

East Lindsey Core Strategy and the East Lindsey Settlement Proposals Development Plan Document Examination

Stage 1 Core Strategy Hearing Sessions

Matter 3: Objectively Assessed Need for Housing (OAN) and the Housing Requirement (Policy SP3 and Section on Housing Growth)

23rd June 2017

Introduction

1. This submission is made for and on behalf of Metacre Ltd. concerning Matter 3: Objectively Assessed Need for Housing (OAN) and the Housing Requirement (Policy SP3 and Section on Housing Growth).
2. The submission is made with respect to the Examination in Public (EiP) *Inspector's Matters, Issues and Questions* (MIQ's) (26th May 2017) and supplements the representations lodged with East Lindsey District Council (ELDC) on the *East Lindsey District Core Strategy Publication Version* (November 2016) and the earlier draft Core Strategy from March 2016. The responses should be read together as they show the lineage in Metacre's concerns and objections to the Core Strategy as it has been prepared.
3. Submissions are made separately on behalf of Metacre Ltd. with respect to the other MIQs.
4. Metacre's response to the individual Matter 3 MIQ's are set out in the following sub-sections.

Objectively Assessed Housing Need

Main issues - OAN: Has the HMA been appropriately defined? Does the plan appropriately identify the objectively assessed housing needs for the HMA in accordance with national policy and the planning practice guidance? Is the identified OAN of 7215 homes for 2016-31 (average 481/year) soundly based and supported by robust and credible evidence? Does it correctly take into account household projections, demographic factors, economic factors and market signals?

HMA

- 1. *What is the justification for treating East Lindsey as the HMA for the purposes of establishing the OAN? [the PPG refers to house prices, household migration and search patterns and contextual data, for example including travel to work area boundaries]***
5. The Plan, at paragraph 7 on page 22 confirms that the OAN starting point uses evidence from the Council's Strategic Housing Market Assessment (Affordable Housing Needs Assessment Update) (October 2016) (SHMAA) (CD7) and the household and population projections prepared by Edge Analytics (2016) (CD 10) to set the overall District-wide housing target for its OAN.
6. As Metacre note in response to Questions 2 and 3 below, the Coastal Lincolnshire SHMAA (September 2012) (CD4) clearly identifies East Lindsey as within an HMA together with Boston.
7. There is therefore no justification why East Lindsey alone is treated as the HMA for the purposes of establishing the OAN, but it is apparent that ELDC has chosen to do so as the SHMA Update (2014) (CD6) and the draft SHMAA (October 2016) (CD7) as well as the demographic analysis reports prepared by Edge Analytics relate only to East Lindsey.
8. This approach is contrary to the guidance laid out in the National Planning Policy Framework (NPPF) and to the National Practice Guidance (NPPG) at Section 2a that expects analysis to be undertaken and findings on the OAN established for the whole HMA; in this case therefore including Boston.

2. *Is the HMA clearly set out in the Plan?*

9. The extent and boundaries of the Housing Market Area are not clearly expressed anywhere in the Plan itself.
10. The Housing Topic Paper (March 2017) (CD15) makes reference to the Housing Market Area at various points. At paragraph 1.1 it refers to the Coastal Lincolnshire Housing Market Assessment (2012) and its revision, the draft SHMAA.
11. Paragraph 1.1 of the Housing Topic Paper confirms that the SHMAA covers the whole of East Lindsey and indicates that the work was:

“initially carried out in partnership with Boston Borough Council and the Central Lincolnshire local authorities of North Kesteven, West Lindsey and the City of Lincoln”.

12. The SHMAA confirms at paragraph 1.1 that the work was commissioned by ELDC to update the previous SHMA from March 2014. At paragraph 1.4 it states that it is not possible to compare the results of this study with the Coastal Lincolnshire SHMA 2011 or its 2014 Update.
13. It is clear to Metacre that East Lindsey District was defined as being within the Coastal Lincolnshire Housing Market Area that also covered Boston Borough (see for example Figure 4 of the Coastal Lincolnshire SHMA, 2012).
14. Evidential work to support the calculation of the appropriate OAN set out in the SHMA Update (2014), the draft SHMAA (2016) as well as the various demographic analyses undertaken for ELDC by Edge Analytics (2015 and 2016) consider East Lindsey in isolation rather than the HMA as a whole.
15. ELDC’s Duty to Co-operate Statement (DtC) (November 2016) (**CD95**) identifies that East Lindsey lies in a housing market with Boston Borough Council at paragraph 3.3. At Section 4.1 (Housing), the DtC Statement affirms that East Lindsey’s Strategic Housing Market Area is covered by the Coastal Lincolnshire housing sub-region. It also notes wider inter-relationships including between areas inside the local housing markets of Boston, Louth/Mabelthorpe and Skegness and their surrounding areas and some housing impact of the Lincoln sub area and to the north in North East Lincolnshire housing sub-region. While the DtC Statement suggests that *“overall East Lindsey is a relatively self-contained housing market”*, the evidence in the Coastal Lincolnshire SHMA and from a more thorough analysis of market evidence, etc. is that the East Lindsey HMA extends out to include Boston with inter-relationships with other wider areas.

3. The Council’s DtC statement (3.31) states that East Lindsey lies in a housing market with Boston? How does this relate to the HMA used to inform the OAN in this plan?

16. The DtC Statement (November 2016) identifies Boston Borough as forming an HMA with East Lindsey at various paragraphs including 3.3 and at section 4.1.

17. The OAN figure derived for East Lindsey District (**481** dpa) is derived from PG-10yr scenario set out in the Demographic Forecasts: Updating the Evidence report prepared by Edge Analytics (June 2015) (**CD9**) at Table 17; as the Housing Topic Paper (March 2017) (**CD15**) identifies in paragraphs 2.27 and 2.28.
18. The Demographic Forecasts: Updating the Evidence report was based solely on assessing the District's own demographic position (see paragraphs E2 and E3 for example) rather than an analysis that includes Boston as part of the HMA.
19. It is evident that Boston Borough, despite being identified as forming part of the HMA is not considered with regard to informing the OAN figure of **481** dpa proposed by ELDC in the Plan.

OAN General

4. The establishment of the OAN does not appear to be directly based on the standard methodology which is strongly recommended by the PPG (para 5). Are there local circumstances that have led to the approach used?

20. Metacre is concerned that the housing policies and evidence of the Core Strategy do not form a clear, comprehensive or compliant OAN for the HMA.
21. Metacre considers that there is a significant and substantive lack of evidence, analysis and consideration of the factors laid out in the NPPG at Section 2a that establishes what needs to be considered through the process of establishing an OAN.
22. The demographic evidence and the affordable housing needs assessment work do not form a complete OAN figure for the District or a complete SHMA (and the previous Coastal Lincolnshire SHMA and its update were based on the superseded SHMA Practice Guidance (2007) which was revoked by the NPPG). They take a relatively narrow view being concerned with demographic and household growth analysis and do not cover other factors such as market signals in detail.
23. The demographic evidence does look at the potential employment growth arising from the demographic projection scenarios modelled (Table 10 in Section 5) but

there is no wider economic projection work included within the analysis, or available elsewhere in the Core Strategy evidence base.

24. The scenarios presented are demographic-led and economic factors (unemployment rates, economic activity rates, commuting flows, etc.) are either fixed or trend based within these scenarios. There is not a separate analysis of potential economic growth forecasts or projections for the District that might anticipate an alternative approach to housing requirements.
25. Employment growth evidence that does exist in different evidence base documents points towards different jobs targets (**124** and **240** jobs per annum), neither of which align or are associated with the Council's preferred OAN housing target (**481** dpa).
26. At paragraphs 2.13 et seq. the Housing Topic Paper confirms that the Plan should have its housing target set based on the 2008 and 2012-based demographic projections and work undertaken in the East Lindsey: Updating the Demographic Evidence (June 2015) rather than the 2014-based projections work subsequently prepared for ELDC by Edge Analytics in Demographic Forecasts: Updating the Evidence (October 2016).
27. Metacre conclude that neither the Plan nor the Housing Topic Paper bring the various SHMA and demographic evidence together in a comprehensive manner as laid out in the NPPG. There is a lack of evidence, analysis or consideration of many of the factors identified in the NPPG at section 2a, which clearly spells out what is needed and the process to establish the OAN, including:
 - **Employment trends** through an assessment of the likely change in job numbers based on past trends and/economic forecasts (NPPG Section 2, paragraph 018). The Demographic Forecasts: Updating the Evidence (2016) and the Updating the Demographic Evidence (2015) work has considered the job creation arising from the projected future population but there has not been an assessment of this in relation to economic forecasts or cross-referenced/aligned to the proposed future employment land requirements (set out in the Employment Land Review (September 2016) (**CD41**) or the East Lindsey Economic Baseline (2016) (**CD42**).

- **Market signals** - that should be taken into account and used as the basis for adjusting the OAN where appropriate. These should use a range of market indicators on the balance of demand and supply of dwellings compared to national and local averages (NPPG 2a, paragraph 019). The Housing Topic Paper contains some partial and limited information at Section 6 (to note, the numbered paragraphs are as if it were section 7) on house sales and completions but these are not benchmarked to other areas in the HMA or beyond. The relevant analysis, undertaken in detail for the immediate period is not presented in the Core Strategy evidence base. Coverage of house prices is covered only in the Coastal Lincolnshire SHMA (2012) based on data from 2009 and 2010/11 (see Figure 68, et seq.) which is of course now significantly dated.
28. There are no identified local circumstances set out in the Plan or its evidence base that justify the approach taken and the lack of sufficient consideration/analysis of economic growth and market signals.

OAN Time Period

5. What period is the OAN figure based on? The plan refers to the OAN for the plan period (2016-2031) but the Housing Topic Paper refers to other time periods (eg. 2014-2039 and 2011-2037 and, in paras 1.6 and 2.12, to a 2011 date).

29. Metacre considers this is a matter for the District Council to address and to advise the Inspector on.
30. It is apparent that the Housing Topic Paper and the Plan itself do not have corresponding time periods and various supporting evidence reports analyse housing signals and needs over different time periods. Indeed, it is Metacre's understanding that:
- the Core Strategy is based on a plan period 2016 – 2031;
 - the Housing Topic Paper (v9) is based on a period of 2011 – 2037, but also notes a 2014 – 2039 period at paragraph 2.16;
 - the Updating the Demographic Evidence report (June 2015) is based on 2011 – 2037; and

- the Demographic Forecasts: Updating the Evidence report (June 2016) is based on the period 2016 – 2031.
31. The effect is that the Plan and its evidence base are uncertain and entirely confusing with a lack of consistency. It is hard to understand what OAN figure ELDC propose over what period and how this relates to the evidence base presented by the Council.

OAN Starting Point

6. The PPG states that the starting point estimate to establish need is the DCLG household projections. EA2016 (Table 7 – ‘starting point’ estimate) states that the 2014-based DCLG household projections, suggest an increase in households of 356/year from 2016-2031 and para 2.16 of the Topic Paper suggests 333/year for 2014- 2039 [using the 2014-based household projections underpinned by the 2014-based SNPP] or 399/year using the earlier ‘2012-based model’. However, the scenarios in the Topic Paper (page 8) appear to be based on the 2012 sub-national population projections? Why have these been used as a starting point rather than the DCLG household projections as suggested in the PPG?

32. Metacre considers this is a matter for ELDC to address and to advise the Inspector particularly why the earlier 2012-based projections were used in the Plan rather than the more up-to-date 2014-based projections.
33. The Updating the Demographic Evidence (June 2015) (**CD9**) report modelled household formation rates in the period 2011 – 2037 using the 2008 and 2012-based CLG Household Projections and looked at the mid-point of the two.
34. The analysis in the Updating the Demographic Evidence 2015 report was stated to be an attempt to balance the difference in levels of household formation between the two most recent full period available national projections available at the time it was written. The table below summarises the 2015 Report’s analysis. The PG10 Yr scenario mid-point (**481** dpa) was identified as the preferred scenario by the Council from this Report.

Scenario	2008 based HFR	2012 based HFR	Mid Point /Average
PG 10 Yr	499	462	481
10 Yr housing completions	471	469	470
SNPP 2012	444	413	428
PG 5 Yr	269	231	250

35. Edge Analytics prepared a further update for East Lindsey in 2016, to incorporate the latest 2014-based CLG Household Projections. The Housing Topic Paper is clear that the Council selected its OAN from the evidence in the Updating the Demographic Evidence (June 2015) rather than the more recent 2016 Edge Analytics report (October 2016) and in doing so ignores the 2014-based projections.

36. The Housing Topic Paper concludes at paragraph 2.28 that:

“given the population growth of the District is driven mainly by in-migration the most appropriate scenario to meet the District’s housing needs for the plan period is considered to be PG-10yr, which is a 10 year migration scenario. This maintains the assumption that growth will continue to be fed by in-migration. Taking this at an average with the 2008 based headship rate gives a District wide target of 481 homes per year or 7,215 homes over the plan period”.

37. The 2014 SNPP population projections in the table below illustrate the falling nature of the contribution to overall population growth expected to come from East Lindsey.

2014 SNPP	2014	2039	Change	% Change
East Lindsey	137,623	15,0810	13,187	9.6
Lincolnshire	731,516	834,656	103,140	14.1
England	54,316,618	63,281,522	8,964,904	16.5

38. The level of change is lower in East Lindsey, at **9.6%** compared to **16.5%** in England for the overall projection period of twenty five years. If population growth was at the England level (16.5% growth), then it would amount to a further **9,521** people in the area, a **72%** increase on the 2014 based projection for East Lindsey.

39. This is a helpful indicator of the extent to which local constraint and recession influenced projections are holding the District’s growth back, with clear and observable consequences for the make-up of working age population and overall economic prospects. The rate of overall growth is lower again for East Lindsey at **6.3%**, for the extent of the plan period (2016 - 2031).

40. Comparable data for the SNPP 2012 and 2014 based projections are summarised below drawing on the alternative 5 and 10 year scenarios contained in the Edge Analytics 2016 Report.

	Population Change	Change %	Household Change	Change %	Dwellings
SNPP 2012	11,210	8.1	6,349	10.1	453
PG -10Yr	9,349	6.8	5,965	9.6	425
SNPP-2014	8,765	6.3	5,345	8.6	381
PG -5Yr	6,163	4.5	4,688	7.5	334

41. The total rate change under the PG 10 Yr scenario of population growth of **6.8%** (for the plan period) is less than the SNPP 2014 rate of **9.6%** (for the projection period) which further builds in the lag effect behind the England and Lincolnshire rates and is a surprising approach to take to a figure that is argued by the Council to represent an uplift.
42. The Council explain their position in the Housing Topic Paper (**CD15**) at paragraph 2.17:

“Whilst the Council could have reduced its housing target slightly to accommodate the 2014 demographic forecast, given the extremely low level of objections to the housing target that went out consultation in June/July/August 2016, particularly from the development industry and the fact that the District is aiming to boost housing growth in conformity with national policy; deliver a large proportion of its affordable housing need (as set out in the Affordable Housing Topic Paper), put in place a series of projects and actions to boost economic growth through the East Lindsey Economic Action Plan and the employment forecasts appear to be more robust than previously thought (see Section 3), it is believed appropriate for the Local Plan to set the Housing Target based on the 2012-based demographic projections and the work carried out by Edge Analytics in 2015”.

43. The District Council argue that they could have reduced the start point to reflect lower levels of 2014 SNPP derived growth overall, however they have selected the PG10 Yr scenario which gives a smaller rate of growth from earlier and superseded evidence.

44. The Council's justification for selecting the PG-10yr scenario (aside from the fact that it is not based on the most recent available Household Projections evidence) also fails to address the point that increased levels of migration (from 2001/02 where net migration was **+2,500**) did not have a greater focus on older people.
45. The Council's selection of the PG-10yr scenario from the 2015 Edge Analytics work misunderstands both the history and possible future outcomes around this issue. The District's population grows due to a set of complex relationships between natural change (currently negative) and migration. However, although East Lindsey has a greater share of older people than other areas, this is not just driven by in-migration.
46. Edge Analytics 2016 work (**CD10**) at paragraph 7.17 identified that out-migration is skewed around younger people leaving for work or study. There are likely to be issues around the availability of suitable jobs, services and homes that are major factors driving this and it is clear that the East Lindsey Economic Baseline (2016) (**CD42**) seeks to address these drivers, stating at page 95:
- “the decline in skills among the working age population in East Lindsey is exacerbated by the ‘brain drain’ of young people to higher education institutions elsewhere. Many who leave Lincolnshire to study at university do not return, and instead seek to progress their careers in areas with a broader range of employment opportunities. To access further education, young people must commute out of the District to colleges in Boston, Grimsby and Lincoln. The lack of locally available post-16 provision, outside of the school sector, restricts the opportunity for young people to improve their skills and, in turn, gain skilled and well paid employment. There is, therefore, a need to widen access to further and higher education provision locally, and explore better connectivity to places with FE/HE provision”.*
47. It is entirely likely that if growth returns to previous levels, and that if this is accompanied by investments in both skills and training, HE and FE infrastructure and access, higher skilled jobs and initiatives to improve wage levels as the East

Lindsey Economic Action Plan indicates then higher levels of growth would be driven by a more balanced migration profile.

48. The selection of an OAN that takes a more considered approach to supporting younger age cohort household growth and ensures that conditions in terms of both housing availability and economic investments are undertaken may support a more balanced population and household growth, retaining younger people and attracting them to the area. The OAN selected assumes in-migration of older (economically inactive) age groups which is not a positive or proactive position from which to ensure the housing needs of the District are met, or that economic objectives can be realised.
49. Metacre consider that the OAN figure selected (based on the average mid-point of 2008 and 2012-based household projections) is out-dated in relation to the guidance in the NPPG and the Council's justification for its selection is based on an inaccurate and incomplete understanding of the population and household dynamics and trends in the area. The justification fails to grasp the fundamental need to address migration or the needs of younger age groups in securing appropriate housing in a positive manner and the selected OAN serves to perpetuate the past.

OAN – Adjustments to the Starting Point (Demographic Factors)

7. Have any adjustments been made to the DCLG household projections (or the household projections used) due to factors affecting local demography and household formation rates (i.e. PPG paras 15 and 17). If so, what scale of adjustment has been applied, where is this set out and with what justification? Does the OAN figure of 481/year include any such adjustments?

50. Metacre have no comments to add in respect of this Question and consider that it is for the District Council to confirm what, if any adjustments have been made to the Household Projections. It is however noted that the Plan and its supporting evidence are unclear as to what, if any adjustment has been made and whether the proposed OAN includes any adjustment to the household projections.

8. Scenarios 1 to 3 in the Housing Topic Paper (page 8) are based on population growth and net in-migration assumptions as set out below. These appear to be based on ONS 2012 sub-national population

projections rather than the DCLG household projections. Do these scenarios represent an adjustment to, or divergence from, the demographic starting point set by the national household projections? If so, for what reasons? Which of the scenarios is the most realistic and why, including in terms of population growth and migration? Why is a 10 year migration trend preferred to a 5 year trend? Why does a 10 year trend lead to a higher OAN figure?

51. Metacre have no further comments to add in respect of the use of 2012-based Household Projection scenarios and the fact that these do not accord with the NPPG as they do not represent the most up-to-date evidence. Metacre's response to Questions 6 and 9 deals with those matters.

9. The scenarios set out above vary from those presented in EA2016 (page 25) which are based on the period 2016 to 2031. Which are the most appropriate in terms of establishing the OAN for the plan period?

52. It is Metacre's view that all of the proposed scenarios under-represent the full OAN for the District as set out previously in Metacre's response to Questions 4, 5 and 6.
53. Metacre has therefore prepared two alternative housing scenarios in order to examine population growth returning to pre-recession levels; and a more positive level of job creation in the District.
54. These two alternative scenarios are presented in full in the East Lindsey: Objectively Assessed Housing Needs – Alternative Assessment Report (the 'Metacre Report') attached to these submissions at **Appendix 1**.
55. The two alternative scenarios are:
- a **Demographic-led Housing Growth Scenario** with headship rates in the male younger age groups (15-44) returning to their 2008 values by 2024, continuing the original rate of growth thereafter. This is in accordance with the approach taken by Edge Analytics Report 2016 (**CD10**). The alternative demographic-led scenario reflects the levels of growth experienced across East Lindsey for the 2001-2010 period that showed a balanced period of growth and therefore offers an important alternative to the scenarios that the Council has considered; and

- an **Employment-led Housing Growth Scenario** based on a 300 jobs per annum (jpa) target in the District to illustrate the impact of an uplift to the working age population, to model the effects of retaining more younger people in the District and to provide a modelled scenario that more effectively reflects the economic objectives/aspirations of the District Council.
56. Metacre's East Lindsey: Objectively Assessed Housing Needs – Alternative Assessment Report concludes in Section 6 that the **Demographic-led Housing Growth Scenario** results in an OAN of **857** dpa over the plan period; while the **Employment-led Housing Growth Scenario** results in an OAN figure of **631** dpa.
57. A further adjustment of **+10%** to these alternative OAN figures are made to take account of market signals (see Metacre's response to Question 13 below). The 10% upwards adjustment is a realistic and reasonable figure that is justified by the market signals evidence and related in scale with the advice set out in the LPEG report (2016).
58. The additional adjustment results in an OAN range of **694 – 942** dwellings per annum over the plan period for the District. The mid-point of the range is **818** dwellings per annum and it is considered that this is a reasonable figure to take forward as the OAN for the District as it encompasses both demographic needs based on the 2014-SNHP with a return to pre-recessionary trends in population growth as well as supporting economic growth of 300 new jobs per annum in the District.

10. The Topic Paper concludes that the district wide 'target' (should this reference be to the OAN – i.e. 'need'?) should be 481/year (7215 for 2016-31) based on a 10 year migration scenario and 'at an average with the 2008-based headship rate'. What justifies this upward adjustment from 460 to 481/year?

59. Metacre has no further comment to make in relation to this Question as this matter is addressed in Metacre's response to Question 6 above.

11. Has the OAN taken into account any under delivery of housing in the years before 2016 which may have resulted in unmet housing needs and household formation rates which have been constrained by supply? If so, what relevant period was considered?

60. The District Council's analysis and evidence on whether the OAN has taken into account any under-delivery of housing which may have in turn resulted in un-met housing needs and artificial restriction on the ability of new households to form in the District is entirely unclear.
61. From Metacre's detailed review of the housing evidence base and the draft Plan there does not appear to be an explicit analysis of past under-supply and whether a lack of housing provision has resulted in restriction of household formation rates and therefore suppressed housing needs. In turn, there is no adjustment discussed or identified for the proposed OAN figure.
62. There is a proposed upward adjustment to the planned requirement (rather than the OAN) set out in the Housing Topic Paper at paragraphs 3.3, et seq. equating to **+553** dwellings over the plan period. This is addressing a different point however as the **553** dwelling adjustment is understood to be intended to meet a shortfall in the past five years (2011 - 2016) rather than an adjustment to the underlying OAN in order to account for any artificial constraint on household formation due to lack of housing supply.
63. Metacre considers this issue (and whether the **+553** dwelling adjustment is justified) further in our response to Questions 16 and 17 below.

OAN – Adjustments for Employment Trends

12. Given the estimated jobs growth based on the assessment of housing needs (124 jobs/year) is less than the stated economic forecast (240 jobs/year), has the OAN adequately taken account of projected employment trends? Are the plans premised on meeting a jobs growth target of 240 jobs/year? Will the supply of working age population be sufficient to support the projected or planned job growth? Has any adjustment been included in the OAN figure of 481/year to account for this? What might be the effect on commuting patterns and the resilience of local businesses? (PPG para 18)

64. Metacre's own analysis of employment trends and the potential implications and effect on the District's OAN has been undertaken and is set out in full in Metacre's East Lindsey District: Objectively Assessed Housing Needs – Alternative Assessment (June 2017) included at **Appendix 1**.
65. It is Metacre's conclusion that there has been a recession driven decline (chiefly in the inland area of the District) and subsequent partial recovery in employment

levels within the District. There are high levels of part time work. Productivity lags key benchmark areas, with the main sectoral mix of the area being low value added.

66. The District's Employment Land Review (ELR) (**CD41**) in Section 4, identifies how most of the projected population growth for the District will be driven by inward migration of elderly people. The ELR in Para 4.6 concludes:

"Because of the continuing uncertainty over population and business growth and the linkages between the two, both elements will be closely monitored over the coming years".

67. However, this issue can be traced further back in the Plan's development, to an earlier version of the demographic evidence, Demographic Forecasts for East Lindsey Updating the Evidence report¹ (November 2013) (this report is not referenced in the Plan evidence base but is published and available on the web) states at paragraphs 3.4 and 3.5:

"The majority of the [population] changes reflect the 'ageing' of the population over the decade, with additional impacts from in and out migration flows. The movement of the post-World War Two baby boom cohort is particularly evident, with a spike in the 55 year-old age-group in 2001 becoming a 65 year-old spike in 2011.

*Population ageing and the retention of young adults is a particularly important consideration for East Lindsey as the next 20 years will see a reduction in the size of the resident labour force as the larger birth cohorts of the 1950s and 1960s move beyond retirement. **Retaining its young adult population or replenishing it through net inward migration is a key consideration for the District in meeting future economic and demographic growth aspirations**". [Our emphasis].*

¹ Edge Analytics - Demographic Forecasts for East Lindsey: Updating the Evidence, November 2013. <http://www.e-lindsey.gov.uk/CHttpHandler.ashx?id=2027&p=0>

68. Throughout the preparation of the Core Strategy, the challenge from the Council's own evidence has been clear, there is a clear and projected mismatch between job creation and the resident workforce to fill these jobs.
69. The Table of Representations and Council Responses (**CD111**) which sets out the Council's response to representations made to the Consultation Draft Core Strategy, appears to recognise this challenge, even if the Council wrongly assume future population growth would be led by more older people in migrating, and in their response to comments from the HBF, it states:
- "This leaves the District with a dilemma because theoretically increasing housing could just increase the number of older persons moving into the District, thus exacerbating the situation with a top heavy population of older persons and **still not enough residents to fill jobs**". [Our emphasis].*
70. The East Lindsey Economic Baseline (**CD42**) concludes at Page 80 (1st paragraph):
- "If current economic activity rates stay the same, the percentage of the economically active workforce employed in East Lindsey (as opposed to those commuting elsewhere for work) will need to increase from 69% to 81% to sustain the local jobs market. To some extent this will be mitigated by increases in the overall economic activity (e.g. through older people remaining in the workplace for longer, the increase in retirement age and benefit reform), however, the impact of this mitigation will be marginal, **still leaving a gap between the stock of jobs in East Lindsey and the economically active population to fill them**". [Our emphasis].*
71. The Council acknowledges the likely gap between workforce and expected jobs and the East Lindsey Economic Baseline (**CD42**) quantifies this gap, but the Plan does not address the higher job forecast and target that the Economic Baseline introduces. The Council's preferred strategy is associated with job growth of **124** jobs per year. The Council's evidence base however confirms a figure of **240** jobs per year.
72. The Housing Topic Paper at paragraph 4.5 sets out the following:

"The East Lindsey Economic Baseline study proposed two scenarios for the District, one of an economy which is not fluctuating and remains in a low wage, low skill equilibrium, this is the present day scenario, though there are signs that economic growth does appear to be starting to positively grow in the District. The other scenario was one of large scale intervention into the economy is set out below;

- Improvements in public health and a pool of higher skilled jobs enable the economy to retain enough of its workforce to fill all the additional jobs needed.*
- Actions taken to address a decline in manufacturing jobs and support the growth and diversification of the tourism sector are driving up investment and wage levels.*
- A very clear agenda setting out long term flood protection has been agreed and an Investment Plan produced. This has led to developer certainty and provided the Coastal area with a template for its future economic development.*
- Skegness and Louth have strategies for economic growth, exploiting their strengths and based upon attractive branding: Skegness as a centre of excellence for all-year round tourism and Louth an attractive and vibrant market town. The Wolds AONB designation has been used to bring investment into Rural Inland area.*
- Improvements to broadband and mobile connectivity have enabled smaller towns to serve a larger and more complex hinterland. Investments in physical infrastructure (road and rail) have connected up settlements along the Coastal area.*
- Significant investments in access to and the range of Further Education available in the District is enabling employers to meet their skills needs as well as increasing the aspirations of young people. In addition, links between businesses and schools are promoting local job opportunities".*

73. The East Lindsey Economic Baseline states at page 74:

"No current forecasting model has been prepared for East Lindsey, therefore, sectoral and economic growth forecasts prepared by the Central Lincolnshire Local Plan Team have enabled comparison projections to be made with West Lindsey. As a comparator, East and West Lindsey experienced the same loss of jobs during the recession, both have experienced slower growth since 2008 and they have similar sectoral composition".

74. This implies that the East Lindsey Economic Baseline applied work undertaken for West Lindsey to East Lindsey directly. It is not clear whether any adjustments were made to this application of West Lindsey data.

75. This is a flawed approach. The evidence or the District Council should have investigated likely East Lindsey specific growth trends and factors. In addition, the data and therefore the outputs, use Business Register and Employment Survey data 2009 - 2013. This data is useful but crucially does not include the self-employed in its total employment estimates.

76. The East Lindsey Economic Action Plan (a five year rolling action plan prepared by the District Council) does not set out any specific future job targets or investment levels associated with the clear ambitions to regenerate its economy. This leads to an uncertain position with little clarity over the extent of job growth anticipated or to be planned for within the District.

77. Metacre conclude that there has not been an attempt made to undertake economic projection or forecasting work to assess or quantify the impact of economic investments in the District.

78. Despite clearly signing up to work put forward in the East Lindsey Economic Baseline (**CD42**) which is associated with a job target of **240** jobs per annum, the District Council see no contradiction in accepting that their preferred housing target has an associated jobs target of **124** jobs per annum. The Council further confuse this issue by adopting the jobs element of PG10 Yr from the latest Edge Analytics analysis (2016) (**CD10**) but not the housing element of this, as the proposed OAN figure of **481** dpa is derived from the superseded Edge Analytics work in 2015 (**CD9**) which had a jobs range of **34** jobs per year according to Table 7 at page 28 of that report.

79. To confuse matters even further the Council's preferred **481** OAN figure only has a jobs total associated with the PG10 Yr 2012 household formation rates. The 2008 household rates equivalent and the mid- point between the two which formed the **481** dwellings figure, do not have jobs figures associated. As it stands the only jobs target the Council can link to their **481** dpa OAN is **34** jobs (not **124** jobs from the later 2016 based Edge Analytics analysis (**CD10**)).
80. The Council's employment analysis is further deficient as it fails to include self-employment in the District: the level of self-employment (some **10,858** workers (**19.8%** of the total workforce) in East Lindsey at the time of 2011 Census) indicates that it is appropriate to make an adjustment to the District Council's unadjusted job target of **240** jpa as it was not factored in. This increase to the workforce is justified by applying the percentage of self-employed (**19.8%**) to the **240** jobs per annum figure (to represent the proportional scale of self-employment as a component of total employees in the District) which leads to a revised jobs target of **287** jpa.
81. Metacre have reviewed other economic and employment matters and note the following:
- **Economic Activity** - The economic activity rate of 16-74 year olds in East Lindsey was **60.8%** in 2011 according to the 2011 Census. This has risen by **0.8%** since 2001 (2001 Census data). It shows the largest increase in economic activity rates has already occurred amongst the 50 to 59 age group. While most age groups in East Lindsey already have high economic activity rates and are therefore unlikely to improve significantly, a range of evidence indicates that activity rates for older people are likely to increase over time, driven by the following factors:
 - changes in the state pension age, particularly the increase to 65 for women from 2018 and further increases in the state pension age that have been recently announced by the Government;
 - the general ageing effect in the population which, combined with better health outcomes, enables more older people to remain in work for longer;

- pressure on retirement incomes, with rising living and social care costs and difficulties securing a pension income forcing more people to remain in work longer than they would want.
- **Unemployment** - The East Lindsey unemployment figure peaked in 2013 at **7.6%**, with steady decreases since to **4.7%** in 2016. It was, in 2016, still just above the 2004/05 level, suggesting the capacity for a further small downward adjustment. Beyond that, there is little opportunity for further reductions in unemployment levels, suggesting that future employment growth will not be supplied from unemployed capacity in the resident workforce. The latest Edge Analytics work (**CD10**) modelled in all scenarios, from 2015, the unemployment rate falling to a 2001–2007 average of **4.3%** by 2020 and fixed at this level until the end of the plan period.
- **Travel to Work Commuting** - Data on commuting patterns is sourced from the 2011 Census. This shows that the ratio of employed residents to jobs located in East Lindsey was **1.09**, implying a net outflow of commuters. This has reduced from **1.16** in the 2001 Census, implying that the relative scale of the outflow has decreased over the past ten years. The Edge Analytics report (**CD10**) models this 2011 rate as fixed across the Plan period.

82. Metacre's detailed review and analysis draws the following conclusions on OAN adjustments for employment growth:

- the Plan is not premised on meeting a job target of **240** jpa but actually the District Council's preferred OAN target of **481** dpa would result in job growth of **34** jpa;
- there is no evident adjustment to the OAN to account for or to meet employment growth objectives;
- the supply of working age population will not be sufficient to meet the proposed **240** jpa target as economic activity rates, including younger and older age groups will change but can only increase to a certain level. Unemployment rates will reduce (and are modelled to do so by the Council) but there is little further 'headroom' in reduced unemployment to increase the supply of working age population; and

- the effects on commuting patterns are suggested to be that the commuting outflow will not continue to reduce (as it has in the past decade) and that with a relative lack of jobs for the new resident population, the Council's jobs aspirations/objectives will not be met resulting in an unsustainable pattern of commuting work flows.

OAN – Adjustments for Market Signals

13. Have the market signals in the PPG been considered and what conclusions have been drawn from them? [Section 6 of the Housing Topic Paper refers to house prices, house sales and housing completions] Is there a worsening trend in any of these indicators and if so, should there be an upward adjustment to the OAN? Does the 481/year figure include any adjustment for this reason?

83. The NPPG advises that housing needs identified through household projections may need to be adjusted to reflect market signals and indicators of the balance of supply and demand for housing. In paragraph 020 the NPPG confirms that comparative indicators should be made considering longer term trends for the District, the Housing Market Area and nationally.
84. The NPPG is clear that where there are worsening trends indicated by negative market signals and/or worsening affordability then an upward adjustment to planned housing numbers should be made. The NPPG does not identify how such an upward adjustment should be made, simply that it is reasonable. The Report to the Communities Secretary and to the Minister of Housing and Planning (March 2016) by the Local Plans Expert Group (LPEG) did however look at the issue of adjustments to OAN for market signals in more detail and offers recommended adjustments in Appendix 6 of the report.
85. The Housing Topic Paper contains some partial and limited information at Section 6 (although numbered as if it were section 7) on house sales and completions but these are not benchmarked to other areas in the HMA. Price data is referred to in passing at paragraph 7.5 but the level of analysis is slight and uses broad average prices rather than looking in greater detail at lower and upper quartile prices, prices by type of dwelling and data on rents, land values, etc. The relevant analysis, undertaken in detail for the current 2016 period is not presented in the Core Strategy evidence base. Coverage of house prices in any detail is covered only in the Coastal Lincolnshire SHMA (2012) based on data

from 2009 and 2010/11 (see Figure 68, et seq.) which is of course now significantly dated.

86. There is nowhere in the Plan or its evidence base a consolidated and comprehensive assessment of market signals that accords with the NPPG and this failure undermines the credibility of the proposed OAN and ignores evident data on prices, rents and affordability that show a clear basis to support an upward adjustment to the District's OAN. In turn, the District's proposed OAN makes no adjustment to the **481** dpa figure to allow for market signals.
87. Metacre has undertaken work of its own on the East Lindsey District's OAN and this has included a more detailed analysis of market signals including prices, sales, rental values and delivery. The work is set out in Section 5 of the East Lindsey District: Objectively Assessed Housing Needs – Alternative Assessment (June 2017) (**Appendix 1**) (the 'Metacre Report'). Some of the relevant headline findings in relation to market signals are set out below in summary.

House Prices and Market Affordability

88. Figures 5.1 - 5.3 of Metacre's East Lindsey District: Objectively Assessed Housing Needs – Alternative Assessment (June 2017) (**Appendix 1**) shows how house prices across East Lindsey have changed over the period 2000 to 2015. During this time, lower quartile prices have increased by **169%**, with median prices have increasing by **167.4%**. Median prices peaked during 2010 at **£116,000**. House prices have been consistently below the prices across the rest of Lincolnshire. East Lindsey sits mid-range against other Lincolnshire local authorities. Fluctuations in house prices have been broadly shared across the wider area.
89. Turning to the LPEG affordability measure, East Lindsey has a House Price Ratio (HPR) of **5.9** (using a three-year rolling average of the latest available data). This is firmly within the **10%** uplift range that LPEG sets out in its report (see Appendix 6 of that report) which notes that where the House Price Ratio is at or above 5.3 and less than 7.0 a **10%** uplift is required.
90. The East Lindsey three year rolling averages, alongside median house price and earnings data is set out in Table 5.2 of Metacre's own report and reproduced

below. This shows a continued level of house price to earnings ratio in the District that is within the LPEG guidance range as a ratio that would warrant an adjustment of the OAN by **10%**.

Year	97-98	99-01	02-04	05-07	08-10	11-13	14-16
House Price Ratio	3.4	3.8	5.9	7.8	6.7	6.1	5.9
Median Earnings	£13,887	£15,125	£16,360	£17,434	£20,535	£21,617	£24,197
Median House Price	£47,750	£57,000	£96,500	£136,333	£136,192	£130,983	£143,033

Rents

91. The NPPG indicates that the rental market should also be considered as a market signal, with longer term changes in rental levels indicative of a potential imbalance between the demand for and the supply of housing.
92. Rental Affordability Ratio (RAR) compares lower quartile monthly rent, (averaged over the last three years) with lower quartile monthly earnings data. This is summarised in Table 5.3 of Metacre's Report. The analysis for East is a rolling three year monthly average rent is **£430**. The equivalent monthly earnings are **£1,512** (both lower quartile figures). This gives East Lindsey a RAR of **28.4%** and the LPEG advice is that where the RAR and/or the HPR fulfils the criteria (as set out above) then a **10%** uplift to OAN is warranted.

Affordable Housing

93. The need for social housing remains significant in East Lindsey District as the SHMAA, published as the Affordable Housing Needs Assessment Update (October 2016) (and published only in a draft form) indicates a need for **2,825** new affordable dwellings over the plan period (**188** dpa) at paragraph 2.97.
94. Taking the Core Strategy OAN as proposed (**481** dpa) and applying a 30% affordable housing contribution (as draft policy SP7 proposes, rising to 40% for the Woodhall Spa site) this would generate some **2,330** affordable dwellings.
95. Securing the delivery of affordable housing provision from new sites is not so straightforward. It is clear that a significant proportion of the proposed housing delivery comes from committed sites, windfalls or proposed allocations that

comprise sites of 10 dwellings or less. Some 30% of housing on committed sites are for less than 10 dwellings and 18 of the proposed Allocated sites are for <10 dwellings. Windfalls, by their definition are usually sites providing a single or a few dwellings and rarely more than 10 in total. Provision of affordable housing contributions from such small sites is not usually appropriate in accordance with the Written Ministerial Statement of 28th November 2014 (as subsequently upheld in the Court of Appeal). It is evident therefore that the prospects of delivering 30% affordable housing (or more) on the sites that are considered to form the future supply will be challenging and likely to result in a lower affordable housing yield than anticipated from a straight-forward percentage calculation against the planned and committed supply.

96. Affordable housing policy will of course help to meet some of the identified affordable housing need but, for the reasons set out above, it is unlikely to ensure that the need for affordable housing is met in full. There will therefore remain a need to provide significant levels of affordable housing in the District which must be appropriately factored into the District's OAN by way of an appropriate adjustment for market signals related to affordable housing delivery.

Rate of Development

97. Evidence of recent levels of housing completions is set out in paragraph 7.1 of the Housing Topic Paper. The precise figures are not reported before 2013 but have been provided to Metacre by the Council. These indicate completions from 2010 – 2016 as follows:

- 2010 – 573
- 2011 – 246
- 2012 – 240
- 2013 – 276
- 2014 – 278
- 2015 – 405
- 2016 – 356

98. Levels of completions have clearly been affected by the economic recession but have, since 2012, shown a broadly upward trend.
99. The levels of completions have not matched or exceeded either the former East Midlands Regional Spatial Strategy housing target (**600** dpa) or the proposed OAN of **481** dpa and there is consistent evidence that there is a continued shortfall in housing delivery (of at least **960** dwellings) sufficient to warrant a 20% adjustment to the five year housing land supply position (in accordance with the NPPF). Despite this, there is no adjustment to the District's proposed OAN to account for backlog in delivery, poor past performance or any restriction or suppression of household formation arising as a result.
100. The under-performance in completions of new housing is despite ample evidence of revealed demand through house sales evidence (see graph at page 37 of the Housing Topic Paper) which highlighted an increase in the level and rate of sales from 2013 onwards to **2,435** and **2,486** sales in 2015 and 2016. The Housing Topic Paper confirms this at paragraph 7.7, identifying that sales rose **34%** between 2012 – 2014; an improving sales situation.
101. Metacre's own analysis of house sales (set out in the Metacre Report at **Appendix 1** in Section 5) demonstrates that sales in 2016 were the highest since 2011 (as Figure 5.7 of that Report shows) with rising sales levels year on year reflected in increasing sales prices measured at both the lower quartile and median levels.
102. The NPPG is clear that If the historic rate of development shows that actual supply falls below planned supply, future supply should be increased to reflect the likelihood of under-delivery of a plan.

Conclusions on Market Signals and Adjustment to the OAN

103. It is Metacre's conclusion that:
- the OAN work and evidence presented by the District Council in the Plan and its supporting documentation does not properly or effectively examine market signals and there is no adjustment proposed in accordance with the NPPG;

- key market signals show a clear picture of increasing prices, increasing revealed market demand as sales volumes have risen over time and a persistent level of unaffordability in East Lindsey;
 - there is demand for residential properties and a worsening picture in terms of newly forming households' abilities to buy or rent property in the private market without financial subsidy. The three year House Price Ratio has continued to sit around the **5.9:1** mark and shows no signs of improvement as price growth continues to out-strip household earnings growth;
 - the revealed effects of market signals manifest in several ways including driving property prices upwards, distinct variation in prices (with higher values inland rather than by the coastal areas - where the Plan seeks to locate new housing);
 - a strong demand for affordable housing and that demand is represented across all types of affordable housing tenure. The level of affordable housing need remains significant, despite recent affordable housing completions and a future pipeline of affordable housing arising from potential development sites in the District.
104. Based on the evident market and affordability signals for the District, it is Metacre's view that a **+10%** adjustment to the objectively assessed housing needs figures are made to take evident market signals into account. The 10% upwards adjustment is a realistic and reasonable figure that is justified by the market signals evidence and related in scale with the advice set out in the LPEG report.

Conclusion on OAN

14. Is the OAN of 7215 for 2016-2031 (average 481/year) justified?

105. Drawing the issues and concerns raised in response to previous Questions Metacre does not consider that the OAN of **7215 (481 dpa)** is sound or justified.
106. It is Metacre's view, from its own alternative assessment of the District's OAN (as set out in the Metacre Report in **Appendix 1**) that the OAN for the District (excluding any unmet needs arising elsewhere in the HMA) is more likely to sit between **694** and **942** dpa (with a mid-point of **818** dpa). This is based on

alternative demographic and economic/employment-led growth scenarios and using POPGROUP modelling and the 2014-based CLG Household Projection as the relevant starting point. Metacre's alternative OAN assessment encompasses both demographic needs based on the 2014-SNHP with a return to pre-recessionary trends in population growth as well as supporting economic growth of 300 new jobs per annum in the District.

15. Should there be a commitment to an early review of the plan within 5 years to re-assess the OAN for housing? If so, should this be expressed in a policy and what should the time period be?

107. It is Metacre's view that:

- the deficiencies and errors in the District Council's calculation of an appropriate, robust OAN are manifest. The OAN is not justified and it is not therefore a sound or positive basis for effective planning in the District. The Core Strategy, based on such an OAN is flawed and it requires remedy now rather than being put off into the future.
- East Lindsey District has a poor record in plan-making with a very extended time period from the adoption of the East Lindsey Local Plan in 1995 and the Alteration in 1999 and the current draft Core Strategy. Metacre has no confidence that ELDC would be able (or indeed feel compelled) to undertake an early review in the circumstances where the time lag from the adopted Local Plan to this draft Core Strategy amounts to some 18 years and the Core Strategy itself has been under preparation for an extended period since 2007.

108. In such circumstances Metacre conclude that the Plan should not proceed to adoption with a commitment for early review within five years. The Plan should be withdrawn while a new robust and appropriate OAN figure is derived with a complementary housing distribution and spatial strategy for the District.

Housing Requirement

Main issues – housing requirement: Is the housing target/requirement for 7768 homes justified. What is the justification for the phased delivery?

Housing Requirement – Past Under-Supply and the 553 Figure

16. What is the justification for adding 553 homes to the OAN of 7215 to arrive at a housing target or requirement of 7768 homes? The plan states that the 553 figure represents past under supply as of 2016 (para 8, page 22), whereas the Housing Topic Paper (para 3.5 page 17) appears to indicate it has been added to help ensure that there is a 5 year supply of housing? [on the basis that there was a 3.85 year supply as of Feb 2016] How was this ‘undersupply’ calculated, to what time period does it apply and is it justified? Is the approach applied here justified by national policy or guidance?

17. Is the 553 figure intended to represent any under-supply since the plan base date and, if so, is it justified?

109. Metacre’s response to Questions 16 and 17 is set out together as the Questions effectively cover the same point.
110. Metacre understand that the **+553** figure is calculated on the basis of the District having a **3.85** year housing land supply (as at February 2016, according to the Housing Topic Paper at paragraph 3.5 on page 17. The Council therefore conclude that there is a **1.15** shortfall to the full five year supply). This shortfall is calculated as **1.15** years at **481** dpa and therefore equals **553** dwellings (481 x 1.15).
111. According to the Housing Topic Paper in Section 2 at paragraph 3.5, it does appear that the **553** figure is therefore intended as an adjustment for the past under-supply back to 2011 (five years from 2016).
112. Metacre consider that it is reasonable to expect that the future planned housing requirement for the District seeks to remedy the significant shortfall in housing provision from the 2011 – 2016 period within the planned requirement for the District and that this shortfall should be delivered swiftly in the immediate five year period.
113. Metacre noted its concerns in response to Question 11 that the under-supply figure of **553** does not however represent an analysis of the effects and

implications of a restricted housing land supply on the ability of new households to form (or have formed).

114. This point is accentuated when considering that the District has failed to meet its housing requirement target in the period prior to 2011 stretching back to 2006 based on the Regional Spatial Strategy target of **600** dpa, resulting in a significant shortfall in housing delivery from 2006 onwards (Metacre also consider this point in response to Question 13 above). There has been no adjustment to the OAN to model or represent this restriction to the ability of new households to form due to the lack of sufficient housing supply in this period.
115. The **553** figure is therefore based on a snapshot of housing land supply provision during the 2011 – 2016 period. It is based on a calculation of land supply using evidence of housing commitments and windfalls, etc. over that period measured against the proposed **481** dpa figure that the Council considers represents the District's OAN. The following concerns arise from this approach:
- the **481** OAN figure does not represent the realistic or full OAN for the District as Metacre has concluded previously (and as shown in Metacre's responses to Question 4) which means the shortfall over the 2011 – 2016 period is significantly higher than the **553** dwellings suggested;
 - the planned requirement for the period 2011 – 2016 should have included the East Midlands Regional Strategy (see policy 13a) which established a housing target of **600** dwellings per annum for the District and formed part of the Development Plan for the District up until its revocation on 20th March 2013. On this basis, Metacre consider that the housing target for the measure of shortfall to target in the 2011 – 2013 period should have been based on the RSS target of **600** dpa, not the proposed OAN of **481** dpa (setting aside the underlying deficiencies in the 481 figure); and it is arguable, in the light of a lack of a realistic full OAN figure to continue to apply the RSS figure up to 2016. This would of course result in a larger housing supply requirement in the five year period than using the proposed OAN figure and in turn a larger five year housing land deficit. Even if the RSS figure is used from 2011 – 2013 and then the proposed OAN (481 dpa) for the 2014-16 period, the shortfall is at least **960** dwellings.

- the District's record in housing completions shows persistent under-delivery of housing to Development Plan targets over many years. In this situation, it is appropriate to apply a **20%** contingency uplift to the five year housing supply calculation rather than the 5% that ELDC consider appropriate. The effect of applying a 20% contingency buffer would be to increase the District's five year housing land supply deficit in the period from 2011 – 2016 and also looking forward.

116. Metacre conclude that:

- it is reasonable to expect that the future planned housing requirement for the District seeks to remedy the significant shortfall in housing provision from the 2011 – 2016 period within the planned requirement for the District. The scale of the shortfall is disputed as the RSS target should apply to the period 2011 – 2013 (**600** dpa) and could, in the absence of an agreed OAN that fully meets housing needs, continue to be applied up to 2016.
- the shortfall in supply of new dwellings should have been modelled as part of establishing the appropriate OAN to determine whether such a shortage of housing completions artificially restricted new household formation in the District and therefore has continued to suppress future dwelling requirements based on demographic trend-based household growth scenarios.

18. Is the housing target of 7768 justified? Should this be referred to as the housing requirement? Should the plan indicate that this is a minimum requirement (as indicated in para 2.25, page 9 of the Housing Topic Paper)?

117. The Plan's overall housing requirement (the proposed OAN + **553** adjustment) is not justified in Metacre's view. The underlying OAN represents an underestimate of the objectively assessed need and the additional **553** dwellings appears to be an adjustment for shortfalls in delivery from 2011 – 2016 based on the application of the proposed OAN target of **481** dpa from 2011 forward.

118. Therefore, for the reasons set out in response to previous Questions, Metacre conclude that the planned requirement figure is not sound, is unjustified by the evidence available and that the Plan would not be effective if it is adopted with this housing target figure. Both the OAN for the District and the overall planned

requirement figure should be increased for the reasons set out in response to the various Inspector's Questions herein.

119. Turning to the expression of the planned requirement as a minimum figure, it is appropriate to do so in Metacre's view. The NPPF is unambiguous at paragraph 47 that the Government intends for Local Plans to boost significantly the supply of new housing and meet in full the housing needs of the District. East Lindsey has its part to play in this national planning objective and there should not therefore be a maximum cap on housing delivery in the District subject to the requirements elsewhere set out in the NPPF that new development should be sustainable.
120. In East Lindsey's case, the persistent under-delivery of housing in the past, the failure to secure a continuous five year land supply and the under-estimate of the District's proposed OAN figure (and the planned requirement figure) lead Metacre to the conclusion that setting the planned housing requirement as a minimum represents a positive and proactive planning approach to meeting housing needs that expressing the figure as a maximum or cap.

Phased Delivery

19. Is the phased delivery of the 7768 homes in Policy SP3 justified? Is this intended as a control over the amount of housing to be delivered in these three time periods, as a prediction of likely delivery based on when sites will be developed or an intention that the 'under supply' of 553 homes will be recovered in the first 5 years of the plan? Should this be made clear in the plan?

121. Setting aside Metacre's view that the OAN of **481** dpa and planned requirement of **7768** homes in policy SP3 is flawed and not justified (see Metacre's response to Question 18 above), Metacre supports the Council's acceptance that any shortfall should be delivered within five years ('Sedgefield' method). The Sedgefield approach is clearly supported by National policy / guidance, as it seeks to make up the housing shortfall quickly and enable housing delivery to proceed at the rate planned. The NPPG sets this out at Section 3, paragraph 035.
122. If the proposed OAN (**481** dpa) were to be used then then the housing requirement for the Plan should be adjusted to take account of the shortfall

between the base date of the housing evidence (2011) and the start of the Plan period (2016). Moreover, it should be taken into account in the first five years of the Plan period, i.e. 2016-2021 which appears to be the approach of the Council. However, the Council's adjusted housing requirement over this period (**591** dpa) only allows for an additional **550** dwellings when the shortfall between 2011-2016 (based on the suggested **481** dpa) was actually **960** dwellings. In this situation, the first five year period should therefore be adjusted to **673** dpa.

123. The front-loaded phasing in policy SP3 therefore appears to be a reflection of making good on past under-supply and uses the 'Sedgefield' method for resolving the shortfall (albeit that Metacre disagree with the Council's position on the total shortfall and conclude that it is a higher figure).
124. Metacre are however concerned that the phased delivery approach is not:
- tied to the provision via allocation/commitment of appropriate sites (given much of the planned requirement is comprised of windfall developments), or necessary infrastructure delivery;
 - aligned to evident market demand and developer appetite to deliver new housing as shown in revealed market demand signals;
 - related to a more detailed housing trajectory based on individual site commitments or allocations.
125. It is concluded to be a subjective exercise designed to show the possibility and desirability of recovering the shortfall in housing delivery from 2011 to 2016.

20. Is the reference in the policy to the phased delivery applying to allocated sites correct, given the supply includes commitments?

126. Metacre have no comments to add in respect of this Question.

Overall Conclusions on Matter 3

127. Drawing Metacre's response to the various Matter 3 questions together, it is concluded that the Core Strategy is unsound with respect to the objectively assessed housing need and the planned housing requirement.
128. The Plan is not:

- **Positively prepared:** as it fails to establish a planned housing requirement that will meet in full the housing needs of the District and does not establish a positive spatial strategy to provide housing.
- **Justified:** the Plan's OAN and planned housing requirement are not justified by the evidence and analysis. There are significant gaps and deficiencies in the OAN calculation and the lack of sufficient evidence to support the Council's position. These are manifest in the deficiencies identified by Metacre, including:
 - Lack of consideration of the HMA including Boston when there is published evidence indicating that the District cannot be considered as an entirely self-contained HMA in its own right;
 - selection of an OAN based on superseded Household Projections and analysis and conclusions drawn that mis-understand the nature of migration, needs of younger age cohorts and the potential for future economic growth in the District;
 - failure to synthesise economic growth objectives, including disparities in terms of the jobs growth targets with the selected OAN figure;
 - a lack of employment projection or forecasting work to support the Council's conclusions concerning the future scale, growth and characteristics of employment growth;
 - lack of detailed assessment of market signals for the District, the HMA and comparison with wider trends leading to a failure to identify an appropriate adjustment to the OAN to account for evident market signals including price and rental costs, housing affordability issues and a backlog of housing provision that may have suppressed household formation.
- **Effective:** the proposed OAN and planned requirement will not result in an effective plan. The Plan is confused in relation to its evidence base leading to significant uncertainty that the spatial strategy, including the housing requirement, is appropriate or that it will meet the housing needs of the District and the HMA.

- **Consistent with national policy:** the Plan is not consistent with the NPPF in terms of identifying the full objectively assessed housing needs of the HMA nor is the evidence base consistent with regard to the NPPG's guidance on the steps and methods for calculating the OAN. In addition, the evidence base and the Plan also fail to apply respected guidance/advice published by the Local Plans Expert Group with respect to adjustments for market signals.

129. Metacre conclude that the Plan is unsound. The nature and extent of the deficiencies are significant and represent an integral foundation for the whole Plan strategy. On this basis, it is respectfully concluded that the Plan should be withdrawn to allow a comprehensive and compliant OAN to be prepared and a new spatial strategy constructed from this. An early review of the OAN or the planned housing requirement is not considered to be sufficient given the extent of the deficiencies in the Plan's preparation and also given the poor record of the District Council in timely plan-making or housing delivery.

**Appendix 1: East Lindsey District
Housing Needs - Alternative OAN
Assessment
The 'Metacre Report'**



IT'S ALL IN THE DETAIL

METACRE LTD.

East Lindsey District: Objectively Assessed
Housing Needs – Alternative Assessment

June 2017



UNDERSTANDINGDATA

Chilmark Consulting Ltd
T: 0330 223 1510
E: info@chilmarkconsulting.co.uk

chilmarkconsulting.co.uk



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CONSULTING

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1. INTRODUCTION

Overview

- 1.1 In May 2017 Chilmark Consulting Ltd. (CCL) was instructed by Metacre Ltd. to prepare an alternative Objectively Assessed Housing Needs (OAN) analysis and supporting evidence in relation to East Lindsey District.
- 1.2 The alternative OAN analysis has been prepared to explore and test East Lindsey District Council's (ELDC) own published OAN figures and evidence base in support of the draft *East Lindsey Core Strategy* which was submitted to the Secretary of State for public examination in March 2017.
- 1.3 CCL has worked with demographic modelling and evidence experts Understanding Data Ltd. (UDL) to undertake the commission.

Purpose

- 1.4 The purpose of this Report is to evaluate and establish a realistic, objective alternative Objectively Assessed Housing Need for East Lindsey District in accordance with the *National Planning Policy Framework* (NPPF) and the *National Planning Practice Guidance* (NPPG).
- 1.5 The main outcomes of the Report are to:
 - assess the latest 2014-based CLG Household Projections to identify the unconstrained objectively assessed housing needs starting point;
 - examine historical population, household and employment change in the District;
 - use POPGROUP modelling to provide two new alternative demographic and employment-led housing growth scenarios for East Lindsey District;
 - establish and review a range of market signals for the District and consider whether any adjustment to the objective assessed housing need is warranted and required;
 - draw conclusions on the appropriate objectively assessed housing needs range for East Lindsey considering the analysis and modelling undertaken.

Relevant National and Local Policy Context

National Planning Policy Framework – March 2012

- 1.6 The *National Planning Policy Framework* has placed the supply of a mix and choice of housing at the heart of its definition of sustainable development.
- 1.7 The NPPF provides a clear and unambiguous position reflecting the Government's housing delivery and growth agenda. It sets out how achieving sustainable development critically includes meeting housing need and demand.
- 1.8 Paragraph 7 identifies the three dimensions to sustainable development: economic, social and environmental. Within the 'social role', The NPPF establishes the need for:
- “supporting strong, vibrant and healthy communities, by providing the supply of housing required to meet the needs of present and future generations...” (2nd bullet point).*
- 1.9 Paragraph 14, 1st bullet point, describes what the presumption in favour of sustainable development means. For plan-making, it establishes a positive approach:
- “Local planning authorities should positively seek opportunities to meet the development needs of their area”.*
- 1.10 Further clarification is provided through the core planning principles set out at Paragraph 17 of the NPPF. At the 3rd bullet point, it includes the following important requirement that planning should:
- “Proactively drive and support sustainable economic development to deliver the homes, business and industrial units, infrastructure and thriving local places that the country needs. Every effort should be made objectively to identify and then meet the housing, business and other development needs of an area, and respond positively to wider opportunities for growth. Plans should take account of market signals, such as land prices and housing affordability, and set out a clear strategy for allocating sufficient land which is suitable for development in their area, taking account of the needs of the residential and business communities”.*
- 1.11 With regards to housing delivery, the NPPF explains at paragraph 47, 1st bullet point, that, to boost significantly the supply of housing, local planning authorities should:
- “use their evidence base to ensure that their Local Plan meets the full, objectively assessed needs for market and affordable housing in the housing market area, as far as is consistent with the policies set out in this Framework”.*

- 1.12 Paragraph 49 is also of central importance in considering housing provision. It confirms that housing applications should be considered in the context of the presumption in favour of sustainable development and identifies the importance of a continued housing land supply:

“Relevant policies for the supply of housing should not be considered up-to-date if the local planning authority cannot demonstrate a five-year supply of deliverable housing sites”.

- 1.13 Paragraph 50 offers further policy for ensuing:

“the delivery of a wide choice of high quality homes, widen home ownership and create sustainable, inclusive and mixed communities”.

- 1.14 It expects that local planning authorities should, *inter alia*:

“Plan for a mix of housing based on current and future demographic trends, market trends and the needs of different groups in the community” (paragraph 50, 1st bullet point).

Identify the size, type, tenure and range of housing that is required in particular locations, reflecting local demand” (paragraph 50, 2nd bullet point)”.

- 1.15 In terms of the evidence base for housing, paragraph 158 emphasises the importance of the Local Plan being based on:

“adequate and relevant evidence about the economic, social and environmental characteristics of the areas”.

- 1.16 Paragraph 159 reinforces the need for local authorities to have a clear understanding of housing needs and that they should:

“identify the scale and mix of housing and the range of tenures that the local population is likely to need over the plan period”.

- 1.17 The 3rd bullet in paragraph 159 then concludes that this should:

“cater for housing demand and the scale of housing supply necessary to meet this demand”.

National Planning Practice Guidance – March 2014 and as Updated

- 1.18 Following the NPPF, the National Planning Practice Guidance (NPPG) was published in March 2014 (and has been subject to a number of updates since then) as an online resource offering advice and guidance on a range of planning and development matters.

- 1.19 The NPPG supersedes and replaces a range of previous guidance and supplementary documents, including the Strategic Housing Market Assessment Practice Guidance (August 2007) as Section 2a, paragraph 01 identifies.

- 1.20 Section 2a of the NPPG is concerned with housing and economic development needs assessments. Several sub-sections and paragraphs are relevant to the preparation of objectively assessed housing needs through an integrated Housing and Economic Development Needs Assessment (HEDNA) study, as follows.
- 1.21 Paragraph 02 identifies the primary objective of identifying need as:
- identifying the future quantity of housing needed including a breakdown by type, tenure and size;
 - identifying the future quantity of land or floorspace required for economic development uses including both quantitative and qualitative needs for new development; and
 - providing a breakdown of the analysis in terms of quality and location and gaps in the current land supply.
- 1.22 Housing need is defined in paragraph 03 as referring to the scale and mix of housing and the range of tenures necessary in the Housing Market Area over the plan period.
- 1.23 Paragraph 04 confirms that plan-makers should not apply constraints to the overall assessment of need (such as land supply, historic performance, viability, infrastructure or environmental constraints). These are considerations that should be synthesised to establish policies within development plans rather than in the evidence base itself.
- 1.24 The use of the standard methodology set out in the NPPG is supported in paragraph 05 to ensure that assessment findings are transparent. The assessment is to be proportionate and the Guidance in paragraph 06 is clear that work should build upon existing information sources where possible.
- 1.25 The starting point for establishing the need for housing is set out at paragraph 015. This confirms that the Household Projections published by the Department for Communities and Local Government (DCLG) should provide the starting point. At the time of writing, the 2014-based Sub National Household Projections (SNHP) represent the most up-to-date projections available.
- 1.26 The same paragraph identifies that 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. It also advises that the assessment will need to reflect the consequences of past under-delivery of housing and that local authorities should take a view based on available evidence of the extent to which household formation rates are or have been constrained by supply.
- 1.27 Paragraph 017 continues on the issue of adjustments to household projection-based estimates of housing need. This notes that plan-makers may consider sensitivity testing specific to local circumstances; this may include migration levels, or demographic structures that are affected by local circumstances.

- 1.28 The assessment of likely change in employment should be made on the basis of past trends and / or economic forecasts and have regard to the working-age population that is economically active (the labour force supply) according to paragraph 018.
- 1.29 A range of market signals are identified in paragraph 019 and its bullet points. The NPPG guides that the housing need number suggested by household projections should be adjusted to reflect appropriate market signals and indicators of the balance for and supply of dwellings. The NPPG lists relevant signals (a non-exhaustive list) as follows:
- land prices;
 - house prices;
 - rents;
 - affordability;
 - rate of development; and
 - overcrowding.
- 1.30 Paragraph 020 states that appropriate comparisons of indicators should be made against longer term trends (absolute and rates of change) in the Housing Market Area, demographic and economic areas and nationally. Worsening trends in the indicators, the NPPG confirms, will require upward adjustment to planned housing numbers.
- 1.31 Affordability constraints are also dealt with in paragraph 020 which notes that the more significant the affordability constraints and the stronger other indicators of high demand, the larger the improvement in affordability needed and therefore the larger the additional housing supply response should be.
- 1.32 Changes to housing need requirements based on market signals information should be reasonable and consistent with the principles of sustainable development rather than a precise estimate of the impact of individual signals on housing supply requirements.
- 1.33 Paragraph 022 states that once an overall housing need figure has been identified this will need to be broken down by tenure, household type (singles, couples and families) and household size.
- 1.34 Affordable housing needs are considered in paragraphs 022 and 023 and the detailed methodology for their calculation set out in paragraphs 024 – 029 inclusive.

Local Development Plan

- 1.35 The Development Plan for East Lindsey District comprises the adopted *East Lindsey Local Plan* (1995) together with the *Local Plan Alteration* (a formal amendment) adopted in 1999. In September 2007, some policies were removed and others ‘saved’ by direction of the Secretary of State.
- 1.36 The Council is currently preparing a replacement for the adopted Plan through the preparation of the *Core Strategy*. This has been in production for a considerable period, from 2007 onwards, and has recently been

published for submission for public examination by an Inspector appointed by the Secretary of State for Communities and Local Government.

Assumptions and Limitations

- 1.37 The methods used for this Report are desk-based analyses of key population, household, economic and housing market data contained in published housing and related planning documents and analysis of the available policy and evidential base. The method uses this information to draw objective and reasoned conclusions as appropriate.
- 1.38 The Report has been prepared using available data, information and evidence from a variety of national sources including ONS, Valuation Office, Census, DCLG, HM Land Registry and local level information from Lincolnshire Observatory and East Lindsey District Council.
- 1.39 POPGROUP demographic modelling has been prepared for the Report via UDL's access to the model. The input assumptions for the POPGROUP modelling undertaken are set out in the relevant sections of this Report and the modelling has been undertaken on a comparable basis and over the same periods as that prepared for ELDC by their consultants Edge Analytics.
- 1.40 With respect to potential adjustments to the OAN the Report has used guidance set out within the NPPG (referenced above) and advice to Government contained in the Local Plans Expert Group Report *Local Plans Report to the Communities Secretary and to the Minister of Housing and Planning*¹ (March 2016). Appendix 6 of the Report includes detailed advice on OAN matters including how to respond to market signals for adjustments to the base OAN.
- 1.41 The focus of this Report is on the analysis and consideration of alternative objectively assessed housing needs for East Lindsey District and for the alternative scenarios to be comparable (insofar as this is possible) with the work undertaken for the District Council. The Report does not therefore examine the wider HMA which is considered to include Boston Borough in the Coastal Lincolnshire SHMAA (September 2012) (CD4). In addition, any unmet housing needs that may arise in neighbouring local authority areas and which East Lindsey may be expected to accommodate.
- 1.42 Data sources and assumptions/limitations are recorded for each element of the analysis as appropriate within the relevant sections of the Report.

¹ <https://www.gov.uk/government/publications/local-plans-expert-group-report-to-the-secretary-of-state>

Structure of Report

- 1.43 Following this introduction, the Report is structured into five further sections that develop the analysis, evidence and conclusions as follows:
- **Section 2:** sets out in summary the District Council's objectively assessed housing needs position and the evidence base it relies upon;
 - **Section 3:** looks at the historic population, household growth and economic situation in East Lindsey;
 - **Section 4:** provides alternative demographic and employment-led housing growth scenarios for East Lindsey based on the 2014-Sub National Household Projections.
 - **Section 5:** examines the need for other potential adjustments to the OAN in relation to housing delivery backlog, market signals and affordability issues;
 - **Section 6:** brings the Report together drawing relevant conclusions on the alternative objectively assessed housing needs in East Lindsey District.
- 1.44 The Report is supported by the following technical appendices:
- **Appendix A:** House Sales data for East Lindsey District;
 - **Appendix B:** House Sale Prices Maps for East Lindsey District; and
 - **Appendix C:** Demographic and Employment-led Housing Growth Scenario modelling assumptions.

2. EAST LINDSEY DISTRICT'S POSITION

Introduction

- 2.1 This section sets out a summary analysis and critical review of East Lindsey District Council's position with respect to demographic, economic and housing growth.
- 2.2 The deficiencies and concerns highlighted in this section form a clear rationale and basis for developing and adopting more realistic alternative scenarios of change to inform the official starting point for the calculation of East Lindsey's objectively assessed housing need.

The District Council's Evidence

- 2.3 The *East Lindsey Core Strategy Submissions Modifications Draft* (CD107) has been submitted to the Secretary of State on 18th April 2017 for Examination.
- 2.4 A summary of the key evidence that the Council has used is provided below. This highlights some flaws in both their understanding of the key trends and challenges facing the area, the Council's lack of response to key issues identified by their own evidence, and a significant weakness in the council's approach towards future economic prosperity.
- 2.5 The District Council's evidence of housing needs is contained in several separate documents and reports, briefly reviewed in the following sub-sections.

Strategic Housing Market Assessment, September 2012 (CD4 and CD5)

- 2.6 The 2012 Strategic Housing Market Assessment (for Coastal Lincolnshire, covering Boston Borough and East Lindsey as part of the same HMA) by consultants ORS set out the following future housing requirements:
- 2010-2031 Constrained to RSS Dwelling Delivery East: **12,500 (595 per annum)**; and
 - 2010-2033 Unconstrained 2008 based Household Projections East Lindsey: **21,800 (948 per annum)**.

Strategic Housing Market Assessment Update, January 2014 (CD6)

- 2.7 The *Strategic Housing Market Assessment Update* (January 2014) report for East Lindsey District followed the production of new household projections for the period 2011-2031. The report was produced by Edge

Analytics for the District Council and set out in the *Demographic Forecasts for East Lindsey: Updating the Evidence* (November 2013²).

- 2.8 The key analysis and findings of the SHMA Update were as shown in Table 2.1 below.

Table 2.1: SHMA Update, 2014 – Dwelling Requirements, East Lindsey District

Scenario	Headship Rate	Dwelling requirement (2011-2031)	Dwellings per Annum
5 Yr Migration	2011	1,700	85
10 Yr Migration	2011	7,900	395
10 Yr Housing Completions	2011	10,800	540
SNPP 2010	2011	14,000	700
5 Yr Migration	2008	2,500	125
10 Yr Migration	2008	8,800	440
10 Yr Housing Completions	2008	10,800	540
SNPP 2010	2008	15,300	765

Source: Section 2, SHMA Update 2014, ORS

Updating the Demographic Evidence, 2015 (CD9)

- 2.9 The *Updating the Demographic Evidence* (2015) report prepared for the Council by Edge Analytics used the latest available 2012 based population and household projections, published by ONS and CLG respectively.
- 2.10 It set out an assessment of housing needed for the following scenarios, and modelled household formation rates from the 2008 based, the 2012 based projections, and a mid-point of the two. This was an attempt to balance the difference in levels of household formation between the two most recent full period available national projections.

Table 2.2: Average Annual Dwelling Requirement (2011–2037)*

Scenario	2008 based HFR	2012 based HFR	Mid Point /Average
PG 10 Yr **	499	462	481
10 Yr housing completions	471	469	470
SNPP 2012	444	413	428
PG 5 Yr ***	269	231	250

Source: Extracted from *Updating the Demographic Evidence*, Edge Analytics, 2015

² This report is referenced in the SHMA Update (2014) but not published on the East Lindsey emerging Core Strategy list of evidence:

<http://www.e-lindsey.gov.uk/article/2297/Chapter-02-Evidence---A-Sustainable-Pattern-of-Places-Growth-and-Housing>

* expressed as an annual average but drawn from data for a longer period (2011-2037)

** updated equivalent to 10 year migration in the 2013 Edge report and 2014 SHMA Update

*** updated equivalent to the 5 year migration scenario in the 2013 Edge report and the 2014 SHMA update

Demographic Forecasts Updating the Evidence Final Report, 2016 (CD10)

- 2.11 Edge Analytics prepared a further update for East Lindsey in late 2016, to incorporate the latest 2014 based CLG Household Projections.
- 2.12 The comparable data from this update³ is found in Table 9 of the *Demographic Forecasts Updating the Evidence, Final Report* (2016) replicated in Table 2.3 below.

Table 2.3: Dwelling Growth Outcomes using Variant Headship Rates, 2016–2031

Scenario	2008 based HFR	2014 based HFR
10 Yr Dwelling Completion*	474	474
SNPP 2012	492	453
PG 10 Yr	466	425
SNPP 2014	425	381
PG 5 Yr	378	334

Source: Extracted from *Demographic Forecasts: Updating the Evidence, Edge Analytics, 2016*

*updated equivalent to 10 year housing completions scenario used in earlier work

- 2.13 The Report concluded at paragraph 7.17:

“Population ageing and the retention of young adults is a key issue for East Lindsey. The next 20 years will see a natural reduction in the size of the resident labour force as the larger birth cohorts of the 1950s and 1960s move beyond retirement”.
- 2.14 The retention of young people is a critical issue. The District Council were given a clear challenge of the importance for the Plan to look to the future of the area and particularly to ensure that younger households and individuals are effectively accommodated.

East Lindsey Core Strategy: Housing Topic Paper (CD15)

- 2.15 The *Housing Topic Paper* (November 2016) (published as part of the District Council’s Core Strategy evidence base) sets out the Council’s

³ the Plan period is used 2016-2031, not the earlier 2015 equivalent of 2011-2037

approach to establishing the objectively assessed housing needs of the District.

2.16 It does not, however meaningfully distinguish between objectively assessed need and the subsequent planned housing requirement target. Market signals are not suitably assessed and although there is a section that looks to assess the economic impact of housing, this does not set out an economic or a job led scenario of *population and household change*.

2.17 In summary, the Housing Topic Paper:

1. Fails to address the challenge set out by Edge Analytics in their 2016 update about the retention of young adults;
2. Acknowledges the issue of a gap between future workforce and jobs, stating at paragraph 4.2 that “however, even taking this into account, there is still likely to be a gap between the stock of jobs in East Lindsey and the number of economically active residents that are available to fill them in the future”;
3. Assumes more housing will lead to more older people in paragraph 4.3;
4. References supporting evidence in the East Lindsey Economic Baseline Report (2016) (CD42) which identifies that the Council will “directly support its ambitious target of large scale intervention in the economy to avoid an economy which remains a low wage and low skill” at paragraph 4.5. However, the associated job target linked to this ‘economic’ scenario (**240** jobs per year) is not directly referenced or assessed in the Housing Topic Paper in the section that considers the job implications of the demographic scenarios;
5. Notes in paragraph 4.1 “a decline in the working age population” but does not go on to discuss that the *Economic Baseline Report* estimates a deficit of at least **8,400** between the expected working age population by 2030 and the expected level of jobs at Table 6.7 on page 80;
6. Indicates clearly at paragraphs 4.1, 6.4 and 9.1 that population growth is fuelled by in-migration of older people. Paragraph 7.12 then notes that “*in-migration being the main driver of population growth appears to be increasing again after a downward sharp fall during the period of the recession; this could lead to house sales and completions rising again to pre-recession levels over the plan period*”. This potential higher growth scenario has not been addressed further or modelled in establishing the objectively assessed housing needs of the District.
7. Ignores the 2014 based projections completely, and the latest Edge Analytics work (CD10) relying on a figure 481, as a starting point which is solely sourced as the mid-point between the 2008 and 2012 household formation rates for the PG 10 Yr scenario from the Edge Analytics 2015 work (CD9).

2.18 The *Housing Topic Paper* sets out the target as **481** dwellings per annum, based on its conclusions at paragraph 2.28 that:

“given the population growth of the District is driven mainly by in-migration the most appropriate scenario to meet the District’s housing needs for the plan period is considered to be PG-10yr, which is a 10 year migration scenario. This maintains the assumption that growth will continue to be fed by in-migration. Taking this at an average with the 2008 based headship rate gives a District wide target of 481 homes per year or 7,215 homes over the plan period”.

Conclusions on the District Council’s Housing Needs Evidence

2.19 Cumulatively the District Council’s use of its evidence base, and its own *Housing Topic Paper* have four areas of significant concern for Metacre:

- the lack of a positive response to the stated economic aspiration and the challenge to actively plan for retention of younger people within the District;
- the lack of specific East Lindsey analysis of future economic performance, or the impact of any ‘policy on’ economic plans on housing need;
- acknowledgement, but a lack of response and planning for the return of housing and economic growth to pre-recession levels;
- the lack of a transparent and comprehensive OAN calculation process.

2.20 The Inspector appointed to conduct the Core Strategy Examination has identified several concerns and in the *Examination Matters, Issues and Questions* (ED010) (26th May 2017) requested the following new explanatory material from the District Council:

“The Council should produce a concise and focused summary paper explaining how the OAN has been established in line with the Planning Practice Guidance on ‘Housing and economic development needs assessments’, including:

- *the justification for the HMA and then:*
- *the base date for establishing OAN*
- *the starting point – Government household projections (para 15 of PPG)*
- *any adjustment due to factors affecting local demography and household formation rates which are not captured in past trends (for example, where formation rates may have been suppressed historically by under-supply and worsening affordability of housing and the extent to which household formation rates may have been constrained by supply. (para 15 of the PPG)*

• any adjustments based on specific local circumstances based on alternative assumptions in relation to underlying the demographic projections and household formation rates, for example relating to migration levels and demographic structure (para 17 of the PPG)”.

2.21 The District Council has therefore failed to address the correct procedure in setting out an OAN, has not sufficiently assessed the economic implications of its own and the LEP growth agenda for an acknowledged economically under-performing area and has not adequately assessed market signals.

2.22 The concerns of the Core Strategy Inspector are noted in this regard and Metacre’s own, alternative assessments of these areas are presented in subsequent sections of this Report.

2.23 This Report sets out a justification and rationale for two alternative housing growth scenarios, both designed and produced using POPGROUP software, which test out the issues highlighted in the bullet points (para 2.19) above, namely:

- a **Demographic-led Housing Growth Scenario (DHGS)** modelling a return to pre-recession (2001-2010) levels of population and household growth; and
- an **Employment-led Housing Growth Scenario (EHGS)** modelling the impact of a net jobs target of +300 new jobs per year in East Lindsey.

3. HISTORIC CONTEXT

Introduction

- 3.1 This section considers the historic population, household growth and employment context for East Lindsey is summary. It provides a useful background to the position that the District Council has taken and also offers some greater insight into the prevailing trends and issues for the District in the past.

Approach to the Housing Market Area

- 3.2 While it is not the purpose of this Report to consider the wider Housing Market Area in detail, it is clear that East Lindsey District Council's approach to the appropriate Housing Market Area is not entirely clear and not completely consistent.
- 3.3 The 2012 *Strategic Housing Market Assessment* (CD 4) was carried out in partnership with Boston Borough Council and the Central Lincolnshire local authorities of North Kesteven, West Lindsey and the City of Lincoln. This links Boston and East Lindsey as a local Housing Market Area. Figure 7 (page 17) of that SHMA document implied a degree of cross border need between Boston and East Lindsey. There is a further suggestion of housing in East Lindsey meeting need in Lincoln (paragraph 2.27).
- 3.4 Beyond the 2012 SHMA analysis however there is very little further evidence or analysis of the District's position within a wider Housing Market Area and the *Core Strategy* (nor its evidence base) does not confirm the extent to which there may be cross-boundary housing issues or whether there is any unmet housing need arising that East Lindsey may need to help accommodate.
- 3.5 As noted above, however, for the purposes of this Report in establishing alternative an OAN figure and range for East Lindsey, the wider HMA and the extent to which the District forms part of such a wider area are not issues that are examined in further detail.

Population Change

- 3.6 Since 1991 population change across East Lindsey and neighbouring authorities has varied as Table 3.1 shows.

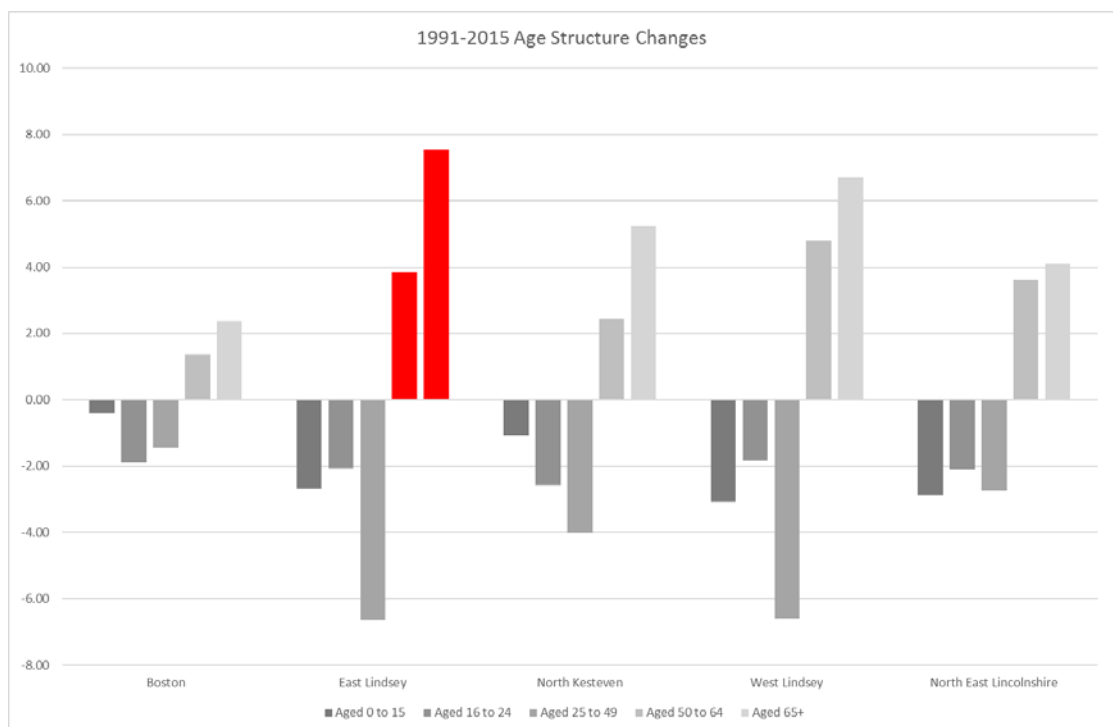
Table 3.1: Population Change, 1991 – 2015, East Lindsey and Neighbouring Districts

	1991	2015	1991-2015 Change	%
North Kesteven	80,019	111,876	31,857	40
South Kesteven	109,524	138,909	29,385	27
Boston	53,333	66,902	13,569	25
West Lindsey	76,500	92,812	16,312	21
East Lindsey	117,697	137,887	20,190	17
North Lincolnshire	152,907	169,820	16,913	11
Lincoln	84,016	97,065	13,049	16
North East Lincolnshire	161,039	159,570	-1,469	-1

Source: ONS Mid-Year Population Estimates published on <http://www.nomisweb.co.uk>

- 3.7 As Table 3.1 demonstrates, the population of East Lindsey has grown by **17%** over the 1991 - 2015 period. Alongside this overall population change, the age structure of the wider area has changed as well as Figure 3.1 highlights.

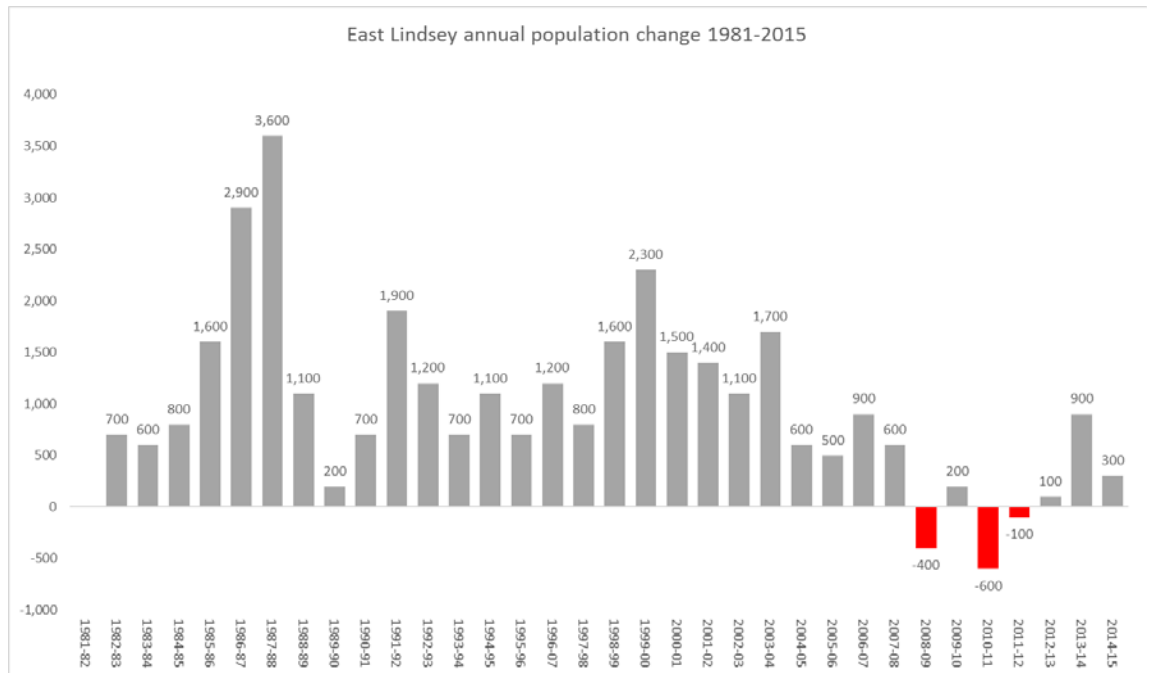
Figure 3.1: Age Structure Components of Population Change, 1991 – 2015 % Change



Source: ONS Mid-Year Population Estimates

- 3.8 The older population (50+ years) has grown in East Lindsey, at higher rates than evidenced in neighbouring authorities. All the areas have lost a share of the younger age groups over time however.
- 3.9 Figure 3.2 sets out the annual population change for East Lindsey District in greater detail.

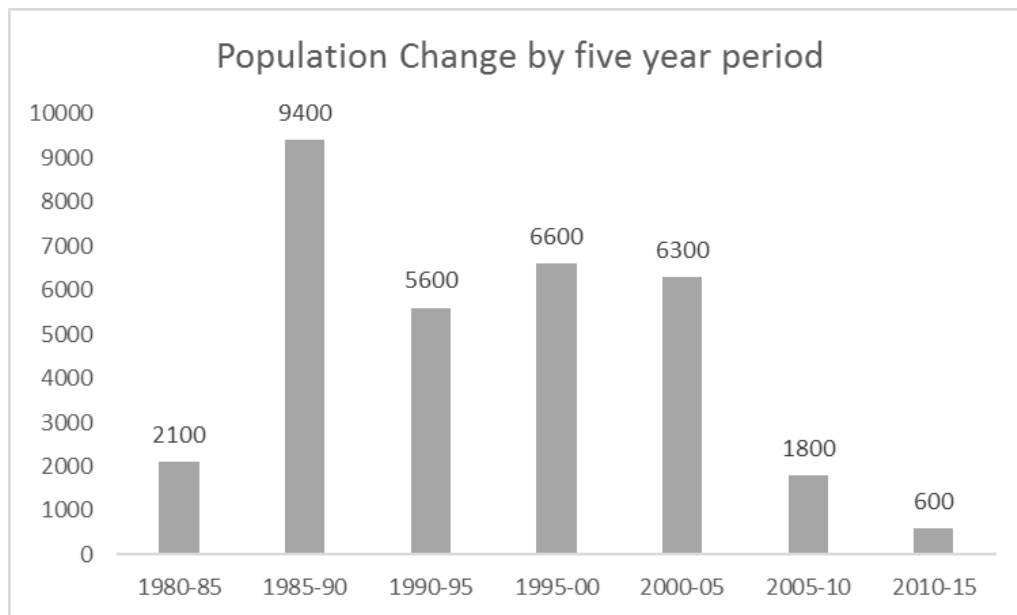
Figure 3.2: East Lindsey Annual Population Change, 1981 - 2015



Source: ONS Mid-Year Population Estimates

- 3.10 Figure 3.2 shows that while growth peaked in the 1986 - 1988 period, there was a more recent significant period of sustained growth covering the period 1998 until 2004. Recent recession driven change has seen some population decline in 2008 - 2009 and 2010 - 2012.
- 3.11 It is possible to categorise this annual change into five year periods as Figure 3.3 below sets out.

Figure 3.3: Population Change in 5 Year Periods



Source: ONS Mid-Year Population Estimates

- 3.12 From a peak of population growth between 1985 –1990, population growth from 1990 - 2005 was consistent, averaging over **1,000** people per annum, within these five-year bands. Clearly the period since 2010 is not representative of this longer term underlying trend.

Response to the District Council’s evidence – Basing the projections on a pre-recession growth period to assess the area’s capacity for higher growth

The Core Strategy correctly considers a longer reference period than the 5/6 years of data that sits behind the 2014 SNPP/SNHP⁴. The Core Strategy preferred scenario is Edge Analytics’ PG 10 year. The reference period (with a focus on internal migration) for this scenario is 2005/06 - 2014/15.

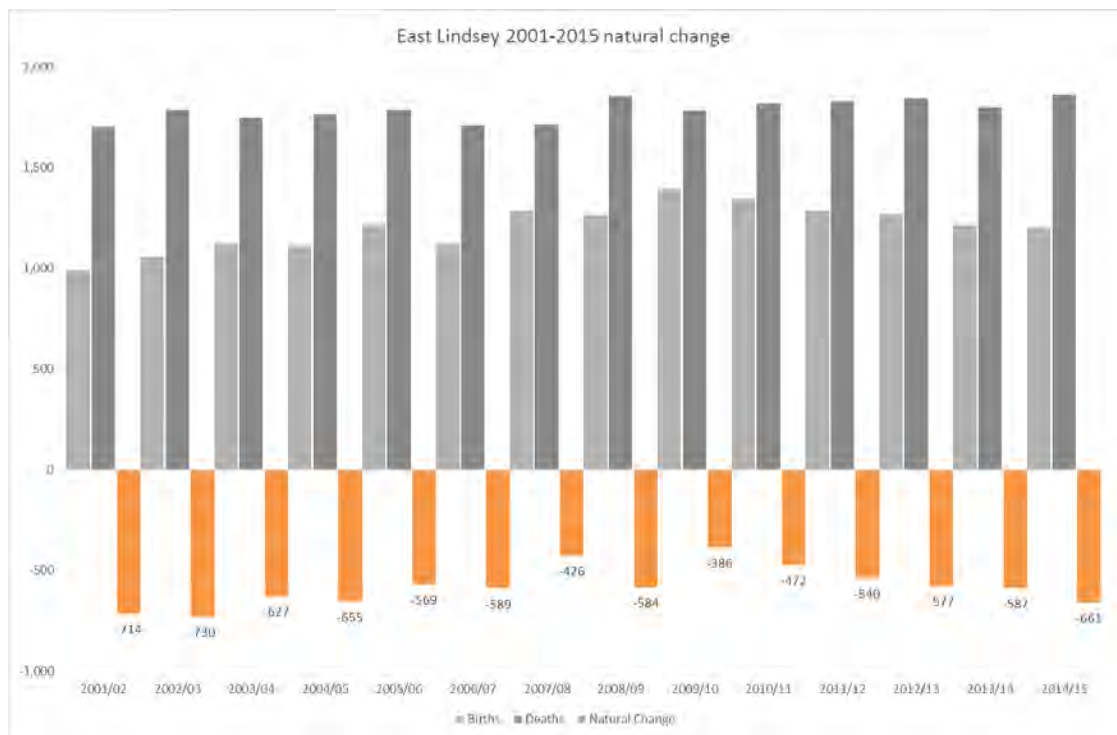
The Core Strategy’s housing target (the starting point of the OAN assessment) therefore is predicated on historically low levels of population growth over the period 2005-2015 (Figure 3.3 above) which exhibits the **lowest two five year periods** of population change, in the last 35 years. Not including the levels of growth from 2000 - 2005 appears to be a considered omission on behalf of the Council. The Edge Analytics report (CD10) in Table 6 shows clearly the uplift impact that considering a longer term reference period, in this case 2001/02-2013/14 has on internal migration. The dampening and atypical nature of the period influenced by the recession, warrants investigation of a pre-recession growth scenario.

⁴ The 2012 Sub National Population Projections have a 2007-2012 reference period, the 2014 based projections have a 2009-2014 reference period.

Components of Population Change – Natural Change

3.13 Further examination of the 2001-2015 ONS mid-year Population Estimates highlights the key components of population change.

Figure 3.4: Components of Change - Natural Change in East Lindsey Population, 2001 - 2015

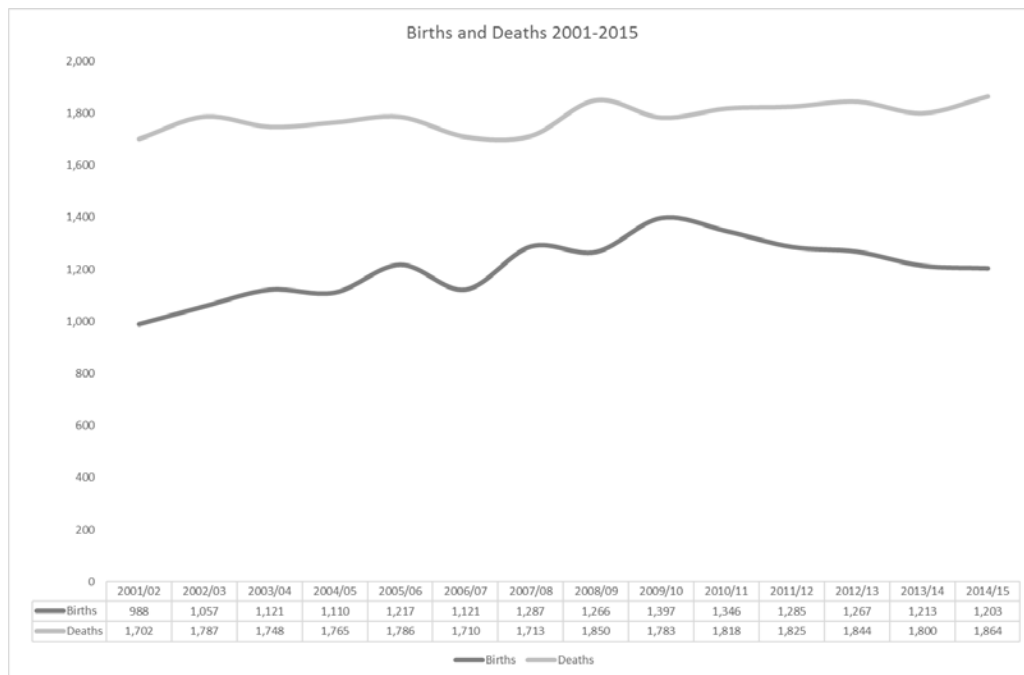


Source: ONS Mid-Year Population Estimates

3.14 The prevailing trend for natural change has remained negative since 2001 as Figure 3.4 shows, and so natural change (the balance of births and deaths) acts as a brake on overall population change. 2009-2010 represented the smallest level of net change, at **-386**.

3.15 Births were increasing until around 2009, but have reduced since that period. This may be linked to increased level of young adult out migration, for either work or study. Figure 3.5 below shows the levels of births and deaths recorded in the District over the period 2001/2 to 2014/15.

Figure 3.5: Births and Deaths, East Lindsey District, 2001 – 2015



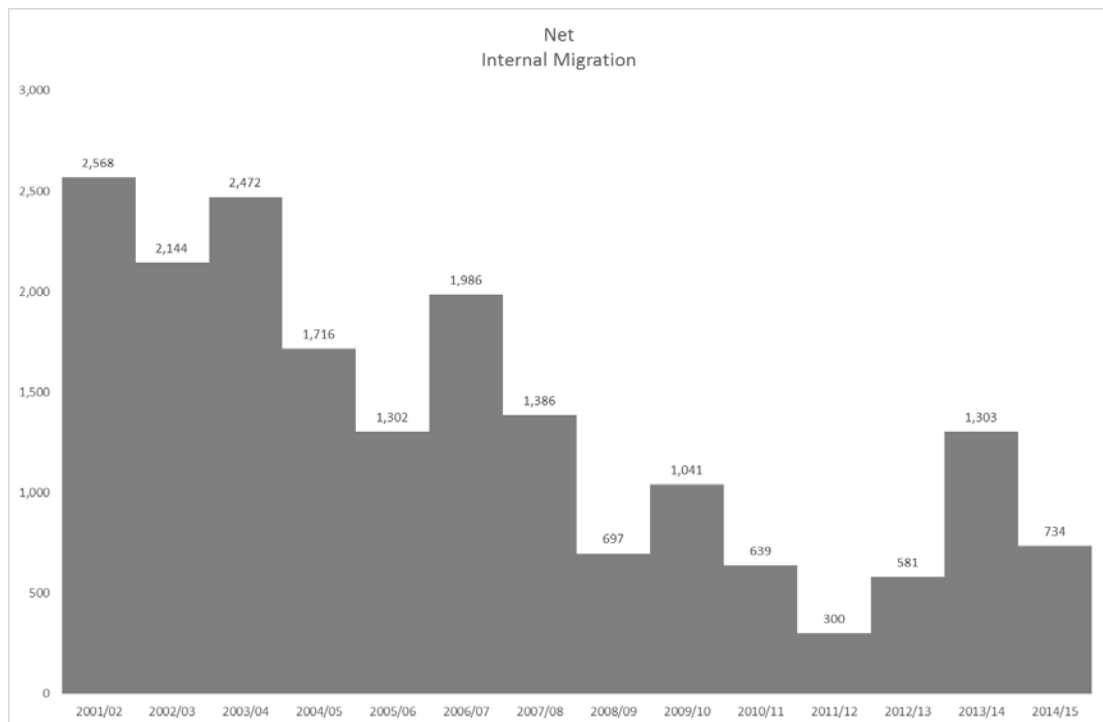
Source: ONS Mid-Year Population Estimates

- 3.16 If the Council took a considered position to ensure that conditions in terms of both housing availability and economic investments were undertaken expressly to ensure that more younger people were retained, or attracted to the area, there may well be a future increase in the number of births.
- 3.17 The number of deaths have remained constant, against the context of a growing population and growing share of older people.

Components of Population Change – Domestic Migration

- 3.18 The following sub-section deals with flows of people in and out of East Lindsey, where the origin or destination is elsewhere in the UK.

Figure 3.5: Net Internal Migration, East Lindsey District, 2001 - 2015

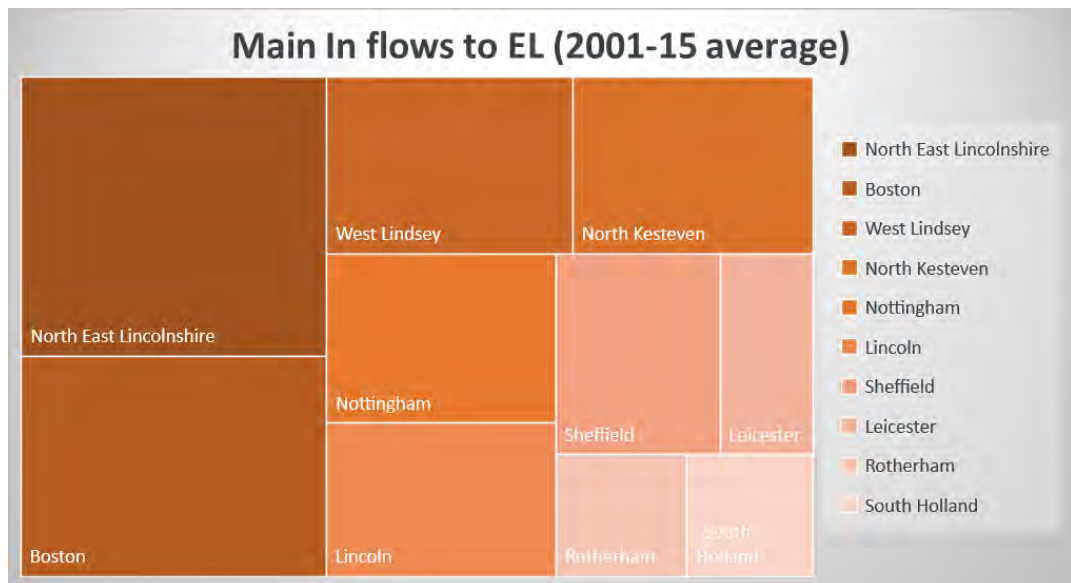


Source: ONS Mid-Year Population Estimates

- 3.19 As the main driver of population change, it should be expected that levels of net internal migration will have fallen in a similar pattern to overall population change as Figure 3.5 above shows.
- 3.20 Net migration was consistently above 1,300 from 2001 to 2008. The seven years after 2008 represent far lower values than the preceding years. This explains the falling growth projected in recent sub national projections, as the reference periods for these pick up and reflect the changes in actual growth levels in East Lindsey. It calls into question the robustness of using only the recent years as the main factor used to drive future projections, especially given the District Council’s comment⁵ that growth could return to pre-recession levels.
- 3.21 East Lindsey has clear migration relationships with neighbouring authorities, but also clear flows with wider regional urban centres. The following figures 3.6 and 3.7 highlight relationships with other authorities, showing proportionally scaled flows between around 100 people to 500 people, per year. Table 3.8 summarises that main in and out flows for the District.

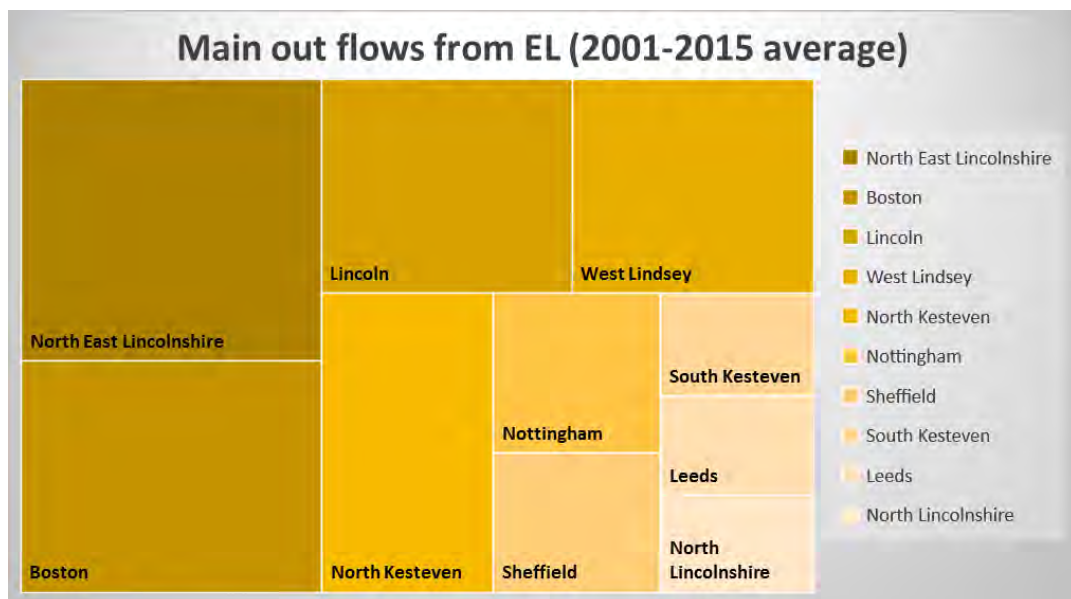
⁵ Housing Topic Paper, paragraph 7.12

Figure 3.6: Average Migration In-Flow to East Lindsey, 2001 - 2015



Source: ONS Migration flow data

Figure 3.7: Average Migration Out-Flow from East Lindsey, 2001 - 2015



Source: ONS Migration Flow Data

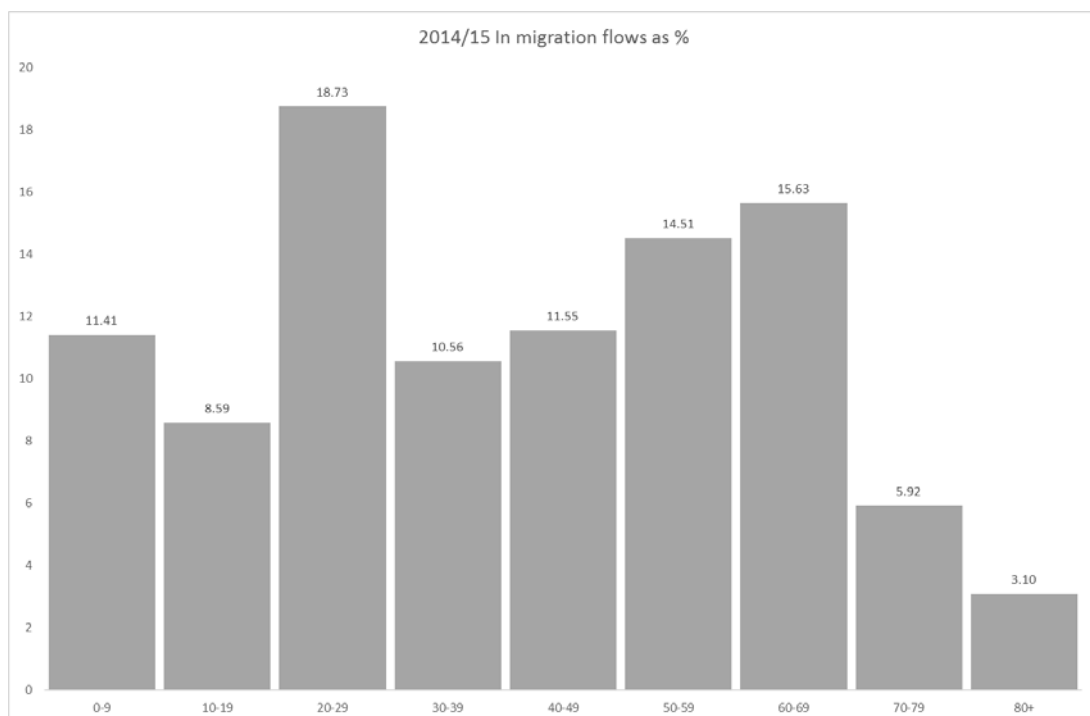
Table 3.2: Average Migration Flows, East Lindsey District 2001/02 to 2014/15

Main Inflows		Main Outflows	
North East Lincolnshire	554	North East Lincolnshire	520
Boston	438	Boston	427
West Lindsey	282	Lincoln	329
North Kesteven	275	West Lindsey	317
Nottingham	252	North Kesteven	315
Lincoln	228	Nottingham	164
Sheffield	214	Sheffield	143
Leicester	121	South Kesteven	96
Rotherham	104	Leeds	93
South Holland	99	North Lincolnshire	91

Source: ONS Migration Flow Data

- 3.22 Turning to in-migration flows, and using the latest available data for 2014/15, it is possible to see the share of total in migration by 10 year age band.

Figure 3.8: Age Structure of In-Migration Flow to East Lindsey, % of Total In-Migration, 2014/15



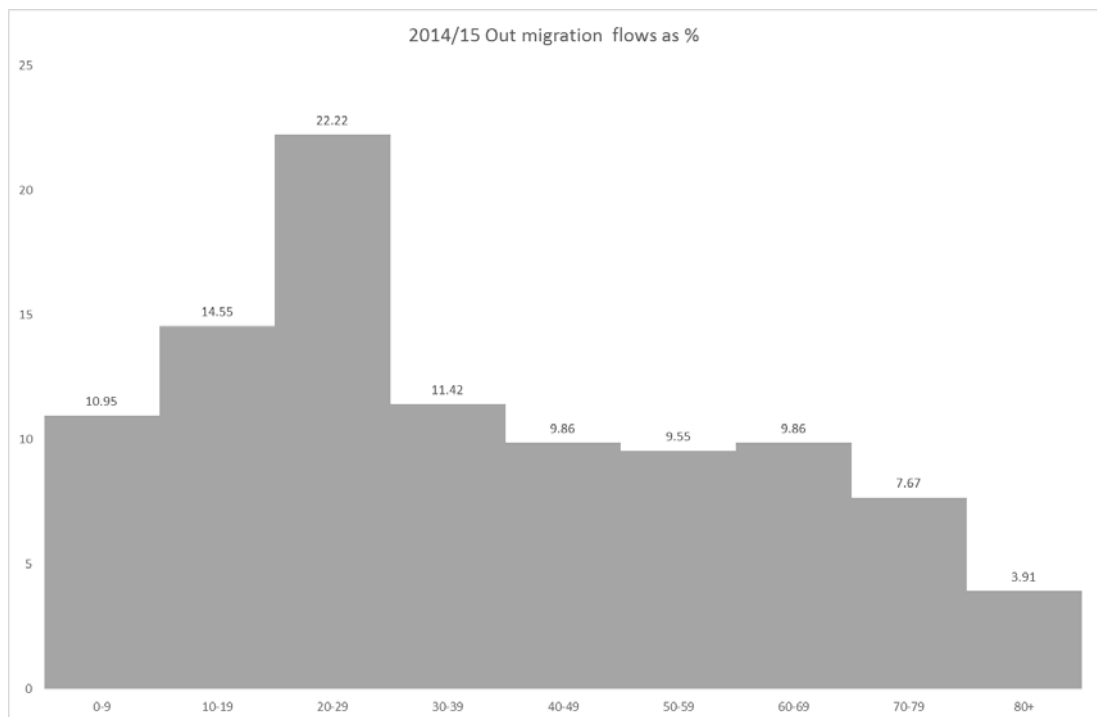
Source: ONS Components of Change

- 3.23 The largest in flow by age group is 20-29 year olds. **49%** of in-migration is under 40 years of age, rising to **60%** for those under 50 years. This is a fundamentally different position from the District Council's assertion and claim that East Lindsey's population is being driven by older people

moving in⁶. In-migration is largely characterised by population growth from those of working age.

- 3.24 Turning to out-migration from the District, Figure 3.9 below shows the age-structure proportions of the total 2014/15 out-flow.

Figure 3.9: Age Structure of Out-Migration Flow from East Lindsey, % of Total In-Migration, 2014/15



Source: ONS Components of Change

- 3.25 Out-migration from the District is skewed around younger people leaving for work or study. There are likely to be issues around the availability of suitable jobs, services and homes that are major factors in this. Edge Analytics⁷ raised this as a key challenge to the Council.
- 3.26 The *East Lindsey Economic Baseline* (2016) (CD42) is clear on the challenge the lack of retention of younger people creates at page 95 where it states:

“the decline in skills among the working age population in East Lindsey is exacerbated by the ‘brain drain’ of young people to higher education institutions elsewhere. Many who leave Lincolnshire to study at university do not return, and instead seek to progress their careers in areas with a broader range of employment opportunities. To access further education, young people must commute out of the District to colleges in Boston, Grimsby and Lincoln. The lack of locally available

⁶ Housing Topic Paper at paragraph 4.1

⁷ Edge Analytics (2016) CD10 Para 7.17

post-16 provision, outside of the school sector, restricts the opportunity for young people to improve their skills and, in turn, gain skilled and well paid employment. There is, therefore, a need to widen access to further and higher education provision locally, and explore better connectivity to places with FE/HE provision”.

3.27 The Core Strategy should be positively responding to this challenge.

Response to the Council’s Evidence – the role of older people migration in driving population change

The Council claim⁸ if housebuilding was higher (than the **481** planned OAN housing target) this would inevitably lead to more older people in the area, as a result of migration flows. This is not evidenced and seems to be based on a misunderstanding of the relationship between ageing and migration flows.

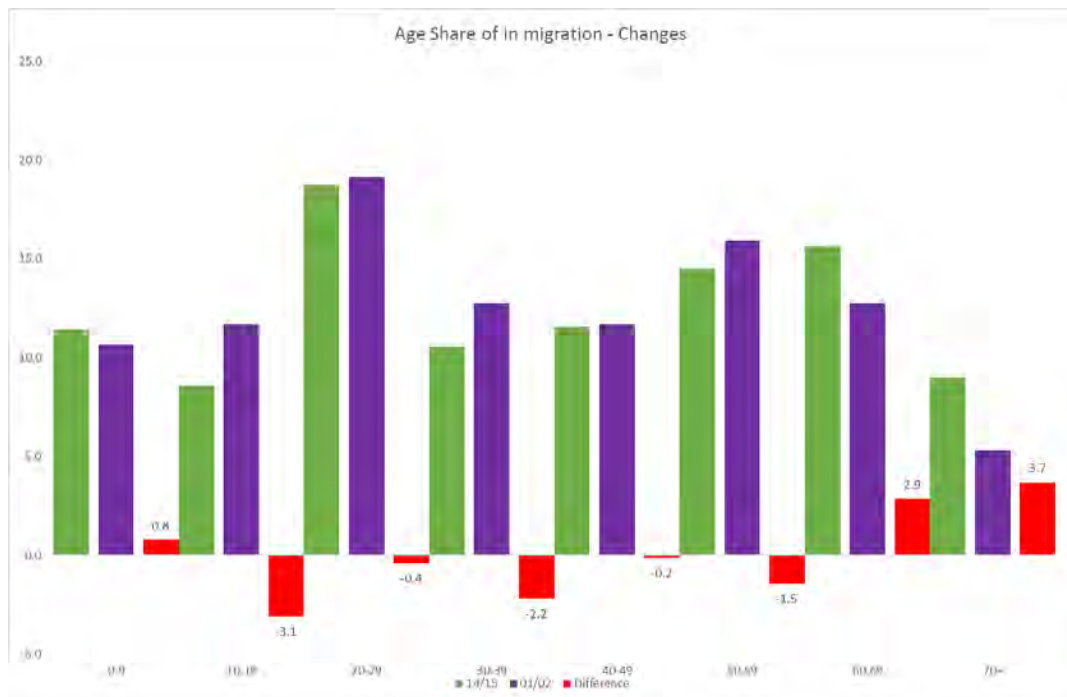
It is possible to investigate this claim by exploring the age make up of migration across different time periods.

This data is set out below in Figure 3.10. It clearly shows that increased levels of migration (from 2001/02 where net migration was plus 2,500) did not have a greater focus on older people.

The Council misunderstands both the history and possible future outcomes around this issue. The District’s population grows due to a set of complex relationships between natural change (currently negative) and migration. However, although East Lindsey has a greater share of older people, this is not just driven by in-migration.

⁸ <http://www.e-lindsey.gov.uk/CHttpHandler.ashx?id=6913&p=0> Response to HBF representations Page 18

Figure 3.10: Age Share of Domestic In-Migration to East Lindsey District



Source: ONS Migration Components of Change

- 3.28 The purple bars in Figure 3.10 above show the age share of in-migration flows from 2001/02. This was higher for 10-19, 20-29, 30-39 and 40-49 age groups. There was a clearly higher share of older in migration in 2014/15 (60-69 and 70+) shown by the green bars.
- 3.29 It is entirely likely that if growth returns to previous levels, and that if this is accompanied by investments in both skills and training, HE and FE infrastructure and access, higher skilled jobs and initiatives to improve wage levels⁹ then higher levels of growth would be driven by a more balanced migration profile.

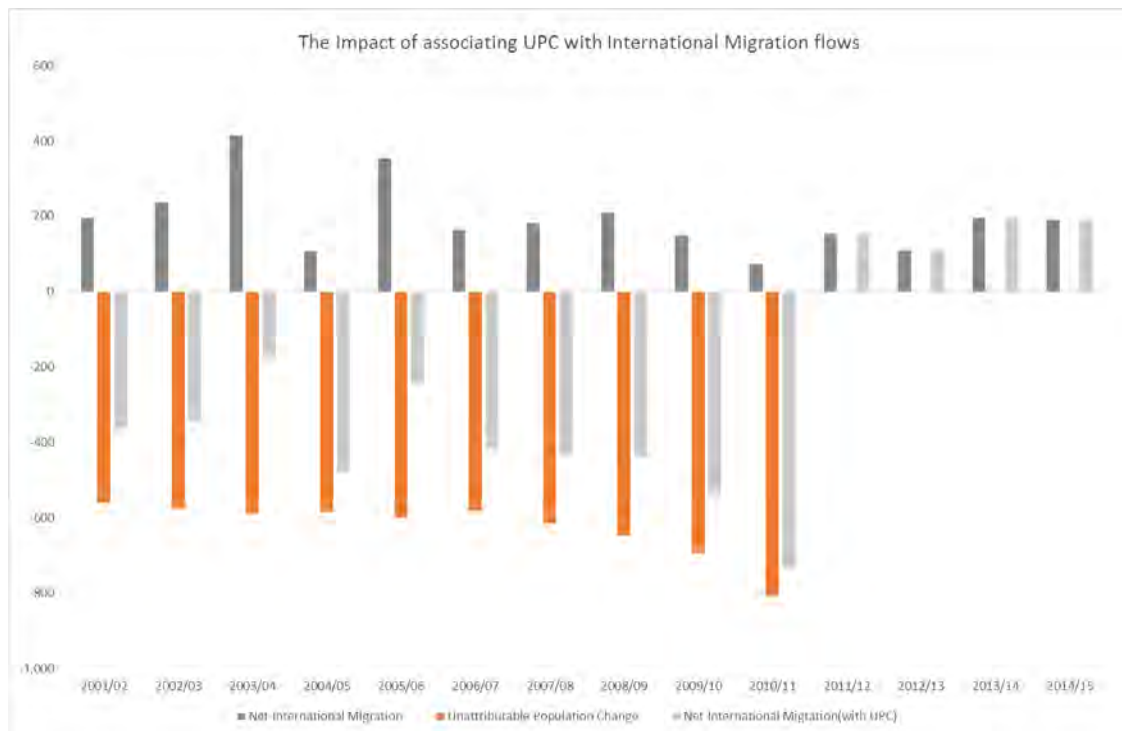
Components of Population Change – International Migration

- 3.30 International migration has contributed to positive population change in recent years. The Edge Analytics latest report (CD10) discussion on U-attributable Population Change (UPC¹⁰) is supported as a reasonable explanation for the likely relationship of UPC and international migration.

⁹ East Lindsey Economic Action Plan as set out in the Housing Topic Paper at page 19

¹⁰ Edge Analytics (2016) CD 10 at paragraphs 2.9 - 2.18 inclusive

Figure 3.11: Impact of Associating UPC with Net International Migration Flows, East Lindsey District 2001 - 2015



Source: ONS Mid-Year Population Estimates

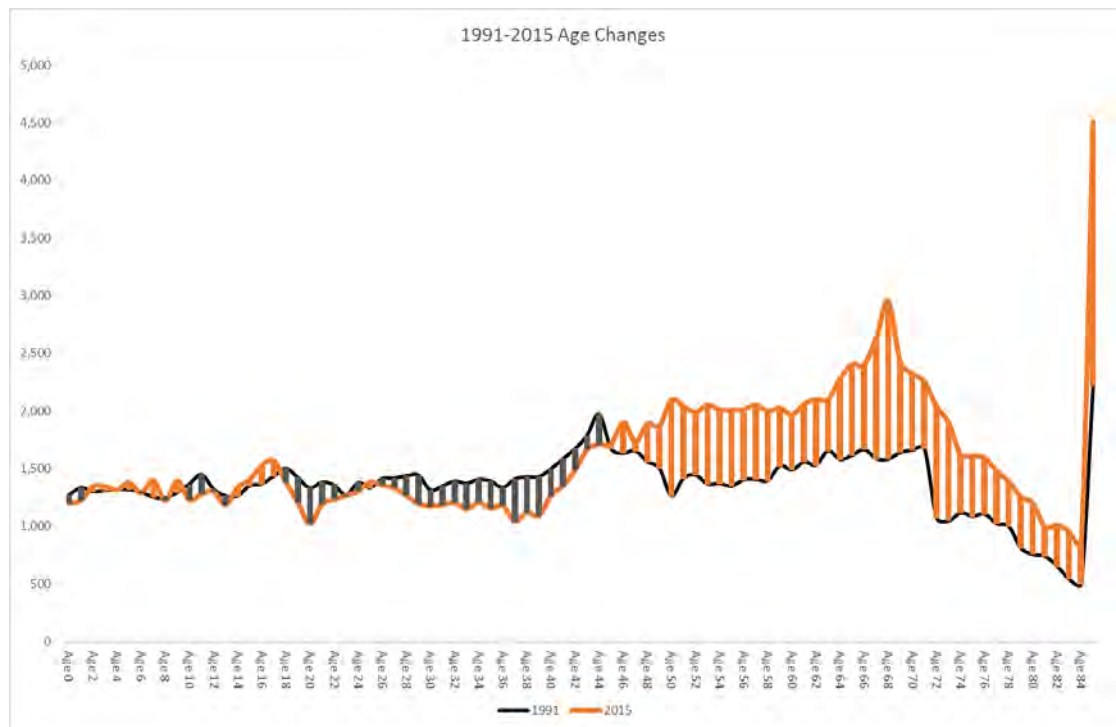
- 3.31 Figure 3.11 shows that international migration flows are much lower in scale overall, (when compared to internal migration) and since 2011 have shown a modest annual increase.

Changing Age Structure

Historic Change

- 3.32 Figure 3.12 shows the changing age structure of East Lindsey District in the period from 1991 to 2015. The vertical orange lines in the Figure show where there are more people in each age group in 2015 and the black vertical lines highlight where there were more people in 1991.
- 3.33 There have already been some clear changes to the age structure of East Lindsey. There are less people in their 20s to 40s in 2015 compared with 1991 and significantly more aged 50+.

Figure 3.12: Historic Age Change, East Lindsey 1991 - 2015

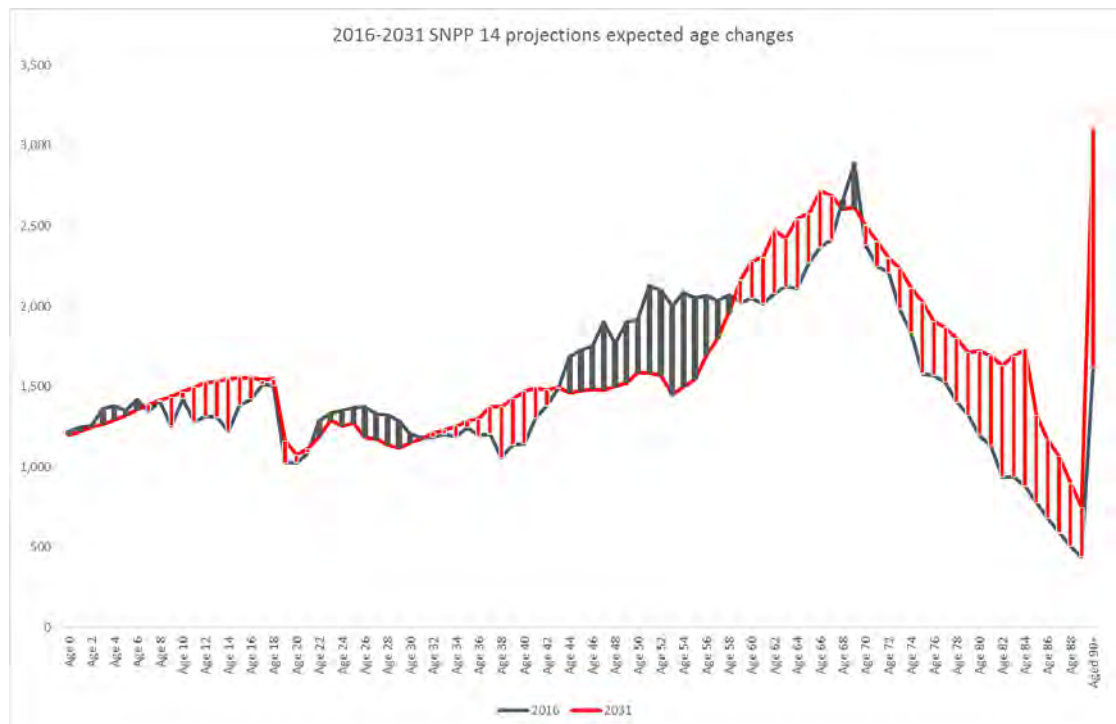


Source: ONS Mid-Year Population Estimates

Projected Change in Age Structure

- 3.34 In Figure 3.13, the future projected age structure changes are shown, based on 2014-based Sub National Population Projections data.
- 3.35 The vertical red lines show where there are more people in each age group in 2031, and the black vertical lines show where there were more people in 2016.
- 3.36 The projected changes for East Lindsey are stark. There will be less people aged in their 20s, 40s, 50s and significant increases in the 70 + population, albeit with some increases in those aged 10 – 18 years and in the 32 – 42 ages as well.

Figure 3.13: Projected Age Change, East Lindsey 1991 - 2015



Source: 2014-based Sub National Population Projections, East Lindsey

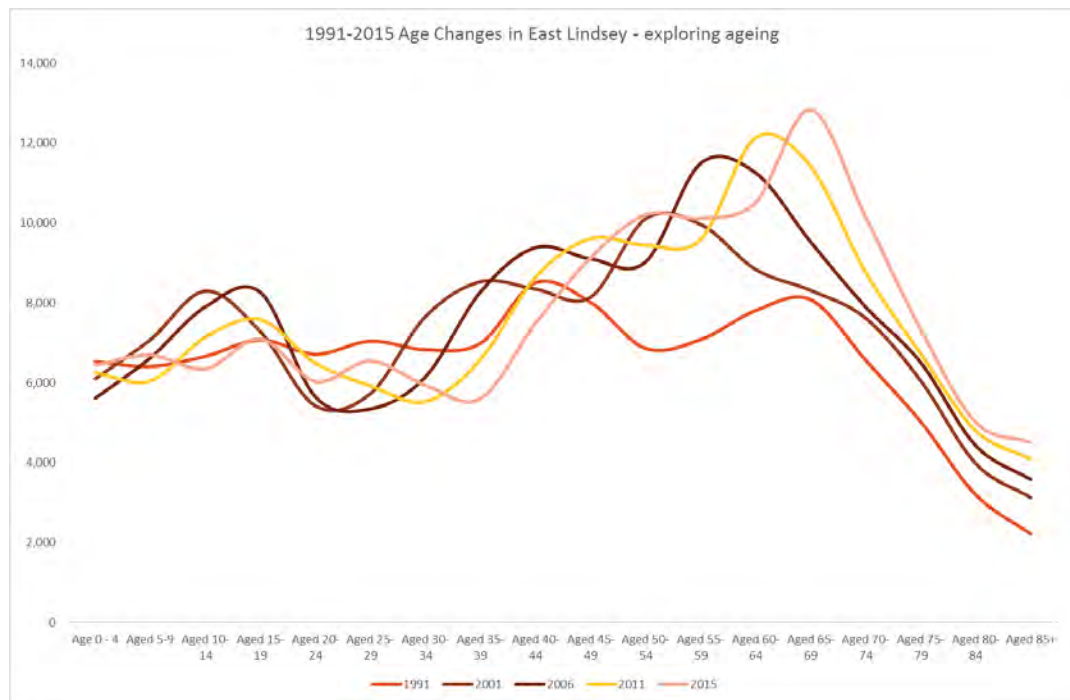
Response to the Council's Evidence on Ageing

While there is a net gain of the population who are older, (more move to the area than leave from migration moves) the main component of ageing has been the post 2nd World War baby boom generation.

The peak age for East Lindsey in 2015 was 68 years (i.e. those born in 1947). It is the progression of this and other smaller baby boom post war bulges into retirement age that exacerbates the behaviour of any pre-retirement or retirement moves to coastal areas, this is a clearly evidenced UK wide issue. Figure 3.14 below demonstrates this further.

This shows the progression of age groups over time, where a given age group grows, this is a predominately driven by its original size, which in turn reflects spikes in the number of births (for example the post 2nd World War baby boom in 1947).

Figure 3.14: Age Changes in East Lindsey, Exploring Ageing from 1991 - 2015



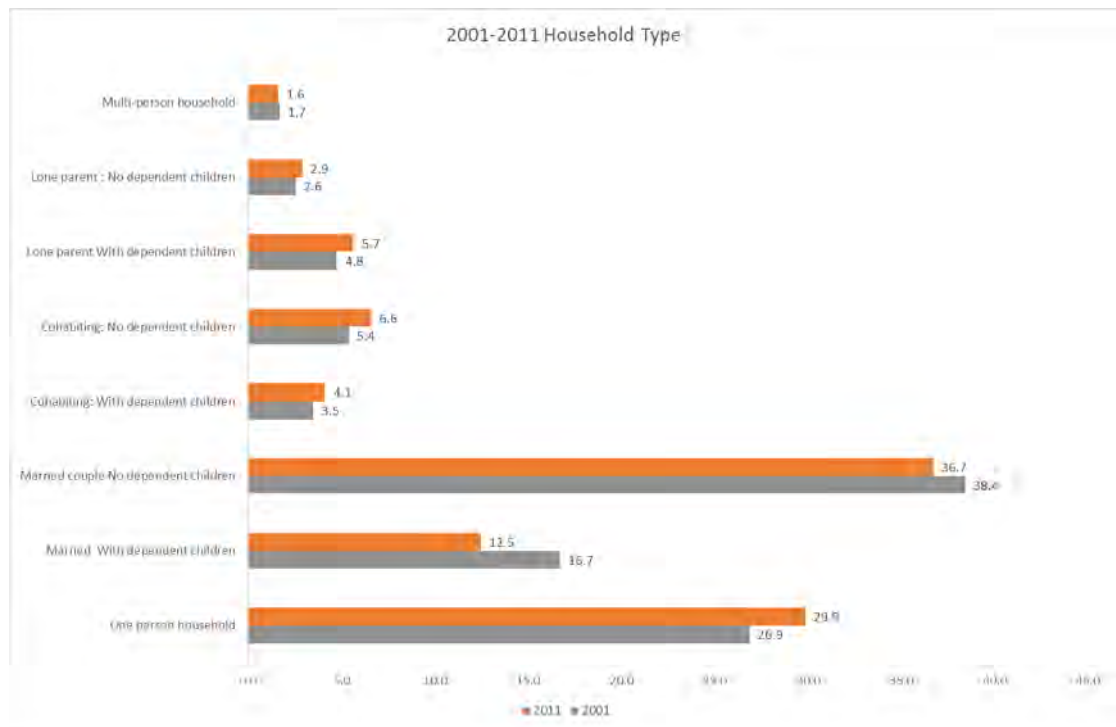
Source: ONS Mid-Year Population Estimates

Household Change

Household Type

- 3.37 Figure 3.15 below shows the change from 2001 to 2011 in the principal structure and composition of households in East Lindsey District. Over the decade there was an increase in single person households and small increases in lone parent households and those of cohabiting couples (without children). Decreases are evident in the proportion of married couple households (with or without children).

Figure 3.15: Change in Household Type Structure, East Lindsey, 2001 – 2011



Source: 2001 & 2011 Census

Economic Characteristics

- 3.38 The District is polycentric, with towns and large villages widely distributed across its geography. Skegness is the largest town with an urban population of around **25,000**, followed by Louth with a population around **16,500**. There is a distinctive split between the coastal area and rural inland areas.
- 3.39 There has been a recession driven decline (chiefly in the inland area) and subsequent partial recovery in employment levels. There are high levels of part time work. Productivity lags key benchmark areas, with the main sectoral mix of the area being low value added.

The District Council's Position

- 3.40 Looking at the District Council's economic and employment evidence base, the *Employment Land Review* (ELR) (CD41) in Section 4, identifies how most of the projected population growth for the District will be driven by inward migration of elderly people. The ELR in paragraph 4.6 concludes:

"Because of the continuing uncertainty over population and business growth and the linkages between the two, both elements will be closely monitored over the coming years".

- 3.41 However, this issue can be traced further back in the Core Strategy's development, to an earlier version of the demographic evidence, *Demographic Forecasts for East Lindsey report*¹¹ (2013) prepared by Edge Analytics for the District states at paragraphs 3.4 and 3.5:

"The majority of the changes reflect the 'ageing' of the population over the decade, with additional impacts from in and out migration flows. The movement of the post-World War Two baby boom cohort is particularly evident, with a spike in the 55 year-old age-group in 2001 becoming a 65 year-old spike in 2011.

*Population ageing and the retention of young adults is a particularly important consideration for East Lindsey as the next 20 years will see a reduction in the size of the resident labour force as the larger birth cohorts of the 1950s and 1960s move beyond retirement. Retaining its young adult population or replenishing it through net inward migration is a key consideration for the District in meeting future **economic** and demographic growth aspirations".*

- 3.42 Throughout the preparation of this Core Strategy, the challenge from the Council's own evidence has been clear. There is a clear and projected mismatch between job creation and the resident workforce to fill these jobs.
- 3.43 The Council in their response to representations made to the Consultation Draft¹² appear to recognise this challenge, even if they wrongly assume future population growth would be led by more older people in migrating, and in their response to comments from the HBF, the Council say:

*"This leaves the District with a dilemma because theoretically increasing housing could just increase the number of older persons moving into the District, thus exacerbating the situation with a top heavy population of older persons and still **not enough residents to fill jobs**".*

- 3.44 The East Lindsey Economic Baseline (CD42) concludes at Page 80 (1st paragraph):

*"If current economic activity rates stay the same, the percentage of the economically active workforce employed in East Lindsey (as opposed to those commuting elsewhere for work) will need to increase from 69% to 81% to sustain the local jobs market. To some extent this will be mitigated by increases in the overall economic activity (e.g. through older people remaining in the workplace for longer, the increase in retirement age and benefit reform), however, the impact of this mitigation will be marginal, **still leaving a gap between the stock of***

¹¹ <http://www.e-lindsey.gov.uk/CHttpHandler.ashx?id=2027&p=0>

¹² <http://www.e-lindsey.gov.uk/CHttpHandler.ashx?id=6913&p=0>

jobs in East Lindsey and the economically active population to fill them”.

- 3.45 This section goes on to consider key issues around; employment change, economic activity rates, unemployment and commuting rates, to consider the robustness of the Council’s position.

Employment Change

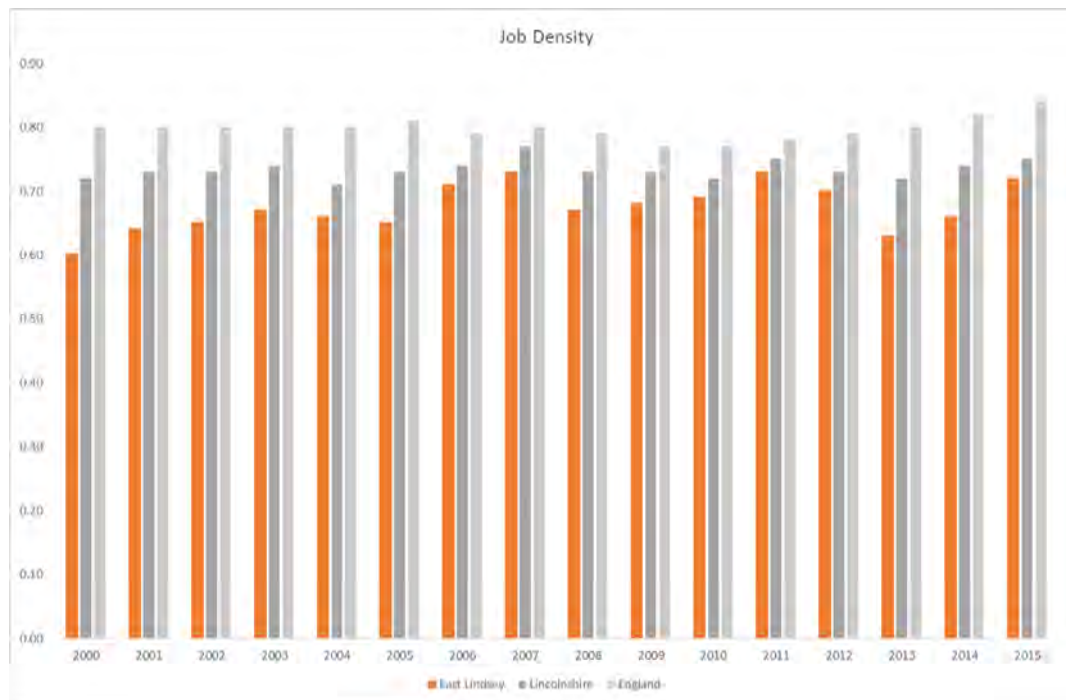
- 3.46 Although the *East Lindsey Economic Baseline* (CD42) sets out an employment growth number projections in terms of the Business Register and Employment Survey (BRES)¹³, this measure does not include self-employment. A better source of employment estimates, is the Jobs Density¹⁴ measure which is the total number of jobs and is a workplace-based measure which comprises employee jobs, self-employed, government-supported trainees and HM Forces.
- 3.47 Figure 3.17 below highlights changes in job density for East Lindsey in comparison with Lincolnshire and the East Midlands in the period 2000 – 2015. Jobs Density is the number of jobs in an area divided by the resident population aged 16-64 in that area. For example, a job density of 1.0 would mean that there is one job for every resident aged 16-64.

¹³ linked to unspecified inputs from the Central Lincolnshire Joint Planning Unit 2015. See Table 6.4 of the ELEB CD42

¹⁴

<https://www.nomisweb.co.uk/query/construct/summary.asp?mode=construct&version=0&dataset=57>

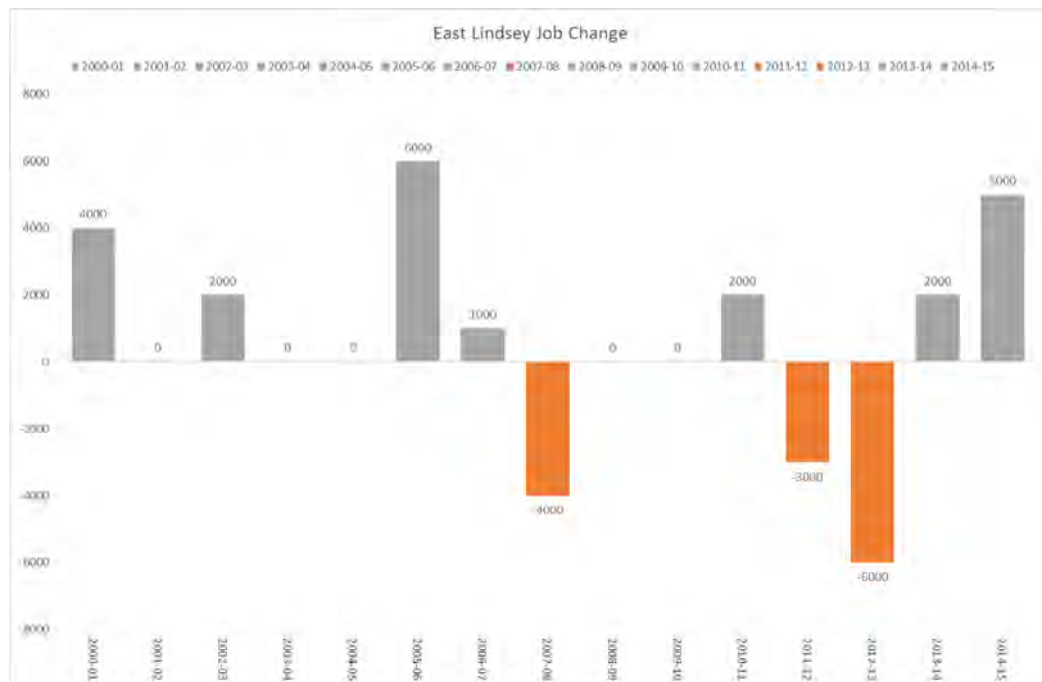
Figure 3.16: Changing Job Density, East Lindsey, Lincolnshire and East Midlands, 2000 – 2015



Source: Job Density from <http://www.nomisweb.co.uk>

- 3.48 Figure 3.16 shows the job density changes over time for East Lindsey, Lincolnshire and the East Midlands. The East Lindsey job density figure in 2015 was **0.70 (0.7 jobs per person aged 16–64)**.
- 3.49 Turning to the job estimates that lie behind the density figure, there are striking annual fluctuations in gains and losses of jobs in East Lindsey as Figure 3.17 demonstrates. Recent years have seen a recovery in employment growth following a period, during the recession from 2008 – 2012/13 of little growth and some significant losses.
- 3.50 The average annual rate of change of **600 jobs** or **1.1%** bears little resemblance to the District Council’s *Housing Topic Paper* (see paragraph 4.4) and the associated job target of **124 jobs per year** (linked to the PG10 housing scenario).

Figure 3.17: Actual Employment Change, East Lindsey, 2000 – 2015



Source: Job Density Data

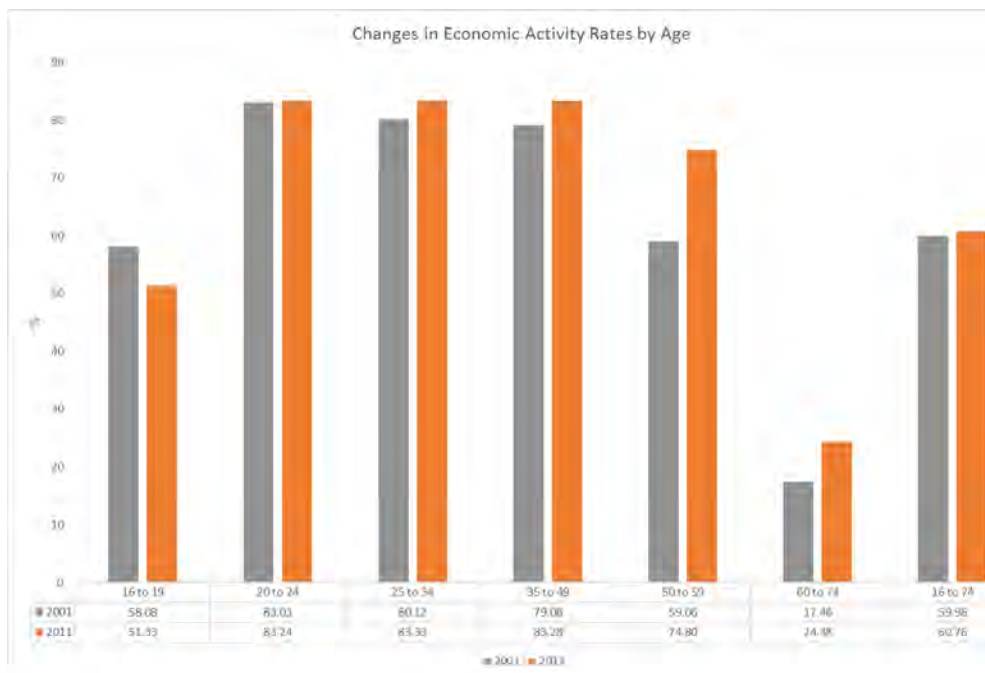
Economic Activity Rates

- 3.51 Economic activity rates (the proportion of people either in work or seeking work) are a critical determinant of the proportion of the population which would be expected to contribute to the area's labour supply.
- 3.52 While most age groups in East Lindsey already have high economic activity rates and are therefore unlikely to improve significantly, a range of evidence indicates that activity rates for older people are likely to increase over time.
- 3.53 Increases in economic activity rates in older age groups are expected to be driven by the following factors:
- changes in the state pension age, particularly the increase to 65 for women from 2018 and further increases in the state pension age that have been recently announced by the Government;
 - the general ageing effect in the population which, combined with better health outcomes, enables more older people to remain in work for longer;
 - pressure on retirement incomes, with rising living and social care costs and difficulties securing a pension income forcing more people to remain in work longer than they would want.
- 3.54 Figure 3.18 considers the economic activity rates for various age groups in the period from 2000 – 2011 based on Census data.
- 3.55 The economic activity rate of 16-74 year olds in East Lindsey was **60.8%** in 2011. This has risen by **0.8%** since 2001. It shows the largest increase

in economic activity rates has already occurred amongst the 50 to 59 age group. This change has been driven by increases in female activity rates and is likely to reflect a cohort progression effect (women aged 50 to 64 in 2011 were more likely to have been active in the labour market at each stage of their life than women aged 50 to 64 in 2001).

- 3.56 While there appears to be scope for further increases in economic activity among these older age groups, (driven by changes to the State Pension Age) it is unlikely that the 20 to 49 age groups will see further increases, as these groups had levels of economic activity over **80%** in 2011. Further increases in economic activity rates among people aged over 55 are built in to the modelling assumptions used both by Edge Analytics and in the demographic modelling presented in this Report.
- 3.57 The District Council’s evidence base states that to meet the mismatch of expected jobs and working age population, the economic activity rate overall would need to rise to **81%**, an increase of over **20** percentage points. This is highly ambitious, and would involve improvements in the local economy that put East Lindsey on a par with economic activity rates currently in Oxford, or London Boroughs such as Southwark which saw an increase between 2000-2013 of over 74,000 jobs.

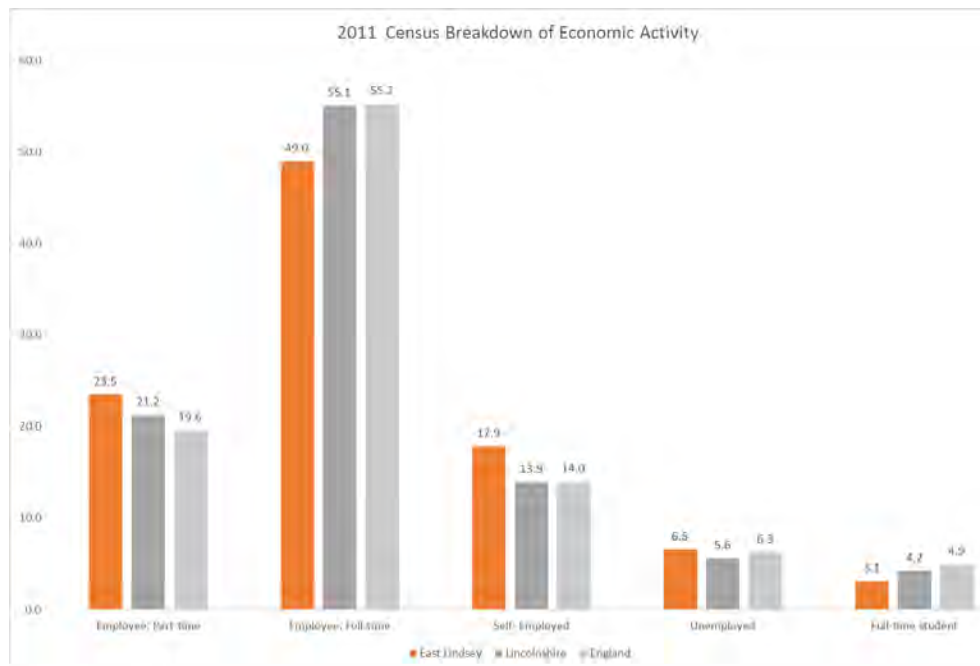
Figure 3.18: Change in Economic Activity Rates by Age 2001 – 2011



Source: 2001 & 2011 Census

- 3.58 Figure 3.19 sets out the components of economic activity in East Lindsey in comparison with Lincolnshire and the East Midlands using data from the 2011 Census.
- 3.59 East Lindsey has a higher share of part time workers, fewer full time, higher unemployment and less students than Lincolnshire and the East Midlands, using 2011 Census analysis.

Figure 3.19: Economic Activity in East Lindsey, Lincolnshire and East Midlands



Source: 2011 Census

Unemployment

- 3.60 Data on unemployment is presented in Figure 3.20 for East Lindsey, Lincolnshire and the East Midlands. The East Lindsey unemployment figure peaked in 2013 at **7.6%**, with steady decreases since to **4.7%** in 2016. It was, in 2016, still just above the 2004/05 level, suggesting the capacity for a further small downward adjustment. Beyond that, there is little opportunity for further reductions in unemployment levels, suggesting that future employment growth will not be supplied from unemployed capacity in the resident workforce.
- 3.61 The latest Edge Analytics work (CD10) modelled in all scenarios, from 2015, the unemployment rate falling to a 2001–2007 average of 4.3% by 2020 and fixed at this level under the end of the plan period.

Figure 3.20: Unemployment in East Lindsey, 2004 – 2016



Source: ONS Model based estimates of unemployment

Travel to Work Commuting

- 3.62 Data on commuting patterns is sourced from the 2011 Census. This shows that the ratio of employed residents to jobs located in East Lindsey was **1.09**, implying a net outflow of commuters. This has reduced from **1.16** in the 2001 Census, implying that the relative scale of the outflow has decreased over the past ten years. The Edge Analytics report (CD10) model this 2011 rate as fixed across the Plan period.
- 3.63 Table 3.3 shows where those usually resident in East Lindsey go to work. It highlights the level of residents who live and work within the District, with strong numbers of workers commuting outwards to North East Lincolnshire, Boston, Lincoln and North Kesteven.
- 3.64 Table 3.4 shows the residence of the East Lindsey workforce. The flows into East Lindsey are smaller than the corresponding out flows.

Table 3.3: Where do People Who Live in East Lindsey Work?

Place of Work	Usual Residence East Lindsey	%
East Lindsey	30,498	55.7
Mainly work at or from home	8,931	16.3
No fixed place	4,465	8.2
North East Lincolnshire	3,336	6.1
Boston	3,278	6.0
Lincoln	1,527	2.8
North Kesteven	1,051	1.9
West Lindsey	846	1.5
North Lincolnshire	356	0.7
South Holland	310	0.6
South Kesteven	169	0.3

Table 3.4: Where Do People Who Work in East Lindsey Live?

Usual Residence	Place of Work			%
	East Lindsey	Mainly work at or from home	No Fixed Place	
East Lindsey	30,498	5,781	4,214	86.8
Boston	1,432			2.8
North Kesteven	1,396			2.8
North East Lincolnshire	1,257			2.5
West Lindsey	919			1.8
Lincoln	774			1.5
South Kesteven	207			0.4
Nottingham	161			0.3
Rushcliffe	149			0.3
South Holland	141			0.3
North Lincolnshire	138			0.3
Broxtowe	121			0.2

Source: Census 2011

Response to Council's Evidence

Clearly the economic situation in East Lindsey needs investment and action. The Council confirms this (*Housing Topic Paper CD15* at paragraph 4.5) however it does not follow the normal steps in assessing the impact of its economic plans and how this balances with expected demographic (population) change.

The Council acknowledges the likely gap between workforce and expected jobs, the East Lindsey Economic Baseline (CD42) report quantifies this gap, but the Council does not address the higher job forecast and target that the

Economic Baseline introduces.

The Council's preferred strategy is associated with job growth of **124** jobs per year. The Council's evidence base however sets out a figure of **240** jobs per year.

From analysis of the LEP *Strategic Economic Plan* strategy and the severity of the demographic challenge (retention of younger people, and the economic challenge, productivity, skills, training, wages, etc.) the following section makes the case for an employment-led housing growth scenario to be based on **300** jobs per year.

4. OBJECTIVELY ASSESSED HOUSING NEED PROCESS

Introduction

- 4.1 The purpose of this and the following section of the Report is to set out two alternative commissioned scenario projections produced using POPGROUP demographic modelling, to establish the Objectively Assessed Housing Need for East Lindsey over the Plan Period 2016 - 2031.
- 4.2 The *National Planning Policy Framework (2012)* requires that local planning authorities identify the Objectively Assessed Housing Need (OAN) for their area and that Local Plans translate those needs into land provision targets.
- 4.3 Paragraph 159 of the NPPF recognises that the objective assessment of housing need must be one that meets household and population projections, taking account of migration and demographic change; meets the need for all types of housing including affordable and caters for housing demand and the scale of housing supply necessary to meet that demand.
- 4.4 The *National Planning Policy Guidance (2014 as amended)* recognises that: “*establishing future need for housing is not an exact science*” (see Section 2a at paragraph 014-20140306), although it should be informed by reasonable and proportionate evidence.
- 4.5 This section is structured in accordance with the approach set out in the NPPG and considers further guidance which supports the NPPG, namely:
- the Planning Advisory Service Objectively Assessed Need and Housing Targets Technical Advice Note, Second Edition (July 2015); and
 - the Local Plan Experts Group report *Local Plans: Report to the Communities Secretary and the Minister of Housing and Planning (March 2016)*.
- 4.6 The calculation of an alternative OAN range draws upon demographic analysis prepared by Understanding Data Ltd., using POPGROUP outputs, which considers the following factors:
- baseline 2014-based ONS and CLG population projections for East Lindsey;
 - alternative migration impacts/assumptions; and
 - alternative levels of employment growth in East Lindsey.

- 4.7 To establish the OAN, the NPPG recommends a logical progression of steps¹⁵:
- make use of DCLG household projections as the starting point for estimating the OAN;
 - consider sensitivity testing specific to local circumstances, based on alternative assumptions in relation to the underlying demographic projections and household formation rates;
 - take account of employment trends; and
 - take account of market signals.
- 4.8 Market signals and the need for any resulting adjustment to the OAN figures calculated through the alternative scenarios (set out in this section) are detailed in the Section 5 of the Report.

The Demographic Starting Point

- 4.9 The Office for National Statistics (ONS) and Department for Communities (CLG) typically publish sub-national population and household projections on a two-year cycle.
- 4.10 ONS announced that the 2014 based Sub National Household Projections (SNHP) would be the last published by CLG and that ONS would combine production of both population and household projections from the next scheduled round, due in 2018.
- 4.11 Sub National Population Projections (SNPP) set out the latest available data and assumptions on births, deaths internal and international migration to estimate population growth outcomes for a 25-year projection for each local authority area.
- 4.12 The SNPP's provide the key demographic input to the DCLG household projections. The latest 2014-based Household Projections model provides a 25-year projection of household growth for English local authorities.
- 4.13 The NPPG states that the DCLG household projections should provide the "*starting point estimate of overall housing need*" (Section 2a, paragraph 015).
- 4.14 The *Demographic Forecasts: Updating the Evidence* (CD10) report prepared by Edge Analytics for East Lindsey Council sets out the latest position of these projections in Section 3 at Tables 5, 7 and 8 which are replicated in a simplified form below.

¹⁵ East Lindsey is accepted as a self-contained HMA, this would normally be the first step in the OAN process.

Table 4.1: 2014 SNPP Results - % Rate of Change (2014-2039)

	2014	2039	Change	% Change
East Lindsey	137,623	15,0810	13,187	9.6
Lincolnshire	731,516	834,656	103,140	14.1
England	54,316,618	63,281,522	8,964,904	16.5

Table 4.2: 2014 SNPP Results – Population and Households (2016-2031)

2014 based SNPP	2016	2031	Change	% Change	Average
Population	138,472	147,237	8,765	6.3	584
Households	62,345	67,687	5,342	8.6	356
Household Population	135,394	143,462	8,068	6.0	538
Communal Population	3,078	3,775	697	22.6	46
Average Household Size	2.17	2.12		-2.4	

Table 4.3: 2012, 2014 SNPP and Edge Analytics (CD10) PG5 and PG10 Results (2016-2031)

	Population Change	Change %	Household Change	Change %	Dwellings
SNPP 2012	11,210	8.1	6,349	10.1	453
PG -10Yr	9,349	6.8	5,965	9.6	425
SNPP-2014	8,765	6.3	5,345	8.6	381
PG -5Yr	6,163	4.5	4,688	7.5	334

Source: Demographic Forecasts: Updating the Evidence, Edge Analytics, 2016

- 4.15 The latest official population projections illustrate the falling nature of the contribution to overall growth expected to come from East Lindsey. The level of change (Table 4.1) is significantly lower in East Lindsey, at **9.6%** compared to **16.5%** in England for the overall projection period of twenty five years. If population growth was at the England level (**16.5%** growth), then it would amount to a further **9,521** people in the area, a **72%** increase on the 2014 based projection for East Lindsey.
- 4.16 This is a helpful indicator of the extent to which local constraint and recession influenced projections are holding the area's growth back, with clear and observable consequences for the make-up of working age population and overall economic prospects. Table 4.2 shows that this rate of overall growth is lower again for East Lindsey at 6.3%, for the extent of the plan period (2016 - 2031). There is a projected large increase in the elderly communal population of the area.
- 4.17 Table 4.3 sets out the comparable data for the SNPP 2012 and 2014 based projections, and the alternative 5 and 10 year scenarios contained in the Edge Analytics 2016 report. The Council has based its starting

point on the PG-10 Yr scenario, but not drawing from the latest *Demographic Forecasts Updating the Evidence Final Report* (2016) (CD10), instead preferring the mid-point PG 10 Yr scenario from the previous 2015 work (CD9).

4.18 The total rate change under PG 10 scenario of population growth of **6.8%** (for the plan period) is less than the SNPP 2014 rate of **9.6%** (for the projection period) which further builds in the lag effect behind the England and Lincolnshire rates and is considered a surprising approach to take to a figure that is set out as an uplift. The District Council argue that they could have reduced the start point to reflect lower levels of 2014 SNPP derived growth overall, however they have selected a scenario which gives a smaller rate of growth from an earlier and superseded evidence base report.

4.19 The Council explain their position in the *Housing Topic Paper* (CD15) at paragraph 2.17:

“Whilst the Council could have reduced its housing target slightly to accommodate the 2014 demographic forecast, given the extremely low level of objections to the housing target that went out consultation in June/July/August 2016, particularly from the development industry and the fact that the District is aiming to boost housing growth in conformity with national policy; deliver a large proportion of its affordable housing need (as set out in the Affordable Housing Topic Paper), put in place a series of projects and actions to boost economic growth through the East Lindsey Economic Action Plan and the employment forecasts appear to be more robust than previously thought (see Section 3), it is believed appropriate for the Local Plan to set the Housing Target based on the 2012-based demographic projections and the work carried out by Edge Analytics in 2015”.

4.20 The Council set out that they are not using the latest data or projections to inform their starting point, and claim a range of benefits for affordable housing, to boost economic growth that do not appear to be matched by their own evidence.

Adjusting the Household Projections

4.21 The NPPG recommends adjustments are made to the household projections with reference to:

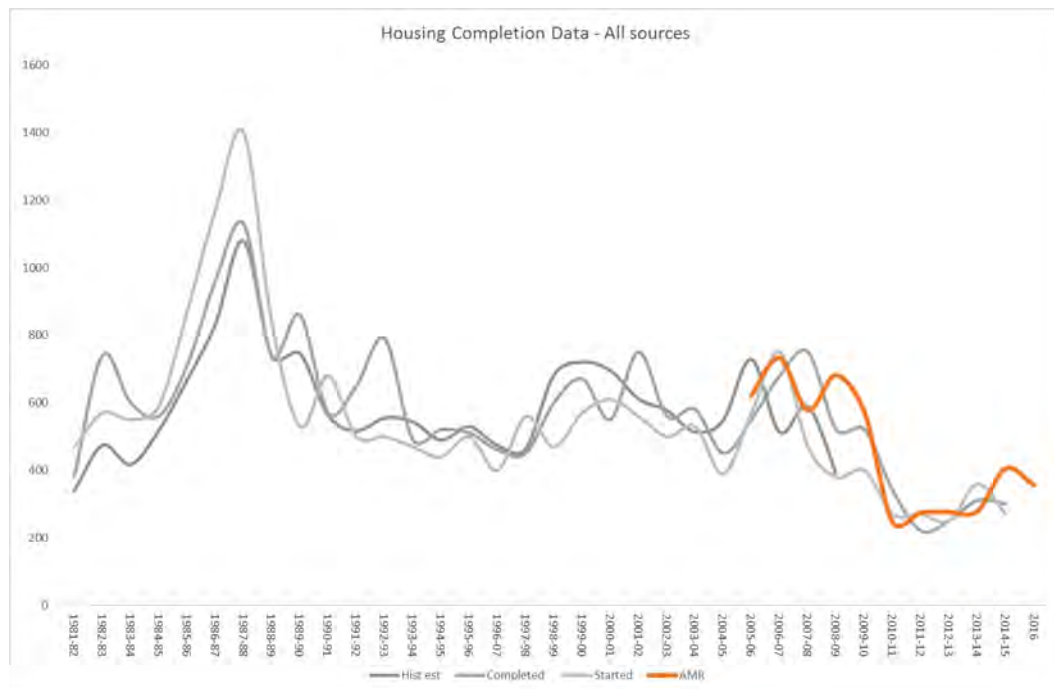
- A: local demographic trends;
- B: future jobs growth; and employment projections;
- C: past housing delivery rates;
- D: market signals.

4.22 Components A and B are examined in this section, while C and D are set out in Section 5.

A: Local Demographic Trends

- 4.23 Nationally, younger age groups have been more adversely affected by housing supply and unaffordability issues, which in some areas may have led to 'suppressed' rates of household formation. The demographic scenario has been run with alternative headship rate assumptions that examine an 'improvement' in the headship rates of the younger age groups.
- 4.24 In the **Demographic-led Housing Growth Scenario** prepared for Metacre, headship rates in the male younger age groups (15-44) return to their 2008 values by 2024, continuing the original rate of growth thereafter. This is in accordance with the approach taken by latest Edge Analytics report for East Lindsey District (CD10).
- 4.25 The District Council accept the need to consider trend based scenarios that contain a longer reference period than the latest SNPP/SNHP projections. Based on the analysis set out previously in Section 3 (Historic Context) an alternative migration scenario has therefore been produced.
- 4.26 There has been a particular impact on migration inputs by both economic recessionary conditions and related housing market and affordability issues. The population and migration detail of this was explored previously in Section 3.
- 4.27 Just as there has been a clear pattern in population shifts and falling levels of in-migration, the same pattern can be seen clearly in housing completions.
- 4.28 Housebuilding data can be sourced in a variety of ways. Figure 4.1 compares data from the Lincolnshire Observatory (1981/82 - 2008/9), Office for National Statistics *Housebuilding Starts and Completions* (1981/82 - 2014/15) and the *East Lindsey Annual Monitoring Report* (2005 - 2016).

Figure 4.1: Housing Completions in East Lindsey District 1981 - 2016



Source: ONS, Lincolnshire Observatory, East Lindsey District Council

- 4.29 The historic trends are broadly consistent. The long term average of some **600** dwellings per year has been constant up until 2010 and the average since has been under **300** dwellings a year.
- 4.30 Table 4.4 sets out population data merged with completions data, by five year period. This confirms the significant shifts that reflect the pre and post 2005 changes in population, averaged annually from the five year blocks, and falling from over **1,100** per annum to well under **500** per annum.

Table 4.4: Housebuilding and Population Changes, East Lindsey

Year	Dwellings Growth (5 yr Period)	Population Growth (5 yr Period)	Dwellings per Annum	Population Growth per Annum
1990 - 1995	2,921	5,600	584	1,120
1995 - 2000	2,635	6,600	527	1,320
2000 - 2005	3,116	6,300	623	1,260
2005 - 2010	2,767	1,800	553	360
2010 - 2015	1,647	600	329	120

Source: Lincolnshire Observatory, East Lindsey AMR, ONS Housebuilding Starts and Completions

4.31 The District Council's view is recorded in the *Housing Topic Paper* (CD15) at paragraph 7.12 that:

"In migration being the main driver of population growth appears to be increasing again after a downward sharp fall during the period of the recession; this could lead to house sales and completions rising again to pre-recession levels over the plan period".

4.32 The Council has not put forward a pre-recession based alternative scenario, relying on a long-term scenario (PG 10Yr) which includes the clear dampening effect of the dramatic fall in population, migration and completions of the 2010 and later period.

4.33 As an alternative, a trend based demographic scenario has been prepared for Metacre to reflect the levels of growth experienced across East Lindsey for the 2001-2010 period. The results of this scenario are set out in Table 4.5 below.

4.34 A reference period of just the early 2000s would have reflected even higher levels of growth, however after analysis, the 2001-2010 period is considered to offer a balanced period of sustained growth, and an important alternative to the scenarios that the Council has considered. It reflects the very conditions that the Council believe are starting to happen.

4.35 The pre-recession growth scenario shows a similar level of population change to that set out in the 2014 SNPP (see Table 4.2 above) for Lincolnshire, and provide a closer match to the England level. It is slightly below the level of growth experienced in East Lindsey (**17%**) for the period 1991 - 2015.

4.36 It should be noted that the levels modelled here provide a clear view of the capacity of the area that has been historically experienced. The level of population change (**1,356** persons per annum) associated with this pre-recession scenario has been broadly matched in 14 individual years from 1981 - 2004.

Table 4.5: Alternative Demographic-led Housing Growth Scenario Results for East Lindsey District, 2016 - 2031

Alternative Demographic Housing Growth Scenario		
	Change	%
Population	20,340	14.6
Labour Force	7,991	12.8
Jobs	7,249	13.2
Jobs Per Annum	483	
Households	12,018	19.1
Dwellings	12,850	19.1
Dwellings per Annum	857	

Source: POPGROUP Scenario and Understanding Data Ltd./CCL calculation

- 4.37 Having reviewed the latest demographic and household projections and considered alternative assumptions relating to migration and headship rates in line with the NPPG, it is concluded that:
- the baseline dwelling requirement is **381**¹⁶ based on the latest 2014-Sub-National Household Projections and accords with the NPPG at paragraph 2a-016;
 - that an adjustment is made to reflect alternative assumptions in relation to the underlying demographic projections and household formation rates of the local areas which accords with the NPPG at paragraph 2a-017. This requires a consideration of migration assumptions and alternative headship rates.
- 4.38 Regarding migration assumptions, the alternative demographic scenario produced sets out dwelling requirements based on achieved pre-recession long term trends. Under this scenario which reflects a history that the District Council acknowledges is a realistic level of migration driven growth, the District's dwelling requirement increases to **857** per year as Table 4.5 highlights.
- 4.39 Consideration of alternative headships rates has also been included. The demographic scenario has been run with an alternative headship rate assumption which reflects a 'recovery' in household formation rates in the younger age groups (15-44 years). This reflects the approach recommended in the LPEG Report which considers an adjustment to local household formation rates to reflect upon the potential impact of higher headship rates being achieved amongst younger age groups. It is a relatively common element of OAN assessments to make this type of adjustment to avoid embedding into the future the recessionary trend which appeared to reduce household formation rates for this age group in the pre-2011 period.

B: Future Employment Growth

- 4.40 The NPPG Section 2a at paragraph 018 states that:
- "Plan makers should make an assessment of the likely change in job numbers based on past trends and/or economic forecasts as appropriate and also having regard to the growth of the working age population in the housing market area".*
- 4.41 For consistency with the scenarios set out in the latest *Demographic Forecasts: Updating the Evidence* prepared by Edge Analytics, the issue of economic growth has been approached in two ways:
- by considering the potential change in the labour force by applying key assumptions on future economic activity rates, level of unemployment and balance of commuting between resident workers and local jobs; and

¹⁶ Table 4.3

- by considering a realistic jobs target, which reflects the *Economic Evidence Baseline* Report, but makes an adjustment to reflect the role of self-employment, and models a jobs-led target of **300** jobs per year. This modest adjustment to the *Economic Evidence Baseline* 2016 - 2031 target of **240** jobs per year, is felt to better reflect the evidence, the Council's economic objectives and the scale of the challenge facing the economy of East Lindsey.
- 4.42 The NPPG and current housing need assessments follow the principle that the OAN may be adjusted with regard to evidence about future employment growth. This means that population projections should be tested against projected jobs growth to determine whether a given level of housing would generate enough growth in the labour force to support the expected increase in employment.
- 4.43 The starting point population projections (in this case the 2014-based SNPP) (and any alternative demographic scenarios prepared for the District Council, such as the PG 5yr and PG 10yr) contain a projection of how the resident labour force of the area will rise or fall over the plan period. This is referenced in the District Council's *Economic Baseline* (2016) (CD42) on pages 80 and 81.
- 4.44 Given the extent of the economic challenges facing the District, the strength of the analysis contained within the *East Lindsey Economic Baseline*, (CD42), the District Council's clear support for the Economic-led scenario of housing growth, and its implied **240** jobs target (2012 - 2036), modelling an alternative **Employment-led Housing Growth Scenario** to test the Council's position is essential.
- 4.45 Four factors are explored to test the level of an appropriate jobs led target:
- an appropriate baseline job target for the District;
 - the District Council's future employment growth aspirations;
 - factoring in self-employment levels in East Lindsey;
 - comparison with other local authorities' employment growth projections.
- 4.46 Each is considered in turn below.

Establishing an Appropriate Baseline District Job Target

- 4.47 The East Lindsey Economic Baseline (CD42) states at page 74:

"No current forecasting model has been prepared for East Lindsey, therefore, sectoral and economic growth forecasts prepared by the Central Lincolnshire Local Plan Team have enabled comparison projections to be made with West Lindsey. As a comparator, East and West Lindsey experienced the same loss of jobs during the recession, both have experienced slower growth since 2008 and they have similar sectoral composition".

- 4.48 This implies that the *East Lindsey Economic Baseline* (CD42) applied work undertaken for West Lindsey to East Lindsey directly. It is not clear whether any adjustments were made to this application of West Lindsey data.
- 4.49 This is a flawed approach. The evidence or the District Council should have investigated likely East Lindsey specific growth trends and factors. In addition, the data and therefore the outputs, use Business Register and Employment Survey data 2009 - 2013. This data is useful but crucially does not include the self-employed in its total employment estimates.
- 4.50 The *East Lindsey Economic Baseline* (CD42) report follows an opaque methodology to set out a job growth of **6,000** for the period 2012 – 2036 (a figure which annualises at 240 jobs per year). The Report sets out job growth (rounded for these years) as shown in Table 4.6 below.

Table 4.6: BRES Total Jobs Data, 2009 - 2013

Year	BRES Total Jobs (Rounded)
2009	42,100
2010	41,400
2011	42,400
2012	40,500
2013	41,100

Source: *East Lindsey Economic Baseline* (CD42) quoting BRES

- 4.51 The *East Lindsey Economic Baseline* adopts the 2012 BRES figure as a base, at **40,500**.
- 4.52 BRES does however publishes estimates at a more granular level and there are also several more recent years of data available as Table 4.7 sets out below.

Table 4.7: BRES Total Jobs Data 2012 - 2015

Year	BRES detailed data
2012	43,340
2013	43,670
2014	41,440
2015	43,725

Source: BRES, June 2017

- 4.53 There is a discrepancy between the two 2012 figures (i.e. those used by the District Council as shown in Table 4.6 and those from BRES directly as set out in Table 4.7). The latter figures are sourced from BRES (accessed on 1st June 2017) and are the latest available.
- 4.54 Crucially what Table 4.7 shows is that since 2012, the total change is only **385** jobs over four years.

- 4.55 Taking the Council's **240** jobs per year target this means that, in the first four years, the Core Strategy is some **575** jobs short, although the *East Lindsey Economic Baseline* does acknowledge that the growth will not be evenly spread.
- 4.56 Assuming 240 jobs from 2016 to 2031 means the remaining target is **3,600** but the shortfall should be added to this, + **575**, which means the revised target is **4,175** jobs.
- 4.57 Annualising this for the plan period raises the 240 jobs per year figure to **280** jobs per year.

The District Council's Future Employment Aspirations

- 4.58 The *Housing Topic Paper* at paragraph 4.5 sets out the following:
- "The East Lindsey Economic Baseline study proposed two scenarios for the District, one of an economy which is not fluctuating and remains in a low wage, low skill equilibrium, this is the present day scenario, though there are signs that economic growth does appear to be starting to positively grow in the District. The other scenario was one of large scale intervention into the economy is set out below;*
- Improvements in public health and a pool of higher skilled jobs enable the economy to retain enough of its workforce to fill all the additional jobs needed.*
 - Actions taken to address a decline in manufacturing jobs and support the growth and diversification of the tourism sector are driving up investment and wage levels.*
 - A very clear agenda setting out long term flood protection has been agreed and an Investment Plan produced. This has led to developer certainty and provided the Coastal area with a template for its future economic development.*
 - Skegness and Louth have strategies for economic growth, exploiting their strengths and based upon attractive branding: Skegness as a centre of excellence for all-year round tourism and Louth an attractive and vibrant market town. The Wolds AONB designation has been used to bring investment into Rural Inland area.*
 - Improvements to broadband and mobile connectivity have enabled smaller towns to serve a larger and more complex hinterland. Investments in physical infrastructure (road and rail) have connected up settlements along the Coastal area.*
 - Significant investments in access to and the range of Further Education available in the District is enabling employers to meet their skills needs as well as increasing the aspirations of young people. In addition, links between businesses and schools are promoting local job opportunities".*

- 4.59 However, no attempt is made to quantify the impact of these investments by the District Council in assessing the OAN. They must be, however be additional to the wholly (West Lindsey) trend based growth applied to the East Lindsey sector mix”.
- 4.60 The *East Lindsey Economic Action Plan*¹⁷ does not set out any specific future job targets or investment levels associated with the Council’s ambitions to regenerate its economy. This is a major omission from the Council and leads to an uncertain position with little clarity over the extent of job growth anticipated or to be planned for within the District.
- 4.61 Despite clearly signing up to work put forward in the *East Lindsey Economic Baseline* (CD42) which is associated with a job target of 240 jobs per annum, the District Council see no contradiction in accepting that their preferred housing target has an associated jobs target of **124** jobs per annum. They further confuse this issue by adopting the jobs element of PG10 Yr from the latest Edge Analytics analysis (CD 10) but not the housing element of this, as their housing figure of 481 is derived from the superseded Edge Analytics work in 2015 (CD9) which had a jobs range of **34** jobs¹⁸ per year.
- 4.62 To confuse matters even further the Council’s preferred (CD9) 481 OAN figure only has a jobs total associated with the PG 10 Yr 2012 household rates. The 2008 household rates equivalent and the mid- point between the two which formed the 481 dwellings figure, do not have jobs figures associated. As it stands the only jobs target the Council can link to their 481 OAN is 34 jobs (not 124 jobs from the later 2016 based CD10).

Factoring in Levels of Self Employment in East Lindsey

- 4.63 As noted previously, Metacre consider that there is a flaw in the District Council’s approach to forecasting job growth in that it does not consider the significant levels of self-employment that exist within the local economy. It is also useful to consider the 2011 Census measure, set out here alongside employees.

Table 4.8: Employees and Self Employed in East Lindsey District, Census 2011

	Total	%
Employees	44,017	80.2
Self Employed	10,858	19.8

Source: Census 2011

¹⁷ East Lindsey Economic Action Plan, East Lindsey District Council 2016 - <http://www.e-lindsey.gov.uk/article/4804/East-Lindsey-Economic-Action-Plan>

¹⁸ Edge Analytics 2015 (CD 9), Table 7 at page 28

- 4.64 The level of self-employment (some **10,858** workers in East Lindsey at the time of 2011 Census) shown in Table 4.8 indicates that it is appropriate to make an adjustment to the District Council's unadjusted job target of **240** jpa which did not factor in the self- employed.
- 4.65 This is justified by applying the percentage of self-employed (above) - **19.8%**, to the **240** job per annum figure (to represent the proportional scale of self-employment as a component of total employees in the District) which leads to a revised jobs target of **287** jpa.

Comparison with Neighbouring Authorities Employment Growth Projections

- 4.66 Central Lincolnshire set out in their Local Plan evidence base a range of job targets for 2012-2036¹⁹. Central Lincolnshire covers the area of Lincoln, North Kesteven and West Lindsey districts.
- 4.67 Central Lincolnshire's evidence has been interrogated by Metacre given the claimed compatibility set out in the *East Lindsey Economic Baseline* report between East and West Lindsey and in the absence of any detailed working from East Lindsey for their own area.
- 4.68 Economic scenarios in the Delivering Prosperity and Jobs Evidence Report establish a baseline forecast described as "the most robust position for expected employment growth in Central Lincolnshire" at paragraph 3.8.
- 4.69 Two subsequent Adjusted Scenarios presented by Central Lincolnshire (see *Delivering Prosperity and Jobs Evidence Report* at paragraph 3.8) assume strong growth in professional and business services and the visitor economy (i.e. stronger growth than the national forecasts would suggest), as well as a more stable (i.e. less decline than the national forecasts would suggest) manufacturing sector linked to the strength of key sectors such as food manufacturing. These sectors were chosen for 'boosting' as they align with the key sectors identified by the Greater Lincolnshire Local Economic Partnership.
- 4.70 East Lindsey is part of the greater Lincolnshire Local Enterprise Partnership, so some of the same economic policy drivers and objectives apply to East Lindsey as well as to other areas of Central Lincolnshire.
- 4.71 While this approach would not be recommended in isolation, it is a further useful indication of the scale of possible employment growth for East Lindsey.
- 4.72 East Lindsey's population is **45.7%** of the combined Central Lincolnshire authorities' population. This has been applied pro rata giving a further adjusted jobs target of **332** jobs per year (which is the average of the various Central Lincolnshire employment growth scenarios), see Table 4.9 below.

¹⁹ Policy LP5, *Delivering Prosperity and Jobs Evidence Report*, April 2016

https://www.n-kesteven.gov.uk/_resources/assets/attachment/full/0/17890.pdf

Table 4.9: Adapting the Central Lincolnshire Employment Forecasts and Applying to the East Lindsey 240 Jobs Target

	Total Jobs Growth 2012 - 2036	Annual Jobs Growth	East Lindsey Pro Rata
Baseline (gross)	15,071	628	287
Baseline (FTE)	11,894	496	226
Adjusted Scenario (lower growth) (gross)	19,653	819	374
Adjusted Scenario (higher growth) (gross)	22,469	936	428
Adjusted Scenario (higher growth) (FT)	18,124	755	345
Average	-	-	332

Source: Adapted from the Central Lincolnshire Policy LP5 Delivering Prosperity and Jobs Evidence Report

An Alternative Employment-led Housing Growth Scenario

- 4.73 In preparing the Core Strategy evidence base, East Lindsey District should have:
- produced or procured robust economic and employment projections, and tested these through the demographic modelling they have commissioned from Edge Analytics; and
 - set out the impact of their policy-on economic approach (see above) in terms of jobs growth and potential impacts.
- 4.74 In the absence of this work, Metacre’s analysis shows a possible range of alternative base job targets of **280**, **287** and **332** jobs per annum. For the purposes of modelling an alternative employment-led housing growth scenario, these have been averaged and a **300** jobs a year target has been used by Metacre to illustrate the impact of an uplift to the working age population, to model the effects of retaining more younger people in the District and to provide a modelled scenario that more effectively reflects the economic objectives/aspirations of the District Council.
- 4.75 The following set of assumptions has been applied to the demographic scenario to create the alternative employment-led scenario:
- 2011 Census economic activity rates have been adjusted to follow the guidance from the latest set of Office for Budget Responsibility (OBR) projections published in January 2017 (updated from the latest Edge Analytics report (CD10) which used the 2014 OBR forecasts);

- economic activity rates have been adjusted from the 2011 Census economic activity rates by sex and age group (16-89 years) with adjustments made to the older age groups (60-75+ years);
- the unemployment rate determines the proportion of the labour force that is unemployed (and as a result, the proportion that is employed). Unemployment incrementally reduces from the 2015 value of 4.7% to the pre-recession average rate for East Lindsey District of 4.3% by 2020, remaining fixed at that level for the remainder of the Plan period after that. This uses an additional year of data (2016) compared to the latest Edge Analytics (CD10) approach, but is otherwise consistent;
- A fixed commuting ratio²⁰ of 1.09 has been applied throughout the forecast period. This maintains the 2011 Census value and is consistent with the latest Edge Analytics (CD10) position.

Table 4.10: Employment-led Housing Growth Scenario Results for East Lindsey District, 2016 – 2031

Alternative Employment-led Housing Scenario		
	Change	%
Population	13,176	9.5
Labour Force	4,525	7.3
Jobs	4,200	7.7
Jobs Per Annum	300	
Households	8,872	14.1
Dwellings	9,466	14.1
Dwellings Per Annum	631	

Source: POPGROUP Scenario and Understanding Data Ltd./CCL calculation

- 4.76 The results of the Employment-led Housing Growth Scenario are set out above. This shows a lower rate of growth than Metacre’s alternative Demographic trend scenario, but higher growth than the District Council’s SNPP and PG10 Yr scenarios, resulting in an OAN figure of **631** dwellings per annum from this scenario.

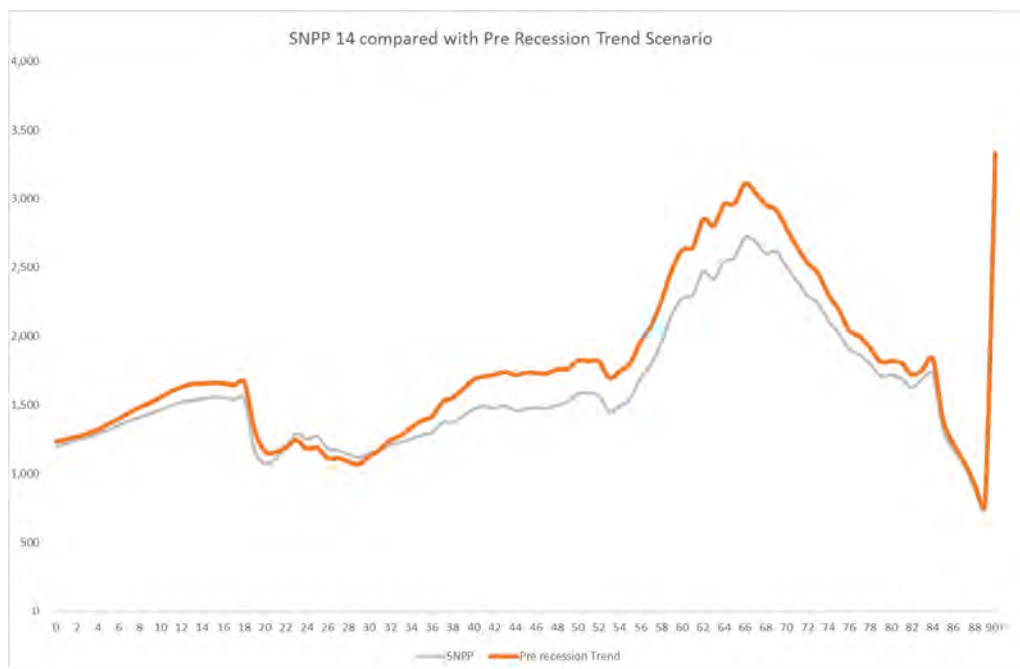
Alternative Demographic and Employment-led Scenario Results

- 4.77 Metacre’s alternative Demographic and Employment-led Housing Growth Scenarios show higher total dwelling requirements than the **481** dpa target established by the District Council in the 2016 – 2031 plan period.

²⁰ A commuting ratio greater than 1.00 indicates that the size of the resident workforce exceeds the number of jobs available in the District, resulting in a net out commute.

- 4.78 Both scenarios provide a much clearer balance, retaining and attracting more working age population, to fill realistic but higher levels of jobs than the 240 target. Both scenarios would lead to outcomes that avoid the imbalanced age structure seen under PG10 Yr (and SNPP 2012 and 2014), which the District Council acknowledge openly as a major challenge (the mismatch of jobs and working population) and match longer term pre-recession demographic growth trends.
- 4.79 This can be seen clearly in the additional analysis below. The resulting age structure compared to the 2014-based SNPP is shown in Figure 4.2 and the change by age cohort in Table 4.11 below.

Figure 4.2: Comparison of 2014-based SNPP²¹ with Pre-Recession Trend Scenario, East Lindsey District



²¹ Detailed age structure breakdown data is not available from the Edge Analytics work 2015 or 2016 (CD9 or CD10) and the SNPP 2014 data has been used as a comparator.

Table 4.11: Age Structure Changes by 2031, East Lindsey District

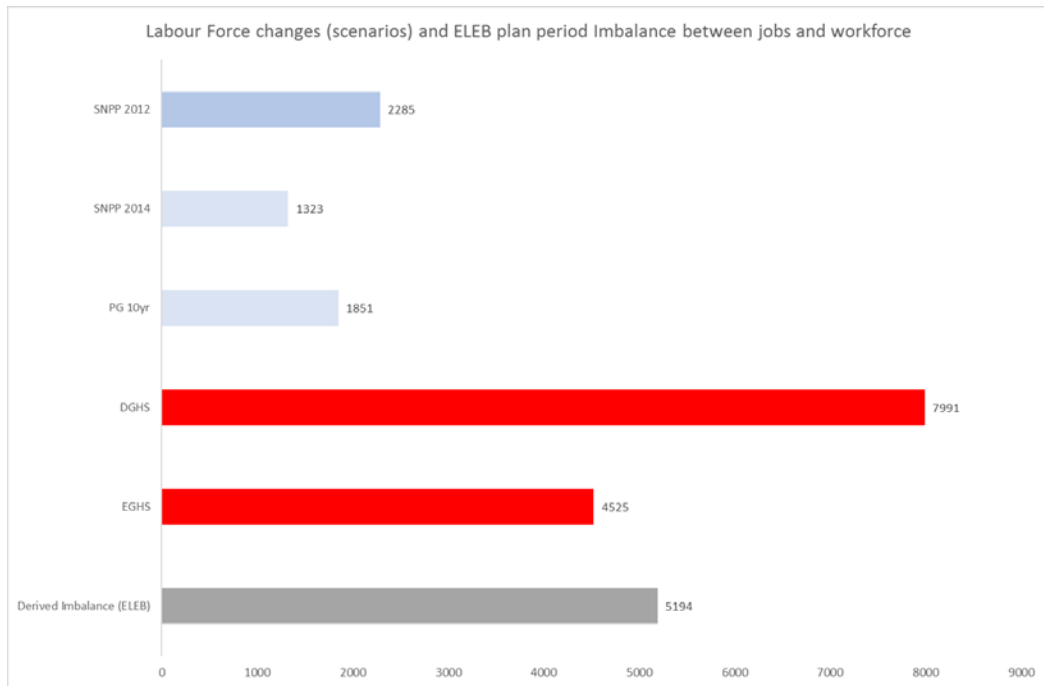
Age Cohort	SNPP	Jobs led	Pre-Recession Trend
0-9	13,141	12,669	13,585
10-19	14,935	15,165	16,046
20-29	11,812	10,662	11,514
30-39	12,780	12,677	13,660
40-49	14,857	16,345	17,300
50-59	16,852	18,630	19,497
60-69	25,222	27,740	28,898
70-79	20,872	21,871	22,695
80-89	13,663	13,940	14,327
90+	3,101	3,226	3,334
	147,235	152,925	160,855

Source: ONS and POPGROUP Scenario from Understanding Data Ltd. / CCL calculation

- 4.80 Crucially, both the alternative Demographic and Employment-led Housing Growth Scenarios offer a more positive and balanced view of economic prospects in an area that has clearly lagged and where the District Council has signalled a clear intent to support an economic growth agenda to tackle deep seated economic challenges in the District. As the population increases under both scenarios, a larger working age population is available within the area to meet increasing jobs creation.
- 4.81 While this is the result of modelling it illustrates the scale of growth needed to retain younger people, improve the economy and make sure there is sufficient workforce to fill new jobs. This can be looked at in a further way, by the balance of jobs and workforce.
- 4.82 A key aspect of the *East Lindsey Economic Baseline* (CD42) is found on page 80:
- “If the current economic activity rates (75.8%) were to continue, there would be a surplus of 9,979 more jobs than local workers to perform them”.*
- 4.83 This figure (**-9,979**) has been converted to give the change over the Plan period and is shown below in Figure 4.3 where it is compared to the expected labour force change from the Edge Analytics (2016) work and the two alternative OAN scenarios presented in this Report.
- 4.84 In Figure 4.3, light blue is the labour force change drawn from the Edge Analytics Report, 2016 (CD10); while red is the labour force change from the Demographic and Employment-led Housing Growth Scenarios (DHGS and EGHS) developed for this Report; and the orange bar is the derived imbalance as set out in Table 6.7 of the *East Lindsey Economic Baseline*.
- 4.85 This highlights the difference both in age structure and total population growth where a more optimistic and positive approach in planning for the

District’s economic and demographic future is set out as in the Demographic and Employment-led Housing Growth Scenarios.

Figure 4.3: Labour Force Change, East Lindsey District



Source: East Lindsey Economic Baseline Table (CD42) Table 6.7 and Understanding Data / CCL and Edge Analytics report 2016 (CD10)

5. MARKET SIGNALS AND OTHER ADJUSTMENTS TO OAN

Introduction

- 5.1 This section considers other potential adjustments to the modelled OAN scenarios set out in the previous section of the Report.
- 5.2 The NPPG identifies that consideration should be given to whether the modelled OAN figures require further adjustment or modification to take account of issues such as the rates of housing delivery in the past, market signals and matters such as affordability and overcrowding.

Potential Adjustments to the OAN

C: Past Delivery and Backlog

- 5.3 The *Housing Topic Paper* notes at paragraph 7.7 that over a 30 year period to 2015, there was an average of **548** dwelling completions per annum. This figure includes a period during the early – late 1980s where annual completions approached **600** to **1,100** dwellings per annum and was followed by lower levels of completion during the 1990s and into the 2000s. Figure 4.1 in the previous section of the Report showed the historic level of completions.
- 5.4 Evidence of more recent levels of housing completions is set out in paragraph 7.1 of the *Housing Topic Paper*. The precise figures are not reported before 2013 but interpretation of the relevant graph (see page 38 of the *Housing Topic Paper*) indicates completions from 2010 – 2016 as follows:
- 2010 – 680
 - 2011 – 250
 - 2012 – 245
 - 2013 – 276
 - 2014 – 278
 - 2015 – 405
 - 2016 - 323
- 5.5 Levels of completions have clearly been affected by the economic recession but have, since 2012, shown a broadly upward trend.
- 5.6 The levels of completions have not matched or exceeded either the former *East Midlands Regional Spatial Strategy* housing target (**600** dpa) or the proposed OAN set out by the District Council in the draft Core Strategy (**481** previously **517** dpa respectively).

- 5.7 This under-performance is despite house sales evidence (see graph at page 27 of the *Housing Topic Paper*) which highlighted an increase in the level and rate of sales from 2013 onwards to **2,435** and **2,486** sales in 2015 and 2016. The *Housing Topic Paper* confirms this at paragraph 7.7, identifying that sales rose **34%** between 2012 – 2014; an improving sales situation.
- 5.8 The *East Midlands Regional Plan* policy 13a established a housing target of **600** dwellings per annum for the District. This target has been used by the District in calculating the housing requirement from 2006 to 2010 according to the *Housing Topic Paper* (page 11). The RSS was revoked on 20th March 2013 and, until its revocation remained formally part of the Development Plan, including the housing requirements in policy 13a. On this basis, Metacre consider that the housing target for the period 2006 to 2013 should have been **4,800** dwellings, not the **3,000** dwellings used in the Council's five-year housing land calculation.
- 5.9 The *Housing Topic Paper* identifies a **553** dwellings shortfall under-supply as at 1st February 2016 (paragraph 3.5, page 17).
- 5.10 The shortfall appears to be calculated on the basis of the District Council's conclusion that there is a **3.85** years housing land supply and therefore a **1.15** year under-supply which then equates the **553** dwellings.
- 5.11 Over the longer term period April 2006 – February 2016 a total of **4,695** dwellings were completed according to the Council's records. The housing targets over that period equated to **5,642** dwellings (based on consideration of the relevant Development Plan housing targets including the RSS up to 2013 and the interim OAN from then onwards; although it can be argued that the RSS figure should be applied in the period up to 2016). This leaves the District with an under-supply shortfall of at least **948** dwellings as at February 2016 and it is reasonable to expect that the future planned housing requirement for the District seeks to remedy this significant backlog shortfall deficiency caused by a persistent under-delivery of housing.
- 5.12 East Lindsey District therefore has a record of persistent under-delivery resulting in a significant shortfall in housing completions and a consequent under-supply over many years.

D: Market Signals

- 5.13 The evidence and analysis in this section accords with Section 2a, paragraph 019 and 020 of the NPPG.
- 5.14 The NPPG advises that housing needs identified through household projections may need to be adjusted to reflect market signals and indicators of the balance of supply and demand for housing. In paragraph 020 the NPPG confirms that comparative indicators should be made considering longer term trends for the Borough, the Housing Market Area and nationally.
- 5.15 The NPPG is clear that where there are worsening trends indicated by negative market signals and/or worsening affordability then an upward

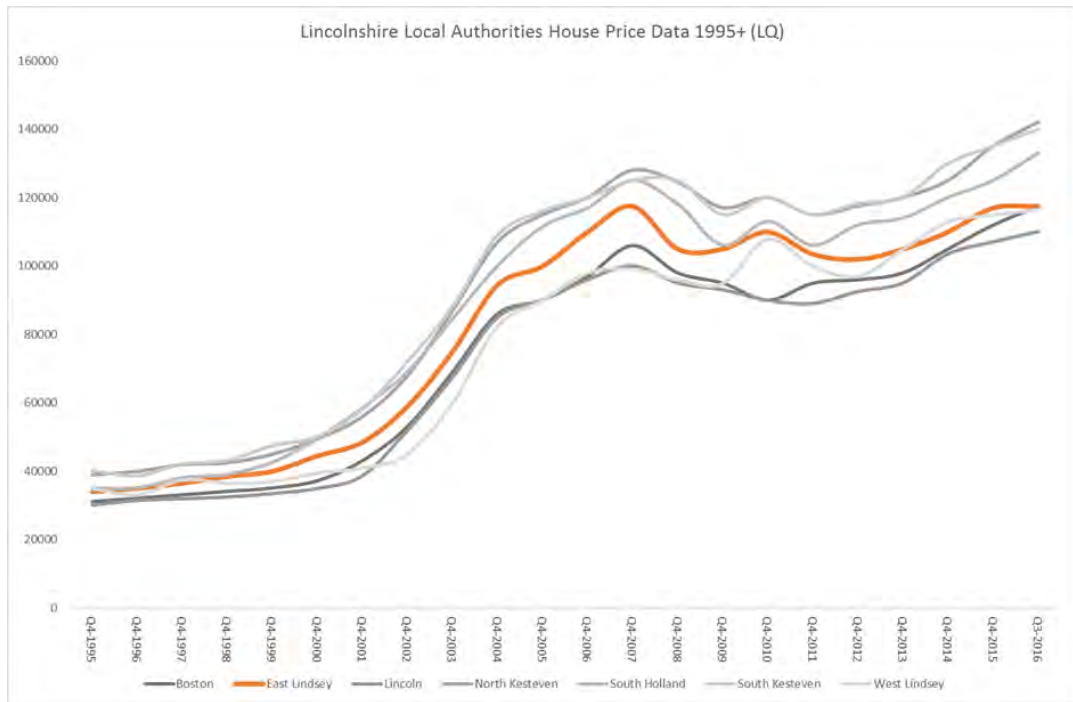
adjustment to planned housing numbers should be made. The NPPG does not identify how such an upward adjustment should be made, simply that it is reasonable.

- 5.16 In accordance with NPPG at paragraph 2a-019, the following sub-sections consider a range of housing market signals for East Lindsey, including:
- house prices;
 - rents;
 - affordability;
 - rate of development; and
 - overcrowding.

House Prices

- 5.17 Figure 5.1 shows how house prices across East Lindsey have changed over the period 2000 to 2015. During this time, lower quartile prices have increased by **169%**, with median prices have increasing by **167.4%**. Median prices peaked during 2010 at **£116,000**. House prices have been consistently below the prices across the rest of Lincolnshire.
- 5.18 The NPPG states that longer term increases in house prices can be indicative of an imbalance between supply and demand. ONS provides information on mean and lower quartile house prices, based on Land Registry data, enabling the analysis of long-term house price trends. The sub-section below shows how house prices have changed since 1996, with neighbouring authorities shown for context.
- 5.19 The data shown starts at a District level, but also explores ward level data. In line with the Local Plan Expert Group recommendations, data showing the House Price Ratio is set out, with a clear message for a potential market signal uplift.
- 5.20 House price data has also been analysed and mapped for the period 2007 to 2016, to illustrate the broad range of prices realised, the distribution of sales, with the data broken down to show prices, number of sales, and types of sale (detached, semi-detached, terraced and flats). **Appendix A** presents detailed house price analysis summaries. **Appendix B** presents fuller page versions of the maps.
- 5.21 Figure 5.1 below shows that East Lindsey sits mid-range against other Lincolnshire local authorities. Fluctuations in house prices have been broadly shared across the wider area.

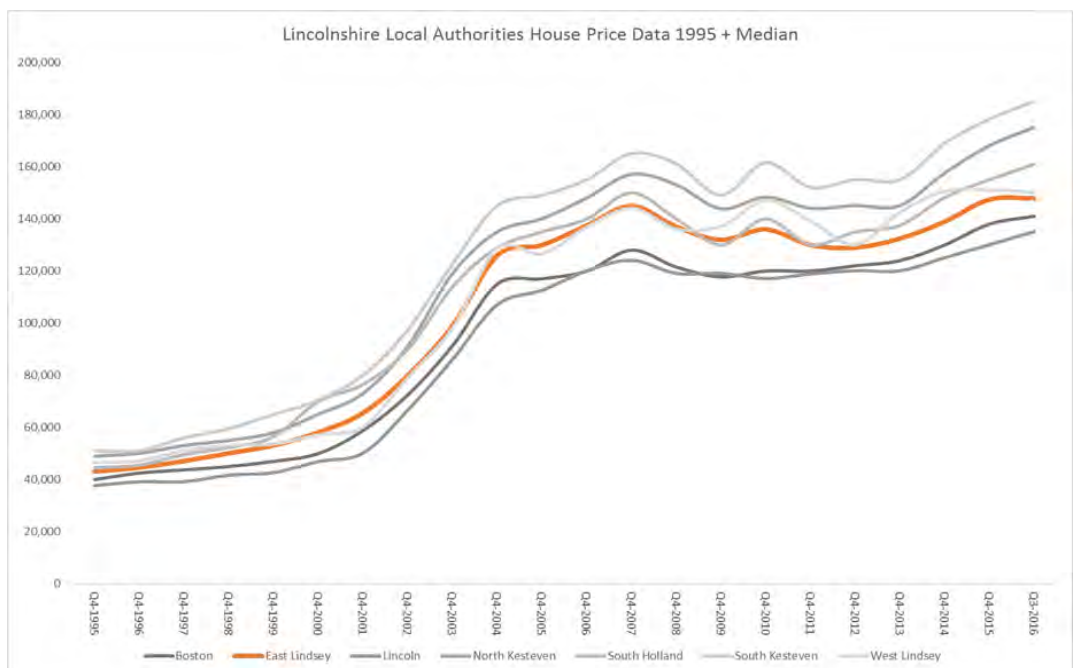
Figure 5.1 : Lower Quartile House Prices, East Lindsey and Other Lincolnshire Local Authorities, 1995 - 2016



Source: ONS using HM Land Registry Data

5.22 While it is helpful to consider both Lower Quartile prices at the local authority level, the median data is also helpful as set out in Figure 5.2 below.

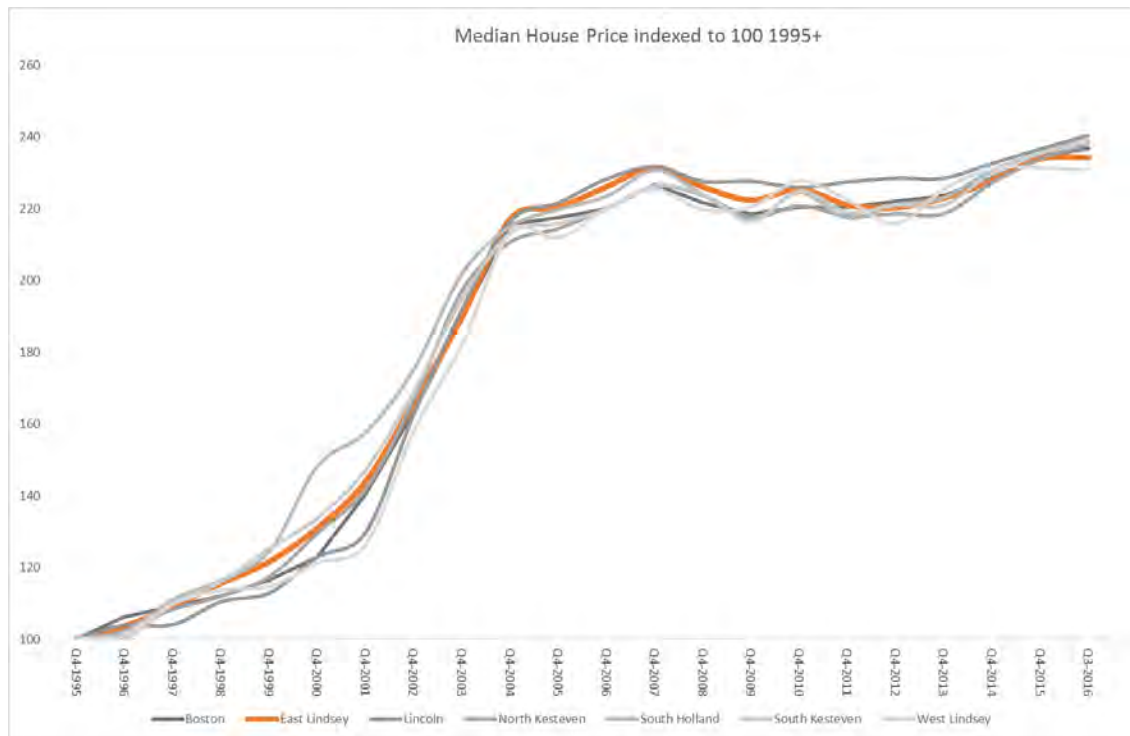
Figure 5.2: Median House Prices, East Lindsey and Other Lincolnshire Local Authorities, 1995 - 2016



Source: ONS using HM Land Registry Data

- 5.23 House price data is also presented where the starting value is fixed to 100, to allow easier comparisons of the rate of change in prices across time. Figure 5.3 shows this analysis.

Figure 5.3: Median House Prices, Indexed to 1995 for East Lindsey District and other Lincolnshire Authorities, 1995 - 2016



Source: ONS using HM Land Registry Data

- 5.24 It is possible to show the range of house prices in terms of change from 2001 - 2016, for both lower quartile and median prices. Table 5.1 sets this out and demonstrates that Median prices have increased by **126%** and LQ prices by **142%**.
- 5.25 The *Housing Topic Paper* (CD15) paragraph 7.5 presents house price data for the period Q2 2008 to Q1 2016 showing pre and post-recession prices at a broadly comparable level. This is somewhat disingenuous as the pre-2008 period clearly shows rapid house price change.

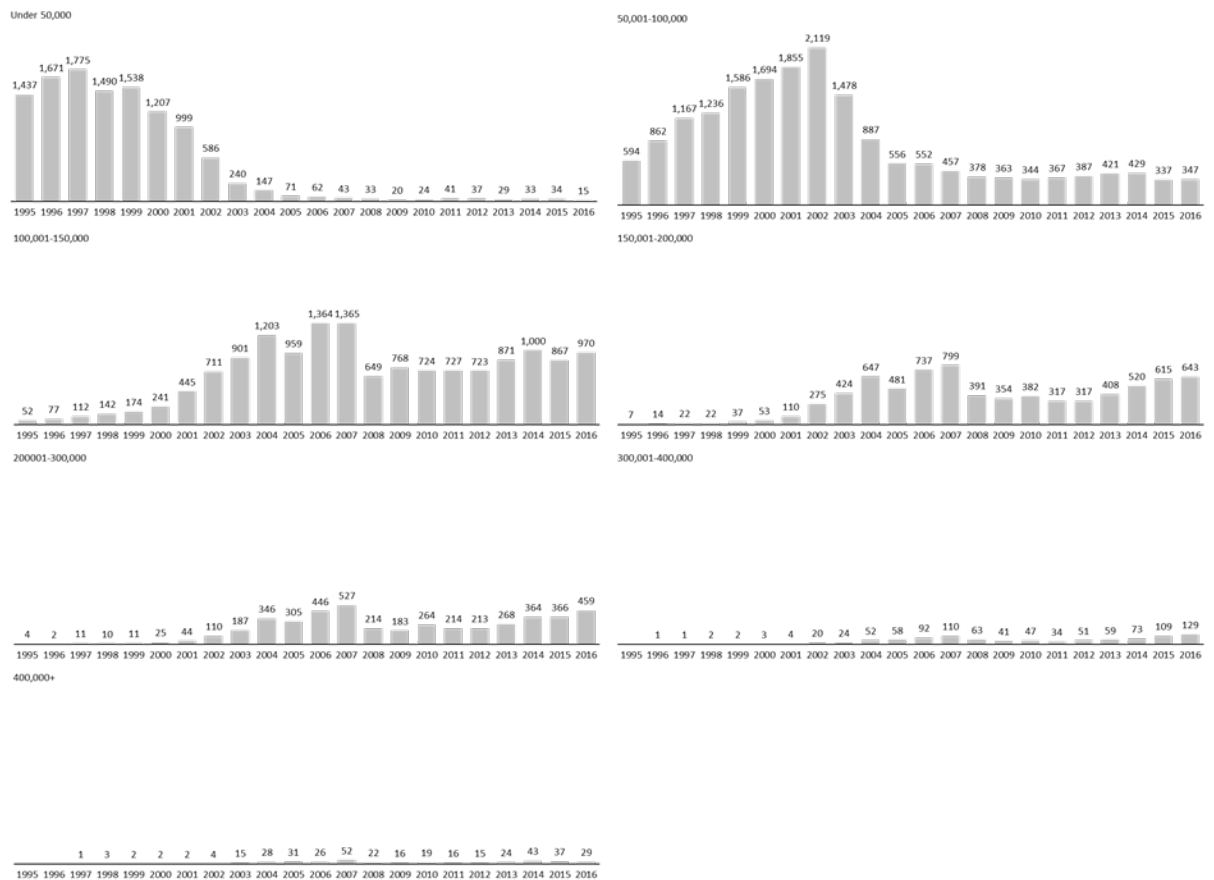
Table 5.1: LQ and Median Price Changes

East Lindsey		
£	LQ	Median
Q4-2001	48,500	65,500
Q4-2002	59,000	79,950
Q4-2003	75,000	99,000
Q4-2004	94,500	126,000
Q4-2005	100,000	130,000
Q4-2006	110,000	137,500
Q4-2007	117,500	145,000
Q4-2008	105,000	137,000
Q4-2009	105,000	132,000
Q4-2010	110,000	136,000
Q4-2011	103,500	130,000
Q4-2012	102,000	129,000
Q4-2013	105,000	132,500
Q4-2014	110,000	139,000
Q4-2015	117,000	147,500
Q3-2016	117,500	148,000
Change £	69,000	82,500
Change %	142.3	126.0

Source: HM Land Registry, 2017

- 5.26 The volume of house sales has changed over time too in East Lindsey. The following charts show this by year and price band. Data is for full years apart from 2017, which includes the data up to and available on the 8th May 2017.

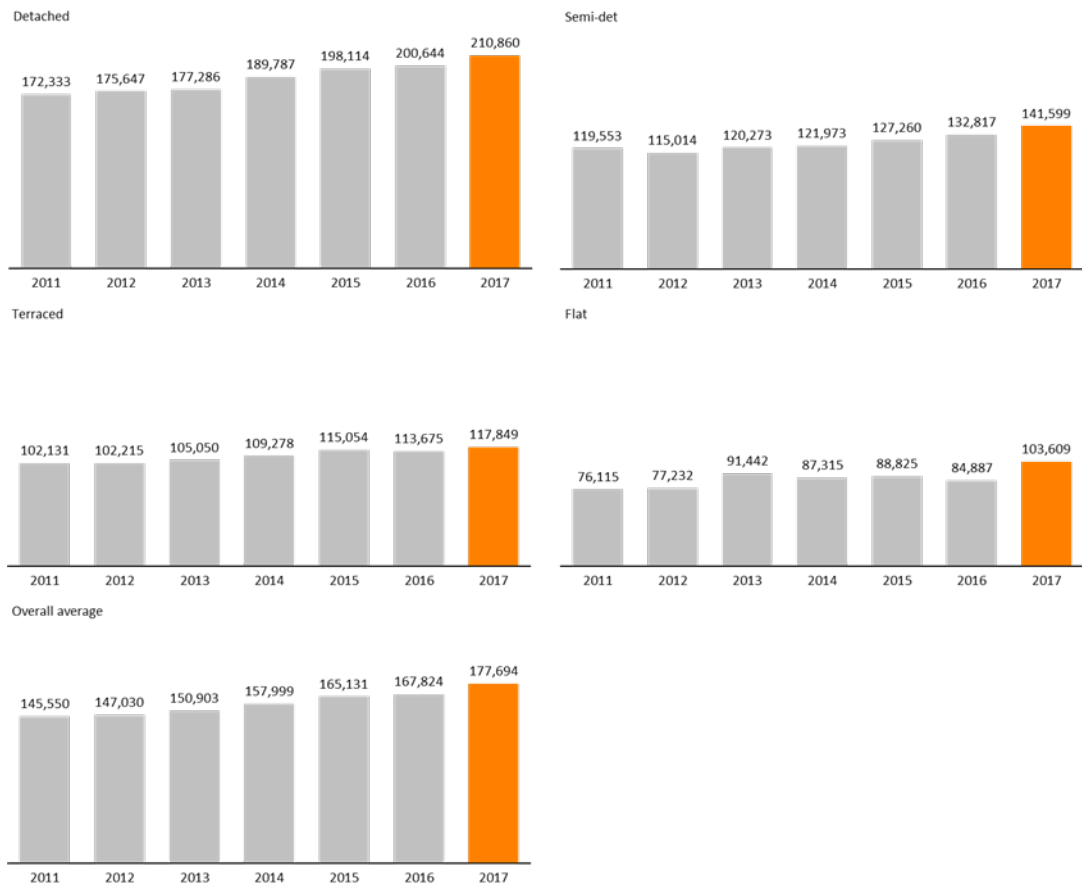
Figure 5.4: Volume of House Sales by Price Cohort, East Lindsey District, 1995 – 2016



Source: HM and Registry, 2017

5.27 Figure 5.4 shows the progression of the quantity of house sales as prices have gradually increased. A further breakdown shows prices by breakdown of type of property in Figure 5.5 below.

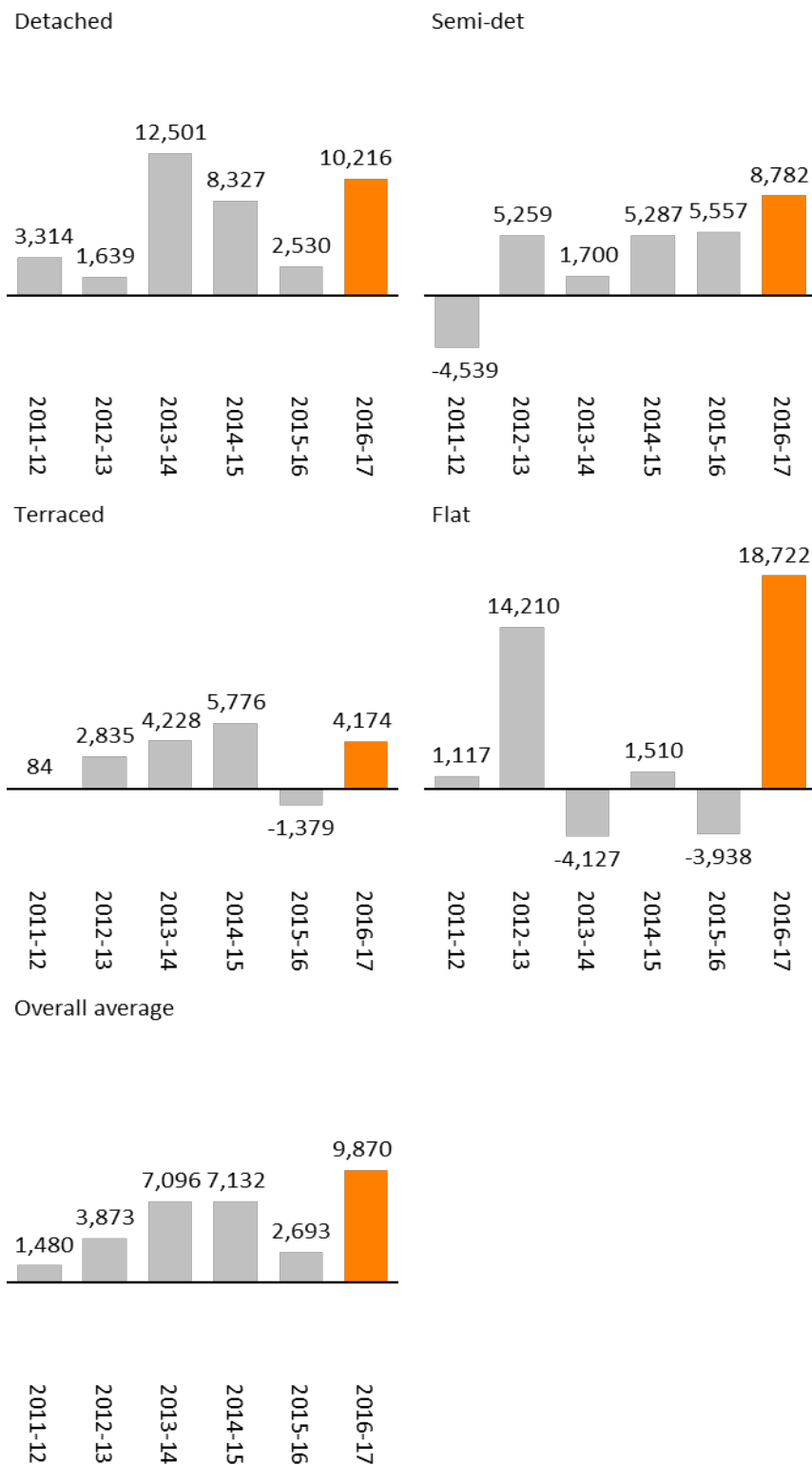
Figure 5.5: Sale Price by Type of Dwelling by Year, East Lindsey District



Source: HM and Registry, 2017

5.28 It is helpful to set this data out additionally, to show the amount of annual change in price as Figure 5.6 highlights.

Figure 5.6: Annual Change in House Sales, by Year by Type, East Lindsey District

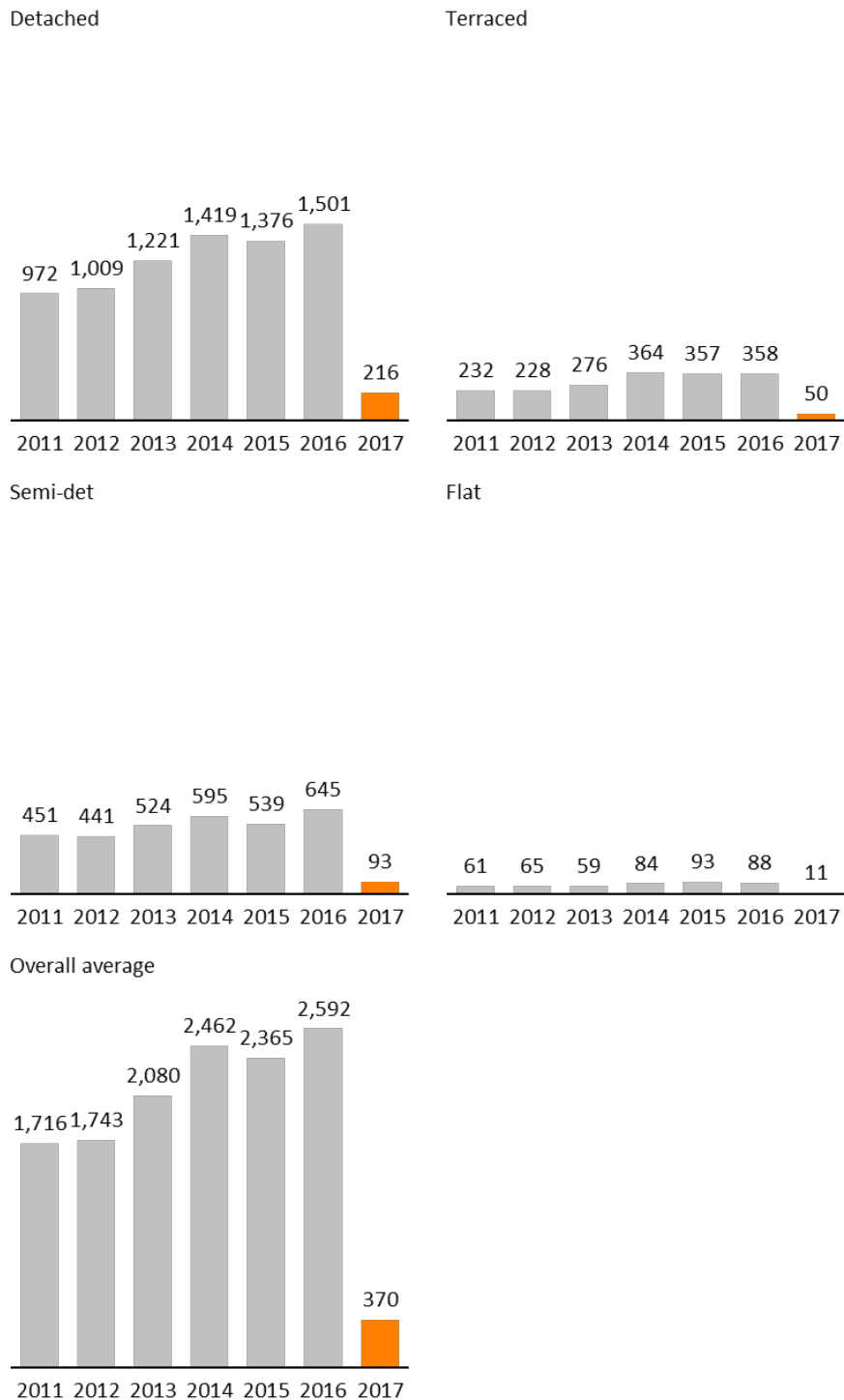


Source: HM Land Registry, 2017

5.29 There are some clear signs of buoyancy across a range of indicators in the local housing market in East Lindsey. Levels of sales in 2016 were

the highest since 2011 (as Figure 5.7 shows) with rising sales levels year on year reflected in increasing sales prices measured at both the Lower Quartile and Median levels.

Figure 5.7: Sales by Type and Year, East Lindsey District, 2011 – Q2 2017

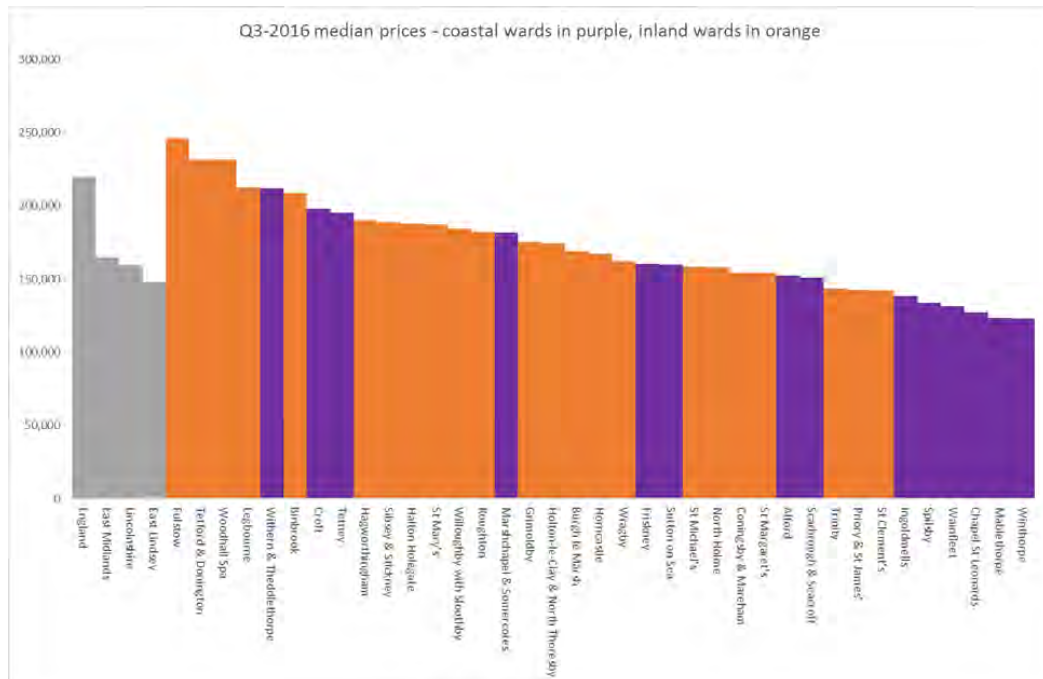


5.30 The District-level house price data masks some significant variations that exist within the area when a more detailed analysis of Ward level prices

are considered. Figure 5.8 below presents the most recent Ward level median house prices in order to provide a more granular analysis.

- 5.31 This shows a clear emphasis on more expensive properties in inland areas, and cheaper properties, typically in the coastal areas and is relevant particularly to the spatial distribution strategy of the Core Strategy.

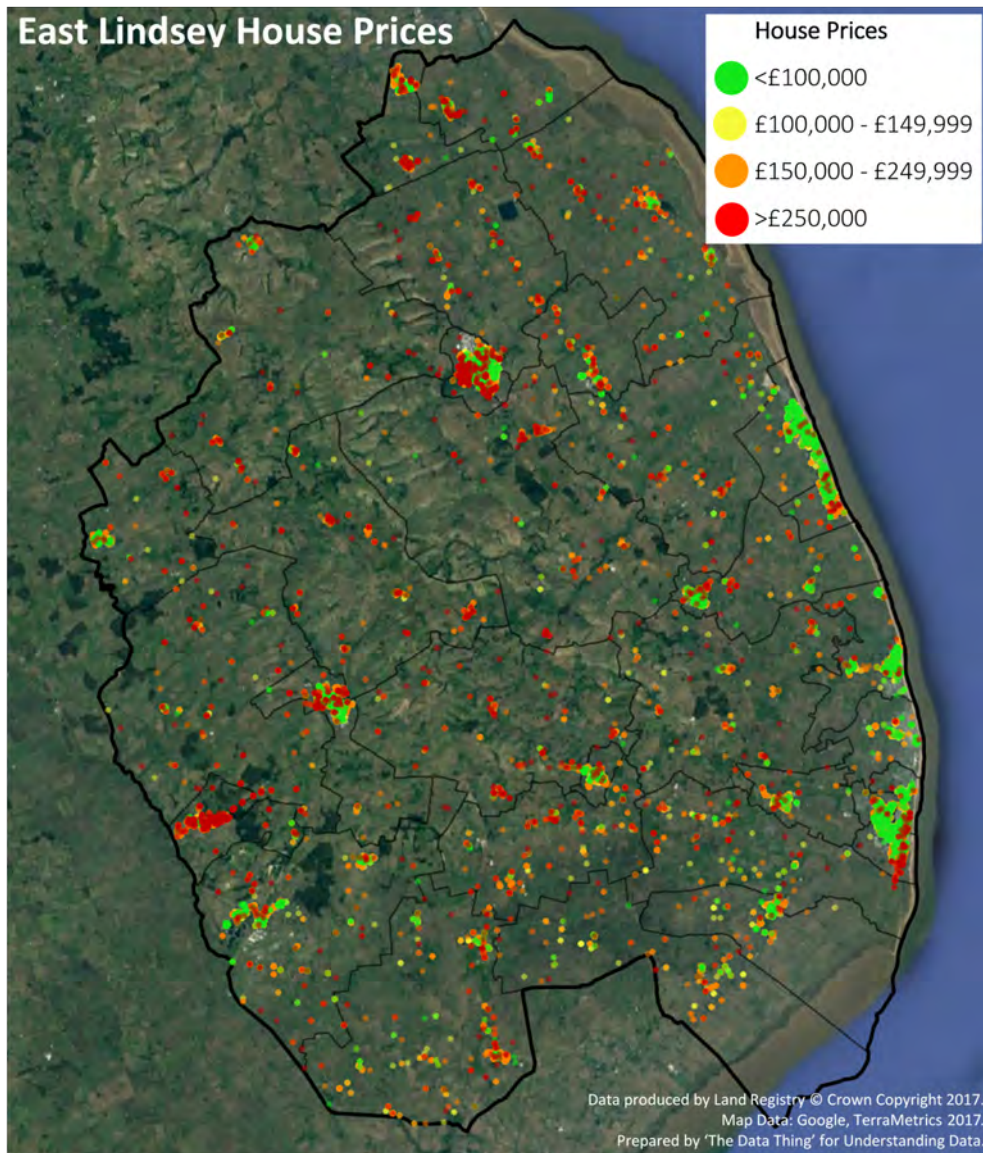
Figure 5.8: Median House Prices, East Lindsey, By Ward, Q3 2016



Source: HM Land Registry, 2017

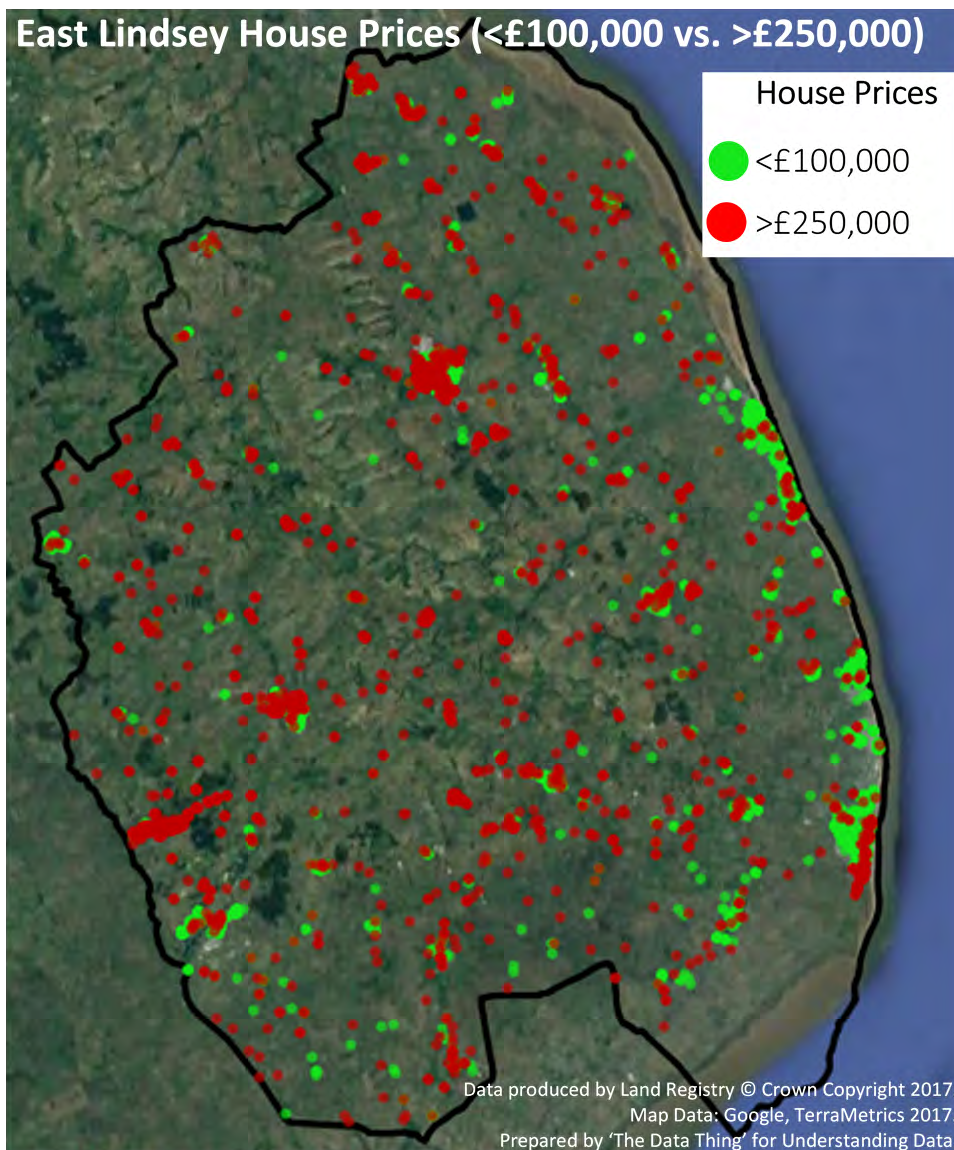
- 5.32 House price data can also be usefully presented as mapped point data. This report has analysed and mapped over 19,000 unique property sales. It is presented below in Figure 5.9 and a full-page version in **Appendix B**.
- 5.33 It reinforces the clear division in prices between coastal and inland areas across East Lindsey District.

Figure 5.9: House Prices, East Lindsey District



Source: HM Land Registry, 2017

Figure 5.10: East Lindsey House Prices (High and Low Band 2007-2017)



Source: HM Land Registry, 2017

5.34 The *Housing Topic Paper* set out a view on the impact of restricting new housing growth in the coastal area at paragraphs 6.3 to 6.5. The District Council equate in-migration to new houses, although this is not backed up by evidence, as migrants are far more likely to move to existing houses, especially as the data seems to suggest a clear price differential between coastal (cheaper) and inland areas (more expensive). The Council's evidence base and the Core Strategy itself have not addressed this in any detail.

5.35 Paragraph 6.5 of the *Housing Topic Paper* (CD15) states:

‘What the Council can state is that house prices are not being significantly affected in the Coastal Zone, the housing register has not

increased significantly and that the population demographic of predominantly older persons in the coastal zone appears not to have altered”.

- 5.36 The house prices sales evidence shows that restraint in the coastal areas is having an effect on inland prices, where greater competition for new housing and existing stock, sees a reversal of normal trends experienced elsewhere in the UK of coastal properties being valued at higher levels. It is important to remember that most house moves are short distance and local, not long distance.
- 5.37 Turning to the LPEG affordability measure, East Lindsey has a house price ratio of **5.9** (using a three year rolling average of the latest available data). This is firmly within the 10% uplift range that LPEG sets out in its guidance and advisory report which notes that where the house price ratio is at or above 5.3 and less than 7.0 a 10% uplift is required²²).
- 5.38 The East Lindsey three year rolling averages, alongside median house price and earnings data is set out below in Table 5.2.

Table 5.2: Rolling Three Year House Price Ratios, East Lindsey District

Year	97-98	99-01	02-04	05-07	08-10	11-13	14-16
House Price Ratio	3.4	3.8	5.9	7.8	6.7	6.1	5.9
Median Earnings	£13,887	£15,125	£16,360	£17,434	£20,535	£21,617	£24,197
Median House Price	£47,750	£57,000	£96,500	£136,333	£136,192	£130,983	£143,033

Source: HM Land Registry and CCL calculation

Rents

- 5.39 The NPPG indicates that the rental market should also be considered as a market signal, with longer term changes in rental levels indicative of a potential imbalance between the demand for and the supply of housing.
- 5.40 Data published by the Valuation Office Agency (VOA) collates information provided by private rental landlords, with the latest available data covering the period from October 2015 to September 2016.
- 5.41 The Local Plan Expert Group report, at Appendix 6 suggests a measure to set out rental affordability. This is called the Rental Affordability Ratio (RAR), and it compares lower quartile monthly rent, (averaged over the last three years) with lower quartile monthly earnings data. This is summarised in the following Table 5.3. The analysis is shown for East Lindsey.

²² LPEG Appendix 6 Market Signals section

Table 5.3: Monthly Rents and Rental Affordability Ratio, East Lindsey District

	Mean Rent	Lower Quartile Rent	Monthly Earnings (LQ)	RAR
2013-14	£476	£400	£1529	26.1
2014-15	£571	£495	£1463	33.8
2015-16	£481	£395	£1544	25.6
3 Yr average		£430	£1512	28.4

Source: Valuation Office Agency

- 5.42 The LPEG recommendation is that that where the Rental Affordability Ratio is between 25% and 30% a 10% uplift is warranted to reflect the situation.
- 5.43 For East Lindsey, the three year rolling monthly average rent is **£430**. The equivalent monthly earnings is **£1,512** (both lower quartile figures). This gives East Lindsey a RAR of **28.4%**.
- 5.44 The LPEG advice is that where the RAR and/or the HPR fulfils the criteria (as set out above) then a 10% uplift is warranted.

Affordability

- 5.45 Affordable housing is defined in Annex 2 of the NPPF as:
- “social rented, affordable rented and intermediate housing, provided to eligible households whose needs are not met by the market...Affordable housing eligibility is determined with regard to local incomes and local house prices”.*
- 5.46 Paragraph 159 of the NPPF confirms that local authorities should address:
- “the need for all types of housing, including affordable housing and the needs of different groups in the community (such as, but not limited to, families with children, older people, people with disabilities, service families and people wishing to build their own homes); and cater for housing demand and the scale of housing supply necessary to meet this demand”.*
- 5.47 The need for social housing remains significant in East Lindsey District as the *Affordable Housing Needs Assessment Update* (October 2016), albeit published only in a draft form, indicates a need for **2,825** new affordable dwellings over the plan period (**188** dpa) at paragraph 2.97.
- 5.48 Taking the *Draft Core Strategy* housing target and applying a 30% affordable housing contribution (as draft policy SP7 proposes, rising to 40% for the Woodhall Spa site) this would generate some **2,330** affordable dwellings. While this helps meet some of the identified affordable housing need it does not ensure that the need for affordable housing is met in full and there remains a need to provide significant levels of affordable housing in the District which must be appropriately

factored into the District's planned housing requirement, including through an appropriate adjustment for market signals related to affordable housing delivery.

Rate of Development

- 5.49 Levels of previous housing completions in East Lindsey were considered earlier in this section of the report under the sub-section on backlog and shortfall. A persistent level of under-delivery and backlog was concluded to exist.
- 5.50 Turning to the current and future position for the District, the most recent information published by the District Council on the five year housing position appears in the *Five Year Housing Supply Position Up to 31st January 2017* document, which states that there is a **4.50** year supply, rising to **5.25** years if a windfall allowance is included. Paragraph 8 of the draft Core Strategy refers to **3.75** years supply.
- 5.51 The Council's published evidence fails to indicate the annual delivery rates prior to 2010, but the Core Strategy does confirm that there has been a significant under-provision of housing and the Council's *Annual Monitoring Report (2014)* states that a 20% contingency buffer is to be applied (see paragraph 9.3) and the draft Core Strategy also indicates a similar position (see paragraph 25). However, the *Five Year Housing Supply Position Up to 31st January 2017* applies only a 5% buffer.
- 5.52 There is no apparent detailed housing trajectory for the plan period illustrating the expected rate of housing delivery and demonstrating how a five year supply of housing will be maintained. Draft policy SP3 does propose three phases of housing delivery over the plan period:
- **591 dpa in the period 2016 to 2021;**
 - **481 dpa in 2021 to 2025; and**
 - **482 dpa for the period 2025 to 2031.**
- 5.53 There is however a heavy reliance on windfall sites in the five-year period (some **526** dwellings according to the latest *Five Year Housing Supply Position* statement) and beyond to deliver necessary housing does not offer sufficient assurance that the necessary housing (including the past under-supply) will be delivered.
- 5.54 East Lindsey District therefore has a record of persistent under-delivery resulting in a significant shortfall in housing completions and a consequent under-supply over many years. The lack of a detailed housing trajectory for future provision offers little confidence that the position will change or that the rate of housing completions will become more positive over time.

Overcrowding

- 5.55 The NPPG identifies that the levels of over-occupancy or over-crowding of existing dwellings is a pertinent market signal showing the extent to which there is unrealised potential demand for housing within existing households.

- 5.56 Census Occupancy Rating data from 2011 is used show the levels of over-occupation of existing households in East Lindsey measured by the level of over-occupancy of rooms. Table 5.4 demonstrates the number of occupants and the number of bedrooms in dwellings, allowing an understanding of overcrowding.
- 5.57 The data provided is for the number of households with an occupancy rating of -1 or less. This indicates the household has at least one too few bedrooms to adequately accommodate the individuals living there and is therefore overcrowded.

Table 5.4: Occupancy Ratings and Overcrowding, East Lindsey District

	Occupancy Rating Bedrooms	Occupancy Rating (bedrooms) of -1	Occupancy Rating (bedrooms) of -2 or less	Occupancy Rating -1 or -2 Total	2011% of all households	2001 % of all households
Boston	27,291	912	185	1,097	4.0	4.2
East Lindsey	60,890	1,044	128	1,172	1.9	3.8
Lincoln	39,825	1,282	147	1,429	3.6	5.9
North Kesteven	45,972	464	57	521	1.1	2.2
South Kesteven	57,344	779	71	850	1.5	2.9
West Lindsey	38,385	422	55	477	1.2	2.2
Lincolnshire	306,971	5,862	822	6,684	2.2	3.4

Source: 2001 and 2011 Census

- 5.58 There does not appear to be a significant issue in East Lindsey when compared with neighbouring authorities, and the percentage of overcrowded rooms has fallen from 2001. There does however remain over 1,100 households who are classified as living in overcrowded accommodation.

Adjustment for Market Signals

- 5.59 The analysis of key market signals set out above shows a clear picture of increasing prices, increasing revealed market demand as sales volumes have risen over time and a persistent level of unaffordability in East Lindsey.
- 5.60 The evidence indicates that there is demand for residential properties and a worsening picture in terms of newly forming households' abilities to buy or rent property in the private market without financial subsidy. The three year house price ratio has continued to sit around the **5.9:1** mark and shows no signs of improvement as price growth continues to out-strip household earnings growth.
- 5.61 These market signals manifest in several ways including driving property prices upwards, the variation in prices (with higher values inland rather

than by the coastal areas, which is atypical, the levels of house prices are therefore higher where the Core Strategy seeks to locate new housing) and potentially increasing the levels of over-crowding in the existing housing stock as new households are restricted in forming.

- 5.62 There remains a strong demand for affordable housing and that demand is represented across all types of affordable housing tenure. The level of affordable housing need remains significant, despite recent affordable housing completions and a future pipeline of affordable housing committed in the District.
- 5.63 Based on the evident market and affordability signals for the District, it is proposed that a **+10%** adjustment to the objectively assessed housing needs figures are made to take those signals into account. The 10% upwards adjustment is a realistic and reasonable figure that is justified by the market signals evidence and related in scale with the advice set out in the LPEG report.

6. CONCLUSIONS

Introduction

- 6.1 The East Lindsey District housing evidence base published to support the *Core Strategy* is a complex patch-work of material prepared over many years with varying base dates and projection periods.
- 6.2 The *East Lindsey Core Strategy Submissions Modifications Draft* (CD107) has been submitted to the Secretary of State on 18th April 2017 for Examination.
- 6.3 The main parts of the evidence base that supports the Core Strategy, notably the *Housing Topic Paper, Coastal Lincolnshire SHMA* (2012), the *East Lindsey SHMA Update* (2014), the SHMAA (*Affordable Housing Needs Update Report*) (2016), the *Updating the Demographic Evidence* (2015) and *Demographic Forecasts Updating the Evidence Final Report* (2016) do set out elements of the OAN calculation but there is no overall analysis or evidential report that clearly establishes or justifies what the proposed OAHN requirement for the District is.
- 6.4 Metacre have long-standing concerns that the District Council's selected OAN figure for the Core Strategy represents a significant under-estimate of the likely housing requirements for the District.
- 6.5 The purpose of this Report has therefore been to evaluate and establish a realistic, objective alternative Objectively Assessed Housing Need for East Lindsey District in accordance with the NPPF and NPPG.
- 6.6 In the preceding sections, this Report has considered the historic population, households and employment context of East Lindsey; and examined the District Council's approach to establishing its OAN. Drawing from this analysis, the Report has set out two alternative **Demographic** and **Employment-led Housing Growth Scenarios** that Metacre conclude represent a more robust and realistic estimate of the District's objectively assessed housing needs.
- 6.7 In this section, the evidence and analysis is used to reach an overall conclusion on the appropriate OAN range for the District.

Bringing the Evidence Together

- 6.8 The calculation of an alternative OAN range draws upon demographic analysis prepared by Understanding Data Ltd., using POPGROUP outputs, which considers the following factors:
 - baseline 2014-based ONS and CLG population projections for East Lindsey;
 - alternative migration impacts/assumptions; and

- alternative levels of employment growth in East Lindsey.
- 6.9 To establish the OAN, the NPPG recommends a logical progression of steps:
- make use of DCLG household projections as the starting point for estimating the OAN;
 - consider sensitivity testing specific to local circumstances, based on alternative assumptions in relation to the underlying demographic projections and household formation rates;
 - take account of employment trends; and
 - take account of market signals.

The Demographic Starting Point

- 6.10 The Office for National Statistics and Department for Communities publish sub-national population and household projections on a two-year cycle.
- 6.11 Sub National Population Projections (SNPP) set out the latest available data and assumptions on births, deaths internal and international migration to estimate population growth outcomes for a 25-year projection for each local authority area.
- 6.12 The SNPP's provide the key demographic input to the CLG Household Projections. The latest 2014-based CLG Household Projections model provides a 25-year projection of household growth for English local authorities.

Table 6.1: 2014 SNPP Results - % Rate of Change (2014 - 2039)

	2014	2039	Change	% Change
East Lindsey	137,623	15,0810	13,187	9.6
Lincolnshire	731,516	834,656	103,140	14.1
England	54,316,618	63,281,522	8,964,904	16.5

- 6.13 The latest official population projections (2014-based SNPP) illustrate the nature of the contribution to overall population growth expected to come from East Lindsey. The level of change (as set out in Table 6.1 and considered in greater detail in Section 4) is lower in East Lindsey, at **9.6%** compared to **16.5%** in England for the overall projection period of twenty five years.
- 6.14 The baseline dwelling requirement arising from the 2014-based SNHP for the District is **381** dwellings per annum.
- 6.15 For its own OAN calculation, the District Council based its starting point on the PG-10 Yr scenario drawn **not** from the latest *Demographic Forecasts Updating the Evidence Final Report (2016) (CD10)*, instead preferring the mid-point PG 10 Yr scenario from the previous *Updating the Demographic Evidence (2015) (CD9)* which was based on the superseded 2008 and 2012-based SNHP's.

- 6.16 The District Council argue that they could have reduced the start point to reflect lower levels of 2014 SNPP derived growth overall, however they have selected a scenario which gives a smaller rate of growth from an earlier and superseded evidence base report.

Alternative Demographic Housing Growth Scenario

- 6.17 In the **Demographic-led Housing Growth Scenario** prepared for Metacre, headship rates in the male younger age groups (15-44) return to their 2008 values by 2024, continuing the original rate of growth thereafter. This is in accordance with the approach taken by latest Edge Analytics report for East Lindsey District (CD10).
- 6.18 The trend based demographic scenario prepared for Metacre to reflect the levels of growth experienced across East Lindsey for the 2001-2010 period, which offer a balanced period of sustained growth, and an important alternative to the scenarios that the Council has considered.
- 6.19 The **Demographic-led Housing Growth Scenario** results in an OAN of **857** dwellings per annum over the plan period as Table 4.5 set out in detail.

Economic Growth Scenario

- 6.20 The NPPG and current housing need assessments follow the principle that the OAN may be adjusted with regard to evidence about future employment growth. This means that population projections should be tested against projected jobs growth to determine whether a given level of housing would generate enough growth in the labour force to support the expected increase in employment.
- 6.21 The District Council's approach to economic growth is confused and results in contradictory and inconsistent identification of jobs growth targets that are not aligned to the Core Strategy's proposed OAN. Higher rates of jobs growth as the Economic Evidence Base and the District's Economic Action Plan support were not subject to testing in order to understand the housing needed to support them.
- 6.22 The **Employment-led Housing Growth Scenario** prepared for Metacre is based on a **300** jobs per annum (jpa) target (as Section 4 considered the rationale and evidence for an alternative job growth target for East Lindsey from the District Council's position – either **124** jpa or **240** jpa, depending on the evidential base source document).
- 6.23 This **300** jpa jobs target has been used has been used by Metacre to illustrate the impact of an uplift to the working age population, to model the effects of retaining more younger people in the District and to provide a modelled scenario that more effectively reflects the economic objectives/aspirations of the District Council.
- 6.24 The results of the Employment-led Housing Growth Scenario were set out in Table 4.10. It showed a lower rate of growth than Metacre's alternative Demographic-led Housing Growth Scenario, but higher growth than the

District Council's SNPP and PG10 Yr scenarios, resulting in an OAN figure of **631** dwellings per annum from this scenario.

Other Adjustments to the OAN

- 6.25 The analysis of key market signals set out in Section 5 shows a clear picture of increasing prices, increasing revealed market demand as sales volumes have risen over time and a persistent level of unaffordability in East Lindsey.
- 6.26 The evidence indicates that there is demand for residential properties and a worsening picture in terms of newly forming households' abilities to buy or rent property in the private market without financial subsidy. The three year house price ratio has continued to sit around the **5.9:1** mark and shows no signs of improvement as price growth continues to out-strip household earnings growth.
- 6.27 These market signals manifest in several ways including driving property prices upwards, the variation in prices (with higher values inland rather than by the coastal areas, which is atypical, the levels of house prices are therefore higher where the Core Strategy seeks to locate new housing) and potentially increasing the levels of over-crowding in the existing housing stock as new households are restricted from forming resulting in the potential for suppression of household growth and demand.
- 6.28 There remains a strong demand for affordable housing and that demand is represented across all types of affordable housing tenure. The level of affordable housing need remains significant, despite recent affordable housing completions and a future pipeline of affordable housing committed in the District.
- 6.29 Based on the evident market and affordability signals for the District, it is proposed that a **+10%** adjustment to the objectively assessed housing needs figures are made to take those signals into account. The 10% upwards adjustment is a realistic and reasonable figure that is justified by the market signals evidence and related in scale with the advice set out in the LPEG report.

Objectively Assessed Housing Needs Range

- 6.30 The alternative OAN range derived from the analysis and modelling set out in this Report identifies a range of **631 – 857** dwellings per annum over the East Lindsey District Core Strategy period.
- 6.31 A 10% upward adjustment is proposed to account for various market signals and issues of backlog under-delivery and affordability concerns in accordance with the NPPG as well as the LPEG advice on such adjustments.
- 6.32 The additional adjustment results in an OAN range of **694 – 942** dwellings per annum over the plan period. The mid-point of the range is **818** dwellings per annum and it is considered that this is a reasonable figure

to take forward as the OAN for the District as it encompasses both demographic needs based on the 2014-SNHP with a return to pre-recessionary levels in population growth as well as supporting economic growth of 300 new jobs per annum in the District.

- 6.33 While the alternative range and mid-point figure is higher than the 481 dwellings per annum OAN that the District Council has identified in the draft Core Strategy, there is a clear rationale and evidence as to why the alternative OAN proposed in this Report is both objective and robust for the District.

APPENDIX A: HOUSE SALES DATA FOR EAST LINDSEY

Appendix A: Detailed East Lindsey District & Ward Price House Sales Analysis 2007-2017

ALL PROPERTIES														
	AVERAGE PROPERTY PRICE		MIN/MAX		QUARTILES					PRICE BANDS (NUMBER OF PROPERTIES)				
	Mean	Median	Min Value	Max Value	Min	25%	50%	75%	Max	<£100k	£100k-£149k	£150k-£250k	>£250k	Total
East Lindsey	£155,910	£139,000	£5,000	£2,029,000	£5,000	£110,000	£139,000	£182,000	£2,029,000	3,993	8,938	7,326	2,074	22,331
Alford	£147,532	£138,000	£23,750	£610,000	£23,750	£104,000	£138,000	£172,250	£610,000	161	273	242	51	727
Binbrook	£194,417	£160,000	£40,000	£1,250,000	£40,000	£122,500	£160,000	£229,000	£1,250,000	42	99	127	65	333
Burgh le Marsh	£152,202	£143,750	£28,311	£485,000	£28,311	£120,000	£143,750	£166,750	£485,000	39	198	151	22	410
Chapel St Leonards	£123,117	£120,000	£5,000	£510,000	£5,000	£95,000	£120,000	£145,000	£510,000	281	488	187	21	977
Coningsby & Mareham	£144,374	£129,950	£25,000	£680,000	£25,000	£98,250	£129,950	£170,000	£680,000	341	474	395	81	1,291
Croft	£182,249	£160,000	£30,000	£727,000	£30,000	£124,988	£160,000	£227,625	£727,000	30	109	125	56	320
Friskney	£163,149	£153,500	£50,000	£420,000	£50,000	£121,500	£153,500	£194,500	£420,000	26	99	122	24	271
Fulstow	£217,826	£190,000	£40,000	£853,107	£40,000	£145,000	£190,000	£255,500	£853,107	16	55	111	70	252
Grimoldby	£159,132	£140,000	£45,000	£577,500	£45,000	£110,000	£140,000	£195,000	£577,500	58	126	115	38	337
Hagworthingham	£222,094	£195,000	£45,000	£1,480,000	£45,000	£139,213	£195,000	£270,000	£1,480,000	29	72	130	97	328
Halton Hologate	£194,737	£178,500	£24,250	£575,000	£24,250	£135,000	£178,500	£235,000	£575,000	21	105	191	69	386
Holton-le-Clay & North Thoresby	£163,895	£145,000	£45,000	£495,000	£45,000	£123,000	£145,000	£187,125	£495,000	71	331	279	75	756
Horncastle	£154,679	£143,500	£30,000	£700,000	£30,000	£115,000	£143,500	£185,000	£700,000	259	516	556	107	1,438
Ingoldmells	£132,658	£130,000	£28,750	£318,000	£28,750	£110,000	£130,000	£150,000	£318,000	46	144	69	6	265
Legbourne	£208,472	£185,000	£20,000	£699,995	£20,000	£140,875	£185,000	£261,875	£699,995	26	59	127	82	294
Mablethorpe	£116,298	£113,500	£23,750	£370,000	£23,750	£92,000	£113,500	£135,000	£370,000	491	818	207	10	1,526
Marshchapel & Somercotes	£170,943	£155,000	£25,950	£575,000	£25,950	£121,000	£155,000	£209,963	£575,000	64	223	255	78	620
North Holme	£161,163	£131,000	£32,488	£460,000	£32,488	£115,000	£131,000	£195,500	£460,000	27	134	65	38	264
Priory & St James'	£134,296	£120,000	£23,500	£738,000	£23,500	£94,125	£120,000	£154,850	£738,000	330	448	248	48	1,074
Roughton	£221,962	£197,000	£30,625	£750,000	£30,625	£142,625	£197,000	£274,625	£750,000	25	74	144	103	346
Scarborough & Seacroft	£139,892	£127,000	£13,500	£885,000	£13,500	£104,725	£127,000	£160,000	£885,000	275	608	351	61	1,295
Sibsey & Stickney	£169,633	£156,500	£21,250	£900,000	£21,250	£120,000	£156,500	£199,463	£900,000	67	257	320	78	722
Spilsby	£128,964	£121,995	£27,000	£499,500	£27,000	£100,000	£121,995	£150,000	£499,500	120	272	122	11	525
St Clement's	£130,486	£125,000	£31,400	£500,000	£31,400	£105,000	£125,000	£148,000	£500,000	181	491	182	11	865
St Margaret's	£146,515	£139,999	£28,750	£400,000	£28,750	£116,750	£139,999	£172,000	£400,000	62	189	160	12	423
St Mary's	£177,678	£152,750	£45,000	£685,000	£45,000	£120,000	£152,750	£210,000	£685,000	59	143	146	76	424
St Michael's	£156,528	£142,000	£65,000	£500,000	£65,000	£120,000	£142,000	£182,000	£500,000	34	174	124	28	360
Sutton on Sea	£143,562	£138,000	£18,000	£485,000	£18,000	£115,000	£138,000	£165,000	£485,000	179	569	450	32	1,230
Tetford & Donington	£219,430	£204,000	£43,000	£700,000	£43,000	£155,000	£204,000	£261,875	£700,000	13	65	176	108	362
Tetney	£176,745	£150,000	£17,050	£499,950	£17,050	£106,813	£150,000	£225,000	£499,950	74	96	101	73	344
Trinity	£124,032	£115,000	£30,000	£450,000	£30,000	£90,000	£115,000	£139,000	£450,000	74	121	17	17	229
Wainfleet	£138,186	£130,000	£43,750	£440,000	£43,750	£104,500	£130,000	£165,000	£440,000	67	146	85	9	307
Willoughby with Sloothby	£173,814	£156,000	£40,800	£480,000	£40,800	£129,988	£156,000	£200,625	£480,000	20	121	140	47	328
Winthorpe	£126,702	£121,750	£9,000	£490,000	£9,000	£90,000	£121,750	£154,500	£490,000	240	350	196	24	810
Withern & Theddlethorpe	£194,878	£172,500	£28,000	£2,029,000	£28,000	£135,000	£172,500	£228,000	£2,029,000	33	74	160	58	325
Woodhall Spa	£211,406	£199,950	£31,500	£1,050,000	£31,500	£153,000	£199,950	£249,950	£1,050,000	53	197	544	256	1,050
Wragby	£157,074	£144,995	£23,750	£540,000	£23,750	£119,995	£144,995	£178,000	£540,000	59	220	206	32	517

DETACHED

	AVERAGE PROPERTY PRICE		MIN/MAX		QUARTILES					PRICE BANDS (NUMBER OF PROPERTIES)				
	Mean	Median	Min Value	Max Value	Min	25%	50%	75%	Max	<£100k	£100k-£149k	£150k-£250k	>£250k	Total
East Lindsey	£187,711	£167,500	£9,500	£2,029,000	£9,500	£136,000	£167,500	£220,000	£2,029,000	639	3,771	6,061	1,956	12,427
Alford	£177,774	£139,000	£25,000	£610,000	£25,000	£136,750	£163,225	£201,500	£610,000	22	117	208	47	394
Binbrook	£236,917	£193,000	£40,000	£1,250,000	£40,000	£154,500	£193,000	£270,000	£1,250,000	7	37	102	65	211
Burgh le Marsh	£168,597	£155,000	£29,945	£485,000	£29,945	£136,000	£155,000	£180,625	£485,000	9	111	138	22	280
Chapel St Leonards	£136,070	£130,000	£9,500	£510,000	£9,500	£107,000	£130,000	£154,999	£510,000	121	352	175	20	668
Coningsby & Mareham	£184,666	£169,000	£30,000	£680,000	£30,000	£141,750	£169,000	£210,000	£680,000	29	166	358	78	631
Croft	£194,170	£170,000	£30,000	£727,000	£30,000	£135,000	£170,000	£238,000	£727,000	16	74	122	53	265
Friskney	£177,015	£170,000	£60,000	£420,000	£60,000	£139,000	£170,000	£205,000	£420,000	15	51	114	23	203
Fulstow	£241,774	£215,000	£40,000	£853,107	£40,000	£164,000	£215,000	£289,750	£853,107	5	23	101	70	199
Grimoldby	£189,515	£174,500	£55,000	£577,500	£55,000	£138,000	£174,500	£225,000	£577,500	9	53	106	36	204
Hagworthingham	£250,602	£230,000	£50,000	£1,480,000	£50,000	£167,000	£230,000	£290,000	£1,480,000	8	36	114	95	253
Halton Holegate	£205,329	£191,000	£24,250	£575,000	£24,250	£148,000	£191,000	£242,500	£575,000	6	81	183	69	339
Holton-le-Clay & North Thoresby	£192,364	£171,500	£81,000	£495,000	£81,000	£143,375	£171,500	£225,000	£495,000	3	137	244	72	456
Horncastle	£190,204	£179,000	£60,000	£700,000	£60,000	£146,000	£179,000	£220,250	£700,000	18	176	434	100	728
Ingoldmells	£143,630	£141,750	£40,000	£318,000	£40,000	£120,000	£141,750	£160,000	£318,000	25	89	66	6	186
Legbourne	£228,885	£210,000	£20,000	£699,995	£20,000	£158,250	£210,000	£270,000	£699,995	12	30	108	81	231
Mablethorpe	£137,906	£135,000	£25,000	£370,000	£25,000	£115,000	£135,000	£155,000	£370,000	84	387	189	10	670
Marshchapel & Somercotes	£190,641	£173,000	£60,000	£575,000	£60,000	£140,000	£173,000	£232,250	£575,000	12	134	245	77	468
North Holme	£222,494	£225,000	£100,000	£460,000	£100,000	£164,250	£225,000	£266,750	£460,000	-	16	43	35	94
Priory & St James'	£199,194	£180,000	£50,000	£738,000	£50,000	£140,250	£180,000	£222,250	£738,000	10	49	106	33	198
Roughton	£255,954	£231,000	£67,000	£750,000	£67,000	£178,500	£231,000	£305,750	£750,000	7	20	125	102	254
Scarborough & Seacroft	£174,630	£157,500	£50,000	£690,000	£50,000	£132,000	£157,500	£193,450	£690,000	18	209	264	54	545
Sibsey & Stickney	£185,330	£170,000	£45,000	£900,000	£45,000	£140,000	£170,000	£217,500	£900,000	25	158	309	77	569
Spilsby	£171,575	£163,000	£74,000	£499,500	£74,000	£140,500	£163,000	£188,500	£499,500	4	54	108	11	177
St Clement's	£153,899	£145,000	£57,500	£500,000	£57,500	£127,500	£145,000	£170,000	£500,000	11	202	153	11	377
St Margaret's	£179,467	£174,000	£65,000	£400,000	£65,000	£145,750	£174,000	£198,998	£400,000	3	43	109	12	167
St Mary's	£229,957	£192,000	£65,000	£685,000	£65,000	£158,000	£192,000	£286,000	£685,000	5	33	77	64	179
St Michael's	£204,752	£195,000	£80,000	£500,000	£80,000	£160,000	£195,000	£245,000	£500,000	2	18	85	28	133
Sutton on Sea	£157,013	£150,000	£20,000	£485,000	£20,000	£125,250	£150,000	£180,000	£485,000	52	384	424	31	891
Tetford & Donington	£236,616	£220,000	£45,000	£700,000	£45,000	£175,000	£220,000	£279,503	£700,000	5	32	154	107	298
Tetney	£237,028	£212,500	£65,000	£499,950	£65,000	£169,750	£212,500	£300,000	£499,950	7	21	77	71	176
Trinity	£239,867	£250,000	£115,000	£450,000	£115,000	£159,000	£250,000	£302,000	£450,000	-	6	6	17	29
Wainfleet	£159,287	£147,000	£50,000	£440,000	£50,000	£125,000	£147,000	£183,750	£440,000	18	82	77	9	186
Willoughby with Sloothby	£184,701	£165,500	£51,000	£480,000	£51,000	£140,000	£165,500	£220,000	£480,000	11	73	129	45	258
Winthorpe	£162,620	£152,750	£52,250	£490,000	£52,250	£125,750	£152,750	£181,000	£490,000	14	134	150	18	316
Withern & Theddlethorpe	£203,320	£178,000	£28,000	£2,029,000	£28,000	£140,000	£178,000	£240,000	£2,029,000	25	55	148	57	285
Woodhall Spa	£241,180	£229,950	£31,500	£1,050,000	£31,500	£186,000	£229,950	£275,000	£1,050,000	15	54	353	219	641
Wragby	£188,142	£170,000	£50,000	£540,000	£50,000	£144,838	£170,000	£205,625	£540,000	6	74	157	31	268

	AVERAGE PROPERTY PRICE		MIN/MAX		QUARTILES					PRICE BANDS (NUMBER OF PROPERTIES)				
	Mean	Median	Min Value	Max Value	Min	25%	50%	75%	Max	<£100k	£100k-£149k	£150k-£250k	>£250k	Total
SEMI-DETACHED														
East Lindsey	£124,092	£121,500	£15,000	£500,000	£15,000	£103,000	£121,500	£139,000	£500,000	1,170	3,592	821	66	5,649
Alford	£122,348	£117,950	£23,750	£295,000	£23,750	£99,125	£117,950	£139,725	£295,000	58	137	28	4	227
Binbrook	£124,936	£120,000	£45,000	£229,000	£45,000	£100,000	£120,000	£142,500	£229,000	17	42	17	-	76
Burgh le Marsh	£119,036	£120,000	£28,311	£210,000	£28,311	£105,000	£120,000	£129,950	£210,000	16	64	8	-	88
Chapel St Leonards	£107,479	£112,000	£27,499	£210,000	£27,499	£90,000	£112,000	£122,500	£210,000	68	116	9	-	193
Coningsby & Mareham	£118,980	£121,750	£25,000	£300,000	£25,000	£100,000	£121,750	£135,000	£300,000	81	216	28	3	328
Croft	£120,211	£117,750	£75,000	£275,000	£75,000	£97,383	£117,750	£129,875	£275,000	12	28	3	1	44
Friskney	£122,615	£121,500	£50,000	£290,000	£50,000	£110,000	£121,500	£135,625	£290,000	8	44	7	1	60
Fulstow	£131,408	£123,875	£75,000	£240,000	£75,000	£113,750	£123,875	£136,250	£240,000	3	27	6	-	36
Grimoldby	£120,368	£120,000	£45,000	£255,000	£45,000	£100,000	£120,000	£133,500	£255,000	20	53	8	1	82
Hagworthingham	£129,825	£128,750	£45,000	£275,000	£45,000	£103,750	£128,750	£152,625	£275,000	9	22	12	1	44
Halton Hologate	£120,543	£121,500	£55,000	£217,500	£55,000	£93,750	£121,500	£145,463	£217,500	12	24	8	-	44
Holton-le-Clay & North Thoresby	£124,962	£125,000	£60,000	£211,500	£60,000	£110,750	£125,000	£138,500	£211,500	35	167	33	-	235
Horncastle	£133,414	£129,950	£55,000	£320,000	£55,000	£113,500	£129,950	£145,000	£320,000	42	234	75	4	355
Ingoldmells	£111,758	£118,000	£28,750	£184,995	£28,750	£100,000	£118,000	£127,498	£184,995	10	43	2	-	55
Legbourne	£138,549	£130,000	£40,000	£275,000	£40,000	£109,438	£130,000	£161,875	£275,000	8	26	15	1	50
Mablethorpe	£103,831	£103,000	£26,125	£235,000	£26,125	£90,000	£103,000	£118,000	£235,000	265	375	15	-	655
Marshchapel & Somercotes	£118,527	£120,000	£65,000	£250,000	£65,000	£100,000	£120,000	£130,000	£250,000	21	59	8	1	89
North Holme	£132,691	£125,000	£72,000	£340,000	£72,000	£115,000	£125,000	£138,375	£340,000	12	94	20	2	128
Priory & St James'	£132,873	£125,000	£24,000	£500,000	£24,000	£115,000	£125,000	£144,750	£500,000	29	119	36	3	187
Roughton	£132,606	£120,000	£30,625	£273,000	£30,625	£109,000	£120,000	£148,566	£273,000	9	51	18	1	79
Scarborough & Seacroft	£126,229	£122,000	£33,500	£420,000	£33,500	£105,000	£122,000	£139,238	£420,000	84	308	72	4	468
Sibsey & Stickney	£116,230	£120,000	£60,000	£205,000	£60,000	£100,000	£120,000	£129,238	£205,000	19	69	8	-	96
Spilsby	£113,882	£117,500	£27,000	£249,995	£27,000	£102,500	£117,500	£126,000	£249,995	33	120	8	-	161
St Clement's	£119,085	£120,000	£31,400	£179,950	£31,400	£108,000	£120,000	£130,000	£179,950	28	165	7	-	200
St Margaret's	£135,280	£134,000	£28,750	£207,500	£28,750	£120,000	£134,000	£151,000	£207,500	11	77	35	-	123
St Mary's	£147,457	£137,500	£57,500	£347,000	£57,500	£125,000	£137,500	£161,000	£347,000	6	59	31	3	99
St Michael's	£138,082	£135,000	£71,995	£209,995	£71,995	£122,375	£135,000	£150,000	£209,995	8	98	38	-	144
Sutton on Sea	£117,040	£117,000	£28,500	£342,500	£28,500	£99,238	£117,000	£135,000	£342,500	61	158	18	1	238
Tetford & Donington	£149,360	£142,000	£89,255	£265,000	£89,255	£124,950	£142,000	£169,500	£265,000	2	28	22	1	53
Tetney	£132,119	£128,500	£37,000	£268,000	£37,000	£105,250	£128,500	£147,375	£268,000	19	52	21	2	94
Trinity	£114,745	£120,250	£30,000	£190,000	£30,000	£99,000	£120,250	£136,000	£190,000	32	81	9	-	122
Wainfleet	£115,700	£120,000	£43,750	£248,000	£43,750	£102,750	£120,000	£129,500	£248,000	14	49	4	-	67
Willoughby with Sloothby	£140,270	£135,000	£40,800	£400,000	£40,800	£120,000	£135,000	£146,500	£400,000	3	41	8	2	54
Winthorpe	£120,849	£117,250	£15,000	£470,000	£15,000	£98,375	£117,250	£140,000	£470,000	75	167	44	6	292
Withern & Theddlethorpe	£139,573	£133,000	£55,000	£250,000	£55,000	£107,808	£133,000	£166,500	£250,000	6	16	12	1	35
Woodhall Spa	£170,381	£157,050	£40,000	£430,000	£40,000	£138,000	£157,050	£185,000	£430,000	11	76	98	22	207
Wragby	£128,298	£125,000	£48,000	£270,000	£48,000	£109,995	£125,000	£145,000	£270,000	23	87	30	1	141

TERRACED	AVERAGE PROPERTY PRICE		MIN/MAX		QUARTILES					PRICE BANDS (NUMBER OF PROPERTIES)				
	Mean	Median	Min Value	Max Value	Min	25%	50%	75%	Max	<£100k	£100k-£149k	£150k-£250k	>£250k	Total
East Lindsey	£110,318	£105,000	£10,000	£885,000	£10,000	£83,500	£105,000	£125,000	£885,000	1,455	1,440	376	41	3,312
Alford	£90,109	£84,000	£25,000	£229,950	£25,000	£72,500	£84,000	£96,000	£229,950	74	17	6	-	97
Binbrook	£116,183	£115,000	£45,000	£242,500	£45,000	£89,750	£115,000	£139,975	£242,500	15	20	8	-	43
Burgh le Marsh	£114,715	£116,500	£28,750	£195,000	£28,750	£97,000	£116,500	£131,250	£195,000	12	23	5	-	40
Chapel St Leonards	£93,381	£94,500	£10,000	£245,000	£10,000	£65,500	£94,500	£115,000	£245,000	36	19	3	-	58
Coningsby & Mareham	£93,560	£88,000	£25,000	£248,000	£25,000	£76,000	£88,000	£105,625	£248,000	212	90	9	-	311
Croft	£143,227	£124,000	£67,000	£286,500	£67,000	£108,750	£124,000	£138,750	£286,500	2	7	-	2	11
Friskney	£115,306	£111,250	£92,000	£165,000	£92,000	£95,750	£111,250	£122,963	£165,000	3	4	1	-	8
Fulstow	£120,500	£110,000	£60,000	£200,000	£60,000	£89,000	£110,000	£145,000	£200,000	8	5	4	-	17
Grimoldby	£96,753	£94,000	£52,000	£182,000	£52,000	£75,250	£94,000	£112,000	£182,000	29	20	1	-	50
Hagworthingham	£122,327	£124,000	£55,000	£275,000	£55,000	£85,000	£124,000	£140,000	£275,000	11	13	4	1	29
Halton Hologate	£86,000	£90,000	£72,000	£96,000	£72,000	£81,000	£90,000	£93,000	£96,000	3	-	-	-	3
Holton-le-Clay & North Thoresby	£119,254	£110,000	£55,000	£300,000	£55,000	£85,000	£110,000	£129,000	£300,000	13	27	2	3	45
Horncastle	£105,367	£97,500	£30,000	£320,000	£30,000	£72,400	£97,500	£130,000	£320,000	169	100	47	3	319
Ingoldmells	£104,108	£110,000	£45,000	£150,000	£45,000	£94,000	£110,000	£119,375	£150,000	5	12	1	-	18
Legbourne	£114,669	£110,000	£44,950	£189,250	£44,950	£80,000	£110,000	£150,000	£189,250	6	3	4	-	13
Mablethorpe	£91,838	£87,500	£30,000	£220,000	£30,000	£70,000	£87,500	£110,000	£220,000	75	39	3	-	117
Marshchapel & Somercotes	£102,350	£105,000	£36,120	£195,000	£36,120	£83,750	£105,000	£119,750	£195,000	24	29	2	-	55
North Holme	£113,760	£110,000	£32,488	£265,000	£32,488	£96,000	£110,000	£117,750	£265,000	12	24	2	1	39
Priory & St James'	£119,068	£110,000	£23,500	£500,000	£23,500	£90,000	£110,000	£136,500	£500,000	236	266	104	12	618
Roughton	£100,807	£96,000	£52,000	£179,950	£52,000	£80,000	£96,000	£108,000	£179,950	9	3	1	-	13
Scarborough & Seacroft	£122,316	£109,950	£46,000	£885,000	£46,000	£93,263	£109,950	£125,000	£885,000	38	73	14	3	128
Sibsey & Stickney	£103,776	£105,000	£21,250	£250,000	£21,250	£79,988	£105,000	£115,750	£250,000	22	30	3	1	56
Spilsby	£106,291	£110,000	£42,500	£205,000	£42,500	£87,750	£110,000	£124,997	£205,000	61	96	6	-	163
St Clement's	£119,070	£115,500	£54,800	£192,000	£54,800	£100,000	£115,500	£129,988	£192,000	38	114	22	-	174
St Margaret's	£120,338	£119,999	£28,750	£187,520	£28,750	£99,187	£119,999	£138,000	£187,520	30	69	16	-	115
St Mary's	£140,731	£125,000	£45,000	£395,000	£45,000	£94,000	£125,000	£165,000	£395,000	35	44	37	9	125
St Michael's	£111,865	£112,500	£70,000	£155,000	£70,000	£99,000	£112,500	£125,000	£155,000	23	57	1	-	81
Sutton on Sea	£98,535	£89,000	£32,500	£212,000	£32,500	£73,250	£89,000	£121,500	£212,000	39	24	7	-	70
Tetford & Donington	£120,417	£125,000	£85,000	£137,000	£85,000	£117,500	£125,000	£132,875	£137,000	1	5	-	-	6
Tetney	£87,346	£77,500	£17,050	£210,000	£17,050	£65,000	£77,500	£106,813	£210,000	48	20	2	-	70
Trinity	£99,858	£101,850	£40,000	£155,000	£40,000	£77,438	£101,850	£115,000	£155,000	29	33	2	-	64
Wainfleet	£95,517	£89,000	£45,000	£195,000	£45,000	£68,500	£89,000	£110,000	£195,000	32	14	4	-	50
Willoughby with Sloothby	£111,469	£105,000	£50,000	£244,999	£50,000	£89,250	£105,000	£115,625	£244,999	6	7	3	-	16
Winthorpe	£89,670	£85,000	£38,000	£150,000	£38,000	£69,875	£85,000	£115,000	£150,000	59	36	1	-	96
Withern & Theddlethorpe	£104,750	£121,000	£52,000	£125,000	£52,000	£103,000	£121,000	£122,750	£125,000	1	3	-	-	4
Woodhall Spa	£151,275	£139,950	£49,000	£400,000	£49,000	£112,000	£139,950	£195,000	£400,000	15	36	32	6	89
Wragby	£120,001	£119,995	£60,000	£190,995	£60,000	£100,250	£119,995	£136,500	£190,995	24	58	19	-	101

FLAT

	AVERAGE PROPERTY PRICE		MIN/MAX		QUARTILES					PRICE BANDS (NUMBER OF PROPERTIES)				
	Mean	Median	Min Value	Max Value	Min	25%	50%	75%	Max	<£100k	£100k-£149k	£150k-£250k	>£250k	Total
East Lindsey	£87,560	£80,000	£5,000	£350,000	£5,000	£62,750	£80,000	£98,500	£350,000	729	135	68	11	943
Alford	£77,694	£73,950	£24,000	£109,950	£24,000	£67,500	£73,950	£99,950	£109,950	7	2	-	-	9
Binbrook	£86,817	£91,950	£70,000	£98,500	£70,000	£80,975	£91,950	£95,225	£98,500	3	-	-	-	3
Burgh le Marsh	£66,000	£66,000	£62,000	£70,000	£62,000	£64,000	£66,000	£68,000	£70,000	2	-	-	-	2
Chapel St Leonards	£55,709	£48,000	£5,000	£350,000	£5,000	£39,000	£48,000	£60,000	£350,000	56	1	-	1	58
Coningsby & Mareham	£82,855	£86,500	£26,250	£112,500	£26,250	£78,000	£86,500	£90,000	£112,500	19	2	-	-	21
Croft	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Friskney	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Fulstow	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Grimoldby	£258,500	£258,500	£258,500	£258,500	£258,500	£258,500	£258,500	£258,500	£258,500	-	-	-	1	1
Hagworthingham	£92,500	£92,500	£85,000	£100,000	£85,000	£88,750	£92,500	£96,250	£100,000	1	1	-	-	2
Halton Holegate	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Holton-le-Clay & North Thoresby	£72,715	£73,975	£45,000	£89,995	£45,000	£65,000	£73,975	£82,875	£89,995	20	-	-	-	20
Horncastle	£82,950	£81,750	£45,500	£132,500	£45,500	£70,000	£81,750	£92,500	£132,500	30	6	-	-	36
Ingoldmells	£69,750	£70,000	£65,000	£75,000	£65,000	£66,125	£70,000	£72,750	£75,000	6	-	-	-	6
Legbourne	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Mablethorpe	£75,235	£67,500	£23,750	£128,000	£23,750	£57,125	£67,500	£97,625	£128,000	67	17	-	-	84
Marshchapel & Somercotes	£73,300	£70,250	£25,950	£120,000	£25,950	£64,000	£70,250	£89,963	£120,000	7	1	-	-	8
North Holme	£70,500	£73,000	£58,500	£80,000	£58,500	£65,750	£73,000	£76,500	£80,000	3	-	-	-	3
Priory & St James'	£89,604	£86,000	£50,000	£162,000	£50,000	£72,000	£86,000	£99,475	£162,000	55	14	2	-	71
Roughton	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Scarborough & Seacroft	£73,087	£71,000	£13,500	£152,000	£13,500	£58,625	£71,000	£89,000	£152,000	135	18	1	-	154
Sibsey & Stickney	£53,000	£53,000	£53,000	£53,000	£53,000	£53,000	£53,000	£53,000	£53,000	1	-	-	-	1
Spilsby	£69,885	£66,500	£28,750	£110,000	£28,750	£56,000	£66,500	£85,500	£110,000	22	2	-	-	24
St Clement's	£90,482	£91,333	£60,000	£139,950	£60,000	£85,000	£91,333	£97,500	£139,950	104	10	-	-	114
St Margaret's	£84,805	£84,000	£73,999	£95,999	£73,999	£81,000	£84,000	£90,749	£95,999	18	-	-	-	18
St Mary's	£94,450	£85,000	£48,000	£150,000	£48,000	£75,000	£85,000	£120,000	£150,000	13	7	1	-	21
St Michael's	£86,500	£86,500	£65,000	£108,000	£65,000	£75,750	£86,500	£97,250	£108,000	1	1	-	-	2
Sutton on Sea	£62,240	£65,000	£18,000	£160,000	£18,000	£28,375	£65,000	£82,500	£160,000	27	3	1	-	31
Tetford & Donington	£56,750	£63,750	£43,000	£67,000	£43,000	£45,000	£63,750	£65,000	£67,000	5	-	-	-	5
Tetney	£137,488	£136,475	£112,000	£165,000	£112,000	£127,750	£136,475	£146,213	£165,000	-	3	1	-	4
Trinity	£75,529	£78,500	£34,500	£125,000	£34,500	£64,250	£78,500	£82,500	£125,000	13	1	-	-	14
Wainfleet	£67,000	£56,500	£45,000	£110,000	£45,000	£52,500	£56,500	£71,000	£110,000	3	1	-	-	4
Willoughby with Sloothby	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Winthorpe	£69,289	£70,000	£9,000	£210,000	£9,000	£52,750	£70,000	£83,500	£210,000	92	13	1	-	106
Withern & Theddlethorpe	£85,000	£85,000	£85,000	£85,000	£85,000	£85,000	£85,000	£85,000	£85,000	1	-	-	-	1
Woodhall Spa	£165,023	£170,000	£38,750	£317,500	£38,750	£123,000	£170,000	£198,500	£317,500	12	31	61	9	113
Wragby	£82,163	£89,950	£23,750	£119,950	£23,750	£75,748	£89,950	£94,998	£119,950	6	1	-	-	7

NEW BUILD

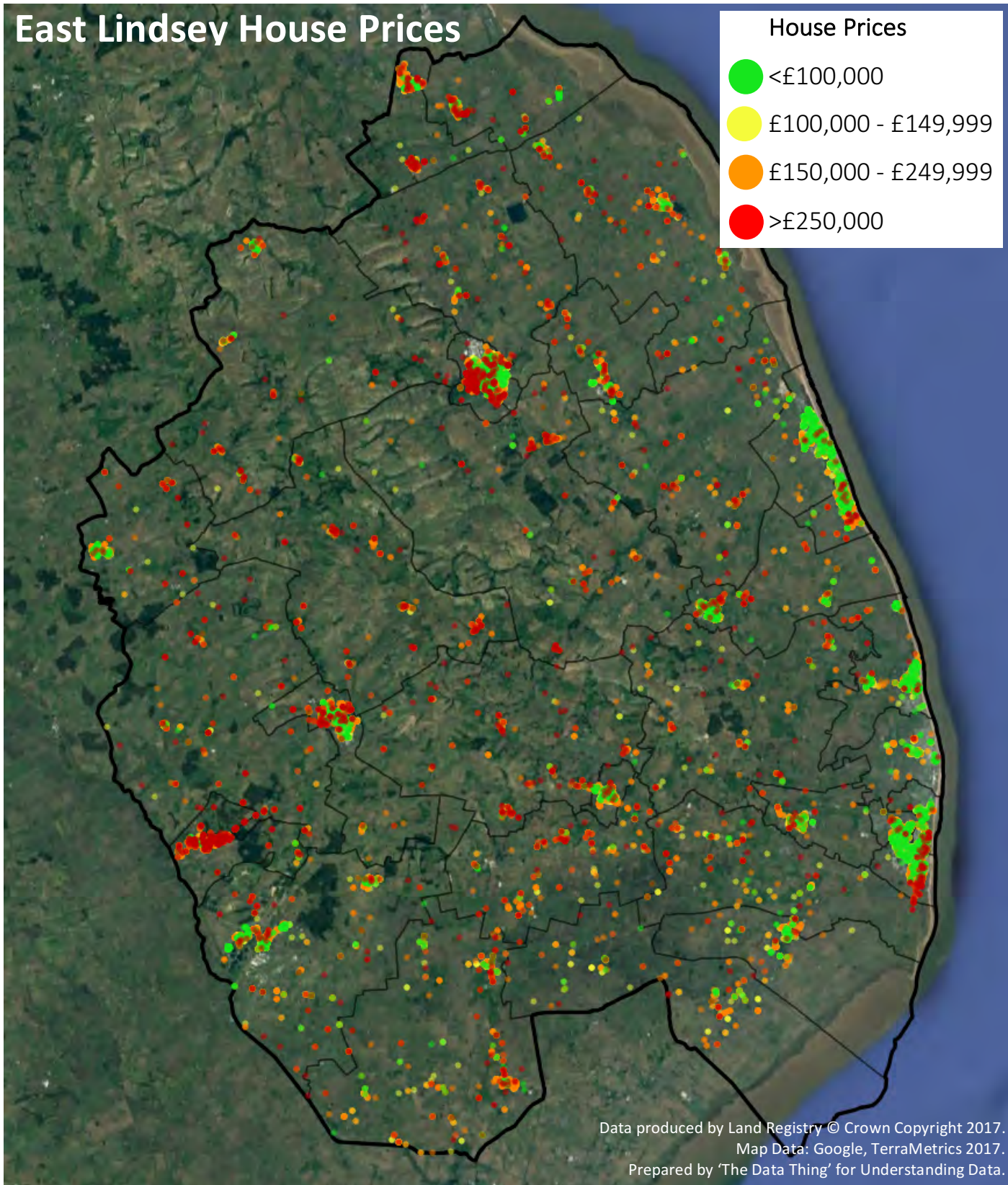
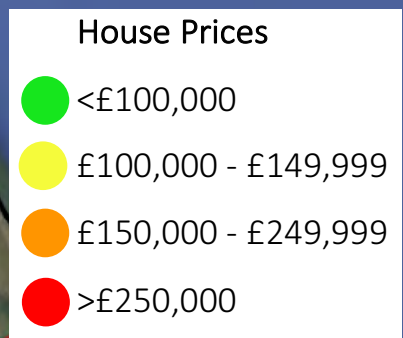
	AVERAGE PROPERTY PRICE		MIN/MAX		QUARTILES					PRICE BANDS (NUMBER OF PROPERTIES)				
	Mean	Median	Min Value	Max Value	Min	25%	50%	75%	Max	<£100k	£100k-£149k	£150k-£250k	>£250k	Total
East Lindsey	£146,248	£135,000	£23,750	£415,000	£23,750	£113,998	£135,000	£174,950	£415,000	192	583	423	53	1,251
Alford	£125,472	£116,140	£23,750	£220,000	£23,750	£102,450	£116,140	£152,450	£220,000	7	13	7	-	27
Binbrook	£107,429	£104,633	£91,950	£128,500	£91,950	£100,988	£104,633	£111,074	£128,500	1	3	-	-	4
Burgh le Marsh	£159,538	£164,950	£104,950	£209,950	£104,950	£129,950	£164,950	£197,950	£209,950	-	13	16	-	29
Chapel St Leonards	£133,726	£131,998	£75,000	£187,000	£75,000	£115,000	£131,998	£145,999	£187,000	1	24	7	-	32
Coningsby & Mareham	£136,419	£127,995	£46,000	£276,995	£46,000	£110,000	£127,995	£171,250	£276,995	32	71	50	1	154
Croft	£154,975	£154,975	£134,950	£175,000	£134,950	£144,963	£154,975	£164,988	£175,000	-	1	1	-	2
Friskney	£110,000	£110,000	£110,000	£110,000	£110,000	£110,000	£110,000	£110,000	£110,000	-	1	-	-	1
Fulstow	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Grimoldby	£212,856	£225,000	£100,000	£285,000	£100,000	£190,000	£225,000	£249,995	£285,000	-	1	5	1	7
Hagworthingham	£180,173	£134,950	£110,000	£295,000	£110,000	£120,000	£134,950	£242,500	£295,000	-	6	3	2	11
Halton Holegate	£251,488	£246,475	£238,000	£275,000	£238,000	£241,750	£246,475	£256,213	£275,000	-	-	3	1	4
Holton-le-Clay & North Thoresby	£164,954	£148,499	£99,750	£240,000	£99,750	£125,000	£148,499	£204,374	£240,000	1	13	14	-	28
Horncastle	£157,261	£159,995	£60,000	£277,000	£60,000	£129,375	£159,995	£189,996	£277,000	12	26	53	1	92
Ingoldmells	£156,923	£144,995	£28,750	£300,000	£28,750	£130,000	£144,995	£163,000	£300,000	1	13	10	3	27
Legbourne	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Mablethorpe	£126,951	£126,750	£40,000	£207,000	£40,000	£102,996	£126,750	£149,961	£207,000	11	26	11	-	48
Marshchapel & Somercotes	£153,603	£137,475	£83,500	£249,950	£83,500	£124,700	£137,475	£186,250	£249,950	1	8	7	-	16
North Holme	£171,650	£124,950	£100,000	£290,000	£100,000	£112,475	£124,950	£207,475	£290,000	-	2	-	1	3
Priory & St James'	£149,821	£146,475	£66,500	£250,000	£66,500	£111,750	£146,475	£184,984	£250,000	8	30	31	1	70
Roughton	£174,994	£156,250	£99,950	£350,000	£99,950	£115,749	£156,250	£217,000	£350,000	1	16	14	5	36
Scarbrough & Seacroft	£134,305	£119,950	£60,000	£249,950	£60,000	£105,225	£119,950	£166,450	£249,950	13	28	18	-	59
Sibsey & Stickney	£146,680	£125,000	£105,000	£270,000	£105,000	£117,893	£125,000	£157,500	£270,000	-	15	6	2	23
Spilsby	£124,615	£118,748	£57,500	£189,950	£57,500	£114,000	£118,748	£134,749	£189,950	2	35	7	-	44
St Clement's	£124,104	£120,000	£77,000	£220,000	£77,000	£99,500	£120,000	£139,950	£220,000	41	84	24	-	149
St Margaret's	£115,788	£119,999	£73,999	£178,000	£73,999	£89,500	£119,999	£139,000	£178,000	28	37	6	-	71
St Mary's	£205,417	£222,500	£110,000	£272,500	£110,000	£146,250	£222,500	£268,750	£272,500	-	2	1	3	6
St Michael's	£227,979	£207,498	£194,995	£280,000	£194,995	£204,996	£207,498	£259,950	£280,000	-	-	6	4	10
Sutton on Sea	£169,637	£185,000	£28,500	£235,000	£28,500	£143,500	£185,000	£210,000	£235,000	2	7	18	-	27
Tetford & Donington	£230,645	£229,998	£70,000	£350,000	£70,000	£160,000	£229,998	£329,238	£350,000	1	1	4	4	10
Tetney	£346,885	£369,500	£265,000	£415,000	£265,000	£299,000	£369,500	£388,388	£415,000	-	-	-	10	10
Trinity	£172,050	£123,500	£50,000	£333,000	£50,000	£116,871	£123,500	£250,000	£333,000	2	4	-	4	10
Wainfleet	£172,999	£122,750	£91,000	£350,000	£91,000	£114,375	£122,750	£231,249	£350,000	1	4	2	1	8
Willoughby with Sloothby	£144,566	£135,000	£100,000	£230,000	£100,000	£120,750	£135,000	£170,875	£230,000	-	12	6	-	18
Winthorpe	£69,473	£61,250	£27,500	£121,500	£27,500	£39,975	£61,250	£100,000	£121,500	18	8	-	-	26
Withern & Theddlethorpe	£164,833	£169,500	£125,000	£200,000	£125,000	£147,250	£169,500	£184,750	£200,000	-	1	2	-	3
Woodhall Spa	£176,585	£164,950	£70,000	£349,950	£70,000	£141,250	£164,950	£200,000	£349,950	4	29	53	9	95
Wragby	£142,913	£138,995	£79,995	£249,995	£79,995	£119,995	£138,995	£164,495	£249,995	4	49	38	-	91

ESTABLISHED PROPERTIES

	AVERAGE PROPERTY PRICE		MIN/MAX		QUARTILES					PRICE BANDS (NUMBER OF PROPERTIES)				
	Mean	Median	Min Value	Max Value	Min	25%	50%	75%	Max	<£100k	£100k-£149k	£150k-£250k	>£250k	Total
East Lindsey	£156,483	£139,500	£5,000	£2,029,000	£5,000	£110,000	£139,500	£183,000	£2,029,000	3,801	8,355	6,903	2,021	21,080
Alford	£148,383	£138,400	£24,000	£610,000	£24,000	£104,000	£138,400	£174,963	£610,000	154	260	235	51	700
Binbrook	£195,475	£162,225	£40,000	£1,250,000	£40,000	£124,000	£162,225	£230,000	£1,250,000	41	96	127	65	329
Burgh le Marsh	£151,644	£142,500	£28,311	£485,000	£28,311	£120,000	£142,500	£165,000	£485,000	39	185	135	22	381
Chapel St Leonards	£122,758	£120,000	£5,000	£510,000	£5,000	£94,000	£120,000	£145,000	£510,000	280	464	180	21	945
Coningsby & Mareham	£145,451	£130,000	£25,000	£680,000	£25,000	£97,000	£130,000	£170,000	£680,000	309	403	345	80	1,137
Croft	£182,421	£160,000	£30,000	£727,000	£30,000	£124,963	£160,000	£228,875	£727,000	30	108	124	56	318
Friskney	£163,346	£154,225	£50,000	£420,000	£50,000	£122,000	£154,225	£194,750	£420,000	26	98	122	24	270
Fulstow	£217,826	£190,000	£40,000	£853,107	£40,000	£145,000	£190,000	£255,500	£853,107	16	55	111	70	252
Grimoldby	£157,992	£140,000	£45,000	£577,500	£45,000	£110,000	£140,000	£191,125	£577,500	58	125	110	37	330
Hagworthingham	£223,549	£195,000	£45,000	£1,480,000	£45,000	£140,000	£195,000	£270,000	£1,480,000	29	66	127	95	317
Halton Hologate	£194,143	£176,500	£24,250	£575,000	£24,250	£135,000	£176,500	£235,000	£575,000	21	105	188	68	382
Holton-le-Clay & North Thoresby	£163,854	£145,000	£45,000	£495,000	£45,000	£122,500	£145,000	£186,000	£495,000	70	318	265	75	728
Horncastle	£154,503	£142,500	£30,000	£700,000	£30,000	£114,000	£142,500	£184,000	£700,000	247	490	503	106	1,346
Ingoldmells	£129,905	£127,623	£40,000	£318,000	£40,000	£105,000	£127,623	£150,000	£318,000	45	131	59	3	238
Legbourne	£208,472	£185,000	£20,000	£699,995	£20,000	£140,875	£185,000	£261,875	£699,995	26	59	127	82	294
Mablethorpe	£115,952	£112,000	£23,750	£370,000	£23,750	£92,000	£112,000	£135,000	£370,000	480	792	196	10	1,478
Marshchapel & Somercotes	£171,402	£155,000	£25,950	£575,000	£25,950	£121,000	£155,000	£210,000	£575,000	63	215	248	78	604
North Holme	£161,042	£131,000	£32,488	£460,000	£32,488	£115,000	£131,000	£195,000	£460,000	27	132	65	37	261
Priory & St James'	£133,213	£120,000	£23,500	£738,000	£23,500	£93,000	£120,000	£151,000	£738,000	322	418	217	47	1,004
Roughton	£227,416	£200,000	£30,625	£750,000	£30,625	£148,000	£200,000	£280,000	£750,000	24	58	130	98	310
Scarborough & Seacroft	£140,159	£127,500	£13,500	£885,000	£13,500	£104,500	£127,500	£160,000	£885,000	262	580	333	61	1,236
Sibsey & Stickney	£170,389	£158,000	£21,250	£900,000	£21,250	£120,000	£158,000	£199,950	£900,000	67	242	314	76	699
Spilsby	£129,362	£123,000	£27,000	£499,500	£27,000	£100,000	£123,000	£150,000	£499,500	118	237	115	11	481
St Clement's	£131,814	£125,000	£31,400	£500,000	£31,400	£105,000	£125,000	£149,950	£500,000	140	407	158	11	716
St Margaret's	£152,712	£146,500	£28,750	£400,000	£28,750	£121,750	£146,500	£177,000	£400,000	34	152	154	12	352
St Mary's	£177,279	£152,500	£45,000	£685,000	£45,000	£120,000	£152,500	£206,500	£685,000	59	141	145	73	418
St Michael's	£154,486	£140,000	£65,000	£500,000	£65,000	£120,000	£140,000	£175,000	£500,000	34	174	118	24	350
Sutton on Sea	£142,977	£138,000	£18,000	£485,000	£18,000	£114,500	£138,000	£165,000	£485,000	177	562	432	32	1,203
Tetford & Donington	£219,112	£202,750	£43,000	£700,000	£43,000	£155,000	£202,750	£260,000	£700,000	12	64	172	104	352
Tetney	£171,651	£146,500	£17,050	£499,950	£17,050	£105,250	£146,500	£215,000	£499,950	74	96	101	63	334
Trinity	£121,839	£115,000	£30,000	£450,000	£30,000	£89,975	£115,000	£138,250	£450,000	72	117	17	13	219
Wainfleet	£137,254	£130,000	£43,750	£440,000	£43,750	£103,500	£130,000	£164,750	£440,000	66	142	83	8	299
Willoughby with Sloothby	£175,512	£157,000	£40,800	£480,000	£40,800	£130,000	£157,000	£205,375	£480,000	20	109	134	47	310
Winthorpe	£128,600	£122,750	£9,000	£490,000	£9,000	£92,750	£122,750	£155,000	£490,000	222	342	196	24	784
Withern & Theddlethorpe	£195,157	£172,500	£28,000	£2,029,000	£28,000	£135,000	£172,500	£228,000	£2,029,000	33	73	158	58	322
Woodhall Spa	£214,870	£206,000	£31,500	£1,050,000	£31,500	£156,250	£206,000	£250,000	£1,050,000	49	168	491	247	955
Wragby	£160,099	£145,000	£23,750	£540,000	£23,750	£120,000	£145,000	£185,000	£540,000	55	171	168	32	426

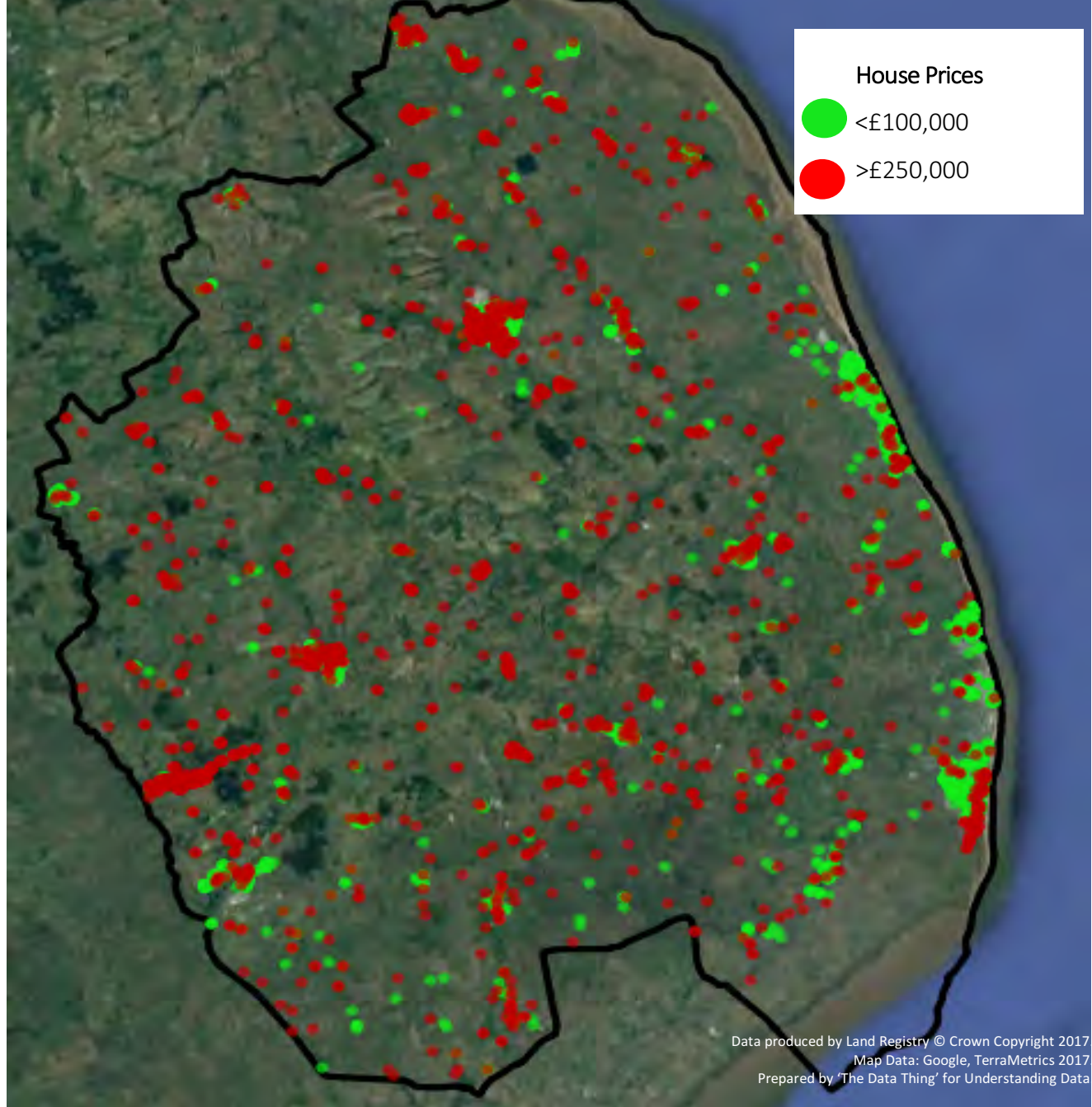
APPENDIX B: HOUSE SALES PRICE MAPS FOR EAST LINDSEY

East Lindsey House Prices



Data produced by Land Registry © Crown Copyright 2017.
Map Data: Google, TerraMetrics 2017.
Prepared by 'The Data Thing' for Understanding Data.

East Lindsey House Prices (<£100,000 vs. >£250,000)



**APPENDIX C:
DEMOGRAPHIC AND EMPLOYMENT-LED
HOUSING GROWTH SCENARIO
MODELLING ASSUMPTIONS**

Appendix C: Demographic and Employment-led Housing Growth Scenario Modelling Assumptions

The two Demographic and Employment-led Housing Growth Scenarios modelled using POPGROUP use the following assumptions.

Demographic assumptions:

- Births and deaths - historical data included up to 2014/15; from then onwards age and age-sex specific schedules of rates based on the 2014-based SNPP are used.
- Migration (internal and international) - historical data included up to 2014/15; from then onwards age-sex specific schedules of rates based on a 9-year migration history (2001/02 – 2009/10) are used.

Economic assumptions:

- Commuting ratio derived from the 2011 Census and fixed at a level of 1.09 through the plan period.
- 2011 Census economic activity rates that are adjusted to follow trends from the latest set of OBR projections published in Jan 2017.
- Returning the unemployment rate to the 2001-2007 average (4.3%) from 2015 to 2020 (i.e. reduction from the 2016 value of 4.7% to the pre-recession average value of 4.3%).

Other adjustments

- Headship adjustment - returning HH-14 Stage 1 headship rates for males aged 25-44 to HH-08 rates from 2014 to 2033, returning to original HH-14 trend thereafter. Female rates are not adjusted for these ages as the 2014 rates are higher than the 2008 equivalent rates.
- Vacancy Rate – 6.5% sourced from the 2011 Census.

Comparisons to the latest Edge Analytics report (2016), prepared for East Lindsey District Council

- Commuting Ratio – same approach.
- Economic Activity – same approach updated with the latest OBR data.
- Unemployment – same approach updated with an additional year of data (2016).
- Headship Adjustment – same approach but using more up to date 2017 OBR data.
- Vacancy Rate – same approach.



Wiltshire

Albany House
High Street, Hindon
Wiltshire
SP3 6DP

T: 0330 223 1510

Bristol

10, Victoria Street
Bristol
BS1 6BN

T: 0117 3324 573

E: info@chilmarkconsulting.co.uk
Twitter: [@chilmarkUK](https://twitter.com/chilmarkUK)

chilmarkconsulting.co.uk