

## **Rescheduled Matter 3a – Stage 2.**

**Matter 3: Objectively assessed need for housing (OAN) and the housing requirement (Policy SP3 and section on Housing Growth)**

**Matter 8: Housing Supply, including the 5 year supply of deliverable housing sites (Policies SP3 and the section on Housing Growth and the location of inland growth)**

**ADDITIONAL BRIEFING PAPER AS REQUESTED AT THE EXAMINATION HEARING ON THE 13<sup>TH</sup> JULY 2017**

### **TIMELINE FOR THE PLAN**

The Council agrees that the timeline for the Local Plan for the purposes of housing growth and assessing the objectively assessed need will be 2011 – 2031. This takes in the period when the Council did not have a properly formulated OAN because of the issues with the Regional Spatial Strategy and its abortive review.

### **OBJECTIVELY ASSESSED HOUSING NEED**

The Council agrees that the starting point for assessing the objectively assessed housing need is set out in the Edge Analytics documents CD09 and CD10 with the main basis falling within CD09 - Updating the Demographic Evidence 2015.

Given that the starting date for the Local Plan is 2011, the starting point for the assessment is the 2014-based household projections underpinned by the 2014-based SNPP or 399 homes per year. The Council has chosen a 10 year migration trend scenario (PG-10) as the most appropriate to adjust the baseline starting point upwards.

Applying alternative headship rates upon dwelling growth outcomes using assumptions from the DCLG 2012 – based household models gives the District a housing requirement of 460 per year. Given that the housing growth outcomes are looking back to 2011, the Council also applied the same sensitivity testing to the DCLG 2008 – based household models and taking an average between the two figures derived a minimum housing requirement of 481 homes per year. This represents a 20% uplift from the 2014 based SNPP starting point.

The PG-10 scenario was chosen because East Lindsey's natural population, i.e. births versus deaths is declining, and the population of the District grows through the in migration of the older birth cohorts particularly above 50+. A 10 year migration trend is preferred over a 5 year trend because it takes in more peaks and troughs in population migration changes.

The Council did not apply an uplift for jobs or market signals because the uplift already proposed was considered sufficient and given that the 2016-based household projections underpinned by the 2016 – based SNPP showed a lesser starting point of 356 homes per year. The 481 homes therefore represented an uplift of 37%.

## **UNDERSUPPLY OF HOUSING**

The Council would agree that the start date of the Local Plan is 2011. The plan would therefore run from 2011 – 2031. This would make a total housing need at 481 homes per year over the 20 year period = 9620.

Up to the 1<sup>st</sup> March 2017 the District should have delivered 2886 homes for the period 2011 – 2017, this is 6 x 481, but as set out below the District delivered 1081 homes;

2011	246
2012	240
2013	276
2014	278
2015	405
2016/17	356
<b>Total</b>	<b>1081</b>

$$2886 - 1081 = 1805$$

**This leaves a shortfall of homes of 1805.**

## **HOUSING REQUIREMENT**

The Council confirms its agreement to rebase the housing target to run from March 2017 to 2031. This would mean 14 years remaining in the life of the plan or  $481 \times 14 = 6743$ . Add onto that the shortfall of homes from the years 2011 – end of February 2017.

$$6743 + 1805 = 7819.$$

**7819 is therefore the housing requirement for the period 2017 - 2031**

*With regard to the housing trajectory setting out how the Council believes the housing is going to come forward over the period there are two options to consider or a combination of the two.*

- 1. Liverpool method - spreading the undersupply over the whole plan period, this would equate to 558 homes per year.*
- 2. Sedgefield method – recovering the undersupply within the first five years. This would equate to a trajectory as set out below;*

$$2017 - 2022 = 698 \text{ homes per annum}$$

$$2023 - 2027 = 481 \text{ homes per annum}$$

$$2028 - 2031 = 481 \text{ homes per annum}$$

Given the current situation with completions, the Council believes that the amount of housing set out in the Sedgefield trajectory is unlikely to be completed in the District in exactly the same way it is set out above. The Housing Trajectory setting out all the commitments and the inland housing allocations shows that there will be a predicted rise in completions in the first five years if development comes forward at the rate that those developing have informed the Council.

However, looking at the present year 2017/2018 it is believed that there will be the delivery of approximately 490 homes. The evidence presented in the trajectory ED32 shows that there will be a substantial increase in dwellings coming forward in the next 5 years, therefore the Council proposes to recover the undersupply in the first five years. The trajectory is set out below;

2017/18	490	2022/23	485
2018/19	749	2023/24	481
2019/20	749	2024/25	481
2020/21	749	2025/26	481
2021/22	749	2026/27	481
Total for the period 2017 - 2022	3486	2027/28	481
		2028/29	481
		2029/30	481
		2030/31	481

## OVERALL SUPPLY

The overall supply of housing is set out in Tables A and B in the Core Strategy in Strategic Policy SP3. Table A is reproduced below;

HOUSING TARGET REQUIREMENT 2016-7- 2031	7768-7819
Commitments inland	<del>2777</del> 3118
Commitments coastal	<del>1308</del> 1262
Spilsby site SPY310 which will be started during the plan	350

<del>period and the remaining part of it could start coming forward toward the end of the plan period</del>	
Inland allocations as set out in Table B	<del>3901</del> 4170
<b>Total – This includes a <del>7.3</del> 9.0% buffer against the housing <del>target</del> requirement;</b>	<del>8336</del> 8550
<b>Other sources of housing that could come forward during the plan period – these have not been included in the housing <del>target</del> requirement above <del>only the 15% windfall allowance will be part of the 5-year supply calculations</del></b>	
Possible homes from brownfield sites in the coastal zone	<del>218</del> 448
Possible homes from brownfield sites in the medium and small inland villages	<del>202</del> 245
<del>Windfall allowance 15% of target</del>	<del>1165</del>
<b>Total</b>	<del>1935</del> 693

The table sets out that the housing requirement has now been rebased and runs from 2017 to 2031. The total supply of housing is made up of the following;

Inland commitments – 3118

Coastal commitments – 1262

Inland housing allocations – 4170 (these have been checked and there were no completions in 2016 to 1<sup>st</sup> March 2017).

The figures have been rebased to the 1<sup>st</sup> March 2017, therefore the completions up to this point have been included in the calculations of the undersupply of housing. The Council`s position statement has been remodelled to be based on the three above strands of supply with expires and completed sites removed.

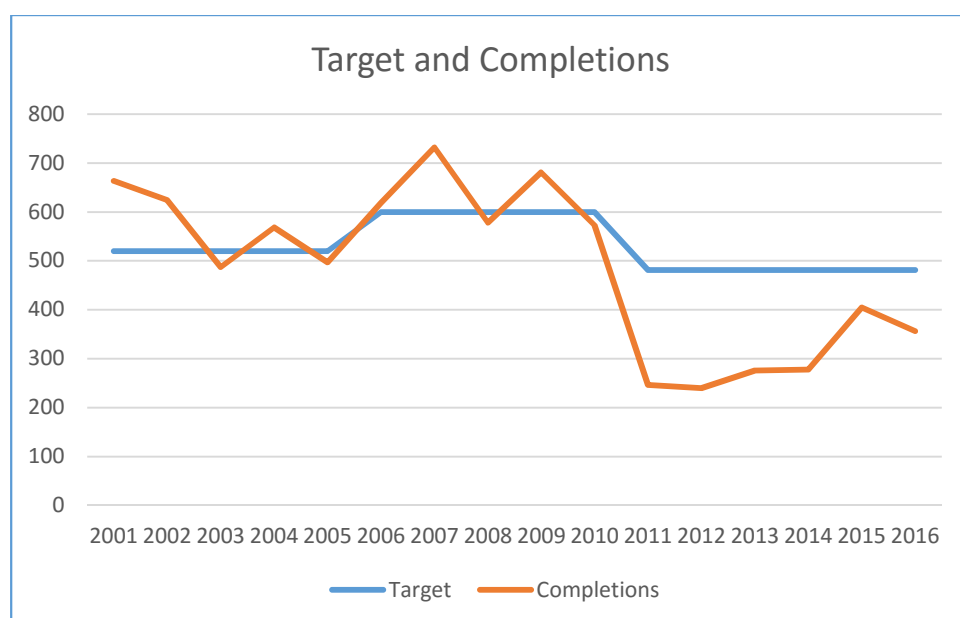
The total available supply is therefore 8550 for the period 2017 – 2031. This leaves a buffer between the housing requirement and available supply of 9% or 731 homes.

## 5% OR 20% BUFFER ON THE FIVE YEAR SUPPLY

During the Examination Hearing on the 13<sup>th</sup> July it was requested that a table be supplied setting out past delivery targets against completions going back to 2001.

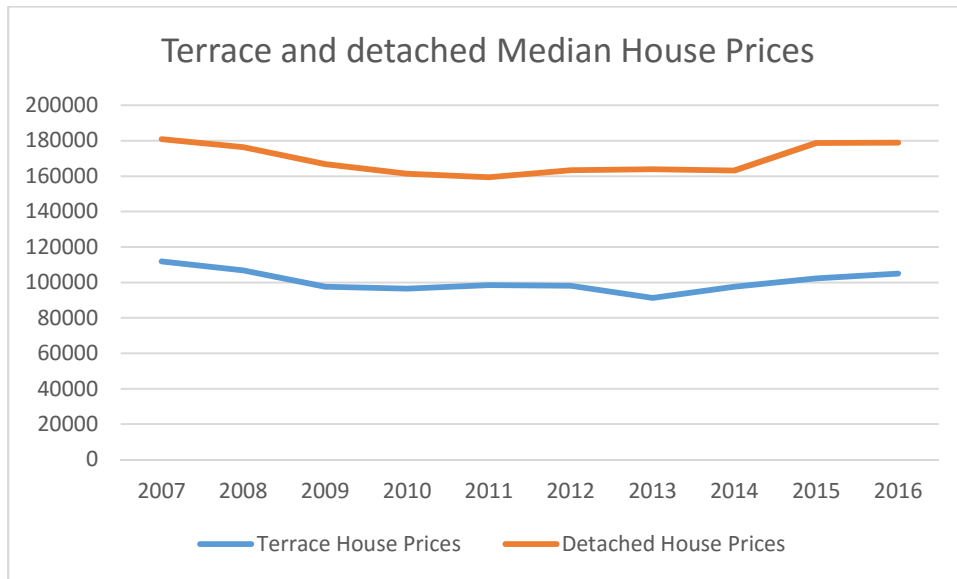
Please see the table and graph below;

Year of Target and Plan	Target	Completions	+ or -
2001 – Adopted Lincolnshire Structure Plan ran from 2001 - 2021	520	663	+143
2002	520	624	+104
2003	520	487	-33
2004	520	568	+48
2005	520	497	-23
2006 – Adopted regional plan	600	619	+19
2007	600	732	+132
2008	600	578	+58
2009	600	681	-22
2010	600	573	-27
2011 – Start period for the Local Plan	481	246	-235
2012	481	240	-241
2013	481	276	-205
2014	481	278	-203
2015	481	405	-76
2016	481	356	-125
<b>Total</b>	<b>8486</b>	<b>7823</b>	<b>-663</b>



The Council would advocate that the above table and graph shows that over a 16 year period there has not been a persistent under-delivery of housing. The table shows that under-delivery only really started to occur after the recession hit the District when the whole housing market nationally was effected by outside economic factors. The Council would also advocate that affordability has not

been an issue with the supply situation as median house prices are only just coming back to 2007 prices with terrace housing not reaching it yet.



Over the whole 16 year period the under delivery is relatively low at 663 homes and the Council would advocate that the buffer should be 5%.

### **5 YEAR SUPPLY**

The Council has worked out its supply based on both the 5% and 20% buffer and this is set out at ED36.

The starting point is the plan period trajectory adding up the first five years of requirement. Onto this is added the 5% or 20% buffer. There are no completions because the housing requirement has been rebased to 2017 and these have been taken into account when calculating the under supply of housing.

The Council has set out all the available housing should it come forward and then a more refined version looking at the deliverability of housing. With a 5% buffer the 5 year supply will be 6.45 years and with a 20% buffer it will be 5.60 years. The Council has included the pipeline sites which are waiting for their S106 to be signed; the decision to approve has already been made in these cases.