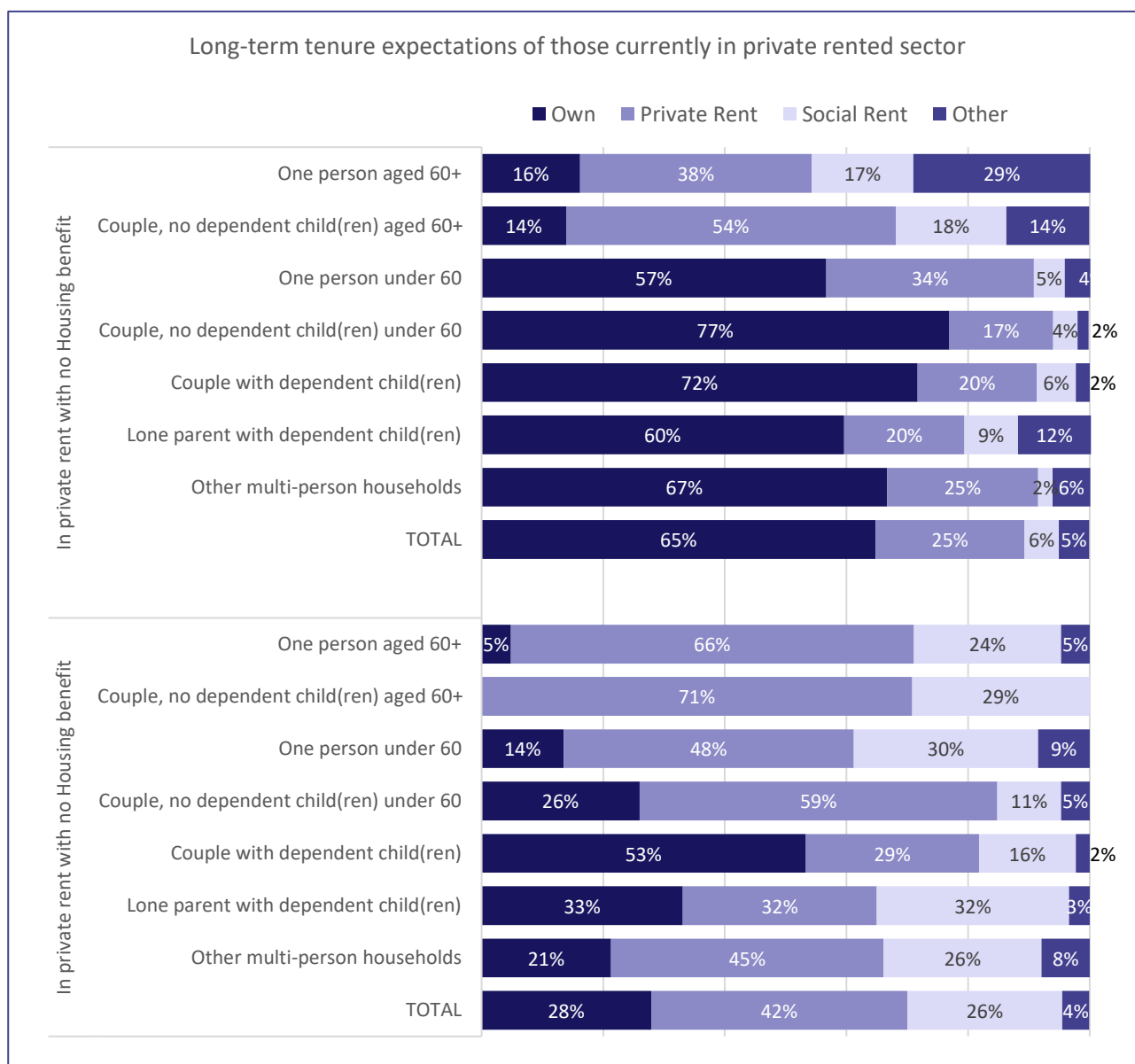
Additional Need for Affordable Homeownership

7.45 Through combining data on the number of households of each type in each age group living in private rented housing and paying their own rent with the aspiration data from the EHS 2013-14, Figure 38 establishes the number of existing households likely to aspire to home ownership that have not been counted in the affordable housing need.

Figure 38: **Households currently living in the Private Rented Sector and paying their own rent that aspire to home ownership (Note: Figures may not sum due to rounding)**

| Household Type | Age of Household Representative | | | | | | TOTAL |
	15-24	25-34	35-44	45-54	55-64	65+	
Single person	177	528	235	228	208	122	1,498
Couple without children	105	331	106	247	255	136	1,179
Families with child(ren)	190	746	552	270	0	0	1,759
Other households	60	0	17	21	20	0	118
Total	**533**	**1,604**	**909**	**767**	**483**	**257**	**4,554**
Percentage of households	*12%*	*35%*	*20%*	*17%*	*11%*	*6%*	*100%*

7.46 Based on this analysis, we can estimate that there is a total of around 4,554 households currently resident in East Lindsey who cannot afford to own their own home but would aspire to do so. Half of these households (47%) are aged 15-34 with the substantial majority (67%) aged under 45.

7.47 As previously reported (Figure 10), Census data identified 8,644 households renting privately in 2001 compared to 11,566 households in 2011 – an increase of around 2,922 households over the decade, equivalent to an average of 292 households per year. More recent EHS data shows that the private rented sector has continued to grow over the years since the Census. On this basis, the number of households identified as currently renting privately that aspire to homeownership is consistent with growth of the private rented sector over a 16-17 year period.

7.48 In addition to the current need, it is also important to consider new households that are projected to form over the period 2020-2040. Through combining this data with the aspiration data from the EHS, we can conclude that it is likely that there would be a further 2,890 households that form over the 20-year period who will be able to afford to pay market rent but unable to afford to own, despite that being their aspiration. **Overall, there are likely to be 7,444 households who aspire to homeownership but who cannot afford to buy their own home over the period 2020-40, a net annual need of 372 per year.**

7.49 When identifying the need for Affordable Home Ownership (AHO) including First Homes, it is necessary to consider the housing costs for both renting and buying market housing in order to understand the relative incomes required and establish the appropriate income range for AHO products and the associated purchase costs.

Identifying the Overall Affordable Housing Need

7.50 Figure 39 brings together the information on assessing the unmet need for affordable housing in 2020 together with the future need for affordable housing and those aspiring to home ownership arising over the 20-year period 2020-40. It can be noted that this assessment has no regard for whether those aspiring can access affordable home ownership options.

Figure 39: Assessing total need for affordable housing 2020-2040 (Source: ORS Housing Model)

	Affordable Housing Need		Overall Affordable Housing Need
	Households unable to afford	Households aspiring to home ownership	
Current housing need in 2020	759	4,454	5,313
Future housing need 2020-40	1,662	2,890	4,552
TOTAL HOUSING NEED	**2,421**	**7,444**	**9,865**

7.51 On this basis, we can conclude that the overall need for affordable housing would comprise a total of 9,865 households over the 20-year period 2020-2040, equivalent to an average of 492 per annum.

7.52 This represents a substantial proportion of the annual growth of 364 households identified by the CLG 2014-based household projections for the LHN period 2020-30 (Figure 21). This is due to a large proportion of this need being associated with the whole population as opposed to the projected new households, which is recognised by the PPG:

> *How does the housing need of particular groups relate to overall housing need calculated using the standard method?*
>
> *The standard method for assessing local housing need identifies an overall minimum average annual housing need figure but does not break this down into the housing need of individual groups. This guidance sets out advice on how plan-making authorities should identify and plan for the housing needs of particular groups of people.*
>
> *This need may well exceed, or be proportionally high in relation to, the overall housing need figure calculated using the standard method. This is because the needs of particular groups will often be calculated having consideration to the whole population of an area as a baseline as opposed to the projected new households which form the baseline for the standard method. How can needs of different groups be planned for?*
>
> *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.*
>
> **Planning Practice Guidance, ID 67-001-20190722**

7.53   The size, type and tenure of homes also needs to be calculated separately from the standard method. PPG February 2019 states:

> **How does the housing need of particular groups relate to overall housing need calculated using the standard method?**
>
> *The standard method for assessing housing need does not break down the overall figure into different types of housing. Therefore the need for particular sizes, types and tenures of homes as well as the housing needs of particular groups should be considered separately.*
>
> **Planning Practice Guidance, ID 2a-017-20190220**

7.54   Given that the need for affordable housing and affordable home ownership in particular is very high, it is necessary to consider how this need can be addressed within the overall need established.

7.55   It will be important for the local authority to plan for the needs of **all** households unable to afford to rent or own market housing if they are going to avoid the number of housing benefit claimants living in private rented housing increasing. This represents a need from 2,421 households.

7.56   It is important to recognise that the figures for those who aspire to home ownership are based upon those households who currently can afford market rent. But these households would not necessarily choose new build Affordable Home Ownership if it was available, as some may prefer to secure full ownership in the less expensive second-hand housing market. Similarly, some households may not ultimately need affordable home ownership if their circumstances change to such a degree that they are eventually able to buy without financial assistance. It is also important to recognise that the identified demand could only be realised if Affordable Home Ownership products can be delivered at prices that are truly affordable in the area, in line with local house prices and incomes.

7.57   Neither the NPPF or PPG identify that any affordability criteria should be applied to those households who aspire to homeownership but cannot afford to buy their own home. However, it is appropriate to consider the extent to which these households could plausibly afford affordable homeownership products if they were provided. Whilst a range of affordable homeownership products are available, each with different costs and eligibility criteria, it is unlikely that housing would be delivered at values below 60% of newbuild prices.[21] While 70% of market house prices is the maximum price suggested for a First Home in the consultation, a larger discount can be applied. However, if too large a discount is applied then this will significantly affect the viability of many schemes and lead to a reduction in the level of affordable housing which can be provided. Therefore, we have assumed a maximum discount of 40% on open market prices for properties which are compatible with the First Homes scheme.

7.58   Given this context, Figure 40 identifies those households with income that would be insufficient to afford 60% of newbuild prices at the lower quartile for the local area, and those households with savings of less than £5,000. This is based on further analysis of the EHS data which considers the income distribution and savings data for households that rent privately but aspire to homeownership. This data has been updated to reflect current income levels and scaled for each local area using indices from the ONS gross disposable household income (GDHI) tables.

7.59   Of the 7,444 households who can afford to rent but who aspire to homeownership and cannot afford to buy, there would be 2,000 where the household had insufficient income to have a realistic prospect of being able

---

[21] Developers will typically receive 50-60% of open market value when delivering Affordable Rented units

to afford at 60% of open market values (Figure 40). Of the remaining dwellings for households with incomes above the minimum threshold, there would be 3,210 where the household had savings of less than £5,000 and were therefore unable to afford the assumed deposit in the local area.

Figure 40: Affordable homeownership housing mix by household affordability to 2020-2040 (Source: ORS Housing Model)

	All households aspiring to home ownership	MINUS households unable to afford 60% of newbuild LQ	Households able to afford 60% of newbuild LQ	MINUS households with savings of less than £5,000	Households able to afford and have savings of £5,000 or more
1 bedroom	**2,079**	547	**1,531**	898	**634**
2 bedrooms	**3,571**	1,018	**2,553**	1,584	**969**
3 bedrooms	**1,200**	375	**825**	559	**266**
4+ bedrooms	**594**	294	**300**	169	**131**
TOTAL	**7,444**	**2,234**	**5,210**	**3,210**	**2,000**

7.60 On this basis, only 2,000 dwellings are needed for households that aspire to homeownership who have at least £5,000 in savings and incomes above the relevant threshold. This is less than a quarter of the total that was originally identified.

7.61 Whilst it will be a policy decision as to how much of the additional need for affordable homeownership from households able to afford market rent should be provided, it would seem appropriate to only plan for the needs of those 2,000 households likely to form an effective demand (i.e. those able to afford the various products that will be available) in addition to the 2,421 households unable to afford. Figure 41 provides a breakdown of the planned affordable housing on this basis.

Figure 41: Overall need for Affordable Housing, including aspiring households able to access affordable home ownership, by property size (Source: ORS Housing Model. Note: Figures may not sum due to rounding)

	Affordable Housing Need		Planned Affordable Housing
	Households unable to afford	Households aspiring to home ownership	
1 bedroom	676	634	1,310
2 bedrooms	1,161	969	2,130
3 bedrooms	390	266	656
4+ bedrooms	193	131	324
TOTAL HOUSING NEED	**2,421**	**2,000**	**4,421**

7.62 The SHMA identifies an overall affordable housing need from 4,421 households over the 20-year period 2020-40 (221 per annum). This includes the needs from all households unable to afford to rent or own market housing and also provide for those households who aspire to homeownership but who cannot afford to buy, where there is a realistic prospect of those households being able to purchase an affordable homeownership product.

7.63 However, it is important to recognise that there are many more households who aspire to homeownership who either do not have sufficient income or savings that would enable them to realise their aspiration. It is also important to recognise that these figures assume that the number of households in receipt of housing benefit to enable them to afford market housing in the private rented sector does not change. In determining

the affordable housing requirement, the Council may want to consider these households alongside those households living in private rented housing who aspire to home ownership.

Future Policy on Housing Benefit in the Private Rented Sector

7.64 The analysis recognises **the importance of housing benefit and the role of the private rented sector**. It is assumed that the number of households in receipt of housing benefit in the private rented sector will remain constant; however, this is a national policy decision which is not within the Council's control.

7.65 It is important to note that private rented housing (with or without housing benefit) does not meet the NPPF definition of affordable housing. However, many tenants that rent from a private landlord can only afford their housing costs as they receive housing benefit. These households aren't counted towards the need for affordable housing (as housing benefit enables them to afford their housing costs), but if housing benefit support was no longer provided (or if there wasn't sufficient private rented housing available at a price they could afford) then this would increase the need for affordable housing.

7.66 The analysis adopts a neutral position in relation to this housing benefit support, insofar as it assumes that the number of claimants in receipt of housing benefit in the private rented sector will remain constant. **The assessment does not count any dwellings in the private rented sector as affordable housing supply;** however, it does assume that housing benefit will continue to help some households to afford their housing costs, and as a consequence these households will not need affordable housing.

7.67 The baseline analysis identified 2,421 households that would be unable to afford housing costs. This assumed no change in the number of households receiving housing benefit to enable them to live in the private rented sector. There are likely to be around 2,145 households renting privately with housing benefit support at the start of the Plan period in 2020, and to also provide affordable housing for these households would increase the overall affordable housing need to around 4,566 households (this excludes those aspiring to home ownership). In this scenario, it is also important to recognise that the private rented housing currently occupied by households in receipt of housing benefit would be released back to the market, which is likely to have significant consequences on the housing market which are difficult to predict.

7.68 PPG (both the current version and the previous version) states that *"care should be taken to … include only those households who cannot afford to access suitable housing in the market"* [ID 2a-020-20190220]. Given that households in receipt of housing benefit receive a specific payment to enable them to afford suitable housing in the market, these households should only be counted as part of the affordable housing need if that payment was withdrawn. That would be a policy decision, albeit at a national level.

7.69 It is well-established that housing need should be established leaving aside policy considerations,[22] so it would be wrong to assume housing benefit was to be withdrawn from households renting privately when assessing the level of affordable housing need. The approach taken by the SHMA is policy neutral, assuming no change in the number of claimants. Evidently, it would be a policy-on position to assume that the position was going to radically change, so that could not form part of the assessment of need. However, when establishing the affordable housing requirement – i.e. a figure which also reflects any policy considerations – a local planning authority could seek to reduce the number of households rented privately in receipt of housing benefit as a policy aspiration. That wouldn't change the need, but it could influence the affordable housing policy target.

---

[22] Gallagher Homes v Solihull MBC; [2014] EWHC 1283 (Admin)

Establishing the Affordable Housing Policy Target

7.70 Further work will be needed to establish the appropriate policy target which will only become available later in the plan-making process. This will need to take account of the overall housing supply to be included in any future plan and establish which sites would not be subject to the affordable housing policy – predominantly small sites below the threshold (including any allowance for future windfall), but also conversions and any other sites that would be exempt. It would also be necessary to make allowance for any completions within the plan period and housing on sites with existing permissions, both in terms of the overall number of homes and any affordable housing that this includes.

7.71 The information on supply would need to be considered alongside any Duty-to-Cooperate discussions and/or agreements relating to meeting unmet needs. Any losses from the current stock (such as demolition or clearance, or sales through Right to Buy) would also increase the number of affordable dwellings needed by an equivalent amount. Only then is it possible to consider how the number of homes identified within the affordable housing need can be delivered on qualifying sites to establish the relevant percentage. The policy target would need to be higher than the identified percentage as some qualifying sites will not deliver at the policy target due to their specific constraints.

7.72 The affordable housing policy target would need to be considered in the context of economic viability. Local viability assessments are likely to determine the actual affordable housing target (as a proportion of market housing sites) and should help in providing a view on the deliverability of such a tenure mix, based upon local market evidence.

7.73 If the identified policy target is higher than the maximum identified by the viability work it would have to be reduced, which is likely to result in unmet affordable housing need. Given this position, the Council would need to consider whether an uplift to the LHN could be justified when establishing the housing requirement. However, as the LHN itself already incorporates a significant uplift beyond the household projection-based housing need, a further uplift to market housing may prove difficult to sustain. On this basis, whilst an uplift might be appropriate, it would be necessary to fully understand the impact of any proposed increase on other aspects of the plan (such as employment growth) to ensure consistency. It would also be important to ensure that there was clearly identified demand for the additional market housing and that this could be sustained over the longer-term plan period; and where there was uncertainty, it may be more appropriate to consider any uplift being identified as additional supply to provide flexibility within the plan rather than increasing the housing requirement and associated target.

7.74 The appropriate balance between rented affordable housing and affordable home ownership will also need to be considered in the context of economic viability; though it will be important to ensure that the identified affordable housing need for households unable to afford is met in full. It will also be necessary to consider the target for affordable home ownership in the context of the Government's target of at least 10% of new housing to be provided in this way, unless this would exceed the level of affordable housing required in the area, or significantly prejudice the ability to meet the identified affordable housing needs of specific groups.

8. Overall Housing Need
Local Housing Need based on the Standard Method

Introduction

8.1   The NPPF confirms that planning authorities should normally use the standard methodology to establish a minimum Local Housing Need (LHN) figure. Using the process set out in Planning Practice Guidance for Housing Need Assessment [ID 2a-004-20190220] the minimum annual Local Housing Need figure for 2019 can be established as follows:

Figure 42:   Establishing the minimum LHN figure for East Lindsey (Source: CLG, ORS; Note: All figures rounded to the nearest whole number)

	East Lindsey
Step 1: **Setting the baseline**	
Total households 2020	63,675
Total households 2030	67,314
10-year change 2020-2030	3,639
Annual average	364
Step 2: **An adjustment to take account of affordability**	
Median workplace-based affordability ratio	6.60
Adjustment factor	16.2%
Affordability uplift	59
Uncapped housing need	423
Step 3: **Capping the increase**	
Adoption date of most recent Local Plan	July 2018
Annual requirement	558
Annual requirement with 40% uplift applied	783
Household projection with 40% uplift applied	509
Local Housing Need	**423**

8.2   Based on these calculations, the minimum Local Housing Need figure is 423 dwellings per annum. This translates to 8,460 dwellings (423 x 20) across the twenty-year period.

8.3   The housing needs figures are potentially capped at a maximum uplift of 40% above either the current housing requirement for plans adopted in the past 5 years (Cap A), or 40% above whichever is the higher of the current housing requirement or 10 year average household projection (Cap B). Since the uncapped housing need figure is lower than both Cap A and Cap B the capping policy will have no influence in East

Lindsey at this stage. Technically, the LHN figure is capped at 40% above the latest housing requirement because the plan was adopted within the last five years; however, if the new plan is not submitted by January 2023 then the applicable cap will change to Cap B.

Establishing the Housing Target

8.4   The LHN provides the starting point for establishing the final housing requirement which will be planned for through strategic policies. This is confirmed by PPG at the outset of the section on assessing housing and economic development needs:

> *Housing need is an unconstrained assessment of the number of homes needed in an area. Assessing housing need is the first step in the process of deciding how many homes need to be planned for. It should be undertaken separately from assessing land availability, establishing a housing requirement figure and preparing policies to address this such as site allocations.*
>
> **Planning Practice Guidance, ID 2a-001-20190220**

8.5   In determining the local plan housing target, it will be necessary for the local authority to consider whether, or not, the LHN could be met within the area, taking account of any constraints on land availability. Where local authorities are unable to meet their LHN in full, it will be necessary for them to engage with neighbouring authorities through the Duty to Cooperate discussion. This should establish if any of the identified housing need that isn't able to be delivered locally (the "unmet need") could be provided for in other areas.

Disaggregating the minimum Local Housing Need figure

8.6   As noted in Chapter 4, although the LHN figures are informed by the trend-based household projections, the affordability adjustment (16.2%) means that the LHN figure is higher than the household projection-based estimate of housing need. This increase is designed to help respond to housing market pressures which may have suppressed past rates of household formation. Therefore, the number of households considered in the calculation of the need for affordable housing requires to be reconciled with the overall LHN figure.

8.7   Figure 43 sets out the separate elements that will contribute to the LHN. These include:

>   » Households growth over the 20-year plan period calculated on trend-based projections;
>
>   » Institutional population growth over the 20-year plan period needing communal accommodation;
>
>   » Dwellings without a usually resident household (either vacant homes or second homes);
>
>   » Additional dwellings to respond to pent-up housing market pressure.

Figure 43: Elements of housing need (Source: CLG, ONS, ORS; Note: All figures presented unrounded for transparency)

Projected Households
- 2020 = 64,846 households
- 2040 = 70,743 households
- Change = +5,897 households

Institutional Population
- 2020 (3,233) - 2040 (4,356)
  Change = +1,123 people
  Ratio to convert instit. pop. to households = 1.79
- Change = +627 households

Allowance for vacant dwellings
- Vacancy rate @ 6.7%
  =(5,897 +627) x 7.6%

Total = 6,993 dwellings
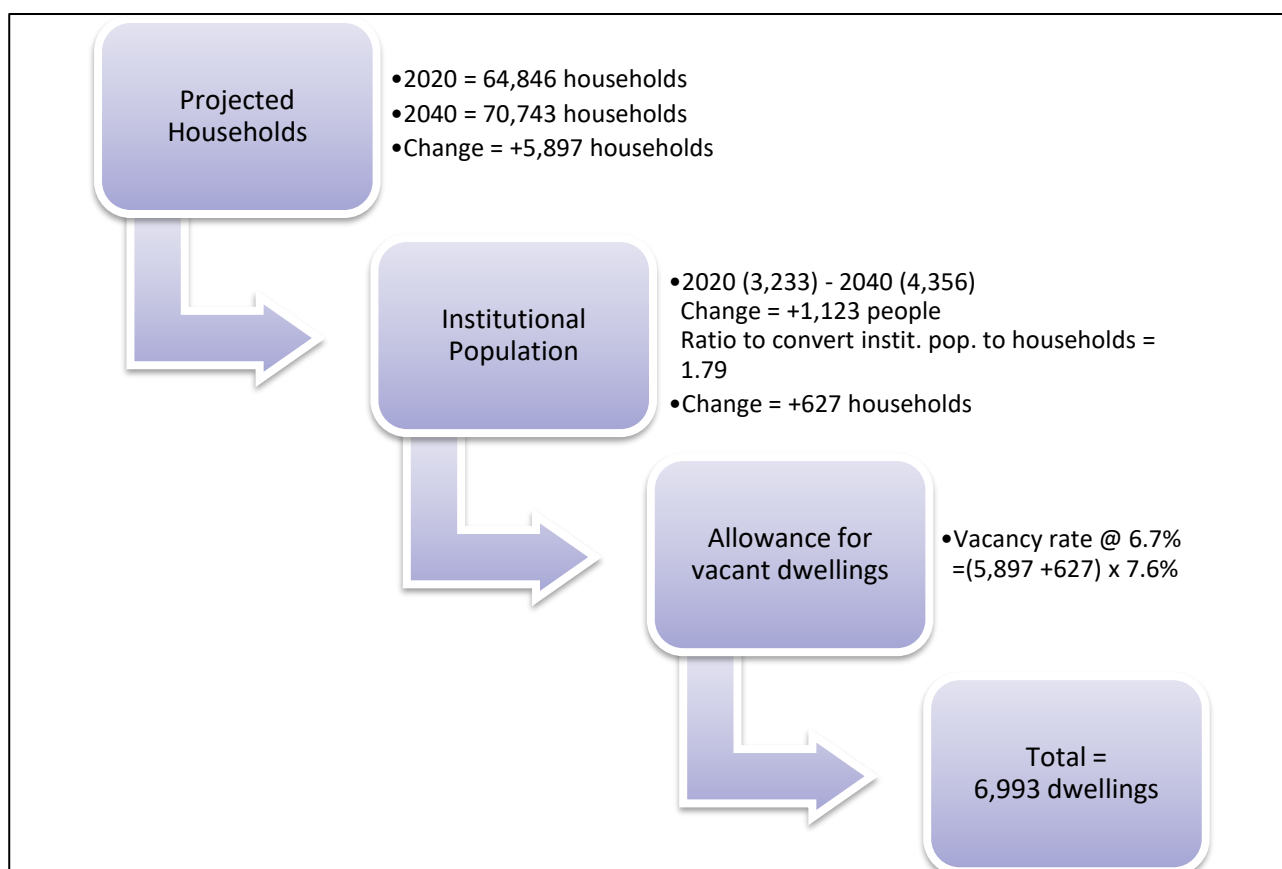
8.8   At this point in our reporting we are referring to dwellings rather than households. A dwelling is usually occupied by a single household although in some cases two households may share a dwelling (see glossary). Importantly, we need to make an allowance for an inevitable base level of vacant properties and the word household becomes misleading.

8.9   Thus, the number of dwellings needed to deal with the projected household and institutional population growth is 6,524. However, if we assume 6.7%[23] of dwellings will be unoccupied at any one time this means that a total of 6,993 dwellings are required.

8.10   The local housing need has already been identified as 423 dwellings per annum, which translates to 8,460 dwellings (423 x 20) across the twenty-year period. This leaves a difference between the housing need figure of 8,460 dwellings and the population projected need of 6,993 dwellings.

8.11   This additional need is potentially made up from two elements, but in the case of East Lindsey it only comprises one element:

» Enabling more households to form[24] (from the pent-up housing demand) = 0 dwellings;

» Enabling more net inward migration[25] = 1,467 dwellings.

---

[23] Based on 2011 Census data at a local authority level

[24] Based on the assumption that household formation rates for all age groups under 45 are currently constrained and allowing them to return to the equivalent rates recorded in 2001

[25] Once household formation rates reach the 2001 level any additional uplift is assumed to provide housing for an additional population based on increased net migration
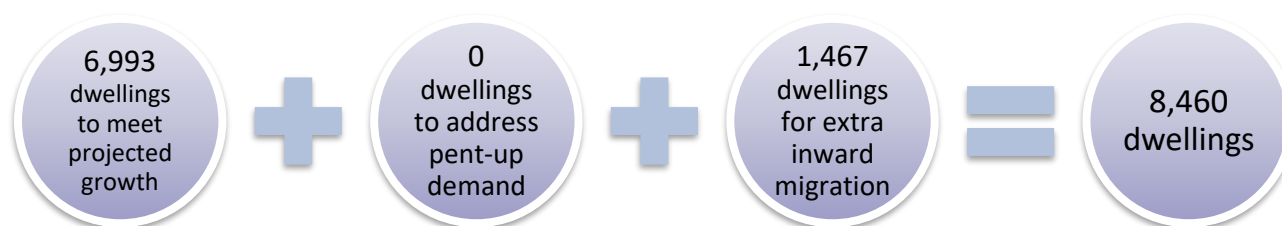
Size and Tenure Mix based Upon LHN

8.12   Whilst it will be a policy decision as to how much of the additional need for affordable homeownership from households able to afford market rent should be provided, it would seem appropriate to only plan for the needs of those households likely to form an effective demand (i.e. those able to afford the various products that will be available).

8.13   It would therefore seem appropriate for the local authority to plan to provide 2,016 dwellings for households aspiring to homeownership in addition to the 2,440 dwellings for households unable to afford. Figure 41 provides a breakdown of the minimum LHN of 8,460 dwellings between market and affordable housing on this basis. In summary, there is a need for:

   » Social rented housing = 2,034 dwellings (24.0%) for households unable to afford affordable rent;

   » Affordable Rent = 406 dwellings (4.8%) for households that can afford affordable rent but unable to afford market rent;

   » Affordable home ownership = 2,016 dwellings (23.8%), for households that can afford market rent but aspire to homeownership and have reasonable prospect of being able to afford this;

   » Market housing = 4,004 dwellings (47.3%); and

   » Allowance for C2 provision within the total housing need of 8,460 = equivalent to 672 dwellings that would be counted against the minimum LHN target; which represents over 1,200 bedspaces.

Figure 44 Planned overall need for Affordable Housing (including households aspiring to home ownership) and Market Housing by property size (Source: ORS Housing Model. Note: Figures may not sum due to rounding)

	Affordable Housing			Total Affordable Housing	Total Market Housing	Total
	Dwellings Unable to afford		Aspiring to Home Ownership			
	Social rent	Affordable Rent				
1 bedroom	633	49	639	1,320	-591	**730**
2 bedrooms	940	230	977	2,147	-111	**2,036**
3 bedrooms	299	95	268	662	3,116	**3,778**
4+ bedrooms	163	32	132	327	917	**1,244**
DWELLINGS	**2,034**	**406**	**2,016**	**4,456**	**3,332**	**7,788**
C2 Dwellings	-	-	-	-	672	**672**
LHN	**2,034**	**406**	**2,016**	**4,456**	**4,004**	**8,460**

Comparison with the 2016 SHMA Update

8.14 It is possible to compare East Lindsey Affordable Housing Needs Assessment Update 2016 with the figures set out above. Figure 24 of the SHMA Update 2016 (reproduced here as Figure 45) set out the size and tenure mix for the period 2016-31 for East Lindsey.

Figure 45: Housing mix of OAN for market and affordable housing 2016-31 (Source: East Lindsey Affordable Housing Needs Assessment Update 2016, Figure 24. Note: Figures may not sum exactly due to arithmetic rounding)

		Market Housing	Affordable Housing	TOTAL
Flat	1 bedroom	100	300	**400**
	2+ bedrooms	200	300	**500**
House	2 bedrooms	400	1,400	**1,800**
	3 bedrooms	2,800	700	**3,500**
	4 bedrooms	400	100	**500**
	5+ bedrooms	100	0	**100**
TOTAL		**4,000**	**2,800**	**6,800**

8.15 The SHMA Update 2016 assumed an overall annual housing growth rate of 453 dwellings per annum, with annual affordable housing need of 187 dwellings per annum which covered the need for affordable to rent and shared ownership properties. This represents 41% of the overall need.

8.16 This current study has an affordable housing need figure of 223 dwellings per annum which is 53% of the overall need. However, this includes the additional need from those who aspire to own, but who can afford to meet their own private rents. Shared ownership need is contained within the households who aspire to own. Therefore, the figures are not directly comparable, but clearly there is a high degree of consistency with the previous findings. However, we would now note that there is a higher need for smaller affordable homes, reflecting the likely changes to 2040 of smaller household sizes.

9. Needs of Different Groups

An exploration of need for target groups

Introduction

9.1 Paragraph 61 of the Revised NPPF requires that local planning authorities consider the needs of a range of groups within the population and this chapter considers the specific groups in turn. However, the needs of families with children and those who rent their homes have already been considered within earlier chapters and are therefore not repeated.

> *61. Within this context, the size, type and tenure of housing needed for different groups in the community should be assessed and reflected in planning policies (including, but not limited to, those who require affordable housing, families with children, older people, students, people with disabilities, service families, travellers, people who rent their homes and people wishing to commission or build their own homes.*
>
> **Revised NPPF, paragraph 61**

Housing for Older People

9.2 The UK population is ageing, and people can expect to live longer healthier lives than previous generations. The older population is forecast to grow to 17.6m by 2035 for the over 60s, and from 1.3m (2016) to 3.6m by 2035 for the over 85s.[26]

9.3 Given this context, PPG recognises the importance of providing housing for older people. Additional PPG "Housing for older and disabled people" was published on 26th June 2019, which states:

> *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 … Evidence from Joint Strategic Needs Assessments prepared by Health and Wellbeing Boards can also be useful. The assessment of need can also set out the level of need for residential care homes.*
>
> **Planning Practice Guidance, ID 63-004-20190626**

9.4 It is important to plan housing which is suitable for this increase in older people within the population with a key requirement being to predict the <u>type</u> of housing which will best meet their needs. Whilst most will remain living in the same area and many will not move from their current homes; those that do move in their later years are likely to be looking for housing suitable for older people.

9.5 This housing comes in a number of different forms and the distribution between these different types needs to be explored. The Older People housing options considered in this section follow the definitions in the

---

[26] ONS 2016-based sub-national population projections

2012 "Housing Our Ageing Population" report (HAPPI2).[27] This defines specialist provision as mainstream (including adapted and wheelchair homes), specialised housing (including Extra Care and sheltered housing) and Care Homes (including both Registered Nursing and Registered Care Homes).

9.6 The Housing Learning and Improvement Network (LIN) published "More Choice, Greater Voice: a toolkit for producing a strategy for accommodation with care for older people"[28] (see Appendix B) in February 2008; and subsequently published the "Strategic Housing for Older People (SHOP)" [29] resource pack in December 2011. Both the toolkit and the resource pack provide standardised rates for estimating the demand for specialist older person housing products per 1,000 people aged 75 or over. These toolkits these have informed the evidence base for many adopted Local Plans.

9.7 These rates provide a useful framework for understanding the potential demand for different forms of older person housing, but neither publication provides any detail about the derivation of the figures. There is no single correct answer when estimating the need for older person housing, however the rates provide a basis for identifying the potential levels of demand.

9.8 In this report we have chosen to use the Housing Learning and Improvement Network (Housing LIN) SHOP resource pack methodology (2012).[30] This forecasts the population and then applies a benchmark need for particular housing types per thousand people aged 75+).

Figure 46: Benchmark Figures for Specialist Older Person Housing

Form of Provision	More Choice, Greater Voice toolkit			SHOP resource pack		
	Owned	Rented	TOTAL	Owned	Rented	TOTAL
Demand per 1,000 persons aged 75+						
Leasehold Schemes for the Elderly (LSE)	75	-	**75**	120	-	**120**
Conventional Sheltered Housing	-	50	**50**	-	60	**60**
Sheltered 'plus' or 'Enhanced' Sheltered	10	10	**20**	10	10	**20**
Extra care	12.5	12.5	**25**	30	15	**45**
Dementia	-	10	**10**	-	6	**6**
TOTAL	**97.5**	**92.5**	**180**	**160**	**91**	**251**

9.9 The population projections underlying the Local Housing Need figure for East Lindsey show a substantial increase in the older population during the period 2020-2040. The population aged 75+ is likely to increase by around 11,300 persons based on providing the number of homes needed to meet the local housing need.

Figure 47: Projected population aged 75+ (Source: LHN dwelling-led population projections)

	75-84	85+	TOTAL
2020	14,380	4,957	19,337
2040	20,794	9,814	30,608
CHANGE	**+6,413**	**+4,857**	**+11,271**

9.10 The data published by the Elderly Accommodation Counsel (EAC)[31] identifies that there is currently a total of 1,149 specialist Older Person homes across East Lindsey.

[27]http://www.housinglin.org.uk/_library/Resources/Housing/Support_materials/Other_reports_and_guidance/Housing_our_Ageing_Population_Plan_for_Implementation.pdf
[28] http://www.housinglin.org.uk/_library/Resources/Housing/Support_materials/Reports/MCGVdocument.pdf
[29] http://www.housinglin.org.uk/_library/Resources/Housing/SHOP/SHOPResourcePack.pdf
[30] www.housinglin.org.uk/housinginlaterlife_planningtool
[31] http://www.housingcare.org/downloads/eac%20stats%20on%20housing%20for%20older%20people%20March%202015.pdf

Figure 48: Existing Stock of Specialist Older Person Housing for East Lindsey (Source: EAC 2015)

Property Type	Owned	Rented	TOTAL
Housing with support	90	910	1,000
Housing with care	0	149	149
TOTAL	90	1,059	1,149

9.11 The SHOP model can be used to assess that there is already a shortfall in the provision of housing for elderly people. The current population of 19,300 people aged 75+ requires 4,854 specialist homes whilst data shows that just 1,149 exist, resulting in an unmet need of nearly 3,700 homes already in the area.

9.12 If we then consider the increase in need by 2040 by applying the SHOP formula (per 1,000) to the 11,271 additional people aged 75+ that are projected to exist in East Lindsey by 2040 we can calculate the additional need for elderly housing by 2040.

Figure 49: Modelled Demand for Additional Specialist Older Person Housing 2020-40 (Source: Housing LIN Toolkit)

		SHOP FORMULA rate per 1,000 persons			EAST LINDSEY ADDITIONAL NEED (x 11,271)		
		Owned	Rented	Total	Owned	Rented	Total
SHELTERED	Leasehold schemes for the Elderly (LSE)	120	0	120	1,352	-	1,352
	Conventional Sheltered housing	0	60	60	-	676	676
EXTRA CARE	Sheltered 'Plus' or 'Enhanced'	10	10	20	113	113	225
	Extra care	30	15	45	338	169	507
	Dementia	0	6	6	-	68	68
Total		160	91	251	1,803	1,026	2,829

9.13 The toolkit identifies future need for just over 2,800 specialist older person additional housing units over the period 2020-2040.

9.14 The table below summarises the potential requirement for new specialist housing, taking account of the current stock, unmet demand and population growth for the period.

Figure 50: Modelled Demand for Older Person Housing in East Lindsey based on Housing LIN Toolkit

		Rate per 1,000 persons aged 75+	Gross need 2020	Existing supply	Unmet need in 2020	Additional need 2020-40	Overall need
Sheltered Housing	Owned	120	2,320	90	+2,230	+1,352	+3,583
	Rented	60	1,160	910	+250	+676	+926
Extra Care	Owned	40	773	0	+773	+451	+1,224
	Rented	31	599	149	+450	+349	+800
TOTAL		251	4,854	1,149	+3,705	+2,829	+6,534

9.15 The model assumes a continuation of current types of housing although It is unclear, if Older People will aspire to these types of specialist housing in the future. Demand for some types of housing are already

---

The EAC 'acknowledges both the rented and private sectors contain a wide range of housing types intended for older people. The social sector has traditionally distinguished these as Category 1, 2 etc., but the private sector tends to refer to them all simply as "retirement housing". This report looks only at schemes that fall within the following definition: *"a group of dwellings intended for older people and served by a resident or non-resident warden/scheme manager with specific responsibility for the group"*. It is important to note that a considerable proportion of housing intended for older people falls outside this definition and is therefore excluded. Extra care, assisted living, and other forms of 'housing with care' are included.

experiencing low demand, and other, newer types of provision may appear to meet changing aspirations. The policy aim of supporting people at home for longer along with assistive technology could also reduce or alter demand.

9.16   In practice, the level of delivery identified as being required is likely to be unachievable given that it represents almost half of the overall local housing need based on the standard method. However, it is important to recognise that the provision of dedicated older person housing schemes will form an important part of the overall housing mix.

9.17   The delivery of specific schemes for specialist older person housing need should be considered in partnership with other agencies, in particular those responsible for older person support needs. It will be important to consider other factors and constraints in the market:

» **Demographics:** the changing health, longevity and aspirations of Older People mean people will live increasingly healthy longer lives and their future housing needs may be different from current needs;

» **New supply:** development viability of schemes, and the availability of revenue funding for care and support services, need to be carefully considered before commissioning any new scheme. It will also be important for the Council and its partners to determine the most appropriate types of specialist older person housing to be provided in the area;

» **Existing supply:** this may be either inappropriate for future households or may already be approaching the end of its life. Other forms of specialist older person housing may be more appropriate than conventional sheltered housing to rent when considering future needs;

» **Other agencies:** any procurement of existing supply needs to be undertaken with other agencies who also plan for the future needs of Older People, particularly local authority Supporting People Teams and the Health Service; and

» **National strategy and its implications for Older People:** national strategy emphasises Older People being able to remain in their own homes for as long as possible rather than specialist provision, so future need may, again, be overstated.

Housing for People with Disabilities

9.18   The Government's reform of Health and Adult Social Care is underpinned by a principle of sustaining people at home for as long as possible. This was reflected in the recent changes to building regulations relating to adaptations and wheelchair accessible homes that were published in the Building Regulations 2010 Approved Document Part M: Access to and use of buildings (2015 edition incorporating 2016 amendments – for use in England).[32]

9.19   Three standards are covered:

» M4(1) Category 1: Visitable dwellings – Mandatory, broadly about accessibility to ALL properties;

» M4(2) Category 2: Accessible and adaptable dwellings – Optional, similar to Lifetime Homes;

» M4(3) Category 3: Wheelchair user dwellings – Optional, equivalent to wheelchair accessible standard.

---

[32] https://www.gov.uk/government/publications/access-to-and-use-of-buildings-approved-document-m

9.20 We would note that at the time of writing there is an ongoing consultation on the future of these standards and how they will be applied. However, given that the outcome of this consultation is unknown, we have proceeded to seek to apply the current policy and guidance.

9.21 In terms of new developments, Part M states that: *"Where no condition is imposed, dwellings only need to meet requirements M4(1)"* (Paragraph 0.3). Local authorities should identify the proportion of dwellings in new developments that should comply with the requirements for M4(2) Category 2 and M4(3) Category 3 as part of the Local Plan, based on the likely future need for housing for older and disabled people (including wheelchair user dwellings) and taking account of the overall impact on viability.

9.22 Planning Practice Guidance for Housing explains that local authorities are expected to plan for households with specific needs and therefore need to be able to quantify the volume of demand. It provides a summary of the data sources which should be used to inform any calculations, and this forms the basis of the approach used in this report:

> *Based on their housing needs assessment and other available datasets it will be for local planning authorities 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.*
>
> *To assist local planning authorities in appraising this data the Government has produced a summary data sheet. This sets out in one place useful data and sources of further information which planning authorities can draw from to inform their assessments. It will reduce the time needed for undertaking the assessment and thereby avoid replicating some elements of the work.*
>
> **Planning Practice Guidance, ID 56-007-20150327**

9.23 Local planning authorities are expected to plan for households with specific needs and therefore need to be able to quantify the volume of demand. However, the PPG recognises that there is no single source of information by which to assess demand and some limitations to the available data. Not all of those in receipt of PIPs or Attendance Allowance necessarily require home adaptations whilst DFG applications may underestimate need.

9.24 The PPG states:

> *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[33] (replacing Disability Living Allowance) / Attendance Allowance[34] benefit claimants. 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[35] (DFG) will provide an indication of levels of expressed need, although this will underestimate total need, as there*

---

[33] Personal Independence Payments (PIPs) started to replace the Disability Living Allowance from April 2013. They are awarded to people aged under 65 years who incur extra costs due to disability (although there is no upper age limit once awarded, providing that applicants continue to satisfy either the care or mobility conditions).

[34] Attendance Allowance contributes to the cost of personal care for people who are physically or mentally disabled and who are aged 65 or over.

[35] Disabled Facilities Grants (DFG) are normally provided by Councils and housing associations to adapt properties for individuals with health and/or mobility needs who are owner occupiers, or renting from a private landlord, housing association or council. Grants cover a range of works, ranging from major building works, major adaptations to the property and minor adaptations. It should be noted that DFGs typically relate to adaptations to the existing housing stock rather than new housing provision.

> *may be a large number of people who would want or need an adaptation but would not have applied to the DFG.*
>
> *Engagement at all levels can help plan-makers identify the housing needs of people with disabilities. This could include with occupational therapists and specialist access or inclusive design officers. Discussions with disabled people and disabled people's groups can also provide insights into the types of impairments and number of people likely to require accessible homes in the future.*
>
> **Planning Practice Guidance, ID 63-005-20190626**

Assessing need for M4(2) Category 2: Accessible and adaptable dwellings

9.25 In establishing the need for M4(2) Category 2 housing it is important to consider the population projections and health demographics of the area.

9.26 Building Regulations for M4(2) Category 2: Accessible and adaptable dwellings states that reasonable provision should be made for people to gain access to and use the facilities of the dwelling and that:

> *"The provision made must be sufficient to-*
>
> *(a) meet the needs of occupants with differing needs, including some older or disabled people, and;*
>
> *(b) to allow adaptation of the dwelling to meet the changing needs of occupants over time."*
>
> **Access to and use of buildings: Approved Document M v1, Page 10**

9.27 The English Housing Survey explores the number of households which contain someone with a limiting long-term illness (LLTI) or disability which impacts their housing need. This identifies that most (71%) of households have no limiting long-term illness (LLTI) or disability and a further fifth (20%) where illness or disability does not affect their housing need.

9.28 Overall 8.8% of households (around 1 in every 12) have one or more persons with a health problem which requires adaptations to their home. This proportion is markedly higher in affordable housing than in market housing (19.8% and 6.5% respectively - Figure 51).

Figure 51: Households with a long-term illness or disability that affects their housing needs (Source: English Housing Survey)

	Market housing	Affordable housing	TOTAL
Households without limiting long-term illness or disability	75.2%	50.2%	70.9%
Households with one or more persons with a limiting long-term illness or disability			
Does not affect their housing need	18.3%	29.9%	20.3%
Current home suitable for needs	5.4%	16.2%	7.3%
Current home requires adaptation	0.6%	1.6%	0.8%
Need to move to a more suitable home	0.5%	2.0%	0.7%
Total households where a limiting long-term illness or disability affects their housing need:	**6.5%**	**19.8%**	**8.8%**

9.29 Within this group, the substantial majority of households live in a home that is suitable for their needs (either having already moved or adapted their existing home). This leaves 1.5% of households either requiring adaptations or needing to move to a more suitable home.

9.30 The ORS model uses the national English Housing Survey together with data about relative levels of limiting long-term illness and disability in East Lindsey to estimate the number of households likely to require adaptations or needing to move to a more suitable home in the housing market area.

Figure 52: Households with a long-term illness or disability in East Lindsey in 2020 by effect on housing need
**(Source: ORS Housing Model. Note: Figures may not sum due to rounding)**

	TOTAL
Households with one or more persons with a limiting long-term illness or disability	25,553
Does not affect their housing need	17,415
Current home suitable for needs	6,813
Current home requires adaptation	678
Need to move to a more suitable home	648
Total households where a limiting long-term illness or disability affects their housing need:	**8,138**

9.31 The model (Figure 52) identifies that there were around 25,550 households living in East Lindsey in 2020 with one or more persons with a limiting long-term illness or disability. In 17,400 of these households, this does not affect their housing need, but in 8,100 households an illness or disability does impact on housing need.

9.32 Amongst those households where it does affect housing needs 6,800 households are already living in a suitable home (having moved or made adaptations). This leaves 678 households needing adaptations to their current home and 648 households needing to move to a more suitable home. The 648 households needing to move represent an existing **unmet need** for M4(2) housing and some may actually be wheelchair users needing M4(3) housing.

9.33 The identified need for 648 adapted homes at the start of the Plan period is based on households' current needs. The M4(2) standard also requires *"the changing needs of occupants over time"* to be considered. Therefore, even without any change to the number of households in East Lindsey, the number of households with one or more persons with a limiting long-term illness or disability will increase over time as people get older.

9.34 Whilst around 8,138 households living in East Lindsey in 2020 have a health problem that already affected their housing requirement, it is likely that a further 3,461 households would develop health problems within 10 years. These households would also require adaptations to their current home or would need to move to a more suitable home.

9.35 Based on the household projections and the overall housing need, we can establish the future need for adapted housing in the housing market area based on the projected household growth and the changing demographics of the area.

9.36 Further modelling of health needs suggests that by 2040 there will be an additional 9,647 households either already experiencing health problems or likely to develop health problems within 10 years. Some of these will be new households, but many will be existing households resident in 2020 whose health has deteriorated over the Plan period.

9.37 Therefore, considering the needs of households resident at the start of the Plan period together with the projected household growth and changing demographics (in particular the ageing population), there will be a total of 13,108 households either needing adaptations to their existing housing or suitable new housing to be provided. This is in addition to the 648 households needing to move and the 678 households needing adaptations based on their current health at the start of the Plan period.

Figure 53: Households with a long-term illness or disability in East Lindsey in 2020 by effect on housing need (Source: ORS Housing Model. Note: Figures may not sum due to rounding)

	TOTAL
Households where an existing illness or disability affects their housing need in 2020	
Current home suitable for needs	6,813
Current home requires adaptation	678
Need to move to a more suitable home	648
Total households where a limiting long-term illness or disability affects their housing need in 2018	**8,138**
Existing households in 2020 likely to develop health problems that affect their housing need within 10 years	3,461
Additional households in 2040 projected to experience problems or likely to develop problems within 10 years	9,647
Additional households in 2040 where illness or disability affects their housing need or will develop within 10 years	**13,108**

9.38 To provide M4(2) housing for all of the identified need would require housing for up to 13,756 households to be provided. However, not all households will want to move to new housing – some will adapt their current homes and others will move to another dwelling in the existing stock.

9.39 Although some households would prefer not to move, many existing homes are not suitable for adaptation to meet the M4(1) Category 1 standard and others would require major works. Fewer dwellings would be adaptable to the M4(2) Category 2 standard given the additional requirements. Based on the housing mix in East Lindsey, it is likely that around 69% will live in dwellings that could be converted to meet the M4(1) standard.

9.40 Whilst the proportion that could be converted to meet the M4(2) standard would be lower, this provides a reasonable upper estimate of the number of households likely to be able to adapt existing homes rather than move to new housing. On this basis, we could assume that at least 31% of the need for adapted housing; a total of 4,680 households including the 648 households identified as needing to move at the start of the Plan period.

Figure 54: Households with a long-term illness or disability in East Lindsey in 2020 by effect on housing need (Source: ORS Housing Model. Note: Figures may not sum due to rounding)

	TOTAL
Existing need in 2020	
Households where an existing illness or disability affects their housing need and need to move in 2020	648
Projected future need 2020-40	
Additional households in 2040 where illness or disability affects their housing need or will develop within 10 years	13,108
Maximum need for adapted housing 2020-40 (households)	**13,756**
Less households living in dwellings adaptable to M4(1) standard	9,075
Minimum need for adapted housing 2020-40 (households)	**4,680**

9.41 There is inevitably uncertainty about how many households will be able to meet their housing needs without moving and how many will move to existing homes rather than new housing. Nevertheless, the minimum of

4,680 households and maximum of 13,756 households identified in Figure 54 provide an appropriate range for the local authority to consider.

Housing for Wheelchair Users

9.42 The overall need calculated in the previous section represents the combined need for both M4(2) Category 2 and M4(3) Category 3 housing. Households with a wheelchair user are included within the definition of households having a health problem or disability that affects their housing need.

9.43 Building Regulations for M4(3) Category 3: Wheelchair user dwellings also states that reasonable provision should be made for people to gain access to and use the facilities of the dwelling and that:

M4(2) Accessible & adaptable dwellings - 4,680 needed

M4(3) - Wheelchair user dwellings
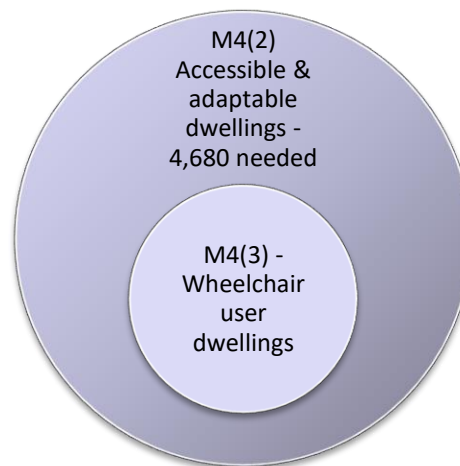
> *"The provision made must be sufficient to-*
>
> *(a) allow simple adaptation of the dwelling to meet the needs of occupants who use wheelchairs, or;*
>
> *(b) to meet the needs of occupants who use wheelchairs." (Page 23)*

9.44 In establishing the need for M4(3) Category 3 housing it is again important to consider the population projections and health demographics of the area, but with specific reference to households with wheelchair users.

9.45 The CLG guide to available disability data[36] referenced by PPG [ID 56-007-20150327] shows that around one in thirty households in England (3.3%) currently has at least one wheelchair user, although the rate is notably higher for households living in affordable housing (7.1%). The rates are also higher for older households. Figure 55 identifies the proportion of households in England with a wheelchair user currently living in market housing and affordable housing by age of household representative.

Figure 55: Percentage of households with a wheelchair user by type of housing and age of household representative (Source: English Housing Survey 2013-14)

Housing Type	Age of Household Representative							
	15-24	25-34	35-44	45-54	55-64	65-74	75-84	85+
Housing type								
Market housing	< 0.1%	0.4%	1.0%	1.6%	3.0%	4.0%	6.1%	9.3%
Affordable housing	0.3%	2.0%	2.9%	6.0%	6.0%	10.3%	12.7%	19.9%

9.46 To get a better understanding of the local East Lindsey data, Figure 56 compares the proportion of disability benefit claimants in receipt of mobility award (the majority of whom will be wheelchair users) for East Lindsey against the figures for England.

---

[36] https://www.gov.uk/government/publications/building-regulations-guide-to-available-disability-data

Figure 56: Disability benefit claimants in receipt of mobility award by age (Source: DWP, May 2018)

Mobility Award Rates
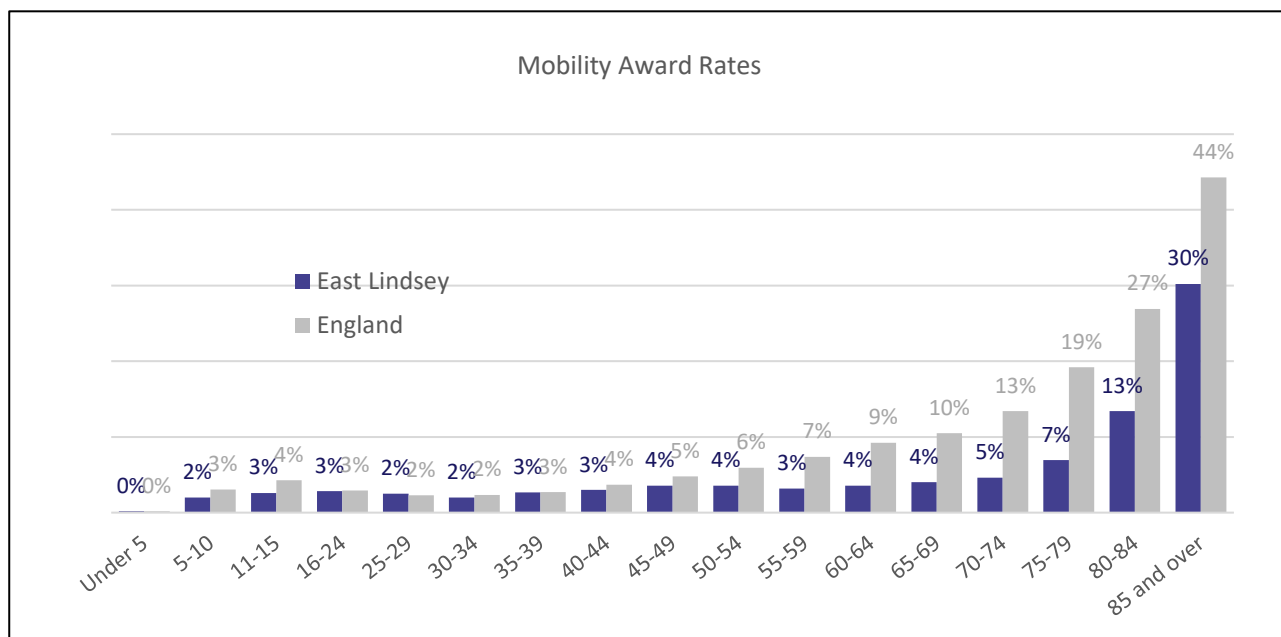
9.47 Through combining the information on local rates with the national data, we can establish the proportion of households in East Lindsey likely to have a wheelchair user by the age of the household representative in market housing and affordable housing (Figure 57).

Figure 57: Percentage of households with a wheelchair user by type of housing and age of household representative

Housing Type	Age of Household Representative							
	15-24	25-34	35-44	45-54	55-64	65-74	75-84	85+
Market housing	< 0.1%	0.4%	1.0%	1.6%	2.8%	3.7%	5.5%	8.6%
Affordable housing	0.3%	2.0%	2.9%	5.9%	5.8%	9.6%	11.6%	18.7%

9.48 If we apply these proportions to the population and household data for the area, then we can identify the net change in the number of households with a wheelchair user over the period 2020 to 2040. (Figure 58). Using this approach we calculate the number of households likely to need wheelchair adapted housing in East Lindsey is likely to increase by 800 over the 20-year period.

Figure 58: Households needing Wheelchair Adapted Housing
(Source: ORS Housing Model. Note: Figures may not sum due to rounding)

Modelled Need for Wheelchair Adapted Housing	2020	2040	Net change 2020-40
Market housing	1,720	2,060	+340
Affordable housing	680	1,140	+460
Total	**2,400**	**3,200**	**+800**

9.49 Importantly, as the model has included household age, it is possible to identify that a significant proportion of this growth (94%) comes from households which are aged over 75. This can be seen in Figure 59.

Figure 59: Households needing Wheelchair Adapted Housing by age (Source: ORS Housing Model. Note: Figures may not sum due to rounding)

Modelled Need for Wheelchair Adapted Housing	Households aged under 75			Households aged 75+		
	2020	2040	Net change 2020-40	2020	2040	Net change 2020-40
Market housing	980	930	-40	740	1,130	+380
Affordable housing	410	500	+90	270	640	+370
Total	**1,390**	**1,430**	**+50**	**1,010**	**1,770**	**+750**

9.50 This means that there are likely to be some people who are identified in both categories – Wheelchair adapted housing and specialist older person housing.

9.51 Earlier analysis of housing for older people identified a need for 6,530 specialist older person housing units for households aged 75 or over in East Lindsey. Whilst not all over 75 households needing wheelchair adapted housing will live in specialist older person housing, it is likely that around a tenth of those living in specialist older housing will need wheelchair adapted homes. It is also likely that some older households will progress to using a wheelchair whilst living in specialist housing due to a deterioration in their health.

Figure 60: Relationship between households needing Wheelchair Adapted Housing and Specialist Older Person Housing Need (Source: ORS Housing Model)
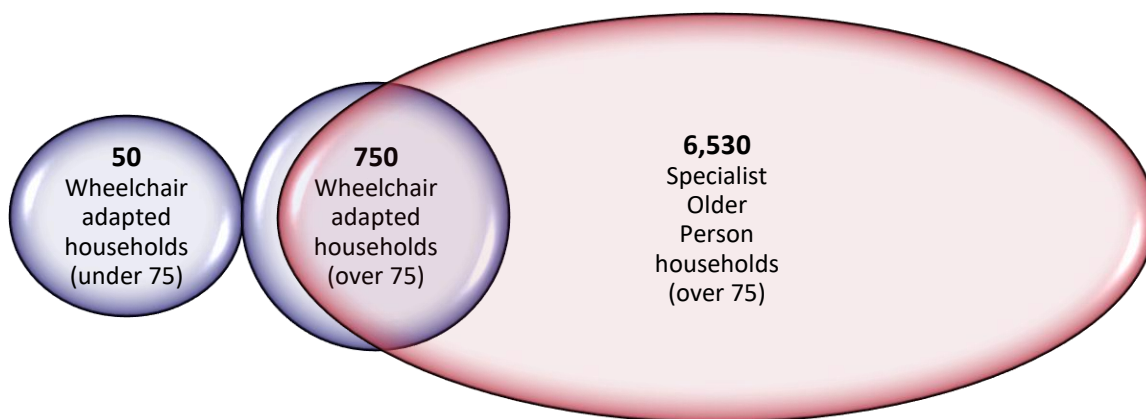
9.52 On this basis, it may be appropriate to adopt higher targets for specialist accommodation for older people that is also wheelchair accessible. This could reduce the proportion of general needs housing that would need to meet the M4(3) Category 3 requirements.

Student Housing

9.53   PPG includes specific reference to identifying the needs of students:

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 … They will also need to engage with universities and other higher educational establishments to ensure they understand their student accommodation requirements.

Planning Practice Guidance, ID 2a-017-20190220

9.54   There is no university in East Lindsey and at the time of the 2011 Census there were a total of 4 households comprising only students in the district. Therefore, students are having no impact on the housing market.

Service Families

9.55   Paragraph 61 of the Revised NPPF identifies that local planning authorities should plan for the needs of different groups in the community, including service families. Local planning authorities should:

Within this context, the size, type and tenure of housing needed for different groups in the community should be assessed and reflected in planning policies (including, but not limited to, those who require affordable housing, families with children, older people, students, people with disabilities, service families, travellers, people who rent their homes and people wishing to commission or build their own homes

National Planning Policy Framework February 2019, Paragraph 61

9.56   Figure 61 below show breakdowns of total deployment of military personnel in East Lindsey over time:

Figure 61:   Deployment of Ministry of Defence personnel by location, April (Source: MOD Quarterly Location Reports. Figures may not sum due to rounding)

		Personnel	2015	2016	2017	2018	2019
East Lindsey	Military	Total Officers	240	250	250	250	270
		Total Other Ranks	1,870	1,850	1,800	1,760	1,900
		Military Total	**2,110**	**2,100**	**2,050**	**2,010**	**2,170**
	Civilian	Non Industrial	110	100	110	120	120
		Industrial	70	60	60	60	60
		Civilian Total	**180**	**160**	**170**	**180**	**180**
	Grand Total		**2,290**	**2,260**	**2,220**	**2,190**	**2,350**

9.57   It is clear that there are significant number of MoD personnel stationed in East Lindsey, however the number has remained broadly constant since 2015 at around 2,200-2,300 and therefore is unlikely to have impacted the household projections. Unless any significant changes are planned, the needs of service personnel will be included within (and not additional to) the identified LHN.

People Wishing to Build their Own Homes

9.58 People wishing to build their own homes are required to be considered and PPG states:

> ***How can self-build and custom housebuilding needs be assessed?***
>
> *Most local planning authorities (including all district councils and National Park Authorities) 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. The Self-build and Custom Housebuilding (Register) Regulations 2016 set out these requirements. For further details, see guidance on self-build and custom housebuilding registers.*
>
> *To obtain a robust assessment of demand for this type of housing in their area, local planning authorities 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 agents.*
>
> **Planning Practice Guidance, ID: 67-003-20190722**

9.59 Over half of the population (53%) say that they would consider building their own home[37] (either directly or using the services of architects and contractors); but it's likely that this figure conflates aspiration with effective market demand. Self-build currently represents only around 10% of housing completions in the UK, compared with rates of around 40% in France and 70 to 80% elsewhere in Europe.

9.60 The attractiveness of self-build is primarily reduced costs; however, the Joseph Rowntree Foundation report "The current state of the self-build housing market" (2001) showed how the sector in the UK had moved away from those unable to afford mainstream housing towards those who want an individual property or a particular location.

9.61 "Laying the Foundations – a Housing Strategy for England" (HM Government, 2011)[38] redefined self-build as 'Custom Build' and aimed to double the size of this market, creating up to 100,000 additional homes over the decade. "Build-it-yourself? Understanding the changing landscape of the UK self-build market" (University of York, 2013) subsequently set out the main challenges to self-build projects and made a number of recommendations for establishing self-build as a significant contributor to housing supply. The previous Government also established a network of 11 Right to Build 'Vanguards' to test how the 'Right to Build' could work in practice in a range of different circumstances.

9.62 In the Budget 2014, the Government announced an intention to consult on creating a new 'Right to Build', giving 'Custom Builders' a right to a plot from councils. The Self-Build and Custom Housebuilding Act[39] 2015 places a duty on local planning authorities to:

   » Keep a register (and publicise this) of eligible prospective 'custom' and self-build individuals, community groups and developers;

   » Plan to bring forward sufficient serviced plots of land, probably with some form of planning permission, to meet the need on the register and offer these plots to those on the register at market value; and

---

[37] Building Societies Association Survey of 2,051 UK consumers 2011
[38] https://www.gov.uk/government/publications/laying-the-foundations-a-housing-strategy-for-england--2
[39] http://services.parliament.uk/bills/2014-15/selfbuildandcustomhousebuilding.html

» Allow developers working with a housing association to include self-build and custom-build as contributing to their affordable housing contribution.

9.63 The 2015 Act was amended by the Housing and Planning Act 2016[40] which placed a duty on local planning authorities to authorities to provide serviced sites which have planning permission that allows for self or custom build:

> *An authority to which this section applies must give suitable development permission in respect of enough serviced plots of land to meet the demand for self-build and custom housebuilding in the authority's area arising in each base period.*
>
> **Housing and Planning Act 2016 Section 2(a)(2)**

9.64 Limited Government funding[41] is currently available via the HCA Custom Build Homes Fund programme (short-term project finance to help unlock group custom build or self-build schemes). The Government announced further measures in 2014 (Custom Build Serviced Plots Loan Fund) to encourage people to build their own homes, and to help make available 10,000 'shovel ready' sites with planning permission. Given this context, it is important to recognise that self-build could either be market housing or low-cost home ownership affordable housing products. Nevertheless, it is likely that the majority will be market homes.

9.65 The Council launched its Self & Custom Build Register in April 2016 and there were 27 registrations over the period to the end of January 2020. However, this includes households who are seeking to use developer led custom build or group self-build, so not all are seeking to build individual properties of their own.

9.66 A figure of 27 applications is not a particularly high figure for a local authority. It should also be remembered that many small housing schemes contribute to self and custom build provision and that these will continue to arise as windfall schemes in the future.

9.67 Overall, the self-build register indicates some interest in schemes in East Lindsey, but the Council's main duty in this area is not to find plots for applicants, but it is instead to ensure that there is a supply of sites suitable for self and custom builders to use. Given the scale of interest, this will not require a significant amount of land, but the Council should seek to work with developers, particularly of small sites, to ensure that some plots come forward.

Essential Local Workers

9.68 Annex 2 of the Revised NPPF also includes the needs of essential local workers:

> *Essential local workers: Public sector employees who provide frontline services in areas including health, education and community safety and can include NHS staff, teachers, police, firefighters and military personnel, social care and childcare workers.*
>
> **NPPF – Annex 2**

---

[40] http://services.parliament.uk/bills/2015-16/housingandplanning.html
[41] https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/364100/custom_build_homes_fund_prospectus_120712.pdf

9.69 It is notable that the definition provided by the revised NPPF is similar to the definition of Key Workers which was utilised prior to the adoption of the original 2012 NPPF. Under this definition, being classified as an essential worker in need correlates directly with being unable to afford home ownership.

9.70 Therefore, these households will already be counted in the affordable housing need because they cannot afford market rents, or because they wish to own their own property but cannot afford to do so. Because of this, the needs from this group will not add to the total need for affordable housing, but they are likely to require separate consideration on the housing register and it may be appropriate to consider whether or not some affordable properties should be set aside solely for essential local workers.

9.71 The Council launched its Self & Custom Build Register in May 2016 and there were 27 registrations for the register over the period to January 2020.

9.72 It is unlikely that this represents all the demand for self and custom build plots in East Lindsey and it is also likely that small windfall sites will continue to provide a range of options for those who are seeking to self-build.

Summary of Housing Needs

9.73 The 8,460 dwellings minimum housing need calculated using the standard method is sufficient to cover all the projected household growth and needs of special groups discussed in earlier chapters using the ORS housing model. This consists of 15,700 additional households which should include an overlapping combination of 6,500 specialist older persons households, 4,700 adapted homes and 4,500 affordable homes.

9.74 As has been highlighted, these specialist groups overlap with much of the adapted housing need falling amongst the over 75s and thus part of the older person housing need. Wheelchair adapted housing is a subset of the overall adapted housing figure and also has high levels of overlap with specialist older person housing.

9.75 Affordable housing is required within all sectors.

Figure 62: Venn Diagram of Housing Need
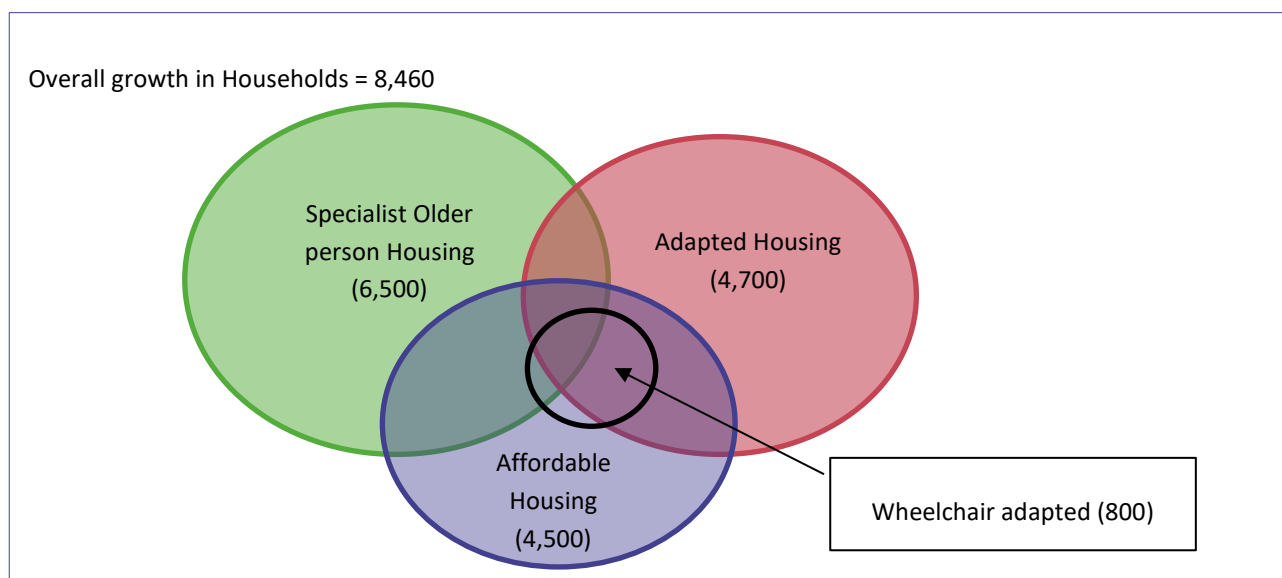
Appendix A
Glossary of Terms

Definitions

Affordability is a measure of whether housing may be afforded by certain groups of households.

Affordable housing includes social rented and intermediate housing, provided to specified eligible households whose needs are not met by the market. For the purpose of this report we have used the definition in the National Planning Policy Framework 2012

Category 2 and 3 are classifications of wheelchair accessible housing. They refer to building regulations Approved Document M (2015) which introduced three categories of accessible dwellings. Category 1 (visitable dwellings) relates to accessibility of all properties and, being mandatory, is not assessed in the SHMA. Category 2 (accessible and adaptable dwellings) is optional and similar to Lifetime Homes. Category 3 (wheelchair user dwellings) is optional and equivalent to wheelchair accessible standard.

Census Output Area is the smallest area for which UK Census of Population statistics are produced. Each Census Output Area had a population of around 250 people with around 100 dwellings at the time of the 2001 Census.

Concealed families are defined as; "family units or single adults living within other households, who may be regarded as potential separate households which may wish to form given appropriate opportunity"[42].

A Dwelling as a single self-contained household space (an unshared dwelling) or two or more household spaces at the same address that are not self-contained, but combine to form a shared dwelling that is self-contained. In most cases, a single household space will be an unshared dwelling.

Equity is the difference between the selling price of a house and the value of the outstanding mortgage.

Headship rates are defined by CLG as: "*the proportion of people in each age group and household type who are the 'head' of a household*"[43]

A household is one person living alone, or two or more people living together at the same address who share at least one meal a day together or who share a living room.

Household formation refers to the process whereby individuals in the population form separate households. 'Gross' or 'new' household formation refers to households that form over a period of time, conventionally one year. This is equal to the number of households existing at the end of the year that did not exist as separate households at the beginning of the year (not counting 'successor' households, when the former head of household dies or departs). 'Net' household formation is the net growth in households resulting from new households forming less the number of existing households dissolving (e.g. through death or joining up with other households).

A Housing Association or **Registered Provider** is an independent not-for-profit body that primarily provides low-cost "social or affordable housing" for people in housing need.

Housing demand is the quantity of housing that households are willing and able to buy or rent.

---

[42] https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/6338/1776873.pdf
[43] https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/182417/MethodologyFinalDraft.pdf

Household income includes all salaries, benefits and pensions, before deductions such as tax and National Insurance.

Household Representative (HRP) is a person chosen for statistical reasons by virtue of economic activity, age and/or sex as the representative of a household

House in Multiple Occupation are currently defined by the Housing Act 2004 as:

> » an entire house or flat which is let to three or more tenants who form two or more households and who share a kitchen, bathroom or toilet;

> » a house which has been converted entirely into bedsits or other non-self-contained accommodation and which is let to three or more tenants who form two or more households and who share kitchen, bathroom or toilet facilities;

> » a converted house which contains one or more flats which are not wholly self-contained (i.e. the flat does not contain within it a kitchen, bathroom and toilet) and which is occupied by three or more tenants who form two or more households; and

> » a building which is converted entirely into self-contained flats if the conversion did not meet the standards of the 1991 Building Regulations and more than one-third of the flats are let on short-term tenancies.

Housing market areas are geographical areas in which a substantial majority of the employed population both live and work and where those moving to a new house without changing employment choose to stay.

Housing need is the quantity of housing required for households who are unable to access suitable housing without financial assistance.

Housing requirements encompasses both housing demand and housing need and is therefore the quantity of housing necessary for all households to have access to suitable housing, irrespective of their ability to pay.

Housing type refers to the type of dwelling, for example, flat, house, specialist accommodation.

Intermediate affordable housing is housing at prices and rents above those of social rent, but below market price or rents, and which meet the criteria for affordable housing set out above. These include shared equity products (e.g. HomeBuy), other low cost home ownership products and intermediate rent.

Lending multiplier is the number of times a household's gross annual income a mortgage lender will normally be willing to lend. The most common multipliers quoted are 3.5 times income for a one-income household and 2.9 times total income for dual income households.

Low cost home ownership or **Shared ownership** is intermediate affordable housing designed to help people who wish to buy their own home but cannot afford to buy outright (with a mortgage). Through this type of scheme, you buy a share in the property with a Housing Association or other organisation.

Lower quartile means the value below which one quarter of the cases falls. In relation to house prices, it means the price of the house that is one-quarter of the way up the ranking from the cheapest to the most expensive.

Lower Super Output Area is a group of around 5-6 Census Output Areas and is the smallest geography for many Government statistics. Each Lower Super Output Area had a population of around 1,250 people with around 500 dwellings at the time of the 2001 Census.

Market housing is private housing for rent or for sale, where the price is set in the open market.

Market signals are indicators that supply and demand are not in balance for a local housing market. Possible market signals are listed in PPG and the following are the most pertinent; house prices, private sector rents, affordability, rate of development and overcrowding.

Migration is the movement of people between geographical areas. In this context it could be either local authority districts, or wider housing market areas. The rate of migration is usually measured as an annual number of individuals, living in the defined area at a point in time, who were not resident there one year earlier. Gross migration refers to the number of individuals moving into or out of the authority. Net migration is the difference between gross in-migration and gross out-migration.

A projection of housing needs or requirements is a calculation of numbers expected in some future year or years based on the extrapolation of existing conditions and assumptions. For example, household projections calculate the number and composition of households expected at some future date(s) given the projected number of residents, broken down by age, sex and marital status, and an extrapolation of recent trends in the propensity of different groups to form separate households.

Registered Social Landlord/Registered Provider see Housing Association.

Secondary data is existing information that someone else has collected. Data from administrative systems and some research projects are made available for others to summarise and analyse for their own purposes (e.g. Census, national surveys).

Shared ownership see Low Cost Home Ownership.

Social rented housing is provided by social landlords and rented for less than would be paid if renting privately.

Specialised housing refers to specially designed housing (such as mobility or wheelchair accommodation, hostels or group homes) or housing specifically designated for particular groups (such as retirement housing).

Acronyms and Initials

AHC	Affordable Housing Commission
AHO	Affordable Homeownership
BRMA	Broad Rental Market Area
CLG	Department for Communities and Local Government (now MHCLG)
CPI	Consumer Prices Index
DFG	Disable Facilities Grant
DWP	Department of Work and Pensions
EHS	English Housing Survey
HB	Housing Benefit
HMA	Housing Market Area
HPSSA	House Price Statistics for Small Areas
LA	Local Authority
LHA	Local Housing Allowance
LHN	Local Housing Need
LHNA	Local Housing Needs Assessment
LLTI	Limiting Long-Term Illness
LPA	Local Planning Authority
LQ	Lower Quartile
LRR	Local Reference Rent
LSE	Leasehold Schemes for the Elderly
MHCLG	Ministry for Housing, Communities and Local Government
MSOA	Middle-layer Super Output Area
NPPF	National Planning Policy Framework
OAN	Objectively Assessed [Housing] Need
OBR	Office for Budget Responsibility
ONS	Office for National Statistics
ORS	Opinion Research Services
PPG	Planning Practice Guidance
PPTS	Planning Policy for Traveller Sites
PRS	Private Rental Sector
RSL	Registered Social Landlord
SHMA	Strategic Housing Market Assessment
VOA	Valuation Office Agency

Appendix B: Table of Figures