LOCAL PLAN

HOUSING TOPIC PAPER

REVISED AND UPDATED MARCH 2017

East Lindsey
DISTRICT COUNCIL

HOUSING TOPIC PAPER

CONTENTS

INTRODUCTION

1.1 The aim of this paper is to illustrate how the Council has objectively assessed its housing need and set its housing target for the plan period to 2031 taking into account the particular influences on demand for homes identified in the Coastal Lincolnshire Housing Market Area Assessment 2012, (revised as the Strategic Housing Market Assessment (Affordable Housing Needs Assessment Update) 2016 (SHMAA). The SHMAA covers the whole of East Lindsey and 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.

1.2 To inform the SHMAA and housing target the Council commissioned reports from Edge Analytics in June 2015 and October 2016; these reports are an update to previous work carried out by the same independent specialists in 2013.

1.3 The reason for updating the report was because new demographic statistics had become available, since 2013 these are;

- A revised set of mid-year estimates back to 2002 and updated mid-year estimates to mid-2013.
- In May 2016, the Office for National Statistics (ONS) 2014-based Sub-National Population Projections (SNPP) was released, followed by the 2014-based Department for Communities and Local Government (DCLG) household projections in July 2016.
- Two years of mid-year population statistics (2014 and 2015) for East Lindsey district providing an updated historical time frame from which to draw trend-based assumptions (produced by ONS).

1.4 Up to May 2016 the Council had based the District`s housing target on the 2012 Sub National Population Projections. This work took a long view of the housing target from 2011 up to 2037. It is important to understand the difference between this work and the update work that Edge Analytics has done for the Council based on the 2014-based Sub-National Population Projections, in order to assess which set of projections the Council will use in determining its housing target.

1.5 With regard to the 2014 Population Projections; these show that the benchmark SNPP-2014 assumes a lower growth outlook, taking more account of the declining population trend evident in East Lindsey post-2008. The demographic profile remains the same with an older population dominating and in migration of this age profile being the main reason for population growth. It would appear as if the 0 – 14, 40 - 44 and 80 – 90+ age groups are declining in size. However, overall there is very little difference between the two sets of projections.

1.6 The work done by Edge Analytics in 2015 looked at growth in the District from 2011 to 2037, a much longer time period than the work carried out in 2016 which looked at growth from 2016 to 2031. Given that technically this is the first time the District has had a properly constructed housing target since before the 2009 East Midlands Regional Plan (more information on this is set out in Section 2 of this document) it is considered a more robust approach to examine a longer period for the housing target calculations both looking back to 2011 and forward to 2037. This also ensures that there is a more robust calculation around undersupply for the District up to 2016.

1.7 The other consideration that the Council has to take into account is the work carried out by consultants Opinion Research Services on the Strategic Housing Market Area Assessment (SHMAA). This work was originally done in 2012 with an update in 2014. Both these pieces of work were done based on the 2007 SHMA Practise Guidance which has been superseded by Planning Practise Guidance published in March 2014. The Council therefore commissioned an update to the SHMA in October 2016, that did reflect changes in guidance and provide evidence for the need for housing both market and affordable. This work shows that the there is a need to provide 2825 additional affordable homes over the plan period to provide for the current unmet needs in addition to projected future growth in affordable housing need. Taking the longer view approach to its housing target does go a long way toward meeting this need, as set out in the Affordable Housing Topic Paper and in this paper.

1.8 This paper breaks the process of determining the housing target and setting housing delivery into nine sections.

- **SECTION 1 – SETTING THE BASELINE**
- **SECTION 2 – ASSESSING THE 5 YEAR SUPPLY AND UNDERSUPPLY**
- **SECTION 3 – ASSESSING THE ECONOMIC IMPACT ON HOUSING**
- **SECTION 4 - SPLITTING THE DISTRICT BETWEEN THE COAST AND INLAND**
- **SECTION 5 – HOW SHOULD THE COUNCIL ADDRESS ITS HOUSING ALLOCATION GIVEN ITS CONSTRAINING GROWTH ON THE COAST?**
- **SECTION 6 - AN ASSESSMENT OF THE DELIVERABILITY OF THE HOUSING TARGET AND DEMAND. THE HOUSING TRAJECTORY**
- **SECTION 7 - AN ASSESSMENT OF THE DISTRIBUTION OF HOUSING GROWTH**
- **SECTION 8 – WHERE HOUSING WILL BE ALLOCATED**
- **SECTION 9 – HOUSE TYPES, CATERING FOR ALL**

1.9 At the end of this document is a referenced list of the relevant evidence relating to the housing target. All evidence relating to the Core Strategy can be found on the Councils website at www.e-lindsey.gov.uk

2.0 SECTION 1 – SETTING THE BASELINE

2.1 The National Planning Policy Framework (NPPF) advises that Local Plans should meet the full, objectively assessed needs for market and affordable homes in the housing market area, as far as is consistent with the NPPF`s policies. In particular the Strategic Housing Market Area Assessment (SHMAA) should identify housing need which meets household and population projections, taking account of migration and demographic change.

2.2 Since at least 2001, the main drivers of population growth in the District have been;

- Natural change (the difference between births and deaths), and
- Migration; net internal migration (the difference between in-migration and out-migration from and to other locations within the UK).

With regard to the effects of net international migration (the difference between net immigration and emigration) are uncertain. Historical trends suggest that it will not be a significant driver of population growth in the future. There was a small net loss to 2010/11 and then a small positive gain. From the 2016 Demographic Forecasts Update the numbers of foreign nationals registered to work in the District is forecast to be rising slightly from 2013 but overall the numbers are so small as to have a minimal impact on population growth (approx. 380 in 2015).

2.3 An analysis of natural change in East Lindsey between the 2001 and 2011 Census shows that the number of deaths (17,611) exceeded the number of births (11,910), and that the net natural change is one of decline. It also shows that the number of deaths has remained relatively stable over the period with the number of births rising, though still leaving the District with a naturally declining population.

2.4 At the 2011 Census, East Lindsey's resident population was 136,401, a 4.6% increase from 2001. The 2011 Census population count proved to be lower than that suggested by the trajectory of growth from the previous Mid-Year Estimates (MYEs). As a result, the revised, final MYEs are lower than the previous MYEs. The latest 2015 mid-year population estimate (MYE) for East Lindsey suggests a population in 2015 of 137,887, a 5.5% increase since 2001. This rate of growth is substantially lower than the Lincolnshire and England averages of 13.7% and 10.8% respectively. The MYEs from 2002–2010 were 'rebased' to align with the 2011 Census, ensuring the correct transition of the age profile of the population over the 2001–2011 decade.

2.5 Lincolnshire and East Lindsey in total have a substantially older age profile than England, with 22% and 28% respectively, in the 65+ age-range, and a median age of 45–50. East Lindsey has an Old Age Dependency ratio of 49, compared to a national average for England of 27. This means that the 65+ population of East Lindsey is equivalent to 49% of the 15–64 age-group population, compared to just 27% across England in aggregate. This imbalance in the population is discussed and the effect it has on the District is discussed in more detail later on in this paper.

2.6 Even though there is a decline in the natural population of the District, the total population has grown by approximately 7200 between the years 2001 and 2015. During this period the District has also seen relatively high levels of out migration. These levels have remained stable during the period 2001 – 2015. During the period 2001 – 2015 internal in migration averaged 7728 per year, with internal out migration averaging 6380 people per year. Whilst out migration has remained stable, in migration has seen fluctuations particularly a sharp fall in 2007 – 2009 rising again in 2013/2014. Therefore, given the decline in the natural population, clearly the main population growth driver in the District is net inward internal migration. This fluctuation could be because migration will slow in a slow economy as it would be more difficult for those people who wish to move to East Lindsey, to sell their houses in their area of origin and a recession creates uncertainty with regard to future economic stability. It would appear however that whilst the rates of in migration have not yet returned to pre-recession levels they are continuing.

2.7 What is clear from the data is that the population of the District is still growing and that this growth is coming from the largest birth cohorts of the 1950s and 1960s, that is 50 plus and that there is a net outflow of those reaching 75 plus and the younger residents of the District.

2.8 The larger birth cohorts are also the age groups which are moving into or are already retired, coupled with an outflow of younger residents, this means that the District could see a reduction in the resident labour force. The largest exchange (outflow and inflows) of internal migrants was from near neighbouring local authorities and the largest exchange from Leicester, Sheffield and Nottingham. The largest outflow exchange is to Lincoln, North Kesteven and West Lindsey. This would be dominated by those going to college or university and then not returning. There still appears to be an outflow of those over 75 and this could be because of the rural nature of the District, its isolation from essential hospital services and lack of services and facilities in the smaller rural communities.

2.9 With regard to using the data from the Census, this is very useful because it is in effect a snapshot in time and tells us who was living in the District in 2011; it does not tell us who is going to live in the District in the next 15 years. For that information the Council needs to look at other data and the main source of this is the ONS MYE population data. This goes into more detail, looking at other sources of information to try and predict future changes in the population.

2.10 A key issue for East Lindsey therefore is to determine which population figures and trend based data provide the most appropriate basis for establishing a housing target that will both meet the objectively assessed housing need and boost the supply of homes as required by the NPPF. This will need to reflect that the national economy is now seeing some growth and how that will influence the economy of the District. Whilst there is some indication that the population of the District is showing a long term downward trend in growth, it has to be assumed, because there is no long term evidence to the contrary, that conditions in both the housing market and the wider economy will improve and there may be a return towards previous trends in housing delivery, particularly as there appears to be some upward growth in the national in migration figures.

2.11 These calculations will also need to reflect that the District has not had a robustly calculated housing target since before the East Midlands Regional Plan Examination in 2007. Over the initial period from that examination to 2008/2011 the only housing target East Lindsey had was that provided by the Inspector of the East Midlands Regional Plan. That Plan did go to examination in

2007 and the Inspector at that time stated that East Lindsey should have a target of 600 homes per year until the Regional Plan was reviewed. The Council was never really sure how that figure had been calculated but it appeared to be that the figure of 600 was based on existing commitments at the time. It was not that far above the average amount of completions for the previous 10 years which stood in 2006 at 575 a year.

2.12 Therefore, it is believed that the Council should look back, as set out in the Edge Analytics work carried out in 2015 to 2011 because otherwise there would be a gap in the housing figures from 2011 to 2016. The work carried out by Opinion Research Services on the Strategic Housing Market Area Assessment 2016 shows that 43% of the objectively assessed housing need should be additional affordable housing. In order to try and meet this amount of affordable housing the Council has to look to allocate a housing target that takes a robust aim at meeting that need.

2.13 In the assessment of housing need, national planning policy guidance states that the Department of Communities and Local Government household projections should provide the starting point. Local circumstances, alternative assumptions and the most recent demographic evidence including the latest "official" population projections estimates should also be considered. Also evidence that links demographic change to economic growth should be assessed if relevant.

2.14 In the ONS 2012 SNPP, the population of the District is set to rise by 17,000 over the period 2012 – 2037, an increase of 12%. This rate of growth is lower than the previous 2011-based interim projection and that recorded in the pre census 2010 based SNPP. The ONS 2014 SNPP forecasts a 9.6% increase in the population from 2014 – 2039, this is substantially lower than the forecasts for Lincolnshire and England which are 14.1% and 16.5% respectively. Natural population change is set to have an increasingly negative impact on growth throughout the projection period.

2.15 The latest release of the DCLG household projections was in July 2016. The methodology basis of the 2012-based household projections is consistent with that used in the previous 2008-based projections. The 2014-based household headship rates have changed little since the 2012 based model and as a result, the 2014 based household projections differ from the 2012-based versions primarily on the basis of a different underpinning population projection.

2.16 The 2014-based household projections underpinned by the 2014-based SNPP, estimates that the number of households will increase by 8335 over the 2014-2039 projection period, equivalent to an additional 333 households per year compared to 399 per year under the 2012-based model. There appears to be a population growth difference of approximately 3.6% difference between the 2012 SNPP and the 2014 SNPP-based estimates, as set out above.

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.

2.18 THE SCENARIOS

2.19 The modelling carried out by Edge Analytics in 2015 and 2016 looked at four scenarios at a District wide level and two additional ones for the coast, which will be discussed in Section 2 of this paper. Because the population growth of the District is based on internal migration it is important to understand and consider scenarios based on this presumption. A typical timeframe from which migration trend assumptions are derived is 5 years. However, given the unprecedented economic changes which have occurred since 2008 it is important to consider an extended historical time period. These scenarios are set out and explained below.

2.20 **Scenario 1 - Official Projection Scenario (ONS)** - This model has used the Office of National Statistics 2012 sub-national population projections as the trend benchmark. This model suggests 12.4% growth over the 2011 – 2037 time period; an additional population of 16,892. This growth profile equates to 413 dwellings per year and an annual net in-migration of 1259 persons per year.

Scenario 2 – Population Growth – 5yr (PG-5yr) – This is the lowest projection looking at migration over a 5 year period. The growth projections are relatively low with a 5.4% increase in population over the period equating to 230 dwellings per year and net in-migration of 900 residents per year.

Scenario 3 – Population Growth - 10 yr (PG-10yr) - Looking over a longer time period than the PG-5yr scenario, the growth from elsewhere into the District was stronger during the early 2000s with the net effect being a higher growth rate to 2037. Projected population change is 13.4%, equivalent to 460 dwellings per year and net in-migration of 1309 residents per year.

Scenario 4 – 10 year Completions – this presents the population changes of a continuation of previous rates of house building across the District (500 homes per year). This results with a net in-migration of 1378 residents per year.

Scenario	Dwelling Nos	Population growth
Scenario 1 - Official Projection Scenario (ONS)	413	12.4%
Scenario 1 – 5yr (PG-5yr)	230	5.4%
Scenario 3 – Population Growth - 10 yr (PG-10yr	460	13.4%
Scenario 4 – 10 year Completions	500	-

2.21 With regard to the 10 year completion scenario, this figure of 500 a year is not quite what it would appear to be, it seems as if build rates in the District were not that much lower during the recession. However, the Council has had a Housing Capital Programme since 2004 in which it has developed affordable housing in conjunction with the main District wide local registered social housing provider. This programme is now coming to an end. Throughout the recession period this programme was in effect supporting the District`s Housing Market. The table below demonstrates this.

	HCP completions	Total New Build	Percentage
2011/12	**51**	**246**	**20.73%**
2012/13	**74**	**240**	**30.83%**
2013/14	**48**	**276**	**17.39%**
2014/15	**140**	**278**	**50.36%**
2015/16	**102**	**405**	**25.19%**
Total	**415**	**1445**	**28.72%**

2.22 It is important to examine the impact of each scenario in relation to the age and structure of the population and what effect it will have on job creation so in each of the scenarios employment was modelled to return to pre-recession levels by 2020 with commuting levels being retained at their 2011 census level. Economic activity rates have also been modelled to change over time to reflect the changes to state pension age. This is discussed in more detail in Section 3 of this paper. In summary below;

2.23 The PG-5yr scenario was predicted to have a projected fall in jobs per year, with the other scenarios having a small positive impact but overall, in comparison to the whole population of the District the amount of job creation can only be described as insignificant and would evidence further the fact that the District's population growth is led by in-migration of older persons and not economic growth.

Scenario	Jobs Per Year
10yr Dwelling Completions	67
PG-10yr	34
SNPP-2012	16
PG-5yr	-114

2.24 The updated work by Edge Analytics in 2016 shows a more positive outcome for employment growth in the District as set out in the table below, the figures still reflect the fact that growth is not being driven by the economy of the District with the relatively small numbers of jobs being created;

Scenario	Jobs Per Year
10yr Dwelling Completions	179
PG-10yr	124
SNPP-2012	93
PG-5yr	23

2.25 The final factor that the Council must take into consideration is the possibility of a return to pre-recession growth levels. The number of housing completions is rising across the District albeit very slowly. There has been an increase in the number of housing planning applications being submitted with housing applications from those sites not put forward for allocation in the Local Plan rising sharply as developers try to get approvals prior to the adoption of the Plan. It is unlikely that the Council will refuse suitable sites if they are in sustainable locations and do not have any adverse material impacts. The Housing Target is a minimum not a maximum.

2.26 Using the 2008 based headship rates and applying the same methodology and assumptions as the 2012 based headship rate shows levels of dwelling growth slightly higher than the 2012 based headship rates. Taking an average of the two rates allows the Council to be confident that within the target there is inbuilt some assumption that building rates will continue to rise slowly over the plan period and there will sufficient housing to meet the needs of the District for the next 15 years.

2.27 As set out above the Council could choose to use the 2014 sub national population projections with a shorter timeframe 2016 to 2031, the District wide figure using this calculation and the PG-10yr scenario would be 425 homes per year (Edge Analytics Forecasts October 2016) compared to taking a longer timeframe 2011 – 2037 set out in the June 2015 Edge Analytics Forecast of 460 homes per year. As set out below in 2.28 taking an average with the 2008 based headship rate provides a housing figure of 481 per year. This would mean a difference of 840 homes less over the plan period. However, given the need to try and deliver the 2825 affordable houses set out in the SHMAA, the low level of present demand, high support from developers for the higher target and slow delivery of sites with planning permission as set out further on in this paper, it is felt that a higher target will offer choice to the market, help with affordable housing delivery and fulfil the national objective of trying to significantly boost housing supply.

2.28 Therefore given the population growth of the District is driven mainly by in-migration the most appropriate scenario to meet the Districts 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 7215 homes over the plan period.**

3.0 SECTION 2 – ASSESSING THE 5 YEAR SUPPLY AND THE UNDERSUPPLY

3.1 NPPF paragraph 47: "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…and identify and update annually a supply of specific, deliverable sites sufficient to provide five years' worth of housing against their housing requirements."

3.2 The Council is required to show if it has been undersupplying housing in the years prior to the Local Plan, this backlog of housing should be added onto the housing target. Whilst the Council is confident that the Local Plan allocations will remedy the deficit in supply, up to the start of the new Local Plan period the District did not have a five year supply of housing.

3.3 The way this undersupply is worked out is to

- Establish the requirement against which the housing supply is to be assessed
- Determine whether there should a 5% or 20% buffer added in accordance with national policy
- Establish whether there are sufficient sites available to meet that requirement? Are they deliverable?
- Should a windfall allowance be added?

Establish the requirement against which the housing supply is to be assessed

The Council has looked back to 2006, which in effect is 10 years for its requirement of housing. As set out above, over the initial period to 2008/2011 the only housing target East Lindsey had was that provided by the East Midlands Regional Plan. That Plan did go to examination in 2007 being adopted in 2009 and the Inspector at that time stated that East Lindsey should have a target of providing 600 homes per year until the Regional Plan was reviewed. From 2011 onwards the Council has used the full OAN data from the calculations provided by Edge Analytics based on the PG-10yr migration scenario, which is set out above at 481 homes a year. From 2016 the Council will look to meet the housing trajectory as set out in Section 7 of this paper. This is considered for the reasons set out above to be the most up to date robust evidence for the housing target and is in line with national policy guidance that the starting point for housing targets should be national projections.

Should a 5% or 20% buffer be added in accordance with national policy?

The Council believes that the buffer for the District should be 5%. Under delivery of housing in the District is coming in general from a lack of demand. The Council contacts all those persons/developers/builders who are granted planning permission across the District to ask them when they are going to deliver their sites. There are many reasons for sites not coming forward the main ones are waiting for the market to improve and sites up for sale with planning permission waiting to be sold.

The Council had its own Housing Capital Programme (HCP) up to the end of 2015 and though there are a few sites still to be built out it is now coming to an end. This programme added to the completions over a number of years and has helped to keep the housing market in East Lindsey partly on track. The table below shows the HCP in relation to the overall housing completions across the District.

	HCP completions	Total New Build	Percentage
2011/12	51	246	20.73%
2012/13	74	240	30.83%
2013/14	48	276	17.39%
2014/15	140	278	50.36%
2015/16	102	405	25.19%
Total	415	1445	28.72%

Note that in 2014/2015 the HCP contributed 50% to the District`s completion rate.

The Council believes that it has through intervention tried to support the housing market in the district, the Council has granted permissions throughout the period and this is demonstrated by the volume of existing housing commitments, which stand at just over 5000; a lack of demand is outside of the control of the Council, this coupled with the slow economic recovery rate in the District should lead to the conclusion that a 5% buffer should be applied to the 5 year supply calculation.

Are there sufficient sites available to meet that requirement, are they deliverable?

The District had at February 2016 just over 4000 housing commitments, this has risen to just over 5000 as at 31st January 2017; of these 4000 in February 2016, and only 1950 were confirmed to come forward within the following 5 years. Therefore the conclusion must be that based on the evidence the Council did not have enough sites at that time which were deliverable and available to meet the 5 year supply. The Council does not make assumptions on deliverability and as set above contacts all those with planning permission to ascertain delivery timetable, therefore this information is considered to be robust.

Should a windfall allowance be added?

The NPPF states that Local Authorities may make an allowance for windfall sites in their five year housing land supply if they have compelling evidence that such sites have consistently become available in the local area and will continue to provide a reliable source of supply. Historically, windfall sites have contributed up to 50% of the District’s total housing supply. Many of these are very small-scale, infill sites, developed by the many local building companies in the District. These small companies have provided housing ‘to order’ for customers, thus making them less susceptible to the wider economic fluctuations experienced by volume house builders, thus ensuring a continuous level of delivery.

Having an up to date Local Plan with site allocations, phasing sites, monitoring delivery and having a clear delivery pathway for housing should see this reduce. However, because of the long historical trend of this type of delivery, the type of sites that are delivered in this way and the local nature of the delivery, the Council believe this is compelling evidence to make an allowance for windfall sites in its housing supply. This allowance it is believed should be 15%. This allowance it is believed should be 15% of the total housing target set out at (Y) in Box 1 of the Housing Supply paper below and added onto the deliverable commitments shown in Box (X).

3.4 The Council is satisfied with its 15% windfall allowance and at this time does not wish to alter it. During the first year of the life of the Plan (2016) the Council delivered in windfall housing planning permissions 90% of the figure set out in Table A in the Core Strategy of the Local Plan which states that the 15% of the target will be 1165 homes over the 15 year plan period and is already up to 14% of the total housing target being delivered in windfall developments. The Council will continue to monitor the situation.

3.5 The calculations incorporating the elements set out above are shown below and show the 5 year supply to February 2016 (just before the start period of the Local Plan) and how the undersupply has been calculated.

EAST LINDSEY DISTRICT COUNCIL

5 YEAR HOUSING SUPPLY

POSITION UP TO FEBRUARY 2016

BOX 1 – TARGET	
Development Plan target of 600 per annum (2006 – 10)	3000
Revised 5 year target 2011 – 21 (calculated at 481 per annum)	4810
Overall target 2006 -2021	7810
Less dwellings completed Apr 2006 –28TH Feb 2016	4695
Sub total	**3115**
Plus 5% of overall target (% of 3170)	155
Total target (Y)	**3270**

BOX 2 – COMMITMENTS	
Allocated sites in the 1995 Adopted Local Plan with planning permission	1129
Windfall sites with planning permission	2956
Total commitments	**4085**

BOX 3 – PIPELINE SITES (SITES IN THE SYSTEM BUT WITHOUT PLANNING PERMISSION)	
Total housing on pipeline sites	**1281**

DELIVERABILITY OF SITES

The box below shows the deliverable commitments in current market conditions, after the Council has assessed individual sites by speaking to developers and planning officers, checking building control records and carrying out site visits. The Council monitors this monthly.

It is difficult to calculate the amount of housing to be delivered from the sites without planning permission but still in the system waiting a decision at the time this paper is produced so the figure for this amount of housing is only set out where the Council is sure that the site is going to be brought forward within 5 years and that as far as the Council is aware there are no material reasons why permission should not be granted.

BOX 4 – DELIVERABILITY OF SITES	
Allocated sites with planning permission	231
Allocated sites without planning permission	4
Windfall sites	1731
Pipeline sites	225
Total (X)	**2191**

CALCULATING THE 5 YEAR HOUSING SUPPLY

Taking the information from boxes 1 and 4 above the calculation of the supply is (X/Y) x 100

After this an allowance is made for windfall sites coming forward over the next 5 years. (See notes below on how this is calculated)

BOX 5 – CALCULATING THE 5 YEAR HOUSING SUPPLY	
(2191/3270) X 100	67%
67% x 5 = 3.07 years	
FINAL 5 YEAR SUPPLY FIGURE	**3.35 years**

WINDFALL ALLOWANCE

The NPPF states that Local Authorities may make an allowance for windfall sites in their five year housing land supply if they have compelling evidence that such sites have consistently become available in the local area and will continue to provide a reliable source of supply. Historically, windfall sites have contributed up to 50% of the District's total housing supply. Many of these are very small-scale, infill sites, developed by the many local building companies in the District. These small companies have provided housing 'to order' for customers, thus making them less susceptible to the wider economic fluctuations experienced by volume house builders, thus ensuring a continuous level of delivery. Having an up to date Local Plan with site allocations, phasing sites, monitoring delivery and having a clear delivery pathway for housing should see this reduce. However, because of the long historical trend of this type of delivery, the type of sites that are delivered in this way and the local nature of the delivery, the Council believe it has compelling evidence to make an allowance for windfall sites in its housing supply. This allowance it is believed should be 15%. This still allows for the 5% buffer as proscribed by the NPPF but reflects the need to ensure that up to 20% additional supply (in line with the 20% buffer) should come forward via windfall sites. The 15 % will be added onto the deliverable total of sites.

BOX 6 – CALCULATING THE 5 YEAR HOUSING SUPPLY INCLUDING WINDFALL SITES	
(2191/3270) X 100	67%
Plus 15% windfall site allowance 2191 + 328 (X+15%)	2519
(2519/3270) x 100	77%
FINAL 5 YEAR SUPPLY FIGURE	**3.85**

3.5 The calculations show that the District had a 3.85 year supply of housing meaning that the undersupply would be 5.00 years less 3.85 = 1.15 years of housing undersupply. This equals 553 additional homes which will need to allocated in the Local Plan and added onto the housing target.

Therefore the housing target for the whole District is 7215 + 553 homes = 7768 or approximately 517 homes per year.

3.6 As at the end of January 2017, the situation with housing in the District has altered slightly. The District now has just over 5000 housing commitments and set out below is the housing supply without the allocations in the Local Plan and with the allocations. These clearly show that without the allocations the District has a 5.25 years supply of housing and with the allocations it has a 9.45 years supply of housing. Once again the Council has contacted developers/landowners/agents to confirm deliverability of sites, visits sites and assesses building control records. One of the main differences between the February 2016 supply calculations and January 2017 is the Council has included those planning permissions resolved to be granted but awaiting their S106 agreement. There is no barrier to these sites coming forward, agreements are signed reasonably quickly and the developers have confirmed that each site is going to come forward.

EAST LINDSEY DISTRICT COUNCIL

5 YEAR HOUSING SUPPLY

POSITION UP TO THE 31ST JANUARY 2017

WIHOUT THE EMERGING LOCAL PLAN ALLOCATIONS

BOX 1 – TARGET **How much housing the Council should be delivering over the next 5 years.**	
Development Plan target of 600 per annum (2006 – 10)	3000
Revised 5 year target 2011 – 21 Target for 2011 - 2015 (481 x 5) Target for 2016 – 2021 (591 x 5)	 2405 2955
Overall target 2006 -2021	8360
Less dwellings completed Apr 2006 –31st January 2017	5018
Sub total	**3342**
Plus 5% of overall target (5% of 3342)	167
Total target (Y)	**3509**

BOX 2 – COMMITMENTS **If everything came forward with no constraints**	
Windfall sites with planning permission	3192
Old Allocated sites from the 1995 Local Plan	1095
Pipeline sites	796
Total commitments	**5083**

BOX 3 – PIPELINE SITES

Pipeline sites for the Council are those that have been approved but are waiting for their S106 to be signed, the Council has contacted the developer and confirmed that they are going to bring the site forward.

Application No	No of units	Comments on deliverability	No of units to go in 5 year supply
N/085/00883/15	300	Developer has confirmed that they are going to bring the site forward, with a reserved matters application shortly. It is already allocated in the Local Plan. It is a large site so may only bring forward 100 houses within 5 years	100
S/086/01335/15	21	Applicant aims to move their business to a more appropriate location and develop the site	21
S/023/00259/16	6	Developer has confirmed that they are going to bring the site forward, seeking funding at the present time.	6
N/110/00509/16	1	Unknown, spoke to the agent and they do not know if it is going to come forward	Nil
N/215/01572/16	150 but with the loss of 2 existing properties = 148	Developer confirmed that they are going to bring the site forward during the determination of the application.	148
N/092/1853/16	100 but with loss of 2 properties = 98	Developer confirmed through the Local Plan consultation that they are going to bring the site forward – it is already an allocated site in the Local Plan	98
S/215/01969/16	49	Developer confirmed that they are going to bring the site forward during the determination of the application.	49
S/216/02053/16	70	Contacted the applicant they do wish to bring the site forward within 5 years and will be working toward this	70
N/085/00588/16	103	Developer confirmed that they are going to bring the site forward during the determination of the application.	103
TOTAL	**796**		**595**

DELIVERABILITY OF SITES

The box below shows the deliverable commitments in current market conditions, after the Council has assessed individual sites by speaking to developers and planning officers, checking building control records and carrying out site visits. The Council monitors this monthly through its position statement which is published twice a year on the Councils website.

BOX 4 – DELIVERABILITY OF SITES	
Allocated sites from the Old 1995 Local Plan	407
Windfall sites	2173
Pipeline sites	595
Total (X)	**3175**

CALCULATING THE 5 YEAR HOUSING SUPPLY

Taking the information from boxes 1 and 4 above the calculation of the supply is (X/Y) x 100

After this an allowance is made for windfall sites coming forward over the next 5 years. (See notes below on how this is calculated)

BOX 5 – CALCULATING THE 5 YEAR HOUSING SUPPLY	
(3175/3509) X 100	90%
90 % x 5 = 4.50 years	
FINAL 5 YEAR SUPPLY FIGURE	**4.50 years**

WINDFALL ALLOWANCE

The NPPF states that Local Authorities may make an allowance for windfall sites in their five year housing land supply if they have compelling evidence that such sites have consistently become available in the local area and will continue to provide a reliable source of supply. Historically, windfall sites have contributed up to 50% of the District's total housing supply. Many of these are very small-scale, infill sites, developed by the many local building companies in the District. These small companies have provided housing 'to order' for customers, thus making them less susceptible to the wider economic fluctuations experienced by volume house builders, thus ensuring a continuous level of delivery. Having an up to date Local Plan with site allocations, phasing sites, monitoring delivery and having a clear delivery pathway for housing should see this reduce. However, because of the long historical trend of this type of delivery, the type of sites that are delivered in this way and the local nature of the delivery, the Council believe it has compelling evidence to make an allowance for windfall sites in its housing supply. This allowance it is believed should be 15% of the total housing target set out at (Y) in Box 1 above added into the deliverable commitments (X).

BOX 6 – CALCULATING THE 5 YEAR HOUSING SUPPLY INCLUDING WINDFALL SITES	
(3175/3509) X 100	90%
Plus 15% windfall site allowance 3509 x 15% = 526 added onto 3175	3701
(3701/3509) x 100	105%
FINAL 5 YEAR SUPPLY FIGURE	**5.25**

EAST LINDSEY DISTRICT COUNCIL

5 YEAR HOUSING SUPPLY

POSITION UP TO THE 31ST JANUARY 2017

WITH THE EMERGING LOCAL PLAN ALLOCATIONS

BOX 1 – TARGET **How much housing the Council should be delivering over the next 5 years.**	
Development Plan target of 600 per annum (2006 – 10)	3000
Revised 5 year target 2011 – 21 Target for 2011 - 2015 (481 x 5) Target for 2016 – 2021 (591 x 5)	 2405 2955
Overall target 2006 -2021	8360
Less dwellings completed Apr 2006 –31st January 2017	5018
Sub total	**3342**
Plus 5% of overall target (5% of 3342)	167
Total target (Y)	**3509**

BOX 2 – COMMITMENTS **If everything came forward with no constraints**	
Allocated sites in the Emerging Local Plan to come forward in the next five years.	2955
5 yrs. of the 7.3% buffer of allocated sites in the Emerging Local Plan. (8336 – 7768 / 15 *5)	189
Windfall sites with planning permission	3192
Old Allocated sites from the 1995 Local Plan	1095
Pipeline sites	398
Total commitments	**7829**

BOX 3 – PIPELINE SITES **Pipeline sites for the Council are those that have been approved but are waiting for their S106 to be signed, the Council has contacted the developer and confirmed that they are going to bring the site forward.**			
Application No	**No of units**	**Comments on deliverability**	**No of units to go in 5 year supply**
N/085/00883/15	Nil – already counted	Developer has confirmed that they are going to bring the site forward, with a reserved matters application shortly. It is already allocated in the Local Plan.	Nil – already counted
S/086/01335/15	21	Applicant aims to move their business to a more appropriate location and develop the site	21
S/023/00259/16	6	Developer has confirmed that they are going to bring the site forward, seeking funding at the present time.	6
N/110/00509/16	1	Unknown, spoke to the agent and they do not know if it is going to come forward	Nil
N/215/01572/16	150 but with the loss of 2 existing properties = 148	Developer confirmed that they are going to bring the site forward during the determination of the application.	148
N/092/1853/16	Nil – already counted	Developer confirmed through the Local Plan consultation that they are going to bring the site forward – it is already an allocated site in the Local Plan	Nil – already counted
S/215/01969/16	49	Developer confirmed that they are going to bring the site forward during the determination of the application.	49
S/216/02053/16	70	Contacted the applicant they do wish to bring the site forward within 5 years and will be working toward this	70
N/085/00588/16	103	Developer confirmed that they are going to bring the site forward during the determination of the application.	103
TOTAL	**398**		**397**

DELIVERABILITY OF SITES

The box below shows the deliverable commitments in current market conditions, after the Council has assessed individual sites by speaking to developers and planning officers, checking building control records and carrying out site visits. The Council monitors this monthly through its position statement which is published twice a year on the Councils website.

BOX 4 – DELIVERABILITY OF SITES	
Allocated sites in the emerging Local Plan	2955
5 yrs. of the 7.3% buffer of allocated sites in the Emerging Local Plan. (8336 – 7768 / 15 *5)	189
Allocated sites from the Old 1995 Local Plan	407
Windfall sites	2173
Pipeline sites	397
Total (X)	**6121**

CALCULATING THE 5 YEAR HOUSING SUPPLY

Taking the information from boxes 1 and 4 above the calculation of the supply is (X/Y) x 100

After this an allowance is made for windfall sites coming forward over the next 5 years. (See notes below on how this is calculated)

BOX 5 – CALCULATING THE 5 YEAR HOUSING SUPPLY	
(6121/3509) X 100	174%
174% x 5 = 8.70 years	
FINAL 5 YEAR SUPPLY FIGURE	**8.70 years**

WINDFALL ALLOWANCE

The NPPF states that Local Authorities may make an allowance for windfall sites in their five year housing land supply if they have compelling evidence that such sites have consistently become available in the local area and will continue to provide a reliable source of supply. Historically, windfall sites have contributed up to 50% of the District's total housing supply. Many of these are very small-scale, infill sites, developed by the many local building companies in the District. These small companies have provided housing 'to order' for customers, thus making them less susceptible to the wider economic fluctuations experienced by volume house builders, thus ensuring a continuous level of delivery. Having an up to date Local Plan with site allocations, phasing sites, monitoring delivery and having a clear delivery pathway for housing should see this reduce. However, because of the long historical trend of this type of delivery, the type of sites that are delivered in this way and the local nature of the delivery, the Council believe it has compelling evidence to make an allowance for windfall sites in its housing supply. This allowance it is believed should be 15% of the total housing target set out at (Y) in Box 1 above added into the deliverable commitments (X).

BOX 6 – CALCULATING THE 5 YEAR HOUSING SUPPLY INCLUDING WINDFALL SITES	
(6122/3509) X 100	174%
Plus 15% windfall site allowance 3509 x 15% = 526 added onto X which is 6122	6648
(6648/3509) x 100	189%
FINAL 5 YEAR SUPPLY FIGURE	**9.45**

SECTION 3 – ASSESSING THE ECONOMIC IMPACT HOUSING GROWTH

4.1 All the scenarios above in Section 1 show low job creation over the Plan period. The Council`s Economic Baseline Study 2016 highlights a decline in the working age population, both of which contribute to the ageing profile of the population. This does corroborate the evidence that population growth continues to be fuelled by in migration of older people. This trend has implications for labour market participation, and raises demand for healthcare and other public services in the district. The challenge for the District will be in continuing to provide under pressure key services and filling associated employment vacancies to meet the needs of the growing elderly population.

4.2 The Baseline document highlights that, if current economic activity rates stay the same, the percentage of the economically active workforce who work in East Lindsey will need to increase from 66% to 81% to sustain the local jobs market. To some extent, it is anticipated that this gap will be reduced by older people remaining in the workplace for longer, the increase in retirement age and benefit reform. 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.

4.3 This leaves the District with a dilemma because theoretically increasing housing could just increase the number of older persons moving into the District, this is particularly relevant inland where there is still the ability to develop single storey housing, thus exacerbating the situation with a top heavy population of older persons and still not enough residents to fill jobs. It would appear if the commuting ratio for the District have gone down from 1.16 in 2001 to 1.09 in 2015 meaning less people are commuting out of the District, the unemployment rate has also fallen from a high of 7.5% in 2011 to 4.8% in 2015 and the number of jobs have increased with an upturn in the economy particularly around the tourism industry, those these tend to be lower skilled and lower paid jobs and are in and around the coastal area. This is not really supported by the evidence though regarding the formation of new households in the coast with a decline from 735 to 630 for the plan period with no rise in the numbers inward commuting to the District maybe at the moment the upturn in the economy is being fuelled in regard to jobs up those already in the District but moving from unemployment to employment.

4.4 Overall the relationship between the demographic scenarios and economic growth is one of a more positive outlook in Edge Analytics Forecast October 2016 than it was previously shown in the June 2015 Edge Analytics Forecast, this is set out below;

Scenario	Jobs Per Year
10yr Dwelling Completions	179
PG-10yr	124
SNPP-2012	93
PG-5yr	23

This would further justify having a slightly higher housing target than that set out in the 2014-based projections, this should provide the ability for the District to provide additional housing should the economy continue to trend upwards and grow. The impact of this is one of the aspects that will be monitored in the 5 year review of the Plan.

4.5 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.

- Overall, East Lindsey's economy is growing and the gap between Coast and Rural Inland has closed.

4.6 The Council would strongly support all of the above in the second scenario and has put in place an East Lindsey Economic Action Plan. This Action Plan sets out the projects the Council and its partners will undertake to try and drive positive results into the economy of the District. The projects being undertaken in the 5 year review of the Local Plan also sit within this Action Plan. It is also the vehicle which the Council will use to monitor, investigate and evidence the impact of its policy on the economy, demographics and society of the District, including monitoring the impact of the Plan on job creation.

4.7 One of the key projects in the Action Plan is a reference group made up of key partners and the development industry that will analyse and discuss the evidence around housing and the economy. They will also look at some key topics such as; is the work around existing household formation robust? What are the drivers behind the housing market in the coast and is it connected to population churn and inward migration? Is housing needed for workers, if so what type, who are they and where is the housing needed if necessary?

How does the housing requirement if at all link in with economic growth. What is the impact of the imbalance of the population on economic growth? What needs to done to bring more balance back to the population? This will help inform the 5 year review and ensure that any new policy formation has been drawn up with partners co-operation.

SECTION 4 - SPLITTING THE DISTRICT BETWEEN THE COAST AND INLAND

5.1 Because of the issue of flood risk on the Coast, (see separate Topic Paper on the Coast) the Council has determined in its Local Plan to deal with the District wide housing target of 7768 in two areas. The Council will still have one target for the purposes of calculating the 5 year supply. Coastal commitments had risen slightly since February 2015; they were 1281 and stood at the beginning of the Plan Period at 1308. The overall target is a minimum.

- On the coast there are approximately 1308 homes which covers the area of the Coastal Flood Hazard maps these are existing commitments.

- Inland a minimum of 6460 homes will be provided.

5.2 The National Planning Policy Framework states that local plans should take account of climate change over the longer term including factors such as flood risk and that new development should be planned to avoid increased vulnerability to the range of impacts from climate change. Inappropriate development in areas of flood risk should be avoided by directing development away from the areas of highest risk, but where development is necessary, making it safe without increasing flood risk elsewhere.

5.3 In East Lindsey, the District has other areas which are outside flood risk which can accommodate housing growth, therefore in the Coastal Zone it has been determined that, because of flood risk, population increase should not contribute to the strategic growth of the District but that it should remain broadly stable. This means that the Council are not placing unnecessarily large additional numbers of people at risk of flooding.

5.4 This is not to say that economic growth will not be supported, the Plan strongly supports job creation, the tourism industry on the coast and leisure and retail development. It is also not a blanket ban on growth.

5.5 The baseline population for the coast has been calculated by analysing the National Land and Property Gazetteer data for the defined coastal area, to estimate the number of dwellings, and then using this data to develop sub-District forecasts.

5.6 THE SCENARIOS FOR THE COAST

5.7 The population modelling for the coast looked at 6 scenarios, four were the same as for the rest of the District, plus two additional models specifically targeted at the requirement of nil strategic growth in the coastal area.

5.8 **Scenario 1 - Official Projection Scenario (ONS)** - This model has used the Office of National Statistics 2012 sub-national population projections as the trend benchmark. This model suggests an average dwelling requirement of 163 homes and would represent a "business as usual" model with regard to housing growth.

Scenario 2 – Population Growth – 5yr (PG-5yr) – This is the lowest projections looking at migration over a 5 year period. The dwelling requirement is quite low per year but still remains positive due to the ageing effect of the population upon household size. There is still a rise in household numbers over the period of approximately 918 with a negative impact on population of approximately -2.6%. The growth projections are relatively low with 38 homes per year.

Scenario 3 – Population Growth - 10 yr (PG-10yr) - This looks over a longer time period than the PG-5yr scenario, the growth from elsewhere into the District was stronger during the early 2000s with the net effect being a higher growth rate to 2037. This scenario projects growth of 132 homes per year.

Scenario 4 – 10 year Completions – this predicts population changes of a continuation of previous rates of house building across the District (500 homes per year) and historically nearly a third of all housing built in the District was built in the coastal zone. This scenario projects 163 homes per year and represents a "business as usual" model with regard to housing growth.

Scenario 5 – Zero population growth – this scenario produces a similar outcome to PG-5yr, with flat growth still subject to change through age structure and net migration. This scenario projects 44 homes per year with an increase of approximately 970 households and net migration of 369 persons.

Scenario 6 – Zero dwelling growth – this scenario would assume no change in the number of dwellings, it represents the most cautious response to the flood risk issue and though net migration would still be positive at 250 persons per year this scenario would lead to a population decline driven by negative natural change (higher deaths than births). This scenario projects 0 homes per year.

5.9 Given that the main policy driver for the coastal part of the District is to constrain strategic housing growth, so as to not place large numbers of addtional people at high risk of flooding the Council has determined that the most appropriate scenario to take forward is the zero population growth option. This option is considered to be in conformity with the Policy, Coastal East Lindsey (SP18) set out in the Local Plan and the National Planning Policy Framework. This in effect means no significant growth in the coastal population but makes provision for the formation of new households which are calculated to increase by approximately 4.9%. Inevitably, there will be some non-preventable in migration as homes become empty and are sold on to incomers from outside the coastal zone and this is discussed in more detail below.

5.10 With regard to this scenario, if we take the average once again between the 2008 and 2012 based headship rates will provide a dwelling growth of 49 homes per year or 735 dwellings across the plan period.

5.11 As at the 28th February 2016 there were already 1308 housing commitments in the coast, a technical over-supply based against the target scenario of 735 of approximately 573 dwellings. This will mean for this plan period up to 2031 rates of development will only be lowered in the coast by just over 30% compared to previous build rates. This will provide a buffer of 44%. This should provide an adequate buffer during the first five years of the Plan for this area of the District. Additional work carried out on the 2014 population projections using the same scenario shows a decline in this need to 630 homes over the plan period. This means that the buffer has gone up to 52%. The policy however is to remain at 735 homes.

SECTION 5 – HOW SHOULD THE COUNCIL ADDRESS ITS HOUSING ALLOCATION GIVEN ITS CONSTRAINING GROWTH ON THE COAST?

6.1 Given the constraint on housing in the Coastal Zone, important key questions now have to be answered.

1. **What should the Council do with its housing allocation, given that the strategic housing growth will not be going in the Coastal Zone?**

2. **If the Council does not have any strategic housing growth on the coast what happens to those areas of brownfield land which are redundant? Does this allow the Council to offer some flexibility with regard to the development of brownfield sites which may in the end blight areas?**

6.2 QUESTION 1 - What should the Council do with its housing allocation, given that strategic housing growth will not be going in the Coastal Zone because of flood risk?

6.3 The response to this question appears on the surface to be easy to answer; the Council should write off the coastal housing allocation less the existing commitments and only allocate for need inland. Why should the Council do that? The answer once again would appear straight forward; if there is no housing growth on the coast then quite clearly people will not come and live there and therefore there is no need to have a housing target which takes into account the whole District's need. Firstly is this true and secondly how does this fit in with national planning policy. So the answer is not that simple.

6.4 On average, approximately 33% of all housing growth in the District historically went into the coast (completions 1981 – 2010). As set out above, this growth on the coast as in the rest of the District has and is driven by in migration of predominantly older persons with younger people and the over 75s leaving the District and a decline in natural population growth.

6.5 There would appear so far to be no significant negative impact on the coastal area by operating a policy of constraint on housing growth. This has to a degree been going on since 2007; it was brought in by national policy in Planning Policy Guidance 25 – Flood Risk. The impact on the coast this policy has had is however difficult to quantify robustly because there have been a number of planning approvals since that date and the country has experienced a national recession where housing building has been constrained. It is therefore impossible to state that since 2007 the coastal housing market has been wholly driven by a "policy on" scenario or a stable economic situation. 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.

6.6 This demographic information has been to a degree supported through one of the responses to the June/July/August 2016 consultation on the Local Plan; one of the consultees stated that they carried out 120 private property surveys a year in the coast and 90% of them were for people living outside Lincolnshire and wanting to come and retire on the coast. In effect this means that only 10% of the 1308 housing commitments could go to local residents.

6.7 The population of the coastal zone like the rest of the District is driven by the in migration of mainly older persons. Younger people move out to go off to higher education and do not appear to come back; this has formed over a long period of time an imbalance in the population which appears to be exacerbated in the coastal zone. The in migration of older persons is continuing but the formation of new households from the resident population is declining as set out in paragraph 5.11 above. The Council can only theorise on the effect this is having on the housing market but it would appear from looking at the evidence that the new build market is not that robust with slow build out of the existing planning permissions. However, the second hand housing market is still operating effectively. This is because, the Council believes, the second hand housing market is able to offer a wide range of bungalows at various prices for the incoming migrant older population whilst the new build market builds two storey properties because of flood risk and is only able to draw, in the main from the formation of new households within the existing resident population. This demand is small over the 15 year plan period (630 as set out above). The second hand housing market is also fuelled by a high churn in the older population in that mortality rates in this population are high, given the age of the occupants of the majority of these properties, leaving many empty homes for sale. The predominance of bungalows has been driven in the past by high rates of in migration and the majority of planning permissions for housing on the coast were for this type of development, when flood risk was not such a major issue in terms of national planning policy.

6.8 The imbalance of the population towards predominately older persons is not a matter that the planning system can solely rectify because the existing resident population is not going to form more new households unless the structure of the economy changes and there are on offer more higher paid, skilled jobs to entice those leaving the coast to stay or return. The Local Plan can give those wanting to expand or start new business in the coast the planning tools to support this (with the caveat around flood risk) but it cannot physically fund it, or create appropriate jobs. This is down to external structures and processes such as the LEP and the Council itself as an organisation. This is the second scenario that the Councils Economic Baseline Study paints where the economy is levered into growing by the influence of partners and funding.

6.9 With regard to the impact on the economy, the East Lindsey Economic Baseline Study 2016 which compares the economy of the District from the previous study in 2010, states that employment at the Coast has remained fairly static with an increase of 66 (or 0.3%) of jobs. It also states that East Lindsey had an estimated 4.27 million visitors in 2014, which is an increase of 5% since 2009. The economic impact of tourism has increased dramatically between 2009 and 2014, with a 26.7% increase overall. The greatest change has been in the economic impact of accommodation, which has grown by over a third. All this would lead to the conclusion that constraining housing growth is not having at the moment an economic impact. This is backed up the 2015 STEAM report the evidence points to a rise in economic growth along the coast and the District particularly in tourism. In 2015 visitor numbers were estimated to be up to 4.53m from 4.27m in 2014 and the economic value of tourism increased from £555m in 2014 to £584m in 2015. Employment is also estimated to have increased in tourism from 7631 in 2009 to 8344 in 2015. Skegness is the third most visited seaside town in the country. Overall this is showing a robust economy with little evidence of a squeeze in terms of employment shortage. However, this evidence does not point to an increase in higher paid, higher skilled jobs only a continuation and increase in what is already in the Coast.

6.10 So a policy of housing constraint in the Coastal Zone would appear to be, thus far having no adverse impact on the ability to access the housing market. If, since 2008 there have not been so many houses built in the coast are people still moving there? There could be the potential for some households who might have chosen to move into the Coastal Zone to go elsewhere in the country and not move at all into the District, or stay where they are, or move into the inland part of the District. At this point in time the Council has no evidence to support any of these assumptions. The only facts the Council can be sure about are that there are housing commitments in the Coastal Zone that have not been built out and that demand across the District (which is addressed later on in this paper) has not returned to pre-recession levels. That however does not mean that the assessed housing need is not going to have risen by the end of the plan period if the national economy continues to grow there is a high chance it will do and there is no evidence to support that it will not.

6.11 The only impact the Council can see is the effect on the new build market as set out above from what the Council believes is an inability to service the in migration of older persons. Bungalows are a type of housing that is not suitable in an area of high flood risk, being single storey they pose a danger to those living in them in the event of a flood with people sleeping at ground flood level; and therefore this is not a matter that the Council is looking to change and monitoring of this situation and work to understand the long term impact on the new build housing market will be undertaken over the 5 year review period of the Local Plan.

6.12 Work has started on analysing long term trends in population movement around the District, particularly focusing on movement between the coast and inland. The Council is doing this through questionnaires to new home owners to ascertain where they come from and their views and choices about living in the District. But this work needs to be undertaken over at least a 5 year period and during growth, not recession, in order to see a pattern of movement or any long term trends. That work on population movement cannot therefore be considered robust at the present time.

6.13 National Planning Policy and its accompanying guidance is clear on constraining housing need, it says "the assessment of development needs is an objective assessment of need based on facts and unbiased evidence. Plan makers should not apply constraints to the overall assessment of need, such as limitations imposed by the supply of land for new development, historic under performance, viability, infrastructure or environmental constraints."

6.14 This does not address the question of how external housing demand should be accommodated when national policy also sets out that we should not be delivering housing in areas of high flood risk, including a failure to address the assumption that the demand is transferable. All national policy does is set out that housing in areas of flood risk should be should be directed to areas of lower flood risk. So in other words national policy does not allow you to constrain your demand and in areas of flood risk you should move that demand to areas of lower flood risk if you can accommodate it, which East Lindsey can.

6.15 To add to the situation the District did not up to January 2017 have a 5 year supply of housing plus a 5% buffer and therefore cannot demonstrate that the identified need for housing was being met.

6.16 To sum up there is no evidence that a policy of housing restraint will have a detrimental effect on the coastal zone in the short to medium term, that housing demand levels are not going to return to pre-recession levels (as set out below) with regard to in migration and that the in migration is not going to move from the coast to other settlements outside the high flood risk area. The District did not have a 5 year supply of housing as at the start of the Plan period. Therefore there is no evidence to support writing off, parking or ignoring any of the District`s objectively assessed housing need at this time; as far as it is possible for the Council to ascertain that need will still be required by the end of the plan period.

6.17 The Council therefore for the Plan period has to accommodate all of its need away from the Coastal Zone and its high flood risk and will be allocating the majority of its housing need across the inland main towns and large villages as set out below.

6.18 The Local Plan has a 5 year review built into it. This is because this is the first time that the Council has taken the step of constraining growth in an area of the District because of flood risk. It is important that the housing part of the plan is carefully monitored to ensure that if there are signs of significant impact on the Coastal Zone, the Council can consider its policy direction and with other strategic partners such as the Environment Agency and the County Council and quickly put in place remediation policy. It is also important to analyse further the overall housing need in the District with regard to demand and in migration.

6.19 QUESTION 2 - Does a policy of housing restraint in the Coastal Zone allow the Council to offer some flexibility with regard to the development of brownfield sites which may otherwise blight areas?

There is the potential to accommodate as windfall some homes on brownfield sites in the coast. From a broad desktop analysis, in Skegness, Mablethorpe, Chapel St Leonards and North Somercotes this could approximate to 218 homes. These sites are, apart from the issue of flood risk, suitable, available and achievable.

The Council understands that sites which have served a useful purpose in the past and can become run down, empty and cause blight to a neighbourhood. Whilst the Council would always encourage and support the reuse of land in the Coast for employment, leisure or tourism uses and if in an appropriate location, retail, this is not always possible. The Council will therefore support open market housing on such sites in the towns, large, medium and small villages. The Coastal Policy is therefore supportive for housing on brownfield sites with the following caveats.

- They must be on brownfield land that. This does not include garden land
- No ground floor sleeping accommodation
- The developer should provide a flood evacuation plan
- Flood mitigation should be provided as per the advice of the Environment Agency.

The success of this policy will be monitored and reviewed in the 5 year review of the Local Plan.

SECTION 6 - AN ASSESSMENT OF THE DELIVERABILITY OF THE HOUSING TARGET AND DEMAND. THE HOUSING TRAJECTORY

7.1 The housing market in the District as an average from 2011 to 2015 has been delivering on average 289 homes per year across the District. The number appears to be rising albeit slowly.

Year	**Delivery**
2013	276
2014	278
2015	405
2016	323

7.2 The Council is confident that its 5 year housing supply data is accurate as set out above. There is a robust system in place to ensure that the deliverability of sites with planning permission is confirmed with developers.

7.3 There is however a question mark over the demand for new build housing across the District. Whilst forecasts and projections show a need for 7768 homes over the plan period including the undersupply of housing, this at the present time does not appear to be correlating with factors on the ground, of demand or completions of housing. The District actually has many homes with planning permission (just over 5000 as at January 2017) but they are not being built out as would be expected.

7.4 In other parts of the country the reason for a squeeze on demand usually comes from house prices causing an affordability gap which means that it is difficult to either save enough money for a deposit or obtain a mortgage, therefore the bottom end of the housing market stalls. However in East Lindsey this does have to be questioned. In 2007 the lower quartile house price ratio to lower quartile earnings was at its height at 9.18, this has dropped to 6.67 in 2015 but house prices have not risen greatly in this period.

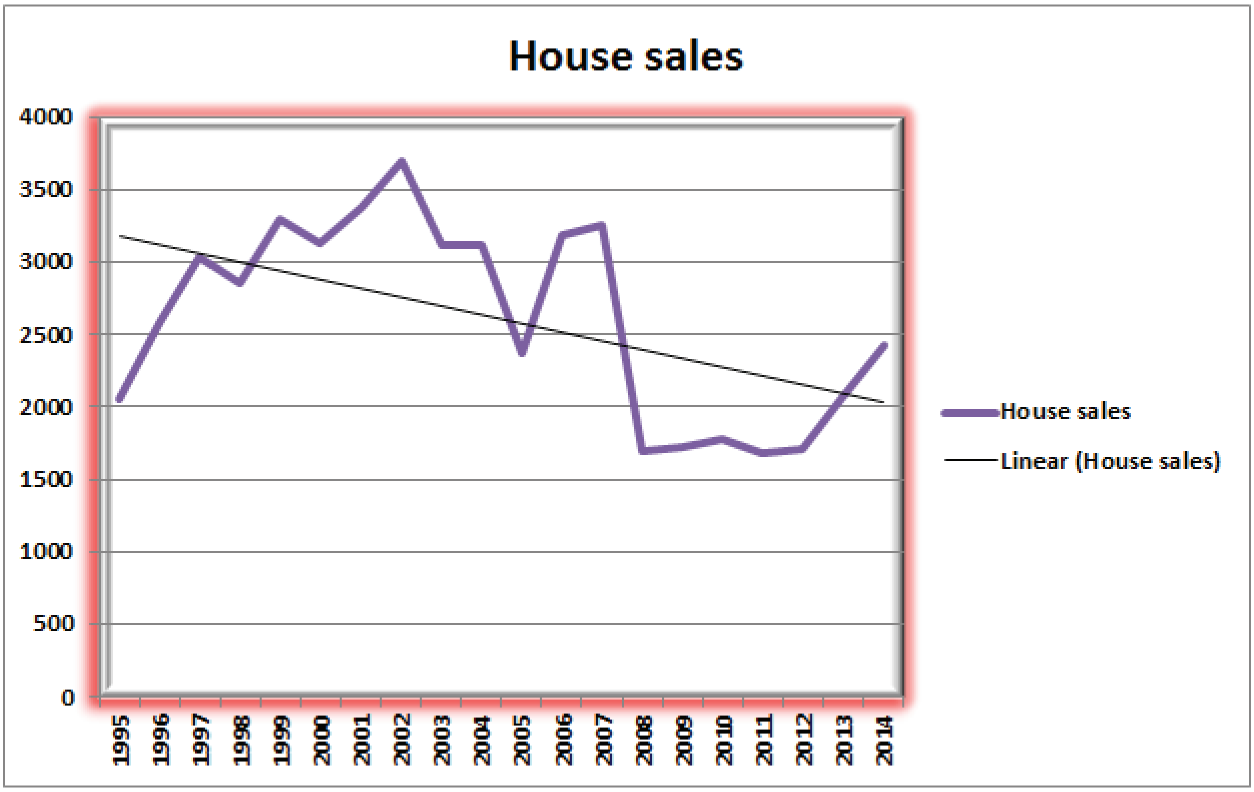
7.5 The price of housing has also not altered significantly. The table below taken from the ONS Median House Price for National and Subnational Geographies December 2016 illustrates this.

	Q2 – 2008	Q2 - 2016
All House Types	145,000	147,250
Detached Houses	177,000	179,950
Terrace Houses	115,000	110,000

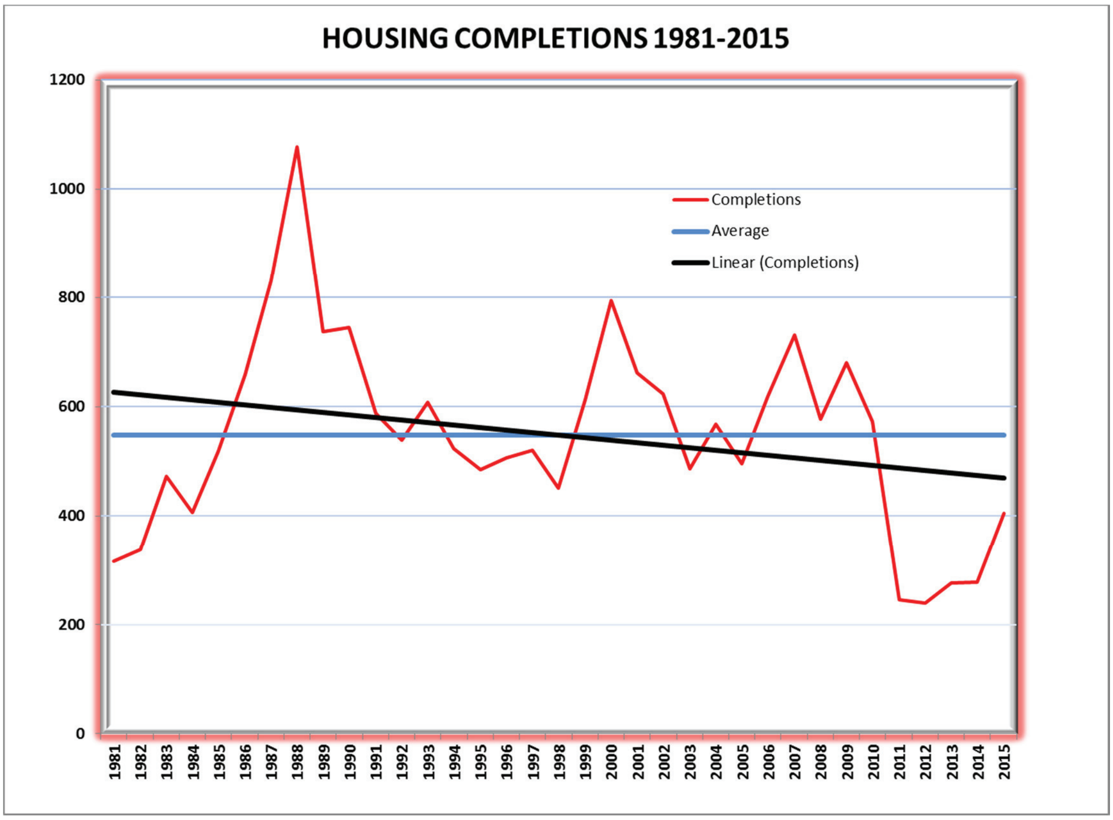
The median value of terrace housing has in fact gone down in the District with a further fall in price between Q1 and Q2 – 2016 for £1000.

Therefore the lack of demand must in part relate to other issues. Those building houses in the District tell the Council that they are not bringing housing forward because of a combination of the continuing difficult economic situation, low demand, lack of finance and low viability in the District with viability worsening as you move toward the east. East Lindsey is a relatively low wage economy, with low skills, but the price of housing to income ratio has dropped as set out above so theoretically more people should be able to afford a home. Also the main driver for population growth is not natural growth but in migration and these residents, tending to be older are seeking the purchase of homes not through mortgages but as cash buyers to come to the District to retire, they are also seeking single storey properties, which are still being built inland but because of flood risk new build bungalows are not now being developed on the Coast. The particular issues around housing demand on the coast are set out at 6.7 above.

7.6 In comparison house sales data set out by the ONS shows a more healthy market recovery. In 2007 the number of overall house sales in the District was 3260; they then fell off sharply during the recession rising again to 2429 in 2014. This has continued to rise with the number of house sales being 2435 in 2015 and 2486 in 2016. The table below sets this out, though this also shows an overall trend at the present time of a downwards number of sales.



7.7 Set out in the table below is the 30 year record of housing completions across the District. These follow the peaks and troughs of the national economic picture. The black trend line shows that overall the completions appear like house sales to be trending downwards and whilst it seems likely that demand will eventually return, because the recession was the deepest the Country has faced the return period for demand is likely to be the longest perhaps at least until 2020. The average for housing completions across this 30 year period was 548 per year and given that there are some sharp high spikes in the period this is within tolerance of the 7768 for the Plan period or 517 per year housing target



Although developers are saying that the economic situation and viability are causing a drop in demand; house sales appear to be rising quite sharply with a reasonably robust second hand market, this does also support the Council`s theory around what is happening to the housing market on the coast. Even though the overall trend is downwards at the moment, house sales rose by 34% between 2012 and 2014 with house completions only rising by 14%. The number of new houses completed did rise to 405 in 2015 but in that number were sites which had been being built out for quite a long period of time and two large sites with housing built through the Councils Housing Capital Programme (HCP). As set out above it would appear as the HCP has been supporting completions in the District for some time.

7.8 As set out in Section 6.7 above, the Council believes that part of the issue is that population churn may be the cause of higher house sales and lower house completions. Given the high number of older in migrants into the District, the numbers of over 75s moving out and the fact that the death rate is exceeding the birth rate, it may be that the number of vacant properties for sale is eating into the viability/demand of new sale properties and on the coast the pool of new household formation outside of in migration is so small it is not supporting the new build market. This is only a supposition at the moment and is one of the key factors the Council will be monitoring and investigating leading up to the review of the Plan. An increase in economic growth going forward with more positive forecasts on job creation in the October 2016 Edge Analytics Forecast could increase the demand for new housing as the forecasts appear to be more positive than previously thought, therefore these factors too will require monitoring.

7.9 The other factor the Council needs to consider is how the rental market is acting on the housing market and is there a shortage of rental properties. The Housing

Register has fallen significantly since 2012 to 2029 households in 2016; though there is still a need for 2825 additional affordable homes. Rental prices should increase if the supply is scarce. Rents do appear to be rising albeit very slowly. Set out below is rental information for East Lindsey taken from the Valuation Office statistics for a two bedroom property for three years from 2013.

2013	£446
2014	£452
2015	£462

7.10 The SHMA Update 2016 states that there are 6,200 households in private rented accommodation in the District with approximately 3,900 of those renting by choice, due to their current personal, family, employment or other circumstances. Some of these households may take up the Starter Home Initiative if and when it is brought forward by the Government, this could in effect free up more rental properties to the market, which may then lower rental prices. The houses in planning permission but not being built do not appear to be coming forward for rent, so either developers do not see this as a way of bringing housing forward or they do not believe there is a viable market to fill. This is one of the matters that will be investigated in more depth during the 5 year review of the Local Plan.

7.11 The SHMA update also discusses the Starter Home Initiative to assess whether it could be an affordable choice for residents. It would appear as if the weekly costs associated with Starter Homes are notably higher than low cost home ownership and much higher than median private sector rents and therefore are more than likely still going to be unaffordable for those who cannot presently access the open market.

7.12 Overall, the Council acknowledges that there are question marks around the deliverability of housing in the District. Both house completions and sales appear to be trending down but house sales are rising with completions also starting to rise and it is hoped that this will continue to move upwards. 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. Alternatively, population churn could be the cause of increased second hand house sales and a slower rise of new build homes. East Lindsey`s low wage economy could mean that outside of affordable housing need there is a need for more rental properties to come to the market.

7.13 The monitoring of the deliverability of the housing across the District will be essential in understanding the dynamics of the District`s Housing Market and the effect the policies in the Local Plan will have on it. The Council believes there is enough housing in the allocations to provide for both the open market and social housing needs of the District and with the 5 year review of the Local Plan already timetabled, there is the capacity to consider further allocations should it be evidenced that need in the longer term cannot be met.

EAST LINDSEY POPULATION PROJECTIONS 2012 – SHOWN IN 000`S

	AGE	2014	2031
East Lindsey	0-4	7	7
East Lindsey	5-9	6	7
East Lindsey	10-14	7	8
East Lindsey	15-19	7	8
East Lindsey	20-24	6	6
East Lindsey	25-29	6	6
East Lindsey	30-34	6	6
East Lindsey	35-39	6	7
East Lindsey	40-44	8	8
East Lindsey	45-49	9	8
East Lindsey	50-54	10	8
East Lindsey	55-59	10	9
East Lindsey	60-64	11	12
East Lindsey	65-69	13	13
East Lindsey	70-74	10	12
East Lindsey	75-79	7	9
East Lindsey	80-84	5	9
East Lindsey	85-89	3	6
East Lindsey	90+	2	4
East Lindsey	All ages	138	150

EAST LINDSEY POPULATION PROJECTIONS 2014 – SHOWN IN 000`S

East Lindsey	0-4	7	6
East Lindsey	5-9	7	7
East Lindsey	10-14	7	8
East Lindsey	15-19	7	7
East Lindsey	20-24	6	6
East Lindsey	25-29	6	6
East Lindsey	30-34	6	6
East Lindsey	35-39	6	7
East Lindsey	40-44	8	7
East Lindsey	45-49	9	8
East Lindsey	50-54	10	8
East Lindsey	55-59	10	9
East Lindsey	60-64	11	12
East Lindsey	65-69	13	13
East Lindsey	70-74	10	12
East Lindsey	75-79	7	9
East Lindsey	80-84	5	9
East Lindsey	85-89	3	5
East Lindsey	90+	2	3
East Lindsey	All ages	138	147

7.14 Overall at present there is no absolute evidence that demand will not return to pre-recession levels. Though the trends appear to be downwards for both house sales and house completions, and the growth of the population appears to be slowing, this could be a "blip" caused by the recession and therefore until evidence is available that it is not, the Council has to presume that recovery will occur and try and cater for the full amount of its objectively assessed housing need. During the 5 year review of the Local Plan two sets of projections will be produced and these will be examined to understand whether decline in growth appears to be a continuing trend.

7.12 LIVERPOOL VS SEDGEFIELD

7.13 When calculating the five year supply requirement, nationally two approaches have been established to calculate and respond to an undersupply of housing. The approaches are known as the Liverpool and Sedgefield approaches. Within the Liverpool methodology, the past undersupply of housing is spread across the remainder of the plan period. Meanwhile the Sedgefield methodology requires the undersupply to be dealt with within the first five year period. Both of these methodologies have been tested at appeal nationally with the Planning Inspectorate.

7.14 The NPPG states that Local Planning Authorities should aim to deal with any undersupply within the first 5 years of the plan period where possible. This approach is in accordance with the Sedgefield methodology, thus ensuring that the housing shortfall is made up quickly. The Council considers that neither approach is best suited to the unique circumstances of East Lindsey but, as these are the nationally excepted approaches the Council has to choose one of them to use to set out how it is going to deal with its undersupply of housing. The Council has therefore chosen to deal with the matter using the nationally accepted method of Sedgefield and will try to deliver its undersupply of housing within the first five years of the plan period.

7.15 The Plan is proposing a housing trajectory for the delivery of the 7768 housing target over the Plan period. The trajectory will be as follows;

- 2016 – 2021 – average of 591 homes per annum
- 2021 – 2025 – average of 481 homes per annum
- 2025 – 2031 – average of 481 homes per annum

7.16 It is considered important that the Council keeps its housing trajectory under review and develops a greater understanding of the population dynamics. In order to do this it will do the following;

- Monitoring monthly the start on sites and completions of all housing developments in the District.
- Corresponding on a half yearly basis with all the owners of sites in each relevant phase of the plan to ascertain surety on the deliverability of those sites.
- Working with developers as planning permissions are processed to establish at approval stage a timetable for the delivery of sites.
- The imposition of planning conditions on outline approvals to ensure that reserved matter applications are submitted in a reasonable period of time (12 months)

- Publishing on the Council`s website at a minimum of half yearly the 5 year land supply.
- Build into the monitoring of the Local Plan an update on the population projections as they are produced nationally.
- Continue working to understand how the population functions with regard to residents moving into the District and the churn of residents into new and used housing.

7.17 The usual approach with regard to housing allocations is to provide a buffer or fall back in the allocations to ensure that if sites do not come forward then others can take up the housing need easily, it also offers choice in the market. Given that the Local Plan is going to be reviewed in 5 years, and at that time additional sites can be allocated if the need and evidence arises, the allocated buffer provision in the plan will be approximately 7.3%.

SECTION 7 - AN ASSESSMENT OF THE DISTRIBUTION OF HOUSING GROWTH

8.1 The Council chose four options for the distribution of growth over the plan period, these they put forward for consideration and consultation in December 2012. All the options were predicated on the fact that it is not realistic or practical to promote an option of large-scale strategic housing growth in the coastal flood hazard zones, when it will clearly be out of conformity with national planning policy and place more people at risk of flooding.

8.2 There have not been any fundamental changes in the District since 2012 to make the choice of options redundant or out of date. In December 2013 the District experienced a "near miss" with regard to a coastal tidal surge which left many homes in Boston flooded and damage to the coastal sea defences. This would add weight to the Councils choice of options for the distribution of housing growth. The Council has set out its settlements in a pattern reflecting their present services and facilities.

8.3 Under normal circumstances where population growth is based on natural change or a clear growth pattern such as student accommodation needs or large industry, it would be possible to work out exactly where to locate all the housing. In East Lindsey`s case this is not possible because the population is growing through in migration of older persons. Therefore they move into the District randomly where they find somewhere to buy that they like. The Council has chosen options which allow for this random choice of housing. It would not benefit the housing market in the District to have an option where all or the majority of the housing growth was placed in one location. This could lead to those sites in that settlement not being delivered and major windfalls of housing in all the other sustainable locations in the District as people still move into the District and choose where they want to live.

8.3 Those four options were;

<u>OPTION 1</u>: CONCENTRATE GROWTH INTO THE FIVE INLAND TOWNS:

Concentrate growth in the Districts five key inland towns of Louth, Alford, Coningsby/Tattershall, Horncastle, and Spilsby. The proportions of development will be calculated based on existing populations.

Housing in the villages will be permitted only using the exceptions policies.

In these locations good levels of services and facilities, retail opportunities, employment land and transport links already exist. This option is based on the idea that by putting as much as we can as close together as we can, we will establish a more sustainable pattern of development with better access to facilities and services and less need to travel.

<u>OPTION 2</u>: MODERATELY DISPERSED DISTRIBUTION OF GROWTH

This option proposes a spread of development across the District's five inland towns and the twenty large villages outside the Coastal Flood Hazard Zones. The proportions of development will be calculated based on existing populations.

<u>OPTION 3</u>: MORE DISPERSED PATTERN OF GROWTH

Spread development across the five inland towns, (20) large and (41) medium villages outside the Coastal Flood Hazard Zones, in order to give a more widespread sustainable pattern of growth throughout the District. The proportions of development will be calculated based on existing population.

Housing in the small villages will be permitted only through the use of the exceptions policy.

<u>OPTION 4</u>: DISPERSED PATTERN OF GROWTH INCLUDING THE SMALL RURAL VILLAGES

This option proposes that development is spread across the five inland towns, and the large, medium and small villages outside the Coastal Flood Hazard Zones.

As well as maintaining the sustainability of towns, large and medium villages, some development including affordable homes will be supported in the smaller rural villages in the District.

8.4 No option was put forward connected with either taking growth from neighbouring authorities or asking those neighbouring authorities to take this District's growth. This District is capable of accommodating all if its own growth within its existing settlements.

8.5 There was no option for a new settlement. This was tested during the 2009 Core Strategy consultation and there was no public appetite for this option.

8.6 There are three key issues alongside public consultation that the Council has to take into consideration when making an assessment of where to put its future growth. These are discussed below;

8.7 **1. The National Planning Policy Framework (NPPF)**

A key consideration, when making a decision on which growth option to choose and where that growth should be located is that it must be in conformity with the objectives of the NPPF. This inevitably moves the Council toward a more sustainable solution to its housing distribution. The NPPF states that there are three dimensions to sustainable development: economic, social and environmental. The social role stipulates that planning should

- "support strong, vibrant and healthy communities by providing the supply of housing required to meet the needs of the present and future generations and;
- By creating a high quality built environment, accessible local services that reflect the community's needs to support its health, social and cultural well-being."

It also states at para 55 that "housing should be located where it will enhance or maintain the vitality of rural communities. For example, where there are groups of smaller settlements, development in one village may support services in villages nearby."

8.8 The Core Strategy had considered a cluster framework of settlements across the District which showed how smaller settlements related to larger ones. Clusters have an important role to play with regard to the interrelationship between services and facilities in different settlements. In the first instance growth that cannot be accommodated in its own allocated settlement would be moved to another settlement within the relevant cluster. Whilst this works in theory for leisure, employment, services and facilities', with regard to housing growth, the "cluster framework" does not always work because of flood risk issues.

8.9 For example, Wainfleet, which is not in the coastal zone, is also very constrained with regard to flood risk. Its growth would go to Skegness, being the town within its cluster, but this is not possible because of the constraint on housing growth on the coast and flood risk. It could go to Boston because some of the growth in the Southern Parishes would be generated from Boston, it being in the same housing market area. As set out above, this is not possible because Boston too has an issue with flood risk. Clusters of settlements are therefore not a direction the Council is pursuing.

8.10 Turning to the demographic evidence, the NPPF advocates the promotion of healthy communities in that there should be an integrated approach when considering the location of housing, economic uses and community services and facilities. In the District younger residents are moving out either to go to higher education or to work and those moving in are of the older larger birth cohorts 50+. There is also evidence that residents who are 75+ are moving out of the District. One conclusion for the young and over 75s moving out is that in the smaller villages there is not the service provision to support their needs. The provision of schools, doctors, shopping and general services lies within the towns and large villages of the District. In order to continue to support this provision particularly around health care and education, housing should be provided in locations where new households can gain easy access, if possible by foot. In order to attract young people to stay in the District, housing needs to be provided in locations which have the services and facilities they need and desire such as pre-schools, doctors, shopping and leisure facilities' and to be in locations where there is a choice of these facilities'.

8.11 **2. Will a lack of growth cause settlements to "die"?**

It was clear that those consultees that supported Options 3 and 4 were very concerned that settlements needed housing growth to continue to be sustainable; some were concerned that settlements would "die". However, the Council has no evidence to support this proposition but does have counter evidence that services and facilities within the towns and villages have been lost consistently over the period despite the fact that the District has pursued a strategy of wide housing dispersal since at least 1995.

8.12 There must be other social, locational and economic factors at play with regard to the loss of services and facilities. Many smaller rural settlements across the District have had relatively large amounts of new housing in them since the adoption of the last local plan in relation to their original size and yet they have still lost facilities over that period. Even some of the towns such as Alford and Spilsby lost facilities during the major part of the economic downturn, yet they had received substantial amounts of housing growth preceding this period. This matter is explored further in the Settlement Pattern Topic Paper which shows the loss of services and facilities and how that relates to the historic housing growth in settlements.

8.13 This paper highlights that it is very important to ensure that the Core Strategy is strong in a) its support for the protection of rural services and facilities b) its support for affordable housing where there is a need and c) its support for rural employment, rather than an emphasis on housing growth in smaller settlements.

8.14 **3. Can growth physically be accommodated in the relevant settlements?**

The capacity of settlements to accommodate additional development is a key issue that needs to be addressed on an individual settlement by settlement basis, to reflect their form and character, and the constraint of flood risk. Whilst directing growth to an identified settlement should always be the first option and the proposed housing policy reflects this, some settlements have issues which are going to be almost impossible to overcome. Those large settlements where this is the obvious case are Grainthorpe and Wainfleet, both of which have extensive flood risk which leaves little or no land available in suitable locations for housing allocations. The other large village where there could be issue is Marshchapel, which is surrounded by flood risk. In the longer term and in the next plan period from 2030 onwards this capacity issue will become more of a pressing matter as land is used up for development in villages subject to flood risk. Hogsthorpe is a good example of this.

8.15 The problem of capacity is also exacerbated if Option 3 was pursued. To add to this, many of the medium villages have had very little or no land promoted through the Strategic Housing Land Availability Assessment (SHLAA) and there would be a shortfall. The medium villages where there are issues are as follows;

<u>Medium Village with Site Difficulties</u>

*Mumby (Settlement Form)
*Covenhams (Settlement Form)
*Donington on Bain (Settlement Form and Limited Site Availability)
** Wainfleet St Mary (Flood Risk)
*Bucknall (Limited Site Availability)
**West Ashby (Settlement Form and No Sites Promoted)
**Toynton All Saints (Settlement Form and Limited Site Capacity)
*East Keal (Settlement Form)
**East Kirkby (Settlement Form and No Sites Promoted)
*Halton Holegate (Settlement Form)
**New York (Settlement Form and Limited Site Availability)
*Maltby le Marsh (Settlement Form)
** Anton's Gowt (Settlement Form and No Sites Promoted)
** Eastville/ New Leake (Settlement Form and No Sites Promoted)
** Gipsey Bridge (Settlement Form, Flood Risk and No Site Promoted)
*New Bolingbroke (Settlement Form and Flood Risk)
* Stickford (Limited Site Availability)

<u>Large Village with Site Difficulties</u>

**Grainthorpe (Flood Risk)
**Wainfleet All Saints (Flood Risk)
**Marshchapel (Flood Risk)

** Will be difficult to accommodate growth*

*** Will be very difficult if not impossible to accommodate growth because of flood risk or accepting that their core character will be altered irretrievably. Protection of character is a key issue raised during consultations. This is being supported through the consultations being carried out for Neighbourhood Planning where settlement's character is seen as a very important issue.*

8.16 Many of the medium villages are very small in size, some are linear in layout and some very nuclear, some have flood risk issues. The more medium villages there are that cannot accept growth because of capacity issues and constraints, the more growth will have to spread over the remaining medium villages, some of which will not have the capacity to accept growth without their core character being harmed as set out above.

8.17 It was clear to the Council after consultation with the medium village Parish Councils in January 2015 that they did not want large housing developments but were receptive to small infill growth. This is very difficult to achieve in the permissive planning environment that we operate in today. If the Council moved down the route of allocations of housing in medium villages it would by default become part of the District's strategic growth agenda and the Council would in effect be saying that these settlements are "sustainable" and able to take growth. However, as set out above these settlements have very few services and facilities and therefore for the people living in them are not considered to be sustainable. Many of the medium villages are fragile in regards to their character, their utility provision, flood risk and they do not have the level of services and facilities to support strategic growth; it would in effect be the same policy the Council has been using for the past 30 years, the policy that in the 1995 Local Plan was supposed to support services and facilities and has failed.

8.18 Therefore the Council required a policy that did not promote strategic growth in the medium and small villages but did allow some market housing where there was a robust material planning reason.

8.19 The policy that therefore has been created is focused on brownfield land and preventing blight rather than strategic housing; this is an exception policy and is considered that this would be a legitimate planning reason to support housing on sites in medium and small villages where there are few services or facilities, if no other use could be found for them and prevent sites becoming derelict and an eyesore.

8.20 **The Consultation on the Options**

The consultation in December 2012 showed that the support for the options was close with no clear front runner. Whilst Option 1, which was to put all the growth in the main towns, was considered by some of the consultees as the most sustainable, this would leave all other settlements with no growth and would offer very little support for the services and facilities in other key places within the District. Option 4 would dilute growth to such a degree that support for, and opportunity to generate additional, services and facilities in key places would become problematic. This option is the policy which has been previously pursued by the Council and, as set out above, there is no evidence that this approach has supported the provision or helped to retain services and facilities in the settlements.

8.21 In the main there was slightly more support for Options 3 and 4 but it was close to those supporting Options 1 and 2. However, as set out above it is not as straightforward as choosing the most popular option from a round of consultation. Even though it was close with the other options, Option 3 was the option favoured by the consultees, however those who supported wider dispersal did so because of a fear of losing services and facilities and as set out above, there is no evidence to support this fear and a long historic policy of dispersal has not stemmed the tide of community loss.

8.22 Consultation in June/July 2016 confirmed support from the medium and small parish councils for the allocation of growth to the towns and large villages.

8.23 Therefore, given all of the above the Council determined that the most sustainable way of distributing its housing growth was through Option 2 namely across the inland towns and large villages;

Towns – Louth, Alford, Coningsby/Tattershall, Horncastle and Spilsby.

Large Villages - Binbrook, Burgh le Marsh, Grainthorpe, Grimoldby/Manby, Friskney, Hogsthorpe, Holton le Clay, Huttoft, Legbourne, Mareham le Fen, Marshchapel, North Thoresby, Partney, Sibsey, Stickney, Tetford, Tetney, Wainfleet (All Saints), Woodhall Spa and Wragby.

8.24 To complement this distribution the council will support housing coming forward in the medium and small villages on brownfield land with buildings on it including agricultural buildings. Whilst there are caveats to this in that every effort should be made to market sites for economic and leisure uses, it is an effort to prevent derelict land and blight.

8.25 Whilst Binbrook and Tetford remain large villages they are located in the Lincolnshire Wolds Area of Outstanding Natural Beauty and therefore no housing allocation is proposed in this nationally designated area. In the same way as sequentially housing can be moved to a lower flood risk area, strategic housing allocations in national designated areas such as AONB`s can also be moved to a non-designated area, this is supported by Natural England.

SECTION 8 – WHERE HOUSING WILL BE ALLOCATED

9.1 Because housing demand in the District and population growth is predicated on the in migration of mainly older persons it is impossible to predict where they are going to want to live. The starting point for the distribution of housing growth in the inland towns and villages is therefore calculated on the number of households in the Parish taken from the 2011 Census divided by the total number of households across the towns and large villages; this is shown as a percentage. This percentage is then multiplied by the District target total, less the existing commitments on the coast. This in effect means that the larger inland settlements will get more growth. It assumes that the need for housing will be proportional to the number of existing houses.

9.2 This calculation establishes the starting point for the number of houses to be allocated in each settlement less the existing commitments. These have been calculated as at the start point of the Plan – February 2016. This start point is only a minimum number and not a target.

9.3 There are some inland settlements which because of constraints such as Binbrook and Tetford which lie in the Lincolnshire Wolds AONB which are not going to have a housing allocation and some with flood risk issues and this constraints the amount of land available for allocation. In this case the housing is redistributed to other sustainable inland settlements.

9.4 This way of apportioning growth means that the Council is not allocating its growth into a few settlements, but spreading it across the inland towns and large villages, as set out above this reflects the way the population grows through the in migration of mainly older persons. The predominance of house builders who operate in the District tend to be smaller, with the national companies only rarely developing in the District. The Council strongly supports these smaller more Lincolnshire based developers and builders because they form a key employment sector and use the services and supply chain in the District.

9.5 The other factor of concern around focusing the main body of growth in one or two of the larger towns of the District would be the ability of that growth to come forward and be delivered. Given that the in migrants can and do choose to live anywhere, there is no evidence to show they all go to one or a few settlements in the District. East Lindsey could end up with many windfall developments outside of, for example an urban extension and only slow growth or no growth on the allocated sites. The largest allocation in the Local Plan is the site at Spilsby SPY310, this is a good example of how a large site is not actually proposed to come forward quickly because of how the market operates in the District, this site of 600 homes is set to come forward over the whole plan period and may even go into the next plan period.

9.6 In the case of villages such as Woodhall Spa the figures are adjusted to include those properties in Roughton Parish which are within the defined limits of

Woodhall, and at Friskney where houses are widely dispersed the number is drawn from the village and Fold Hill area.

9.7 Below is table A which sets out the distribution of housing across the inland towns and large villages. The second table B sets the known sources of housing across the plan period in relation to the target. The homes on the brownfield sites in the coast and the inland medium and small villages are not certain to come forward but they provide some capacity in the form of windfall developments and discretely serve to deliver parts of the housing and coastal policies as justified in both these policies.

TABLE A - below shows the minimum allocation of housing across the inland towns and large villages as set out in the Settlement Proposals Document. These figures are not targets and should not be read as such.

SETTLEMENT	ALLOCATION
ALFORD	161
BURGH LE MARSH	95
CONINGSBY/TATTERSHALL	417
FRISKNEY	59
GRAINTHORPE	18
HOGSTHORPE	100
HOLTON LE CLAY	326
HORNCASTLE	0
HUTTOFT	0
LEGBOURNE	23
LOUTH	1204
MANBY/GRIMOLDBY	77
MAREHAM	113
MARSHCHAPEL	84
NORTH THORESBY	160
PARTNEY	0
SIBSEY	239
SPILSBY	264
STICKNEY	24
TETNEY	57
WAINFLEET	96
WOODHALL SPA	352
WRAGBY	32
TOTAL	3901

TABLE B

HOUSING TARGET 2016 - 2031	**7768**
Commitments inland	2777
Commitments coastal	1308
Inland allocations as set out in Table B	3901
Total – This includes a 7.3% buffer against the housing target	**8336**
Other sources of housing that could come forward during the plan period – these have not been included in the housing target above, only the 15% windfall allowance will be part of the 5 year supply calculations	
Possible homes from brownfield sites in the coastal zone	218
Possible homes from brownfield sites in the medium and small inland villages	202
Windfall allowance 15% of target as set out in the 5 year supply	1188
Spilsby site SPY310 which will be started during the plan period and the remaining part of it could start coming forward toward the end of the plan period	350
Total	**1958**

9.8 The Council has to try and meet its full objectively assessed housing need. 43% of that need is affordable housing. As set out above, from the SHMAA update work carried out in October 2016, there will be a need to provide 2825 affordable homes over the 15 year plan period. This would provide for the current unmet need and for future need. The Council has calculated that provision will come from the following sources;

Method of Meeting Need	Amount
Affordable Housing in existing commitments	823
Affordable Housing in housing allocations	1217
Housing Capital Programme (end of life commitments)	117
Affordable housing coming forward from windfall applications – 30% of 15% of the housing target	349
Affordable housing estimate from the site to the east of Spilsby SPY310	105
Total	2611

9.9 As set out in the Affordable Housing Topic Paper - Taken from the Planning Advisory Services (PAS) Advice July 2015 - Paragraph 029 of the PPG38 advises on how housing needs assessments should take account of affordable housing need:

‘The total affordable housing need should be considered in the context of its likely delivery as a proportion of mixed market and affordable housing developments, given the probable percentage of affordable housing to be delivered by market housing led developments. An increase in the total housing figures included in the local plan should be considered where it could help deliver the required number of affordable homes.’

9.10 The PAS goes on to say “This paragraph is difficult to follow. But it seems to confirm that the amount of affordable housing to be included in the OAN should reflect what can be delivered in practice, as a function of market delivery. Based on this, Inspectors’ advice and existing good practice, we would suggest the following approach:

i Assess total housing need or demand (the OAN), following paragraphs 15-21 of the PPG.

ii Estimate how much of that total need could be delivered as new affordable housing, given the affordable housing contribution that can be viably generated from market housing developments.

iii Assess affordable housing need, as shown in paras 022-029 of the PPG.

iv Compare this affordable need with the potential affordable supply at stage ii

v Consider if the resulting scenario would meet a reasonable proportion of the affordable need.

vi If not, consider raising the total need figure so it includes more affordable houses

9.11 Following the stages set out above;

(i) The amount of housing required to deliver the need across the District for the Plan period to 2031 is set out in the Housing Topic Paper and is 7768 (including undersupply).

(ii) The amount of affordable housing which could be generated from that existing commitments and site allocations set out in the Local Plan is 2040 dwellings. On top of that the Council believes that a further 349 affordable dwellings could come forward from windfall sites over the plan period and there are a further 117 dwellings in the Councils Housing Capital Programme waiting to be brought forward. This is a total of 2506 affordable dwellings. In addition there is the possibility of a further amount of affordable housing coming forward on the large allocation in Spilsby, site SPY310. The Council believes that the figures in the above Table concerning the amount of affordable housing to come forward from windfall developments over the Plan period is a very conservative estimate. To evidence this statement, in the period from the start of the Plan period February 2016 to 31st January 2017, the Council approved windfall housing permissions to deliver 317 affordable houses. This nearly makes up the whole amount of estimated delivery just in year one of the Plan Period (90%) and the Council can therefore be confident that the remaining 32 affordable houses out of the 349 affordable houses plus more will be approved and come forward during the next 14 years.

(iii) The affordable housing need as assessed in the 2016 SHMAA and discussed above in section two is 2825.

(iv) Comparing the need with the potential supply means that, without the Spilsby site the 89% of the affordable housing supply could be met over the plan period.

(v) It is considered that meeting 89% of a District`s affordable housing supply is meeting a reasonable proportion of the need.

(vi) The Council has a five year review built into the Local Plan and the delivery of affordable housing will be monitored over the next five years and if delivery is not coming forward as the Council has set out then consideration will be given to bringing forward more land to meet the identified need. During this period a review of the SHMAA will also be undertaken.

9.11 This matter will be closely monitored over the five year review period and if it is determined that there is starting to be a wider gap in delivery then the Council will strongly consider making further allocations at that time.

STAGE 9 – HOUSE TYPES, CATERING FOR ALL

10.1 In the District household sizes tend to be lower than either the East Midlands or nationally, this could be a reflection of the older population demographic of the District. Below is a table setting out the detail of household sizes in the District.

Household Size					
	East Lindsey		East Midlands		England
			Region		Country
All Household Spaces With At Least One Usual Resident	60890		1895604		22063368
1 Person in Household	18179	29.90%	548989	29.00%	6666493
2 People in Household	25789	42.40%	685772	36.20%	7544404
3 People in Household	8197	13.50%	296530	15.60%	3437917
4 People in Household	5872	9.60%	244736	12.90%	2866800
5 People in Household	1956	3.20%	81798	4.30%	1028477
6 People in Household	655	1.10%	27266	1.40%	369186
7 People in Household	159	0.30%	6584	0.30%	88823
8 or More People in Household	83	0.10%	3929	0.20%	61268

Household Size	East Lindsey		East Midlands		
All Household Spaces With At Least One Usual Resident	60890		1895604		
1 Person in Household	18179	29.90%	548989	29.00%	
2 People in Household	25789	42.40%	685772	36.20%	
3 People in Household	8197	13.50%	296530	15.60%	
		85.70%		80.80%	
4 People in Household	5872	9.60%	244736	12.90%	
		95.30%		93.70%	
5 People in Household	1956	3.20%	81798	4.30%	
6 People in Household	655	1.10%	27266	1.40%	
7 People in Household	159	0.30%	6584	0.30%	
8 or More People in Household	83	0.10%	3929	0.20%	
Number of Bedrooms	East Lindsey		East Midlands		
All Household Spaces With At Least One Usual Resident	60890		1895604		
No Bedrooms	101	0.20%	3697	0.20%	
1 Bedroom	4113	6.80%	153288	8.10%	

2 Bedrooms	21133	34.70 %	502502	26.50%	
3 Bedrooms	24468	40.20 %	860782	45.40%	
		81.60 %		80.20%	
4 Bedrooms	8375	13.80 %	291736	15.40%	
5 or More Bedrooms	2700	4.40%	83599	4.40%	
Source: ONS 2015					

10.2 The Council need to ensure that there is an appropriate variety of house types and sizes on developments; this includes the provision of smaller houses including 1 bedroom units and housing for older people, including extra care and single storey accommodation. Many older people occupy homes that are too large for them. The provision of smaller homes and extra care not only provides choice for older people but can improve health and lifestyle. The release of properties as older people downsize may free up home for families in the District. This will also provide choice and help meet local needs. Details for size and tenure type are set out in the Strategic Housing Market Assessment 2012 (revised 2016). The Core Strategy also brings forward a policy for Older Persons Housing and the Council strongly supports this type of housing in the District.

EVIDENCE

- Edge Analytics – Demographic Forecasts for Flood Risk Areas, Updating the Evidence August 2013, 2015 and October 2016.

- Strategic Housing Market Assessment (Affordable Housing Needs Assessment Update) 2016

- Office of National Statistics Median House Prices 2016

- Office of National Statistics House Sales 2016

- Office of National Statistics Household Sizes 2015

- Rental Statistics – Valuation Office website and archived statistics on the National Archives website.